

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:

MAY - 6 1999

CONSERVATION

APPLICATION OF NEARBURG EXPLORATION  
COMPANY, L.L.C. FOR  
COMPULSORY POOLING AND  
AN UNORTHODOX WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

CASE 11976

**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**

Phillips Petroleum Company  
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\_\_\_\_\_  
\_\_\_\_\_

W. Thomas Kellahin, Esq.  
Kellahin & Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265  
(505) 982-4485

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 Lots 1, 2, 7, 8, 9, 10, 15 and 16, containing 319.97 acres, more or less, for all formations developed on 320-acre spacing, including but not limited to the Hat Mesa-Morrow Gas Pool; in Lots 9, 10, 15 and 16 for all formations developed on 160-acre spacing; in Lots 15 and 16 for all formations developed on 80-acre spacing; and in Lot 16 for all formations developed on 40-acre spacing, of Section 2, Township 21 South, Range 32 East. Said units are to be dedicated to its Minis "2" Federal Well No. 1 to be drilled to the Morrow formation at an unorthodox location 3630 feet from the South line and (990 feet from the South line of the dedicated stand-up spacing unit) and 660 feet from the East line of said Section 2. 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

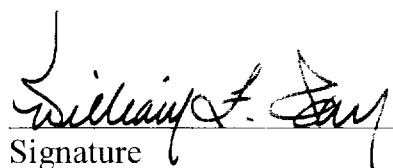
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Duke Roush, Land	10 Min.	Approximately 5
Jerry Elger, Geology	15 Min.	Approximately 2
Tim McDonald, Engineering	10 Min.	Approximately 4

OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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**PROCEDURAL MATTERS**

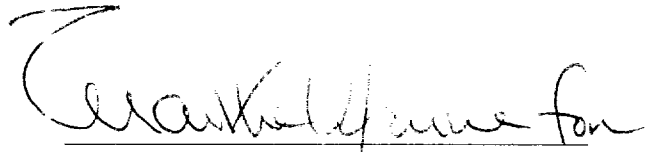
(Please identify any procedural matters which need to be resolved prior to hearing)

  
Signature

**CERTIFICATE OF MAILING**

I hereby certify that on this 6th day of May, 1998, I have caused to be mailed a copy of our Pre-Hearing Statement in the above-captioned cases to the following counsel of record:

W. Thomas Kellahin, Esq.  
Kellahin & Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

  
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William F. Carr