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W. THOMAS KELLAHIN\*

NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

February 19, 2002

**VIA FACSIMILE**

**505-476-3462**

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: NMOCD Case 12820

Application of Nearburg Exploration Company, LLC  
for compulsory pooling  
Gen North "5" Federal Com. Well No. 1  
W/2 Sec 5, T19S, R33E  
Lea County, New Mexico

Dear Ms. Wrotenbery:

On behalf of OXY USA WTP Limited Partnership, an affected interest owner, please find enclosed our Entry of Appearance in the referenced case which appears on the Division's Examiner hearing docket for February 21 2002.

Very truly yours,



W. Thomas Kellahin

cfx:

William F. Carr, Esq.  
Attorney for Nearburg  
OXY USA WTP Limited Partnership  
Attn: Rick Foppiano

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

CASE NO. 12817

APPLICATION OF TMBR/Sharp DRILLING INC.  
AN UNORTHODOX WELL LOCATION AND NON-STANDARD  
PRORATION AND SPACING UNITS  
LEA COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by TMBR/SHARP DRILLING, Inc. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

TMBR/Sharp Drilling Inc.  
P. O. Drawer 10970  
Midland, Texas 79702  
(915) 699-5050  
attn: Lonnie Arnold

ATTORNEY

W. Thomas Kellahin  
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P.O. Box 2265  
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OPPONENT

None

ATTORNEY

### STATEMENT OF THE CASE

1. Tmbr/Sharp has the right to drill and develop the oil and gas minerals from the surface to the base of the Morrow formation underlying W/2 of Section 10, T14S, R34E, NMPM, Lea County, New Mexico.

2. Tmbr/Sharp had drill its tmber "10" State Well No. 1 is on unorthodox gas well location 2630 feet from the South line and 713 feet from the West line this section.

3. The well is subject to the rules for the East Saunders Permo-Penn Pool which together for 160-acre spacing.

4. Tmbr/Sharp proposed to dedicated this well to a non-standard unit consisting of the S/4NW/4 and the N/2 of the SW/4 of Section 10.

5. The proposed unorthodox well location encroaches towards Lot 12 and 13 and is necessary for a geologic reasons.

6. W/2 of Section 10 have common ownership for all categories of owners and therefore there are no correlative rights adversely affected by this location.

### PROPOSED EVIDENCE

#### APPLICANT:

#### WITNESSES

Andrew D. Bell (geology)

#### EST. TIME EXHIBITS

30 Min.

@ 5 exhibits

### PROCEDURAL MATTERS

None anticipated

KELLAHIN AND KELLAHIN

By:   
W. Thomas Kellahin