

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:

CASE NO. 11358  
ORDER NOS. R-7637-A AND R-8139-A

APPLICATION OF NEARBURG EXPLORATION COMPANY  
TO TERMINATE SALT WATER DISPOSAL INTO AN  
INJECTION WELL BY RESCINDING ORDER R-7637  
FOR ANADARKO PETROLEUM CORPORATION'S  
DAGGER DRAW SWD WELL NO. 1  
EDDY COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

COMES NOW NEARBURG EXPLORATION COMPANY ("Nearburg"), by and through its attorneys, Turner & Davis, and files its pre-hearing statement for the referenced case.

Nearburg will call the following witnesses:

(1) Tim MacDonold will testify regarding the damage to existing oil and gas production caused by the injection of water into the salt water disposal well which is the subject matter of this case. Mr. MacDonold's testimony will be from the perspective of an oil and gas engineer.

(2) Jerry Elger will testify regarding the geologic aspects of the injection of water by the salt water disposal wells which are the subject of this hearing.

(3) Bob Shelton will testify regarding the land and ownership aspects of this case.

Our case will be to demonstrate that damage has occurred and continues to occur to productive and potentially productive formations as a result of the water that has been and is being injected into the disposal well which is the subject of this case.

Respectfully submitted,

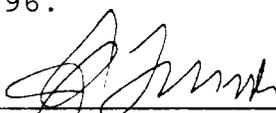
**TURNER & DAVIS**  
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By:   
\_\_\_\_\_  
J. Randy Turner  
State Bar No. 4009

ATTORNEYS FOR NEARBURG EXPLORATION  
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that I caused to be mailed and faxed a true and correct copy of the foregoing to all counsel of record in this case on this 8th day of March, 1996.

  
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J. Randy Turner