

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 LOCATION,
LEA COUNTY, NEW MEXICO.

CASE 11689

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Nearburg Exploration Company, L.L.C.
c/o Bob Shelton
3300 North "A" Street, Suite 120
Midland, TX 79705
(915) 686-8235

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Nearburg Exploration Company, L.L.C., applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, Hat-Mesa Morrow Gas Pool, underlying the E/2 of Section 12, Township 21 South, Range 32 East. Said unit is to be dedicated to its Minis 12 Federal Com Well No. 1 to be drilled to an unorthodox well location 990 feet from the North line and 660 feet from the East line (Unit A) of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

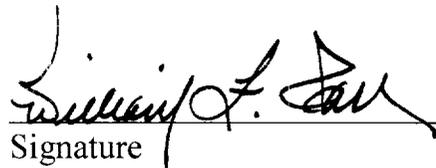
| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|-----------------|
| Mike Gray, Land | 10 Min. | Approximately 3 |
| Jerry Elger, Geology | 10 Min. | Approximately 2 |
| Jim McDonald, Engineering | 10 Min. | Approximately 2 |

OTHER PARTY

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

(Please identify any procedural matters which need to be resolved prior to hearing)


Signature