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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: The Application of
NEARBURG EXPLORATION COMPANY FOR
APPROVAL OF AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

RECEIVED
OCT 1 1996
Oil Conservation Division

CASE NO. 11481

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Ernest L. Padilla, Padilla Law Firm, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Nearburg Exploration Company

ATTORNEY

W. Thomas Kellahin
Kellahin and Kellahin
P. O. Box 2265
Santa Fe, NM 87504

OPPOSITION OR OTHER PARTY

Read and Stevens
P. O. Box 1518
Roswell, NM 88202

ATTORNEY

Ernest L. Padilla, Esq.
Padilla Law Firm, P.A.
P. O. Box 2523
Santa Fe, NM 87504-2523
(505) 988-7577

STATEMENT OF CASE

APPLICANT

Application for an unorthodox location

OPPOSITION OR OTHER PARTY

(Concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

A well drilled at the proposed location will unfairly drain reserves attributable to opponents' interests in the E/2 of Section 4, T24S, R26E, NMPM, Eddy County, New Mexico.

PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|----------|
| Unknown | | |

OPPOSITION

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|------------|--|
| Jim Brannigan, Geologist | 30 min. | Probably 3 exhibits consisting of: Cross Section, Isopach, Structure Map |
| Les Carns, Petroleum Engineer | 20 minutes | Probably 3 exhibits which will show pressure data, volumetric, and drainage calculations |

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PROCEDURAL MATTERS

(Identify any procedural matters which
need to be resolved prior to the hearing.)

None



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CERTIFICATE OF SERVICE

I hereby certify that I caused a copy of Pre-Hearing
Statement to be delivered to W. Thomas Kellahin, Esquire, P.
O. Box 2265, Santa Fe, New Mexico 87504, via facsimile, on
this 1st day of March, 1996.



Ernest L. Padilla