

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

2006 AUG 10 PM 4 14

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

**APPLICATION OF MANANA GAS, INC. FOR  
AN UNORTHODOX GAS WELL LOCATION,  
SAN JUAN COUNTY, NEW MEXICO.**

**Case No. 13,761**

**LIMITED ENTRY OF APPEARANCE  
AND  
PRE-HEARING STATEMENT**

This limited entry of appearance and pre-hearing statement is submitted by XTO Energy Inc. as required by the Oil Conservation Division.

**APPEARANCES**

APPLICANT

Manana Gas, Inc.

APPLICANT'S ATTORNEY

Unknown

OPPONENT

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

OPPONENT'S ATTORNEY

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

Attention: Christopher Spencer  
(817) 885-2540

**STATEMENT OF THE CASE**

APPLICANT

Applicant proposes to drill its Crooked Seams Well No. 2 to test the Basin-Fruitland Coal Gas Pool and Pictured Cliffs formation at an unorthodox gas well location 420 feet from the north line and 1090 feet from the East line (Unit A) of Section 14, Township 30 North, Range 12 West, NMPM.

OPPONENT

XTO Energy Inc. operates the well unit to the north of the proposed Crooked Seams Well No. 2, and objects to the unorthodox location because (i) there are orthodox locations available to drill the subject well, and (ii) drilling the well at the proposed location will adversely affect XTO Energy Inc.'s correlative rights.

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Christopher Spencer (landman)	10 min.	Approx. 2
_____ (engineer)	20 min.	Approx. 5

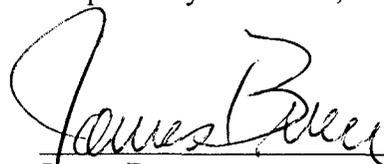
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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**PROCEDURAL MATTERS**

This application was originally filed administratively. Manana Gas, Inc. gave notice of the application to XTO Energy Inc., which timely objected thereto. As a result, the application was set for hearing by the Division. However, applicant has not properly notified XTO Energy Inc. of the hearing date, as required by Division rules. XTO Energy Inc. files this limited entry of appearance to assert the lack of proper notice, and requests that this case be dismissed, or continued until notice of the hearing date has been given pursuant to Division rules.

Respectfully submitted,



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

Attorney for XTO Energy Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following parties or counsel of record, in the manner indicated, this 10<sup>th</sup> day of August, 2006:

Via fax

Paul C. Thompson  
Walsh Engineering & Production Corp.  
7415 East Main  
Farmington, New Mexico 87402  
Fax: (505) 327-9834

Hand delivered

Gail MacQuesten  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

  
James Bruce