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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:**

CASE NO. 12622

JUN 27 PM 2:21
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**APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR TWO NON-STANDARD GAS
SPACING AND PRORATION UNITS, LEA COUNTY,
NEW MEXICO.**

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP and Campbell & Carr as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Nearburg Exploration Company, L.L.C.
Attention: Bob Shelton
3300 North "A" St., Bldg. 2, Ste. 120
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ATTORNEY

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OPPOSITION OR OTHER PARTY

Redrock Operating Ltd. Co.

Raptor Natural Pipeline LLC

ATTORNEY

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STATEMENT OF CASE

APPLICANT

Applicant seeks an exception to the spacing provisions of Division Rule 104.C(2) to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-Morrow Gas Pool comprising: (1) the NE/4 of Section 34, Township 21 South, Range 34 East, to be dedicated to the Nearburg Producing Company's existing Grama Ridge East "34" State Well No. 1 (**API No. 30-025-34948**), located at a standard gas well location 1548 feet from the North line and 990 feet from the East line (Unit H) of Section 34; and (ii) the Se/4 of Section 34 to be dedicated to the EOG Resources, Inc., operated Llano "34" State Well No. 1 (**API No. 30-025-26318**), located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit 1) of Section 34.

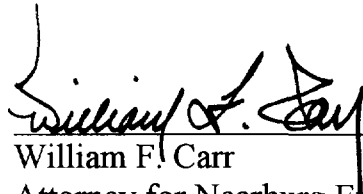
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Bob Shelton (Land)	Approx. 20 Minutes	Approx. 5
Ted Gawloski (Geology)	Approx. 20 Minutes	Approx. 4
George Friesen (Pet. Engineer)	Approx. 15 Minutes	Approx. 3

PROCEDURAL MATTERS

Nearburg Exploration Company, L.L.C. is not aware of any procedural matters at this time.



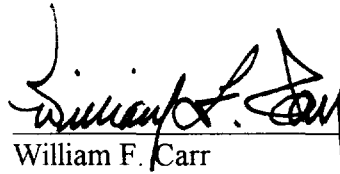
William F. Carr
Attorney for Nearburg Exploration
Company, L.L.C.

CERTIFICATE OF SERVICE

I hereby certify that on this 27th day of June, 2001, I have caused to be faxed a copy of our Pre-Hearing Statement in the above captioned case to the following counsel of record.

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