

**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:**

CASE NO. 12517

**APPLICATION OF NEARBURG EXPLORATION COMPANY, L.L.C.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

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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 Mark Wheeler
3300 North "A" St., Bldg. 2, Ste. 120
Midland, TX 79705
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ATTORNEY

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STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the E/2 which includes but is not necessarily limited to the Undesignated Angle Ranch Atoka-Morrow Gas Pool; in all formations developed on 160-acre spacing in the NE/4; in all formations developed on 80-acre spacing in the W/2 NE/4 ; and in all formations developed on 40-acre spacing in the SW/4 NE/4 ; all in Section 4 Township 19 South, Range 27 East. Said unit is to be dedicated to its Kaiser Lake "4" Federal Com. Well No. 1 to be drilled at a standard location in the E/2 of said Section 4 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 16 miles southeast of Artesia, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Mark Wheeler
(Landman)

Approx. 15 min.

Approx. 6

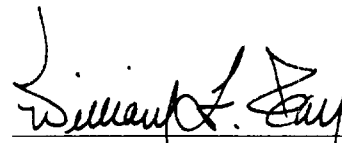
Jerry Elger
(Geology)

Approx. 15 min.

Approx. 3

PROCEDURAL MATTERS

Nearburg Exploration has none at this time.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr
Attorney for Nearburg Producing, Inc.