

**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. 10178

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR COMPULSORY,
EDDY COUNTY, NEW MEXICO.

RECEIVED

DEC 1 1990

PRE-HEARING STATEMENT

OIL CONSERVATION DIVISION

This Prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Nearburg Producing Company _____
401 E. Illinois, Suite 300 _____
Midland, Texas 79701 _____
Attn: Mark Nearburg _____

William F. Carr _____
Campbell & Black, P.A. _____
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____

(915) 686-8235 _____
name, address, phone and
contact person

(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

ATTORNEY

name, address, phone and
contact person

STATEMENT OF CASE

APPLICANT

Nearburg seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 16, Township 18 South, Range 25 East, to form a 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre gas spacing which presently includes, but is not necessarily limited to the Undesignated Richard Knob Atoka-Morrow Gas Pool, Undesignated Penasco Draw-Atoka Gas Pool and Undesignated Eagle Creek-Strawn Gas Pool. Said unit is to be dedicated to its proposed Ewing State Well No. 1 located at a standard gas well location 1980 feet from the North and West lines (Unit F) of said Section 16. 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 applicant as operator of the well and a charge for risk involved in drilling said well.

OPPOSITION OR 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

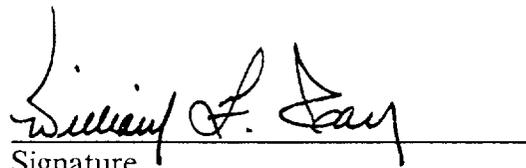
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Bob Shelton, (Landman)	15 Min.	Approximately 6
Jerry Elger, (Geologist)	10 Min.	Approximately 2

OPPOSITION

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

None


Signature

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. 10178

APPLICATION OF

Nearburg Producing Company For
Compulsory Pooling, Eddy County,
New Mexico

RECEIVED

DEC 14 1990

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This prehearing statement is submitted by Ernest L. Padilla, Esq.
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Nearburg Producing Company

name, address, phone and
contact person

OPPOSITION OR OTHER PARTY

Torch Oil & Gas Company

1221 Lamar, Suite 1600

Houston, Texas 77010

(713) 650-1246

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.

ATTORNEY

Ernest L. Padilla

PADILLA & SNYDER

P. O. Box 2523

Santa Fe, New Mexico 87504

(505) 988-7577

STATEMENT OF CASE

APPLICANT

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

Compulsory pooling application for the Pennsylvanian Formation, W/2 of Section 16, Township 18 South, Range 25 East, NMPM, Eddy County, New Mexico.

OPPOSITION OR 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.)

Nearburg Producing Company failed to obtain the joinder of Torch Oil and Gas Company prior to drilling its Eging State 16 No. 1 well. As a consequence, no risk factor penalty should be assessed against the Torch Oil and Gas Company interest.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Scott Guy, C.P.L.	20 - 30 Minutes	Unknown at this time.

Torch Oil and Gas Company may also call G. W. Aubry (Geologist) and Greg Bonaguiro (Engineer) as witnesses for further assessment of its position based on Nearburg's position at the hearing of this matter.

Undersigned Counsel for Torch Oil and Gas Company was retained on December 13, 1990, and has had no opportunity to properly evaluate the case.

PROCEDURAL MATTERS

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



Signature