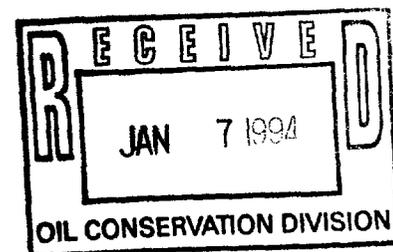


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:



APPLICATION OF NEARBURG PRODUCING
COMPANY FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO.

CASE NO. 10,788
(DE NOVO)

APPLICATION OF YATES PETROLEUM
CORPORATION FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 10,790
(DE NOVO)

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 10,823
(DE NOVO)

CONSOLIDATED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Nearburg Producing Company as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Nearburg Producing Company
Suite 8100
3300 North "A" Street
Midland, Texas 79705
(915) 686-8235
Attention: R. Shelton

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Pre-Hearing Statement
NMOCC Case Nos. 10,788, 10,790,
and 10,823
Page 2

OPPOSITION OR OTHER PARTY

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

ATTORNEY

Ernest L. Carroll
Losee, Carson, Haas & Carroll
Post Office Drawer 239
Artesia, New Mexico 88211-0239
(505) 746-3505

STATEMENT OF CASE

APPLICANT

Case Nos. 10788 and 10790: Nearburg Producing Company owns the NE $\frac{1}{4}$ and W $\frac{1}{2}$ of Section 2 - 22 South - 24 East. Yates owns the SE $\frac{1}{4}$ of Section 2. Nearburg seeks to pool the E $\frac{1}{2}$ of Section 2 - 22 South - 24 East for a well to be drilled to the Cisco/Canyon formation (Indian Basin-Upper Pennsylvanian Associated Pool). Yates seeks to drill a well to test the Morrow formation, and to dedicate the S $\frac{1}{2}$ of Section 2 to the well. (The primary target of the Yates well is, however, the Cisco/Canyon.) Nearburg has completed a well in the NW $\frac{1}{4}$ of Section 2 in the Cisco/Canyon, with the W $\frac{1}{2}$ dedicated to said well. Both parties proposed wells are located in the Se $\frac{1}{4}$ of Section 2. Because Nearburg has already dedicated the W $\frac{1}{2}$ to a Cisco/Canyon well, any well approved by the Commission should have an E $\frac{1}{2}$ dedication. Also, because the Morrow in this area is so risky geologically, the commission should not grant any pooling request as to the Morrow.

The Division granted Nearburg's request for an E $\frac{1}{2}$ Cisco/Canyon unit, and also granted Yates' request for a S $\frac{1}{2}$ Morrow unit. These two case are before the Commission on Yates' appeal.

Case No. 10823: Nearburg owns the S $\frac{1}{2}$ of Section 10 - 22 South - 24 East, and Yates owns the N $\frac{1}{2}$ of the section. Nearburg seeks to pool the W $\frac{1}{2}$ of section 10 for a well to test the Cisco/Canyon formation. The E $\frac{1}{2}$ of the section is wet in said zone, and thus only prospective acreage (the W $\frac{1}{2}$) should be included in the spacing and proration unit.

The Division denied Nearburg's application, and this case is before the Commission on Nearburg's appeal.

OPPOSITION

PROPOSED EVIDENCE

APPLICANT

	WITNESSES	EST. TIME	EXHIBITS
1.	Robert Shelton (Landman)	25 minutes	(a) Land plats. (b) Correspondence. (c) AFE and APD. (d) Activity map.
2.	Jerry Elger (Geologist)	20 minutes	(a) Structure map. (b) Isopachs. (c) Cross-section.
3.	T. McDonald	10 minutes	(a) Cisco/ Canyon and Morrow economics. (b) Morrow well data.

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

Nearburg requests that the cases be consolidated for hearing, since much of the data that will be presented is common or overlapping.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

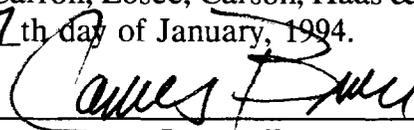


James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Nearburg Producing Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Pre-hearing Statement was sent via facsimile transmission to Ernest L. Carroll, Losee, Carson, Haas & Carroll, P.O. Drawer 239, Artesia, New Mexico 88211, this 7th day of January, 1994.



