RECEIVED OCD STATE OF NEW MEXICO 2009 ABINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF XTO ENERGY, INC. FOR COMPULSORY POOLING SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 14331

PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by Georgia Kelton and Candace Cox by and through their undersigned counsel, Ernest L. Padilla, Padilla Law Firm, P.A., as required by the Oil Conservation Commission.

APPEARANCES OF PARTIES

ATTORNEY

APPLICANT:

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XTO Energy, Inc.

W. Thomas Kellahin KELLAHIN & KELLAHIN 706 Gonzales Road Santa Fe, NM 87501 505-982-4285 Fax 505-982-2047

OPPOSITON OR OTHER PARTY:

Georgia Kelton and Candace Cox

Ernest L. Padilla Padilla Law Firm, P.A. Post Office Box 2523 Santa Fe, New Mexico 87504 (505) 988-7577 FAX: (505) 988-7592

STATEMENT OF CASE

APPLICANT:

OPPOSITION OR OTHER PARTY:

It is Georgia Kelton and Candace Cox's understanding that Applicant has drilled the Martinez Gas Com D Well No. 1 prior to bringing its compulsory pooling application. It is their position that no risk penalty should be assessed against their working interests as a matter of law because Applicant has assumed the risk of drilling the well prior to an order of the Division having been issued.

PROPOSED EVIDENCE

APPLICANT

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WITNESSES

EST. TIME

EXHIBITS

Those listed in its Prehearing Statement.

OPPOSITION

Georgia Kelton and Candance Cox will not call any witnesses or present any evidence in this matter.

PROCEDURAL MATTERS

Due to undersigned counsel's timing conflict with another case in Albuquerque, NM, he will not appear that the hearing of this matter.

PADILLA LAW FIRM

ERNEST L. PADILLA P.O. Box 2523 Santa Fe, New Mexico 87504-2523 (505) 988-7577

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Entry of Appearance was sent by facsimile to W. Thomas Kellahin at (505) 982-2047 this 19th day of August, 2009.

ERNEST L. PADILLA