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. 12415

APPLICATION OF NEARBURG EXPLORATION COMPANY, L.L.C. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

OL OLYSSIA FAIRS: 14

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 ATTORNEY

Nearburg Exploration Company, L.L.C.
c/o Mark Wheeler
Campbell, Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
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OPPOSITION OR OTHER PARTY ATTORNEY

Marbob Energy Corporation Paul R. Owen, Esq.
Mr. Raye Miller Montgomery & Andrews
P.O. Box 227 325 Paseo de Peralta
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STATEMENT OF CASE

APPLICANT

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 320acre spacing in the E/2, in all formations developed on 160-acre spacing in the NE/4, in all formations developed on 80-acre spacing in the E/2 NE/4, and in all formations developed on 40-acre spacing in the SE/4 NE/4 of Section 29 Township 18 South, Range 28 East. Said unit is to be dedicated to its Pathfinder "29" State Com Well No. 1 to be drilled at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 29 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. Also to be considered will be the cost of drilling and completing said 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 charge for risk involved in drilling said well. Said area is located approximately 9 miles Southeast of Artesia, New Mexico.

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PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mark Wheeler (Landman)	15 Min.	Approx. 15
Jerry Elger (Geology)	10 Min.	Approx. 2

OPPOSITION

WITNESSES EST. TIME EXHIBITS (Name and expertise)

PROCEDURAL MATTERS

Nearburg Exploration has none at this time.

William F. Carr

Attorney for Nearburg Producing, Inc.

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CERTIFICATE OF SERVICE

I hereby certify that on this 26th day of May, 2000, I have caused to be fax - delivered a copy of our Prehearing Statement in the above-captioned case to the following named parties:

Paul R. Owen, Esq. Montgomery & Andrews 325 Paseo de Peralta Santa Fe, NM 87501

William F. Carr