

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

**RECEIVED**

In the matter of the hearing called  
by the Oil Conservation Division  
for the purpose of considering:

SEP 5 1995

Oil Conservation Division

Application of Nearburg Exploration  
Company for an Unorthodox Gas Well  
Location, Eddy County, New Mexico.

Case No. 11377

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Nearburg  
Exploration Company as required by the Oil Conservation  
Division.

**APPEARANCE OF PARTIES**

**APPLICANT IN CASE 11377**

Nearburg Exploration Company  
3300 North "A" Street  
1 Petroleum Center, Bldg 8/100  
Midland, Texas 79705  
Attn: Bob Shelton  
1-915-686-8235

**ATTORNEY**

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

## STATEMENT OF CASE

Nearburg Exploration Company proposes to drill, at an unorthodox gas well location, its Trigg "29" Federal Com Well No. 1, in the S/2 of Section 29, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

The proposed well will be dedicated to a 320-acre spacing unit and to any and all production therein including but not necessarily limited to the Undesignated Scoggin Draw-Morrow Gas Pool, Logan Draw-Morrow Gas Pool, Logan-Wolfcamp Gas Pool, Red Lake-Pennsylvanian Gas Pool and/or the Chalk Bluff-Wolfcamp Gas Pool. The proposed gas well potentially will be located within one mile of the current boundaries of the described gas pools.

The proposed Trigg "29" Federal Com Well No. 1 will be drilled at an unorthodox location because of a combination of topographical limitations, Bureau of Land Management surface use restrictions and geologic reason and to attempt to recover any remaining recoverable gas reserves underlying the S/2 of Section 29, thereby protecting correlative rights and prevent waste.

Approval will afford the applicant the opportunity to produce its just and equitable share of the remaining gas underlying this unit, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

PROPOSED EVIDENCE

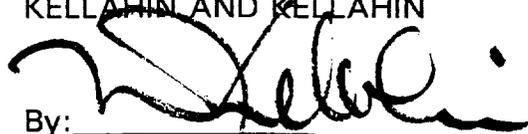
APPLICANT

WITNESSES	EST. TIME	EXHIBITS:
Mike Gray (Landman)	10 min.	2
Jerry Elger (Geologist)	20 min.	3

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN



By: \_\_\_\_\_  
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