

**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:**

**OIL CONSERVATION DIV.
01 MAR - 5 PM 4: 50**

**APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR HARDSHIP GAS WELL
CLASSIFICATION PURSUANT TO DIVISION RULES
408, 409, 410 AND 412, EDDY COUNTY, NEW MEXICO.**

CASE NO. 12607

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT
Nearburg Exploration Co., L.L.C.
Attn: Duke Roush
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
(915) 686.8235

ATTORNEY
William F. Carr, Esq.
Holland & Hart LLP and Campbell & Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988.4421

STATEMENT OF CASE

APPLICANT

Applicant seeks a determination that its Shelby Federal Well No. 3 (**API No. 30-015-25949**), located 1900 feet from the South line and 2150 feet from the West line (Unit K) of Section 12, Township 22 South, Range 24 East, McKittrick Hills-Upper Pennsylvanian Gas Pool, is a hardship gas well under Division Rule 408 that should be granted priority access to pipeline takes in order to avoid waste. This well is located approximately 13 miles west of Carlsbad, New Mexico.

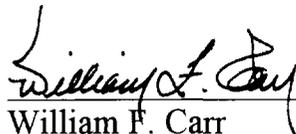
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Duke Roush (Land)	10 Minutes	Approx. 3
Clyde Findlay (Engineering)	20 Minutes	Approx. 8

PROCEDURAL MATTERS

Nearburg Exploration Company, LLC has none at this time.



William F. Carr

Attorney for Nearburg Exploration Company, LLC