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**OIL CONSERVATION**

**DIVISION**

**STATE OF 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:**

**APPLICATION OF CONCHO RESOURCES  
INC. FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**Case No. 13131**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Concho Resources Inc. as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Concho Resources Inc.  
Suite 1300  
550 West Texas  
Midland, Texas 79701

Attention: Michael M. Gray  
(915) 683-7443

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 20, Township 18 South, Range 28 East, NMPM, and in the following manner: The S½ to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Illinois Camp-Morrow Gas Pool; and the SE¼ to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Ponderosa "20" State Well No. 1, to be located at an orthodox gas well location in the NW¼SE¼ of Section 20. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Michael M. Gray (landman)	10 min.	Approx. 4
_____ (geologist)	15 min.	Approx. 4

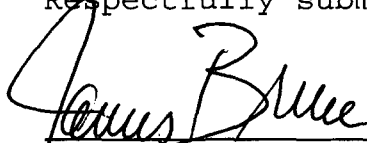
OPPONENT

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

-None-

Respectfully submitted,



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

Attorney for Concho Resources Inc.