

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 FOR AN UNORTHODOX GAS WELL
LOCATION AND NON-STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

CASE 11535

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Nearburg Exploration Company
c/o Bob Shelton
3300 North "A" Street, Suite 120
Midland, TX 79705
(915) 686-8235

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Nearburg Exploration Company, applicant in the above-styled cause, seeks approval to drill its Minis "1" Federal Com Well No. 3 at an unorthodox gas well location 3300 feet from the South line and 1310 feet from the West line of Irregular Section 1, Township 21 South, Range 32 East, to test the Undesignated Hat Mesa-Morrow Gas Pool, Lots 3, 4, 5, 6, 11, 12, 13 and 14, of said Irregular Section 1 to be dedicated to said well to form a non-standard 317.66-acre gas spacing and proration unit for said pool.

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

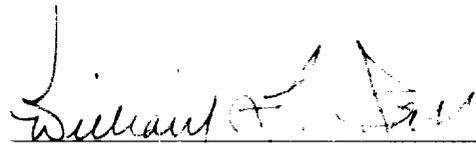
| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|-----------------|
| Mike Gray, Land | 10 Min. | Approximately 4 |
| Jerry Elger, Geology | 15 Min. | Approximately 4 |

OTHER PARTY

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|----------|
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)



Signature