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FAX TRANSMITTAL FORM**To**

Name: Florene Davidson
Agency: NMOCD

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- ☐ Urgent
☐ For Review
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From

W. Thomas Kellahin

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Date sent: 7-2-09
Time sent: 6:40 am
Number of pages including cover page:

-4-

Dear Florene,

Please find attached is my Pre-Hearing Statement for XTO in Case 14331 for the July 9th Examiner's hearing

Thanks

**NOTICE OF CONFIDENTIALITY**

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**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 HEARING:**

**APPLICATION OF XTO ENERGY, INC. FOR
COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO**

CASE 14331

PRE-HEARING STATEMENT

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

APPEARANCES OF THE PARTIES

APPLICANT

**XTO Energy, Inc.
810 Houston Street
Houston, TX 76102
Attn: Bradley Jameson
(817) 885-3156**

ATTORNEY

**Thomas Kellahin, Esq.
706 Gonzales Road
Santa Fe, NM 87501
Fax 505-982-2047
Ph 505-982-4285**

POSSIBLE OPPOSITION

ATTORNEY

**No entry of appearance filed but contacts from J. Scott Hall for S. G. Methane
and Richard T. Tully for Candace Cox and Georgia Kelton**

STATEMENT OF THE CASE

APPLICANT:

1. XTO has a working interest ownership in the oil and gas minerals from the surface to the base of the Pictured Cliffs formation underlying the NE/4 of Section 24, T29N, R10W, NMPM, San Juan County, New Mexico.
2. XTO has drilled its Martinez Gas Com D Well 001R in Unit B of Section 24, T29N R10W and dedicate the NE/4 of Sec 24 to any Pictured Cliffs and/or Charca production. See Division form C-102 attached as Exhibit "A" to the application.
3. These gas spacing units are located within the boundaries of the Aztec-Pictured Cliffs Gas Pool.
4. Prior to spudding this wellbore, XTO, by letters dated October 17, 2008, proposed to the other working interest or mineral owners that this well be drilled and downhole completed in the Pictured Cliffs/Charca formations to be dedicated to a standard 160-acre gas spacing and proration unit consisting of the NE/4 of Section 24.
5. On November 13, 2008, XTO spudded this wellbore and drilled to a TVD of 3,200 feet and then released the rig and have not yet completed the well.
6. Despite its reasonable efforts, application has been unable to obtain a written voluntary agreement from certain uncommitted working interest and/or mineral interest owners as shown on Exhibit "B" attached to the application.
7. Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, XTO needs an order of the Division pooling the interest identified above in order to protect correlative rights and prevent waste.

PROPOSED EVIDENCE

OPPONENT

WITNESSES

Bradley Jameson
landman

EST. TIME

30-MIN

EST. EXHIBITS

@ 8

PROCEDURAL MATTERS

None anticipated at this time

KELLAHIN & KELLAHIN



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CERTIFICATE OF SERVICE

I certify that on July 1, 2009, I served a copy of the foregoing documents by:

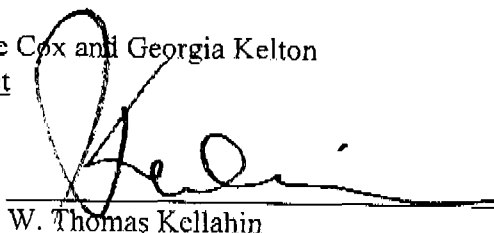
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- ☒ Email

to the following:

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