

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**APPLICATION OF NEARBURG
EXPLORATION COMPANY, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 14940

RECEIVED OGD
2013 JAN 17 P 4:21

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Nearburg Exploration Company, LLC
("Nearburg") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Nearburg Exploration Company, LLC
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile

STATEMENT OF THE CASE

Nearburg Exploration Company, LLC ("Nearburg") seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the E/2 W/2 of Section 23, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests for all producing reservoirs in the Bone Spring formation underlying this acreage.

Nearburg proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Laguna 23 Fed Com No. 1H well, to be horizontally drilled from a surface location 330 feet from the South line and 1980 feet from the West line (Unit N) to a bottom hole location 330 feet from the North line and 1980 feet from the West line (Unit C) of Section 23. The completed interval for this well will be at a standard location as required by the rules.

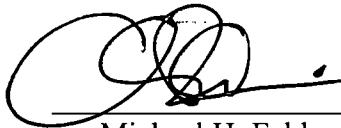
APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Terrence Gant or Ken Dixon, Petroleum Landman	Approx. 20 mins.	Approx. 5
Bill Elton, Petroleum Geologist	Approx. 20 mins.	Approx. 5

PROCEDURAL MATTERS

Respectfully submitted,

HOLLAND & HART, LLP



Michael H. Feldewert
Adam G. Rankin
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile

**ATTORNEYS FOR
NEARBURG EXPLORATION COMPANY, LLC**