

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:

JUN 17 1994

APPLICATION OF NEARBURG EXPLORATION  
CORPORATION FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 11010

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by NEARBURG  
EXPLORATION CORPORATION, as required by the Oil Conservation  
Division.

**APPEARANCE OF PARTIES**

**APPLICANT**

Nearburg Exploration Corporation  
3300 North "A" Street  
Midland, Texas 79705  
(915) 686-8235  
attn: Bob Shelton

**ATTORNEY**

W. Thomas Kellahin  
KELLAHIN AND KELLAHIN  
P.O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

**STATEMENT OF CASE**

Nearburg has obtained the voluntary agreement of 86% of the working interest ownership in the oil and gas minerals from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 22, T19S, R25E, NMPM, Eddy County, New Mexico.

The subject tract is located within one-mile of the current boundaries of the Cemetery-Morrow Gas Pool, said pool being spaced on 320-acre gas spacing and proration units pursuant to Division Order R-3194 issued effective February 15, 1967.

The subject well is to be drilled at a standard gas well location in Unit O of Section 22 to test any and all formations in the pooled interval from the top of the Wolfcamp formation to the base of the Morrow formation.

Nearburg has proposed the subject well to the remaining interest owners but, despite its good faith efforts, Nearburg has been unable to obtain a written voluntary agreement from all of those owners.

Nearburg Exploration Company as applicant seeks to have Nearburg Producing Company designated as operator.

**PROPOSED EVIDENCE**

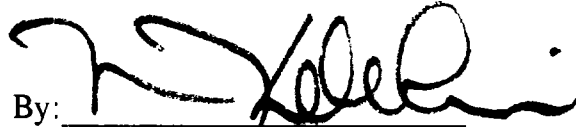
**APPLICANT:**

WITNESSES	EST. TIME	EXHIBITS
Bob Shelton (landman)	20 min.	@ 6 exhibits
Jerry Elger (geologist)	20 Min.	@ 3 exhibits

**PROCEDURAL MATTERS**

None anticipated at this time.

**KELLAHIN AND KELLAHIN**

By: 

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