

(14)

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:

APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR COMPULSORY
POOLING AND AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

Case No. 14,470

SECOND AMENDED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Nearburg Exploration Company, L.L.C.
Building 2, Suite 120
3300 North A Street
Midland, Texas 79705

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Russell Wickman
(432) 686-8235

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Cisco/Canyon formation underlying the W/2 of Section 33, Township 18 South, Range 27 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated East Red Lake-Upper Pennsylvanian Gas Pool and Undesignated Red Lake Atoka-Morrow Gas Pool. The unit is to be dedicated to the KL 33 Fed. Com. Well No. 1, to be drilled at an unorthodox gas well location in the NW/4SW/4 of Section 33. THE WELL'S LOCATION HAS BEEN APPROVED BY DIVISION ADMINISTRATIVE ORDER NSL-6206. Also to be

considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Russell Wickman	15 min.	Approx. 5

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE SUBMITTED BY AFFIDAVIT.

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
------------------	------------------	-----------------

PROCEDURAL MATTERS

-None-

Respectfully submitted,

James Bruce
 Post Office Box 1056
 Santa Fe, New Mexico 87504
 (505) 982-2043

Attorney for Nearburg Exploration Company, L.L.C.