

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



CASE NO. 12349

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

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

**Concho Resources Inc.
110 W. Louisiana Ste 410
Midland, Texas 79701
(915) 683-7443
attn: Mike Gray**

ATTORNEY

**W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285**

OPPONENT

ATTORNEY

STATEMENT OF CASE

Concho Resources Inc. has a working interest ownership in the oil and gas minerals from the surface to the base of the Morrow formation underlying the S/2 Section 20, T18S, R24E, NMPM, Eddy County, New Mexico.

**NMOCD CASE 12349
Concho Resources Inc.
Page 2**

Concho proposes to drill its Southern Cross "20" Federal Com Well No. 1 at a standard gas well location in Unit P of Section 20 to test any and all formations in the pooled interval from the surface to the base of the Morrow formation to be dedicated to a standard 320-acre spacing unit consisting of the S/2 of this section and/or a standard 160-acre spacing unit consisting of the SE/4 of this section.

Despite its good faith efforts, Concho has been unable to obtain a written voluntary agreement from Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Company or Myco Industries.

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, the applicant needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

Mike Gray (landman)

20 Min. @ 6 exhibits

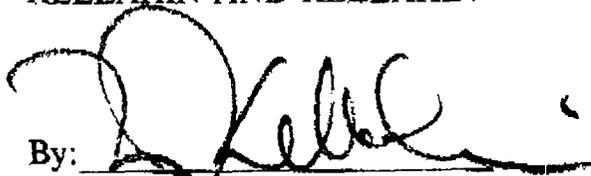
James Turbyfill (geologist)

20 Min. @ 4 exhibits

PROCEDURAL MATTERS

None anticipated at this time

KELLAHIN AND KELLAHIN



By: W. Thomas Kellahin
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