

**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:**

**APPLICATION OF XTO ENERGY INC. FOR
AN UNORTHODOX INFILL GAS WELL LOCATION,
ETC. SAN JUAN COUNTY, NEW MEXICO.**

Case No. 13,546

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

XTO Energy Inc.
Suite 2000
810 Houston Street
Fuit Worth, Texas 76102

Attention: George A. Cox
(817) 885-2661

APPLICANT'S ATTORNEY

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043



OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant proposes to drill its No. 18 Florance "D" well 595 feet from the South line and 520 feet from the East line (Unit P) of Section 20, Township 27 North, Range 8 West, as: (i) a third infill Mesaverde gas well within an existing standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 20; and (ii) an infill Pictured Cliffs gas well within an existing standard 160-acre gas spacing and proration unit comprising the SE/4 of Section 20. **SOUTH BLANCO-PICTURED CLIFFS POOL (72439)**: The SE/4 of Section 20 is currently dedicated applicant's Florance Well No. 70 (API No. 30-045-29718), located at a surface location 2025 feet from the South line and 2035 feet from the East line (Unit J) of Section 20 and directionally drilled pursuant to Division Rules 104.C(3) and 111.A(7) to a standard subsurface

location within the SE/4 SE/4 (Unit P) of Section 20. The applicant's proposed Florance "D" Well No. 18 is unorthodox pursuant to Division Rules 605, 104.C (3), and 104.D (3). BLANCO-MESAVERDE POOL (72319): The E/2 of Section 20 is currently dedicated to applicant's: (i) Florance Well No. 62-M (API No. 30-045-29273), located at a standard location 1880 feet from the North line and 1780 feet from the East line (Unit G) of Section 20; (ii) Florance "D-LS" Well No. 4-A (API No. 30-045-29258), located at an unorthodox location (approved by Division Administrative Order NSL-3569, dated August 22, 1995) 1310 feet from the South line and 2190 feet from the East line (Unit O) of Section 20; and (iii) Florance "D" Well No. 4-B (API No. 30-045-31082), located at a standard location 2350 feet from the South line and 1105 feet from the East line (Unit I) of Section 20. The proposed Florance "D" Well No. 18 is unorthodox pursuant Rule LC(1) of the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Orders No. R-10987-A and R-10987-A(1). Further, pursuant to Rule LB(1)(f) of the special Blanco-Mesaverde pool rules, applicant seeks an exception to special Rule I.B(1)(e) to drill and complete the Florance "D" Well No. 18 within the same quarter section (SE/4 of Section 20) as its two existing Florance "D-LS" Well No. 4-A and Florance "D" Well No. 4-B. This unit is located approximately 18.5 miles southeast of Bloomfield, New Mexico.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

Brian Wood

EST. TIME

20 min.

EXHIBITS

Approx. 6

OPPONENT

WITNESSES

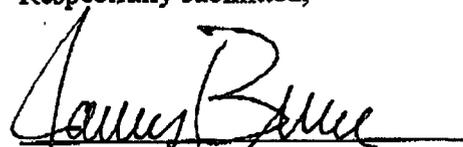
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,



James Bruce
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Attorney for XTO Energy Inc.