

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

IN THE MATTER OF THE APPLICATION OF NEARBURG
EXPLORATION COMPANY, L.L.C. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

Received
OCD
1/5/01

CASE NO. 12574

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Montgomery & Andrews, P.A. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Nearburg Exploration Company, LLC
Attention: Bob Shelton
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
(915) 686-8235

ATTORNEY

Paul R. Owen, Esq.
Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
Santa Fe, New Mexico 87504
(505) 982-3873

OPPOSITION OR OTHER PARTY

BTA Oil Producers
104 South Pecos
Midland, Texas 79701
(915) 686-8235

ATTORNEY

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, P.A.
Post Office Box 1986
Santa Fe, New Mexico 87504
(505) 989-9614

Matador E & P Company, Inc.
Suite 158 Pecan Creek
8340 Meadow Road
Dallas, Texas 75231-3751

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following manner: the E2 for all formations developed on 320-acre spacing, including but not necessarily limited to the East Grama Ridge-Morrow Gas Pool, the Wilson-Morrow Gas Pool, and the South Wilson-Pennsylvanian Gas Pool; the SE/4 for all formations developed on 160-acre spacing; and, the NW/4 SE/4 for all formations developed on 40-acre spacing, including but not necessarily limited to the Northeast Grama Ridge-Bone Spring, the Grama Ridge-Delaware, the Wilson-Strawn, and the Wilson-Yates-Seven Rivers Oil Pools, all in Section 23, Township 21 South, Range 34 East, NMPM. Applicant proposes to dedicate these pooled units to its proposed Grama Ridge 23 State Com Well #2, to be drilled at a standard gas well location in the NW/4 SE/4 of said Section 23. Also to be considered will 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. Said area is located approximately 16 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

(Name and expertise)

EST. TIME

EXHIBITS

Bob Shelton
(Landman)

Approx. 10 min.

Approx. 6

Ted Gawloski
(Petroleum Geologist)

Approx. 10 min.

Approx. 5

Tim McDonald
(Petroleum Engineer)

Approx. 10 min.

Approx. 3

PROCEDURAL MATTERS

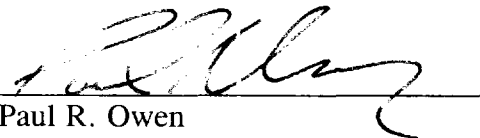
Concerns acreage that is also the subject of New Mexico Oil Conservation Division Case No. 12565; Application of BTA Oil Producers for Compulsory Pooling, Lea County, New Mexico.


Paul R. Owen
ATTORNEY FOR APPLICANT NEARBURG
EXPLORATION COMPANY, L.L.C.

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of January, 2001, I have caused a copy of our Prehearing Statement in the above-captioned case to be hand-delivered to the following named parties:

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, P.A.
Post Office 1986
Santa Fe, NM 87504-1986
Attorneys for BTA Oil Producers



Paul R. Owen

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