

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:

APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE 11861

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Nearburg Exploration Company, L.L.C.
c/o Bob Shelton
3300 North "A" Street, Suite 120
Midland, TX 79705
(915) 686-8235

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

name, address, phone and
contact person

OTHER PARTY

ATTORNEY

name, address, phone and
contact person

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Nearburg Exploration Company, L.L.C., applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Strawn formation, for all formations developed on 160-acre spacing in the NE/4 of Section 19, including the North Shoe Bar-Wolfcamp Pool and for all formations developed on 40-acre spacing in the NE/4 NE/4 of Section 19, Township 16 South, Range 36 East. Said units are to be dedicated to its Gandy 19 Well No. 1 to be drilled at a standard location 810 feet from the North line and 660 feet from the East line (Unit A) of said section 19 to test all formations from the surface to the base of the Strawn formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

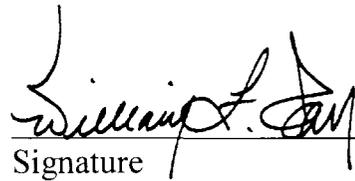
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Duke Roush, Land	10 Min.	Approximately 4
Jerry Elger, Geology	10 Min.	Approximately 3

OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
-----------------------------------	-----------	----------

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)


Signature