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**BEFORE THE
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. 13758

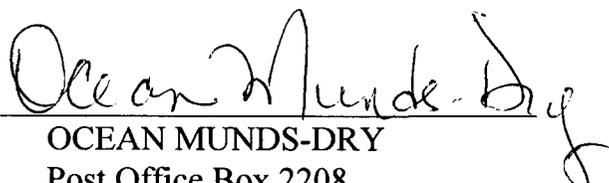
**APPLICATION OF XTO ENERGY, INC., FOR
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.**

ENTRY OF APPEARANCE

COMES NOW HOLLAND & HART, LLP and hereby enters its appearance in the
above referenced case on behalf of BEPCo., L.P.

Respectfully submitted,

HOLLAND & HART, LLP

By: 
OCEAN MUNDS-DRY
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

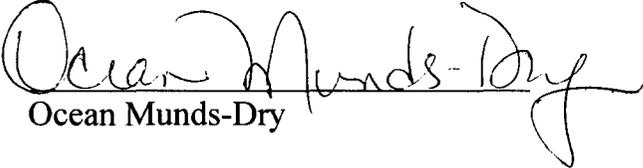
ATTORNEYS FOR BEPCO., L.P.

CERTIFICATE OF SERVICE

I certify that on July 20, 2006, I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
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Ocean Munds-Dry

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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION 2006 AUG 10 PM 2 39

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

CASE NO. 13758

**APPLICATION OF BEPCo., L.P., FOR
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

BEPCo., L.P.
Attn: Kevin Smith
201 Main Street, Suite 2900
Ft. Worth, Texas 76102
(817) 390-8671

ATTORNEY

Ocean Munds-Dry, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988.4421

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the N/2 of Section 12, Township 19 South, Range 28 East, N.M.P.M., Eddy County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Turkey Track-Morrow

Gas Pool, Undesignated Millman-Atoka Gas Pool, Undesignated Millman-Cisco Gas Pool and the Undesignated Millman-Wolfcamp Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing within this vertical extent; and the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated West Palmillo-Wolfcamp Pool, Undesignated Turkey Track-Cisco Pool, East Millman Yates-Seven Rivers-Queen-Grayburg-San Andres Pool, and the Undesignated Palmillo-Bone Spring Pool. Said unit is to be dedicated to its Palmillo "12" State Com Well No. 1 to be drilled at a standard location 1650 feet from the North line and 660 feet from the West line (Unit E) of said Section 12 to an approximate depth of 11,500 feet. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of BEPCo., L.P. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles southwest of Lindley, New Mexico.

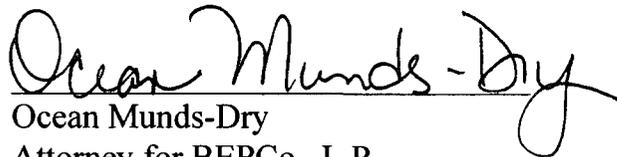
PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and Expertise) | ESTIMATED TIME | EXHIBITS |
|-----------------------------------|-----------------|-----------|
| Kevin Smith, Landman | Approx. 30 min. | Approx. 8 |

PROCEDURAL MATTERS

BEPCo., L.P. has none at this time.


Ocean Munds-Dry
Attorney for BEPCo., L.P.