

**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:**

MS,

01 MAY 11 PM 3:59

OIL CONSERVATION DIV.

**APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.**

CASE NO. 12661

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT
Nearburg Exploration Co., L.L.C.
Attn: Duke Roush
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
(915) 686.8235

ATTORNEY
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Post Office Box 2208
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STATEMENT OF CASE

APPLICANT

Applicant seeks approval to drill its Poco Mesa "26" State Com. Well No. 1 at an unorthodox gas well location 1980 feet from the south line and 2400 feet from the West line (Unit K) of Section 26, Township 18 South, Range 24 East, located approximately 12 miles southeast of Hope, New Mexico. The S/2 of Section 26 is to be dedicated to the well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Undesignated Penasco Draw-Permo Penn and Penasco Draw-Morrow Gas Pools.

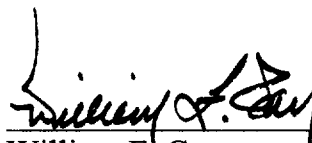
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Duke Roush (Land)	Approx. 10 Minutes	Approx. 7
Jerry Elger (Geology)	Approx. 10 Minutes	Approx. 3

PROCEDURAL MATTERS

Nearburg Exploration Company, LLC, will request that cases 12661 and 12662 be consolidated for purposes of testimony.



William F. Carr
Attorney for Nearburg Exploration Company, LLC