

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

OIL CONSERVATION DIV.
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IN THE MATTER OF THE APPLICATION
OF NEARBURG EXPLORATION COMPANY,
L.L.C. FOR TWO NON-STANDARD GAS
SPACING AND PRORATION UNITS,
LEA COUNTY, NEW MEXICO.

CASE NO. 12,622

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller, Stratvert & Torgerson, P.A.
on behalf of Raptor Natural Pipeline, LLC, as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

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APPLICANT

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OPPONENT

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OTHER PARTY'S ATTORNEY

None to date/unknown

OTHER PARTY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an exception to the spacing provisions of Division Rule 104.C (2) to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-Morrow Gas Pool comprising: (i) the NE/4 of Section 34, Township 21 South, Range 34 East, to be dedicated to the Nearburg Producing Company's existing Grama Ridge East "34" State Well No. 1 (API No. 30-025-34948), located at a standard gas well location 1548 feet from the North line and 990 feet from the East line (Unit H) of Section 34; and (ii) the SE/4 of Section 34 to be dedicated to the EOG Resources, Inc. operated Llano "34" State Well No. 1 (API No. 30-025-26318), located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of Section 34. These two wells are located approximately 17 miles west of Eunice, New Mexico.

The acreage proposed to be dedicated to the non-standard spacing and proration units are subject to the Grama Ridge Morrow Gas Storage Unit. Raptor Natural Pipeline, LLC is the Unit Operator for the Grama Ridge Morrow Gas Storage Unit. Raptor also owns 100 percent of the gas resident in the Unitized Formation, and consequently, its correlative rights may be affected.

PROPOSED EVIDENCE

| WITNESSES: | Est. Time | No. of Exhibits |
|---------------------------|------------------|------------------------|
| Opponents: | | |
| Craig Mullenax, Geologist | 25 minutes | 6 |

