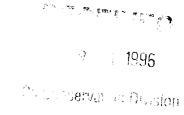
2 PHG

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.



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

<u>APPLICANT</u>	<u>ATTORNEY</u>
------------------	-----------------

Nearburg Exploration Company W. Thomas Kellahin Kellahin and Kellahin P. O. Box 2265

Santa Fe, NM 87504

OPPOSITION OR OTHER PARTY ATTORNEY

Read and Stevens Ernest L. Padilla, Esq. P. O. Box 1518 Padilla Law Firm, P.A. Roswell, NM 88202 P. O. Box 2523 Santa Fe, NM 87504-2523

(505) 988-7577

APPLICANT

Application for an unorthodox location

STATEMENT OF CASE

Pre-Hearing Statement NMOCD Case No. 11481 Page -2-

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 EST. TIME EXHIBITS (Name and expertise)

Unknown

OPPOSITION

WITNESSES EST. TIME EXHIBITS

(Name and expertise)

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

Ernest b. Padilla

PADILLA LAW FIRM, P.A.

P. O. Box 2523

Santa Fe, New Mexico

87504-2523

(505) 988-7577

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.