James Bruce

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

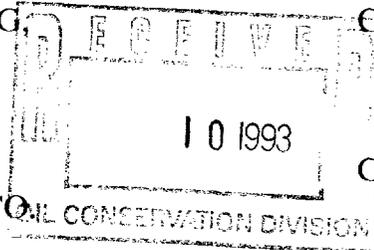
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
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CONSIDERING:

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO.

CASE NO. 10,788

APPLICATION OF YATES PETROLEUM
CORPORATION FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 10,790



CONSOLIDATED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Nearburg Producing Company as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Nearburg Producing Company
Suite 8100
3300 North "A" Street
Midland, Texas 79705
(915) 686-8235
Attention: R. Shelton

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
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Santa Fe, New Mexico 87504-2068
(505) 982-4554

OPPOSITION OR OTHER PARTY

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

ATTORNEY

Ernest L. Carroll
Losee, Carson, Haas & Carroll
Post Office Drawer 239
Artesia, New Mexico 88211-0239
(505) 746-3505

STATEMENT OF CASE

APPLICANT

Nearburg Producing Company seeks to pool the E½ of Section 2 - 22 South - 24 East for a well to be drilled to the Cisco/Canyon formation (Indian Basin-Upper Pennsylvanian Associated Pool). Nearburg believes the pool in this section will be better developed with its proposed E½ and W½ units.

OPPOSITION

Yates Petroleum Corporation seeks to pool the S½ of Section 2 - 22 South - 24 East for a well to be drilled to test the Cisco/Canyon and Morrow formations.

PROPOSED EVIDENCE

APPLICANT

	WITNESSES	EST. TIME	EXHIBITS
1.	Robert Shelton (Landman)	15 minutes	(a) Land plat. (b) Correspondence. (c) AFE and AFE data. (d) Notice letter.
2.	Jerry Elger (Geologist)	20 minutes	(a) Structure map. (b) Isopachs. (c) Cross-section.

OPPOSITION

WITNESSES

EST. TIME

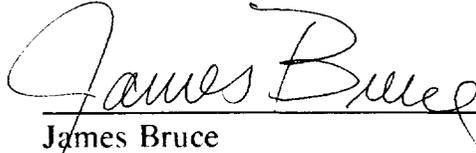
EXHIBITS

PROCEDURAL MATTERS

Both parties request that the cases be consolidated for hearing.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

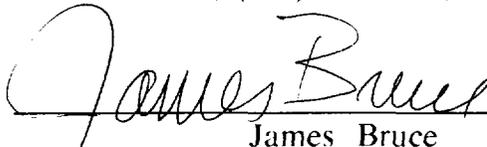


James Bruce
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Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Mewbourne Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Pre-hearing Statement was sent via facsimile transmission to Ernest L. Carroll, Esq., Losee, Carson, Haas & Carroll, 105 South Fourth, Artesia, New Mexico 88211, (505) 746-6316, this 10th day of August, 1993.



James Bruce

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

10 1993

IN THE MATTER OF THE APPLICATION OF :
NEARBURG PRODUCING COMPANY FOR : CASE NO. 10,788
COMPULSORY POOLING, EDDY COUNTY, :
NEW MEXICO :
:

Consolidated with:

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR : CASE NO. 10,790
COMPULSORY POOLING, EDDY COUNTY, :
NEW MEXICO :
:

CONSOLIDATED PREHEARING STATEMENT

This prehearing statement is submitted by YATES PETROLEUM CORPORATION, as required by the Oil Conservation Division. Both Case No. 10,788 and Case No. 10,790 concern pooling formations under Section 2, Township 22 South, Range 24 East, N.M.P.M. Counsel for Yates Petroleum Corporation and counsel for Nearburg Producing Company agree that the two cases should be consolidated.

APPEARANCES OF PARTIES

ATTORNEY

Nearburg Producing Company

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(505)982-4554

ATTORNEY

Yates Petroleum Corporation

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