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:

RECEIVED

CASE NO. 10473

APPLICATION OF NEARBURG EXPLORATION COMPANY FOR COMPULSORY POLLING AND UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO

OIL CONSERVATION DIVISION

PRE-HEÄRING STATEMENT

This prehearing statement is submitted by Yates Petroleum Corporation as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT ATTORNEY

Nearburg Exploration Company One Petroleum Center Bldg. 8, Suite 100 3300 North "A" Street Midland, TX 79705 Attn: Bob Shelton J. Randy TurnerKemp, Smith, Duncan& Hammond, P.C.P. O. Box 2796Midland, TX 79702-2796

OPPOSITION OR OTHER PARTY

Yates Petroleum Corporation 105 S. Fourth Street Artesia, NM 88210

ATTORNEY

Ernest L. Carroll
Losee, Carson, Haas
& Carroll, P. A.
P. O. Drawer 239
Artesia, NM 88211-0239

STATEMENT OF CASE

APPLICANT

See Pre-hearing Statement of Nearburg Exploration.

OPPOSITION

Yates Petroleum Corporation has filed its Applications for Compulsory Pooling in Case Nos. 10467, 10472 (see Consolidated Pre-hearing Statement), and this Case No. 10473 should be heard in conjunction with those respective consolidated cases.

PROPOSED EVIDENCE

APPLICANT

See Pre-hearing Statement of Nearburg Exploration.

OPPOSITION

See Consolidated Pre-hearing Statement of Yates Petroleum Corporation, Case Nos. 10467, 10472.

YATES PETROLEUM CORPORATION

3y:\

Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.

P. O. Drawer 239

Artesia, New Mexico 88211-0239

(505) 746-3505

Attorneys for Yates Petroleum Corp.

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. 10473

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APPLICATION OF

NEARBURG EXPLORATION COMPANY for Compulsory Pooling and Unorthodox Well Location, Eddy County, New Mexico AFR & CTOS

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This prehearing statement is submitted by <u>Nearburg Exploration Company</u> as required by the Oil Conservation Division.

APPRARANCES OF PARTIES

APPLICANT	ATTORNEY		
Nearburg Exploration Company One Petroleum Center Bldg. 8, Suite 100 3300 North "A" Street Midland, Texas 79705 Attn: Bob Shelton	J. Randy Turner Kemp, Smith, Duncan & Hammond, P.C. P. O. Box 2796 Midland, Texas 79702-2796		
name, address, phone and contact person OPPOSITION OR OTHER PARTY	ATTORNEY		
Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210	P. O. Box 239 Artesia, New Mexico 88210		
		name, address, phone and contact person	

Pre-hearing Statement NMOCD Case No. 10473 Page 2

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Applicant seeks:

- (i) an order for compulsory pooling of all mineral interests in the Morrow and Cisco Canyon Formations underlying the N/2 of Section 27, T-18-S, R-27-E, N.M.P.M., Eddy County, New Mexico; and
- (ii) approval of an unorthodox well location to be located 660' FNL and 1330' FEL of said Section.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Pre-hearing Statement NMOCD Case No. 10473 Page 3

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

(Name and expertise)

Applicants witnesses are unknown at this time; however we will present the following types of testimony:

Landman

5 minutes

- notice letters
- land plats

Geologist

10 minutes - various maps

OPPOSITION

WITNESSES

EST. TIME EXHIBITS

(Name and expertise)

PROCEDURAL MATTERS (Please identify any procedural matters which need to be resolved prior to the hearing)