

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF XTO ENERGY INC.  
FOR APPROVAL OF EXPANSION OF THE  
JAMES RANCH UNIT, EDDY COUNTY,  
NEW MEXICO.**

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CASE NO. 15844

**XTO's PRE-HEARING STATEMENT**

XTO Energy Inc. (XTO), the applicant in the above-referenced cases, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

XTO Energy Inc.  
810 Houston Street  
Fort Worth, TX 76102

**ATTORNEY**

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**APPLICANT'S STATEMENT OF THE CASE**

The James Ranch Unit was originally approved by the Oil Conservation Commission in Order R-279 in 1953. Order R-279 approved the unit agreement in principle, which included a unitized interval of all depths. Following a hearing, an amendment to the boundaries was approved by the Division in 1979. XTO now seeks approval to expand the James Ranch Unit by approximately 13,223.68 acres of federal, state, and fee lands in Eddy County, New Mexico.

The current unit boundary includes 15,094.41 acres in Eddy County, as follows:

**Township 22 South - Range 30 East N.M.P.M.**

Section 12: N/2SE/4; SW/4SE/4; S/2SW/4;  
Section 13: NE/4NW/4; W/2W/2  
Section 14: All  
Section 15: All  
Section 16: All  
Section 17: E/2; E/2W/2; W/2SW/4  
Section 19: Lots 1-4; E/2W/2; E/2  
Section 20: All  
Section 21: All  
Section 22: All  
Section 23: All  
Section 24: W/2NW/4  
Section 26: All  
Section 27: All  
Section 28: All  
Section 29: All  
Section 30: Lots 1-4; E/2W/2; E/2  
Section 33: E/2  
Section 34: All  
Section 35: All  
Section 36: All

**Township 22 South - Range 31 East N.M.P.M.**

Section 7: Lot 2  
Section 31: Lots 1-4; E/2W/2; E/2

**Township 23 South - Range 30 East N.M.P.M.**

Section 1: Lots 1-4; S/2NE/4; SE/4  
Section 2: Lots 1-4

**Township 23 South - Range 31 East N.M.P.M.**

Section 5: Lot 4; SW/4NW/4; W/2SW/4  
Section 6: Lots 1-7; SE/4NW/4; E/2SW/4; S/2NE/4; SE/4  
Section 7: Lots 1-4; E/2W/2; E/2  
Section 8: W/2  
Section 17: NW/4  
Section 18: Lots 1, 2; E/2NW/4; NE/4

The proposed expansion area for the James Ranch Unit consists of approximately 13,223.68 acres of federal, state, and fee acreage, as follows:

**Township 21 South - Range 30 East N.M.P.M.**

Section 25: All  
Section 26: All  
Section 27: S/2  
Section 33: All  
Section 34: W/2; NE/4  
Section 31: Lots 1-8; E/2W/2; E/2  
Section 32: All  
Section 34: SE/4

**Township 22 South - Range 29 East N.M.P.M.**

Section 1: Lots 1-4; S/2N/2; S/2  
Section 11: All  
Section 12: All  
Section 13: All  
Section 14: All

**Township 22 South - Range 30 East N.M.P.M.**

Section 18: Lots 1-4; E/2W/2; E/2  
Section 7: Lots 1-4; E/2W/2; E/2  
Section 6: Lots 1-7; SE/4NW/4; E/2SW/4; SE/4; S/2NE/4  
Section 5: Lots 1-4; S/2N/2; S/2  
Section 4: Lots 1-4; S/2N/2; S/2  
Section 3: Lots 1-4; S/2N/2; S/2  
Section 10: All  
Section 9: All  
Section 8: All  
Section 17: W/2NW/4

XTO has received preliminary approval of the Unit Agreement for the expanded James Ranch Unit from the Bureau of Land Management and the State Land Office. The additional acreage XTO seeks to add to the unitized area is currently within a wildcat pool, and there is no existing production in the proposed expansion area. The unitized interval will not change.

**APPLICANT'S PROPOSED EVIDENCE**

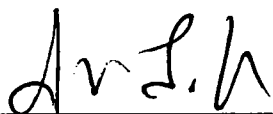
<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Kenneth Hilger, Landman	Approx. 15	Approx. 6
Tom Anderson, Geologist	Approx. 10	Approx. 4

**PROCEDURAL MATTERS**

None at this time.

Respectfully submitted,

HOLLAND & HART LLP

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