

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

RECEIVED
JUN 15 1986
Oil Conservation Division

**APPLICATION OF NEARBURG EXPLORATION
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.**

CASE NO. 11481

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by NEARBURG
EXPLORATION CORPORATION, as required by the Oil Conservation
Division.

APPEARANCE OF PARTIES

APPLICANT

Nearburg Exploration Corporation
3300 North "A" Street
Midland, Texas 79705
(915) 686-8235
attn: Bob Shelton

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

OPPONENTS

Read & Stevens

Mallon Oil Company

ATTORNEYS

Ernie L. Padilla

Jim Bruce

STATEMENT OF CASE

APPLICANT:

Nearburg has a working interest ownership in the oil and gas minerals from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 10, T24S, R26E, NMPM, Eddy County, New Mexico.

The subject tract is located within one-mile of the current boundaries of the South Carlsbad-Morrow Gas Pool, and the White City-Opwennsylvanian Gas Pool.

The subject well is to be drilled at an unorthodox gas well location 990 feet from the West line and 1330 feet from the North line (Unit E) of Section 10 to test any and all formations from the top of the Wolfcamp formation to the base of the Morrow formation.

The unorthodox location is based upon an effort to minimize the geologic risk involved in drilling this well to the Morrow formation by placing it at the optimum location for Morrow formation production.

PROPOSED EVIDENCE

APPLICANT:

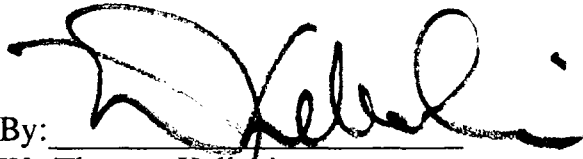
WITNESSES	EST. TIME	EXHIBITS
MIke Gray (landman)	10 min.	@ 2 exhibits
Jerry Elger (geologist)	30 Min.	@ 3 exhibits
Tim McDonald (Petroleum Engineer)	30 Min	@ 6 exhibits

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PROCEDURAL MATTERS

Mallon has filed a motion requesting a two weeks continuance.
Nearburg is opposed to the continuance.

KELLAHIN AND KELLAHIN

By: 
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