

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
DEPARTMENT
OIL CONSERVATION DIVISION**

RECEIVED

In the matter of the hearing called
by the Oil Conservation Division
for the purpose of considering:

SEP 5 1995

Oil Conservation Division

Application of Nearburg Exploration Case No. 11377
Company for an Unorthodox Gas Well
Location, Eddy County, New Mexico.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Nearburg
Exploration Company as required by the Oil Conservation
Division.

APPEARANCE OF PARTIES

APPLICANT IN CASE 11377

Nearburg Exploration Company
3300 North "A" Street
1 Petroleum Center, Bldg 8/100
Midland, Texas 79705
Attn: Bob Shelton
1-915-686-8235

ATTORNEY

W. Thomas Kellahin
Kellahin and Kellahin
P.O. Box 2265
Santa Fe, New Mexico
(505) 982-4285

STATEMENT OF CASE

Nearburg Exploration Company proposes to drill, at an unorthodox gas well location, its Trigg "29" Federal Com Well No. 1, in the S/2 of Section 29, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

The proposed well will be dedicated to a 320-acre spacing unit and to any and all production therein including but not necessarily limited to the Undesignated Scoggin Draw-Morrow Gas Pool, Logan Draw-Morrow Gas Pool, Logan-Wolfcamp Gas Pool, Red Lake-Pennsylvanian Gas Pool and/or the Chalk Bluff-Wolfcamp Gas Pool. The proposed gas well potentially will be located within one mile of the current boundaries of the described gas pools.

The proposed Trigg "29" Federal Com Well No. 1 will be drilled at an unorthodox location because of a combination of topographical limitations, Bureau of Land Management surface use restrictions and geologic reason and to attempt to recover any remaining recoverable gas reserves underlying the S/2 of Section 29, thereby protecting correlative rights and prevent waste.

Approval will afford the applicant the opportunity to produce its just and equitable share of the remaining gas underlying this unit, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

PROPOSED EVIDENCE

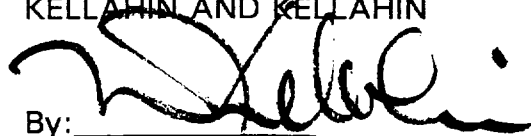
APPLICANT

WITNESSES	EST. TIME	EXHIBITS:
Mike Gray (Landman)	10 min.	2
Jerry Elger (Geologist)	20 min.	3

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN



By: _____
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