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

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

APPLICATION OF HOLCOMB OIL & GAS, INC. FOR AN UNORTHODOX WELL LOCATION, SAN JUAN COUNTY, NEW MEXICO

CASE 13918

PRE-HEARING STATEMENT

XTO Energy Inc. submits its pre-hearing statement as required by the New Mexico Oil Conservation Division.

APPEARENCES OF THE PARTIES

APPLICANT

ATTORNEY

Holcomb Oil & Gas, Inc.

Earnest L. Padilla, Esq.

OPPOSITION

ATTORNEY

XTO Energy, Inc. 810 Houston Street Houston, TX 76102 Attn: Chris Spencer (817) 885-1954 Thomas Kellahin, Esq. 706 Gonzales Road Santa Fe, NM 87501 Fax 505-982-2047 Ph 505-982-4285

STATEMENT OF THE CASE

OPPONENT:

XTO Energy, Inc. is opposed to Holcomb's request to drill a Basin-Fruitland coalgas well 170 feet from the boundary of Holcomb's spacing unit. This location encroaches upon the E/2 of Section 27, T29N, R11W where XTO has an interest.

Holcomb has based its request upon surface problems.

This extreme unorthodox well location is not necessary because Holcomb has available to it other surface locations.

XTO seeks an order of the Division denying this location and denying Holcomb's APD.

PROPOSED EVIDENCE

OPPONENT

WITNESSES

EST. TIME

EST. EXHIBITS

Paul Lehrman, Land Surface Coordinator

30-45 min

John Klutsch, Geologist

20-min

Mandi Moncrief, PE

20 min

PROCEDURAL MATTERS

None anticipated

KECKAHIN & KELLAHIN

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CERTIFICATE OF SERVICE

I certify that on June 14, 2007, I served a copy	y of the foregoing documents by:
I certify that on June 14, 2007, I served	
[US Man, postage prop	
Hand Delivery	
Facsimile	
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to the following:

Earnest L. Padilla, Esq.