

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

IN THE MATTER OF THE  
APPLICATION OF BEPCO, L.P.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

CASE NO. 13740

**MOTION FOR CONTINUANCE**

XTO ENERGY INC., ("XTO"), by and through its undersigned counsel, requests the entry of the Division's order continuing the July 6, 2006 hearing on BEPCO, L.P.'s Application until the August 17, 2006 examiner hearing docket. In support, XTO states:

1. XTO and BEPCO, L.P. are the owners of working interests in the E/2 of Section 25, T-23-S, R-29-E, NMPM in Eddy County, New Mexico. XTO is the owner of 50% of the lease hold working interest in the Morrow formation while BEPCO owns 37.5%.

2. On March 7, 2006, BEPCO proposed the drilling of the Remuda Basin 25 State Well No. 1 at a location 1980' FSL and 660' FEL in Section 25 with the E/2 being dedicated to the well. The AFE for BEPCO's proposed well indicates dry hole costs of \$3,836,000 and a completed well costs of \$4,497,500 for a vertical well proposed to be drilled and completed in the Morrow formation.

3. Following the receipt of BEPCO's approximate 4.5 million dollar well proposal, XTO began negotiating with BEPCO for the development of the E/2 of Section 25 as well as Sections 19, 24, and 36 in T-23-S, R-29-E.

4. On June 12, 2006 XTO received a copy of BEPCO's application for compulsory pooling for the E/2 of Section 25 indicating that a hearing on the application was scheduled for July 6, 2006.

5. XTO requests a continuance of the July 6, 2006 hearing date for the reason that further negotiations are warranted in view of the respective ownership positions of the parties in the E/2 of Section 25 and other sections in the vicinity as well as the significant well costs that are involved. There is insufficient time remaining before the July 6<sup>th</sup> hearing date to accommodate such negotiations. Further, scheduling conflicts for the July 20<sup>th</sup> and August 3<sup>rd</sup> examiner hearing dockets make a hearing on BEPCO's application before August 17<sup>th</sup> problematic. The undersigned will be presenting three cases on July 20<sup>th</sup>, one of which is contested and is anticipated will require several hours to present (NMOCD Case No. 13493; Reopened Application of Chesapeake Permian, L.P. for Compulsory Pooling, Lea County, New Mexico). XTO's landman witness is unavailable to appear at a hearing on August 3, 2006 due to a previously scheduled obligation out of town.

6. No previous continuance has been requested in this case. There are no known lease or farmout expirations and no prejudice will accrue to any of the parties.

Wherefore, XTO Energy Inc. requests the issuance of an order continuing the hearing on the application in this matter to the August 17, 2006 examiner hearing docket.

Respectfully submitted,



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### **Certificate of Service**

I hereby certify that a true and correct copy of the foregoing was faxed to the following counsel of record on the 27 day of June, 2006, as follows:

Ocean Munds-Dry  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504

A handwritten signature in black ink, appearing to read "J. Scott Hall", written over a horizontal line.

J. Scott Hall