

**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. 12939**

**APPLICATION OF NEARBURG EXPLORATION  
COMPANY, L.L.C. FOR COMPULSORY POOLING  
AND DIRECTIONAL DRILLING, LEA COUNTY,  
NEW MEXICO.**

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP, 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**

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988.4421

**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 Strawn formation in all formations and/or pools developed on 80-acre spacing in the S/2 SE/4 of Section 15, Township 17 South, Range 37 East, NMPM,

to be dedicated to its Guernsey "15" Well No. 1-Y (formerly the Ruby "22" State Well No. 1) to be re-entered and directionally drilled from a standard surface location 710 feet from the North line and 570 feet from the East line in the NE/4 NE/4 of Section 22, Township 17 South, Range 37 East, NMPM, to a standard bottomhole location 510 feet from the South line and 660 feet from the East line in the SE/4 SE/4 of Section 15, Township 17 South, Range 37 East, NMPM. The well will be drilled to a depth of approximately 11,500 feet to test all formations from the surface to the base of the Strawn formation, which is in the Undesignated Southwest Humble City-Strawn Pool. 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 7 miles northwest of Hobbs, New Mexico.

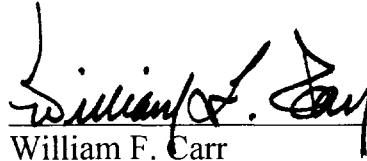
### **PROPOSED EVIDENCE**

#### APPLICANT

<u>WITNESSES</u> (Name and Expertise)	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Duke Roush (Land)	Approx. 15 Minutes	Approx. 6
Terry Durham (Geophysicist)	Approx. 10 Minutes	Approx. 3

### **PROCEDURAL MATTERS**

Nearburg Exploration Company, LLC has none at this time.

  
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William F. Carr

Attorney for Nearburg Exploration Company, LLC