

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:

JUN 3 1994

APPLICATION OF NEARBURG EXPLORATION
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

CASE NO. 10997

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by NEARBURG
EXPLORATION CORPORATION, as required by the Oil Conservation
Division.

APPEARANCE OF PARTIES

APPLICANT

Nearburg Exploration Corporation
3300 North "A" Street
Midland, Texas 79705
(915) 686-8235
attn: Bob Shelton

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATEMENT OF CASE

Nearburg has a 93.653 % working interest ownership in the oil and gas minerals from the top of the Wolfcamp formation to the base of the Morrow formation underlying the N/2 of Section 30, T19S, R25E, NMPM, Eddy County, New Mexico.

The subject tract is located within one-mile of the current boundaries of the Cemetery-Morrow Gas Pool, said pool being spaced on 320-acre gas spacing and proration units pursuant to Division Order R-3194 issued effective February 15, 1967.

The subject well is to be drilled at an unorthodox gas well location 1450 feet from the East line and 1450 feet from the North line (Unit G) of Section 26 to test any and all formations in the pooled interval from the top of the Wolfcamp formation to the base of the Morrow formation.

The unorthodox location is based upon an effort to minimize the geologic risk involved in drilling this well and is at a location preferable to a standard location in the spacing unit.

Nearburg has the voluntary agreement of approximately 93.653 % of the working interest ownership of the oil & gas minerals from the top of the Wolfcamp to the base of the Morrow formation underlying the N/2 of Section 26.

Nearburg has proposed the subject well and its spacing unit to Anadarko Petroleum Corporation which owns the remaining 6.347 % working interest. Despite its good faith efforts, Nearburg has been unable to obtain a written voluntary agreement from Anadarko Petroleum Corporation.

In addition, there is a non-participating royalty interest which is entitled to a 152/320th of 1/6th of 1/8th royalty on any and all production obtained from any formation from the surface to the base of the Morrow formation. Despite its good faith effort, Nearburg has been unable to locate any of these parties who may be entitled to this royalty interest and requests that the Division authorize the pooling of this interest.

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PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Joe Fitzgerald (landman)	20 min.	@ 6 exhibits
Jerry Elger (geologist)	20 Min.	@ 3 exhibits
Terry Durham (geophysicist)	20 Min.	@ 3 exhibits

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN

By: 

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