

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

**APPLICATION OF XTO ENERGY INC. TO AMEND ORDER R-13903 TO ADD AN
ADDITIONAL POOLED PARTY, LEA COUNTY, NEW MEXICO.**

**CASE NO. 22611
(formerly Case 15206)**

**APPLICATION OF XTO ENERGY INC. TO AMEND ORDER R-13904 TO ADD AN
ADDITIONAL POOLED PARTY, LEA COUNTY, NEW MEXICO.**

**CASE NO. 22612
(formerly Case 15207)**

**APPLICATION OF XTO ENERGY INC. TO AMEND ORDER R-13905 TO ADD AN
ADDITIONAL POOLED PARTY, LEA COUNTY, NEW MEXICO.**

**CASE NO. 22613
(formerly Case 15208)**

**APPLICATION OF XTO ENERGY INC. TO AMEND ORDER R-13906 TO ADD AN
ADDITIONAL POOLED PARTY, LEA COUNTY, NEW MEXICO.**

**CASE NO. 22614
(formerly Case 15209)**

APPLICANT'S CONSOLIDATED PRE-HEARING STATEMENT

XTO Energy Inc. ("XTO") (OGRID No. 5380), the applicant in the above-referenced cases, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

XTO Energy Inc.

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

In these consolidated cases, XTO seeks to add an additional working interest owner to the terms of pooling orders R-13903, R-13904, R-13905 and R-13906 issued by the Division following the consolidation and hearing of Case Nos. 15206, 15207, 15208 and 15209 in October of 2014. This series of orders pooled uncommitted minerals owns in four standup spacing units in the Bone Spring formation [WC-025 G-08 S203506D; Bone Spring Pool (97983)] underlying Section 31, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, as follows:

- Order R-13903 pooled the W/2 W/2 of Section 31 currently dedicated to the **Perla Verde 31 State 1H** (API No. 30-025-42063), a horizontal well drilled from a surface location in Lot 4 to a bottomhole location in Lot 1 of Section 31.
- Order R-13904 pooled the W/2 E/2 of Section 31 which is currently dedicated to the **Perla Verde 31 State 2H** (API No. 30-025-41861), a horizontal well drilled from a surface location in Unit O to a bottomhole location in Unit B of Section 31.
- Order R-13905 pooled the E/2 W/2 of Section 31 and is currently dedicated to the **Perla Verde 31 State 3H** (API No. 30-025-41862), a horizontal well drilled from a surface location in Unit N to a bottomhole location in Unit C of Section 31.
- Order R-13906 pooled the E/2 E/2 of Section 31 and is currently dedicated to the **Perla Verde 31 State 4H** (API No. 30-025-41863), a horizontal well drilled from a surface location in Unit P to a bottomhole location in Unit A of Section 31.

In 2014, XTO provided notice of the pooling proceedings giving rise to these orders by publication to J.M. Zachary, Lola Zachary and their heirs or devisees. XTO has recently discovered that in 2009, D.M. Royalties, Ltd was assigned a portion of the mineral interests originally owned by J.M. Zachary and his wife, Lola Zachary, through a series of

conveyances. Since XTO did not discover these conveyances in 2014, notice of the hearing was not provided directly to D.M. Royalties, Ltd. XTO is now curing any notice issues that may exist for D.M. Royalties, Ltd, by filing these applications to add this entity as a pooled party.

APPLICANT’S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-----------------------|-----------------|
| Bryan J. Cifuentes, Landman | Affidavit | Approx. 4 |

PROCEDURAL MATTERS

XTO intends to present these cases by affidavit if they remain unopposed at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP



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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 94967

QUESTIONS

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| Operator: XTO ENERGY, INC 6401 Holiday Hill Road Midland, TX 79707 | OGRID: 5380 |
| | Action Number: 94967 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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| Testimony | |
| <i>Please assist us by provide the following information about your testimony.</i> | |
| Number of witnesses | <i>Not answered.</i> |
| Testimony time (in minutes) | <i>Not answered.</i> |