

**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. 12900

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

PRE-HEARING STATEMENT

Holland & Hart LLP submits this Pre-Hearing Statement as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Nearburg Exploration Company, L.L.C.
Attention: Bob Shelton
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ATTORNEY

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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the surface to the base of the Strawn formation in the S/2 SW/4 of Section 10, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico for all formations and/or pools developed on 80-acre

spacing which includes but is not necessarily limited to the Undesignated Humble City-Strawn Pool and the Undesignated Shipp-Strawn Pool. Said unit is to be dedicated to its Voyager (Shipp #1-4 Well, a re-entry of the Hanley Shipp #1 Well, at a surface location 990 feet from the South line and 330 feet from the West line and directionally drilled to an unorthodox bottomhole location 860 feet from the South line and 1400 feet from the West line of said Section 10 to a depth sufficient 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7 miles Southeast of Lovington, New Mexico.

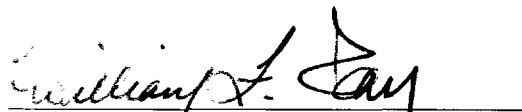
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Robert Shelton (Landman)	Approx. 30 Minutes	8
Terry Durham (Geophysist)	Approx. 30 Minutes	6

PROCEDURAL MATTERS

Nearburg Exploration Company, L.L.C., has none at this time.



William F. Carr
Attorney for Nearburg Exploration Company, L.L.C.