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PLEASE REPLY TO SANTA FE

August 4, 2000

Mark Ashley
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505


Re: Application of Nearburg Exploration Company, L.L.C. for Compulsory Pooling,
Eddy County, New Mexico; NMOCD Case No. 12,465

Dear Mr. Ashley:

Enclosed is a copy of Nearburg's Pre-Hearing Statement in the above-referenced case.

Sincerely,

MILLER, STRATVERT & TORGERSON, P.A.


Amanda Olsen, CLA
Paralegal

Enclosure(s) -- as stated
/ao

2742/25149/Letters/Ashley ltr.doc

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

IN THE MATTER OF THE APPLICATION OF
NEARBURG EXPLORATION COMPANY, L.L.C.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE No. 12,465

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller, Stratvert & Torgerson, P.A. on behalf of Nearburg Exploration Company, L.L.C, as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, P.A.
Post Office Box 1986
Santa Fe, New Mexico 87504
(505) 989-9614

APPLICANT

Nearburg Exploration Company, L.L.C.

OPPONENT'S ATTORNEY

None to date/unknown

OPPONENT

OTHER PARTY'S ATTORNEY

None to date/unknown

OTHER PARTY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests underlying the E/2 of Section 19, Township 18 South, Range 28 East and in the following manner: : a.) E/2 to form a standard 320-acre gas spacing and proration unit or units for all formations and/or pools developed on 320-acre spacing within that vertical extent, including the undesignated North Illinois Camp Morrow Gas Pool and the undesignated South Empire Morrow Gas Pool; b.) NE/4 for all 160 acre formations; c) N/2 NE/4 for all 80 acre formations and d.) NW/NE for all 40 acre formations, including the Artesia Queen, Grayburg- San Andres pool. Said units are to be dedicated to Applicant's proposed Pathfinder 19 State Com. No. 1 Well to be drilled at a standard location 660 feet from the North line and 1,980 feet from the East line of said Section 19. 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 Nearburg Producing Company, L.L.C. as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 10 miles southeast of Artesia, New Mexico.

PROPOSED EVIDENCE

• WITNESSES:	Est. Time	No. of Exhibits
Mark Wheeler, Landman	25 Minutes	6
Jerry Elder, Geologist	20 Minutes	3

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

None.

MILLER, STRATVERT & TORGERSON, P.A.

By J. Scott Hall
J. Scott Hall, Esq.
Post Office Box 1986
Santa Fe, New Mexico 87504
(505) 989-9614

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Pre-Hearing Statement was sent this 4
day of August, 2000 to the following counsel of record:

Mark Ashley
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

J. Scott Hall
J. Scott Hall