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**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:**

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

**Case No. 14,272**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Mewbourne Oil Company  
Building 2, Suite 120  
3300 North A Street  
Midland, Texas 79705

**APPLICANT'S ATTORNEY**

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

Attention: Ken Dixon  
(432) 686-8235  
KDixon@nearburg.com

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order pooling all mineral interests from the top of the ~~Wolfcamp formation to the base of the Atoka formation underlying the W/2 of Section 24, Township 19 South, Range 25 East, NMPM~~, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated ~~Boyd-Strawn Gas Pool~~. The unit is to be dedicated to the existing Fairchild 24 Well No. 1, to be reworked or recompleted at an unorthodox gas well location 2100 feet from the north line and 900 feet from the west line of Section 24. Also to be considered will be the cost of reworking

Gas

and recompleting the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator of the well, and a 200% charge for the risk involved in reworking and recompleting the well.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Ken Dixon	15 min.	Approx. 5

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE SUBMITTED BY AFFIDAVIT.

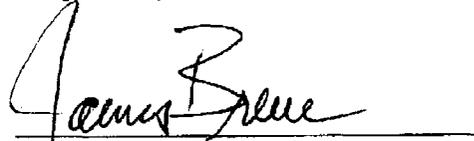
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Nearburg Exploration  
Company, L.L.C.