

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

**APPLICATION OF XTO PERMIAN OPERATING LLC.
FOR APPROVAL OF EXPANSION OF THE JAMES
RANCH UNIT, EDDY COUNTY, NEW MEXICO.**

CASE NO. 23935

XTO’S PRE-HEARING STATEMENT

XTO Permian Operating LLC., (“XTO”) (OGRID No. 373075), the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

XTO Delaware Basin, LLC
 (“XTO”)

ATTORNEY

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APPLICANT’S STATEMENT OF THE CASE

XTO seeks to expand the geographic area of the James Ranch Unit (“Unit”) by 2,400 acres of land. The Unit Area will now consist of approximately 30,718.09 acres. Applicant is the designated operator of the Unit. The Unit currently consists of 28,318.09 acres of Federal, State and Fee lands in Eddy County, comprised of the following acreage:

Township 21 South - Range 30 East N.M.P.M.

Section 25: All

Section 26: All
Section 27: S/2
Section 31: Lots 1-8; E/2W/2; E/2
Section 32: All
Section 33: All
Section 34: W/2; NE/4; SE/4

Township 22 South - Range 29 East N.M.P.M.

Section 1: Lots 1-4; S/2N/2; S/2
Section 11: All
Section 12: All
Section 13: All
Section 14: All

Township 22 South - Range 30 East N.M.P.M.

Section 3: Lots 1-4; S/2N/2; S/2
Section 4: Lots 1-4; S/2N/2; S/2
Section 5: Lots 1-4; S/2N/2; S/2
Section 6: Lots 1-7; SE/4NW/4; E/2SW/4; SE/4; S/2NE/4
Section 7: Lots 1-4; E/2W/2; E/2
Section 8: All
Section 9: All
Section 10: All
Section 12: N/2SE/4; SW/4SE/4; S/2SW/4;
Section 13: NE/4NW/4; W/2W/2
Section 14: All
Section 15: All
Section 16: All
Section 17: E/2; E/2W/2; W/2SW/4; W/2NW/4
Section 18: Lots 1-4; E/2W/2; E/2
Section 19: Lots 1-4; E/2W/2; E/2
Section 20: All
Section 21: All
Section 22: All
Section 23: All
Section 24: W/2NW/4
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: Lots 1-4; E/2W/2; E/2
Section 33: E/2
Section 34: All
Section 35: All

Section 36: All

Township 22 South - Range 31 East N.M.P.M.

Section 7: Lot 2
Section 31: Lots 1-4; E/2W/2; E/2

Township 23 South - Range 30 East N.M.P.M.

Section 1: Lots 1-4; S/2NE/4; SE/4
Section 2: Lots 1-4

Township 23 South - Range 31 East N.M.P.M.

Section 5: Lot 4; SW/4NW/4; W/2SW/4
Section 6: Lots 1-7; SE/4NW/4; E/2SW/4; S/2NE/4; SE/4
Section 7: Lots 1-4; E/2W/2; E/2
Section 8: W/2
Section 17: NW/4
Section 18: Lots 1, 2; E/2NW/4; NE/4

The unitized interval for the James Ranch Unit includes all depths. XTO has met with Bureau of Land Management and the State Land Office about expanding the James Ranch Unit to include additional Federal and State lands.

The expansion area consists of approximately 2,400 acres, comprised of the following Federal and State lands in Eddy County, New Mexico:

Township 22 South - Range 30 East N.M.P.M.

Sec. 12: SE/4 SE/4 (40 acres)
Sec. 13: E/2, SE/4 NW/4, E/2 SW/4 (440 acres)
Sec. 24: E/2, E/2 W/2, W/2 SW/4 (560 acres)
Sec. 25: N/2, SW/4, S/2 SE/4, N/2 SE/4 (640 acres)

Township 23 South - Range 30 East N.M.P.M.

Sec. 1: S/2 NW/4, SW/4 (240 acres)
Sec. 2: S/2 N/2, W/2 SW/4, SE/4 SW/4, N/2 SE/4, NE/4 SW/4, S/2 SE/4 (480 acres)

The unitized interval for the expanded James Ranch Unit remains all depths. XTO will remain the designated operator under the revised Unit Agreement. XTO has received preliminary

approval of the Unit Agreement for the expanded James Ranch Unit from the Bureau of Land Management and the State Land Office. Final approval requires joinder by a sufficient percentage of the interest owners within the proposed expanded Unit Area.

The Unit Agreement, and the unitized operation and management of the Unit Area, are in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Joshua Prasatik, Landman	Self-Affirmed Statement	Approx. 6
Aaron Bazzell, Geologist	Self-Affirmed Statement	Approx. 7

PROCEDURAL MATTERS

XTO intends to present this case by self-affirmed statement if there is no opposition 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 279567

QUESTIONS

Operator: XTO PERMIAN OPERATING LLC. 6401 HOLIDAY HILL ROAD MIDLAND, TX 79707	OGRID: 373075
	Action Number: 279567
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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>