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2-28-00

**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:**

CASE NO. 12351

**APPLICATION OF NEARBURG EXPLORATION
COMPANY, LLC, FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

OIL CONSERVATION DIV.
C7 FEB 25 PM 4:30

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

Nearburg Exploration Co., LLC
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705
(915) 686-8235
Attn: Mark Wheeler

ATTORNEY

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

OPPOSITION OR OTHER PARTY

Arch Petroleum, Inc.
10 Desta Drive, Suite 420E
Midland, TX 79705
(915) 685-1961

ATTORNEY

James Bruce, Esq.
P.O. Box 1056
Santa Fe, NM 87504
(505) 982-2043

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, the W/2 for all formations developed on 320-acre spacing, the NW/4 for all formations developed on 160-acre spacing, the W/2 NW/4 for all formations developed on 80-acre spacing, and the SW/4 NW/4 for all formations developed on 40-acre spacing, all in Section 19, Township 18 South, Range 27 East, NMPM. Applicant proposes to dedicate these pooled units to its proposed Rio Pecos 19 Well #1, to be drilled at a standard gas well in the SW/4 NW/4 of said Section 19. Also to be considered will 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. Said area is located approximately 10 miles southeast of Artesia, New Mexico

OPPOSITION OR OTHER PARTY

PROPOSED EVIDENCE

APPLICANT

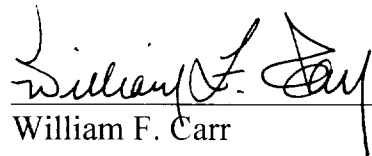
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mark Wheeler (Landman)	15 Min.	Approx. 6
Jerry Elger (Geology)	10 Min.	Approx. 2

OPPOSITION

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

Nearburg has none at this time.

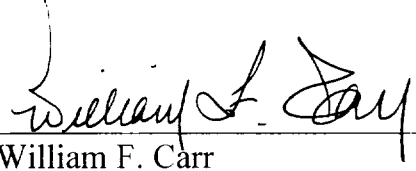


William F. Carr

CERTIFICATE OF MAILING

I hereby certify that on this 2^{5th} day of February, 2000, I have caused to be delivered, a copy of our Pre-Hearing Statement in the above-captioned cases to the following counsel of record via the US Postal Service.

James Bruce, Esq.
P.O. Box 1056
Santa Fe, New Mexico 87504



William F. Carr