



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

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April 4, 2012

Ms. Jami Bailey, Director  
NM Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87501

**Hand-Delivered**

**Re: NMOCD Case No. 14745: Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing and Proration Unit, An Unorthodox Surface Location, and Compulsory Pooling, Eddy County, New Mexico**

Dear Ms. Bailey:

On behalf of Nearburg Producing Company, enclosed for filing is an original and one copy of a Second Amended Pre-Hearing Statement in the above-referenced case.

Very truly yours,

Karen Williams  
Assistant to J. Scott Hall

JSH:kw  
Enclosures

365655

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

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IN THE MATTER OF THE APPLICATION OF  
NEARBURG PRODUCING COMPANY FOR  
DESIGNATION OF A NON-STANDARD OIL  
SPACING AND PRORATION UNIT, AN  
UNORTHODOX SURFACE LOCATION AND  
COMPULSORY POOLING, EDDY COUNTY, NEW  
MEXICO

CASE NO. 14745

SECOND AMENDED PRE-HEARING STATEMENT

Nearburg Producing Company ("Nearburg") provides this Second Amended Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

APPLICANT

Nearburg Producing Company  
3300 North "A" Street  
Building 2, Suite 120  
Midland, TX 79705

APPLICANT'S ATTORNEY

J. Scott Hall  
Montgomery & Andrews  
P.O. Box 2307  
Santa Fe, NM 87504-2307  
(505) 982-3873

OTHER PARTY

Mewbourne Oil Company

OTHER PARTY'S ATTORNEY

Adam Rankin, Esq.  
Holland & Hart  
P.O. Box 2208  
Santa Fe, NM 87504-2208  
(505) 983-6043

**STATEMENT OF THE CASE**

APPLICANT

Nearburg seeks an order consolidated each of the 40-acre spacing units within the S/2 SW/4 & the SW/4 SE/4 of Section 34, Township 19 South, Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso Pool (97565), for Nearburg's horizontal drilling project area; and Pooling all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & the SW/4 SE/4 of Section 34.

The proposed non-standard unit will be dedicated to its Irami 34 MO Fed Com No. 1-H Well to be drilled horizontally from an unorthodox surface location (revised) 330' from the South line and 165' from the West line, to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, Township 19 South, Range 25 East to a depth sufficient to test the Glorieta-Yeso formation underlying the proposed project area.

**PROPOSED EVIDENCE**

APPLICANT

| <u>WITNESSES</u>         | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|--------------------------|------------------|-----------------|
| Russell Wickman, Landman | 20 min.          | 6               |
| Bill Elton, Geologist    | 20 min.          | 2               |

OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|------------------|------------------|-----------------|
|------------------|------------------|-----------------|

Nearburg has obtained the voluntary participation of Mewbourne Oil Company. Only the compulsory pooling of the interests of certain remaining unresponsive third-parties is now sought.

**PROCEDURAL MATTERS**

None.

MONTGOMERY & ANDREWS, P.A.

By: J. Scott Hall

J. Scott Hall, Esq.  
Post Office Box 2307  
Santa Fe, New Mexico 87504  
(505) 982-3873  
Attorneys for Nearburg Producing Company

**Certificate of Service**

I hereby certify that on April 4, 2012, a true and correct copy of the foregoing was delivered to the following parties by electronic mail:

Adam Rankin, Esq.  
Holland & Hart  
P.O. Box 2208  
Santa Fe, NM 87504-2208  
agrarkin@hollandhart.com  
Attorney for Mewbourne Oil Co.

J. Scott Hall

J. Scott Hall