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. 10032

APPLICATION OF NEARBURG PRODUCING COMPANY FOR AN UNORTHODOX GAS WELL LOCATION, LEA 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 | ATTORNEY |
|--|---|
| Nearburg Producing Company 401 E. Illinois, Suite 300 Midland, Texas 79701 Attn: Mark Nearburg | William F. Carr Campbell & Black, P.A. Post Office Box 2208 Santa Fe, New Mexico 87504 |
| name, address, phone and contact person | (505) 988-4421 |
| OPPOSITION OR OTHER PARTY | ATTORNEY |
| | |
| name, address, phone and contact person | |

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STATEMENT OF CASE

APPLICANT

Nearburg Producing Company seeks an exception to Rule 4 of the Special Rules and Regulations for the North Osudo-Morrow Gas Pool, authorizing an unorthodox gas well location 990 feet from the North line and 1980 feet from the East line (Unit B) of Section 6, Township 20 South, Range 36 East, all of said Section 6 to be dedicated to said well forming a standard 637.18 acre gas spacing and proration unit.

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.)

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PROPOSED EVIDENCE

APPLICANT

WITNESSES EST. TIME EXHIBITS (Name and expertise)

Mark Nearburg (Landman) 15 Min. Approximately 4

Louis Mazzullo (Geologist) 10 Min. Approximately 3

OPPOSITION

WITNESSES EST. TIME (Name and expertise)

EXHIBITS

PROCEDURAL MATTERS

None

Signature