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March 22, 2012

Hand-Delivered

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

Re: NMOCD Case No. 14804: Application of Nadel and Gussman Permian for Approval of a Four 160-Acre Horizontal Wellbore Project, Eddy County, New Mexico

Dear Ms. Bailey:

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

Very truly yours,

Karen William

Karen Williams Assistant to J. Scott Hall

:kw Enclosures

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REPLY TO:

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STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION COMMISSION $\mathbb{R}[\mathbb{C}[\mathbb{V}[])$

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APPLICATION OF NADEL AND GUSSMAN PERMIAN FOR APPROVAL OF FOUR 160-ACRE HORIZONTAL WELLBORE PROJECT AREAS, EDDY COUNTY, NEW MEXICO

CASE NO. 14804

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Nadel and Gussman Permian

OTHER PARTY

Nearburg Producing Company

APPLICANT'S ATTORNEY

James Bruce, Esq. P.O. Box 1056 Santa Fe, NM 87504 (505) 982-2043

OTHER PARTY'S ATTORNEY

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

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order for approval of four non-standard horizontal wellbores project areas, each consisting of 160-acre, more or less, to be dedicated to any production from the Yeso Formation to be configured as follows:

- Lawman 1-H (API #30-015-39874) consisting of the W/2SW/4 of Sec 12 and the W/2NW/4 of Sec 13, T19S, R25E,
- (2) Lawman 2-H (API #30-015-39875) consisting of the E/2SW/4 of Sec 12 and the E/2NW/4 of Sec 13, T19S, R25E,
- (3) Lawman 3-H (API #30-015-39876) consisting of the W/2SE/4 of Sec 12 and the W/2NE/4 of Sec 13, T19S, R25E,
- (4) Lawman 4-H (API #30-015-39877) consisting of the E/2SE/4 of Sec 12 and the E/2NE/4 of Sec 13, T19S, R25E,

OTHER PARTY

Nearburg Producing Company is the owner of oil and gas leasehold working interests located in the vicinity of the lands that are the subject of Nadel and Gussman Permian's Application.

PROPOSED EVIDENCE

<u>APPLICANT</u>

WITNESSES

EST. TIME EXHIBITS

<u>OPPONENT</u>

<u>WITNESSES</u>

EST. TIME EXHIBITS

Nearburg does not at this time plan to present witnesses at the hearing on the Application, but reserves the right to do so.

PROCEDURAL MATTERS

None.

Montgomery and Andrews, P. A.

By:

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J. Scott Hall Post Office Box 2307 Santa Fe, New Mexico 87504-2307 (505) 982-3873 (505) 982-4289 fax shall@montand.com Attorneys for Nearburg Producing Company

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served to counsel of record by electronic mail this $\underline{\tau \tau}$ day of March, 2012.

James Bruce, Esq. P.O. Box 1056 Santa Fe, NM 87504 jamesbruc@aol.com

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J. Scott Hall

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