

**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. 10030

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Nearburg Producing Company_____
401 E. Illinois, Suite 300_____
Midland, Texas 79701_____
Attn: Mark Nearburg_____

(915) 686-8235_____
name, address, phone and
contact person

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

William F. Carr_____
Campbell & Black, P.A._____
Post Office Box 2208_____
Santa Fe, New Mexico 87504_____

(505) 988-4421_____

ATTORNEY

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AUG 3 1989

OIL CONSERVATION DIV.
SANTA FE

STATEMENT OF CASE

APPLICANT

Nearburg seeks approval for an unorthodox gas well in the Strawn formation for its existing Rose "12-A" Well No 1, which was drilled in September, 1988, at a previously approved unorthodox gas well location for the Undesignated Boyd-Morrow Gas Pool (Division Order No. R-8752), 990 feet from the North and East lines (Unit A) of Section 12, Township 19 South, Range 25 East. Applicant further seeks that the N/2 of said Section 12 be dedicated to said well forming a standard 320-acre gas spacing and proration unit in either the Undesignated Boyd Permo-Pennsylvanian or Undesignated West Four Mile Strawn Gas Pool.

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.)

PROPOSED EVIDENCE

APPLICANT

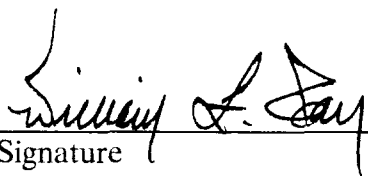
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mark Nearburg (Landman)	15 Min.	Approximately 4
Louis J. Mazzullo (Geologist)	10 Min.	Approximately 2

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

None


Signature

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SANTA FE

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CASE NO. 10030

**APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CONOCO,
INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT
(name, address, phone
and contact person)

ATTORNEY

Nearburg Producing Company

William F. Carr
Campbell & Black, P.A.
P.O. Box 2208
Santa Fe, New Mexico 87504
(505) 982-4285

OPPOSITION OR OTHER PARTY
(name, address, phone
and contact person)

ATTORNEY

Conoco, Inc.
10 Desta Drive West
Midland, Texas 79705
Attn: Mr. Jerry Hoover
(915) 686-5400

W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATEMENT OF CASE

APPLICANT

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

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)

Applicant seeks to wrongfully exclude Conoco's 80 acres which is available and uncommitted in order to form a standard 160-acre spacing unit for the well.

There is no justification for approval of a non-standard proration unit.

Applicant has failed to propose the formation of a voluntary unit consisting of 160 acres.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
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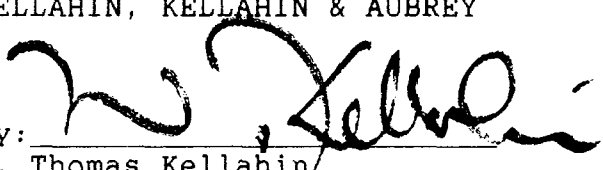
OPPOSITION

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
Jerry Hoover PE	30 min.	Structure isopach Production data Pool well performance Ownership

PROCEDURAL MATTERS

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

KELLAHIN, KELLAHIN & AUBREY

By: 
W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285