

**BEFORE THE
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 CONSIDERING:**

CASE NO. 13217

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

RECEIVED

FEB 16 2004

ENTRY OF APPEARANCE

**Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505**

COMES NOW HOLLAND & HART LLP and hereby enters its appearance in the above referenced case on behalf of Derrel C. Melton.

Respectfully submitted,

HOLLAND & HART LLP

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR DERREL C. MELTON

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of February 2004 I have caused to be FAX-delivered a copy of our Entry of Appearance in the above-captioned case to the following attorneys of record in this case.

James Bruce, Esq.
Post Office Box 1056
Santa Fe, NM 87504
Fax: 982-2151

William F. Carr
Attorney for Derrell Melton

**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 CONSIDERING:**

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

Case No. 13,217

PRE HEARING STATEMENT

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

APPEARANCES

APPLICANT

Concho Resources Inc.
Suite 1300
550 West Texas
Midland, Texas 79701

Attention: Garland H. Lang III
(432) 683-7443

APPLICANT'S ATTORNEY

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 21, Township 21 South, Range 35 East, NMPM, and in the following manner: The W $\frac{1}{2}$ to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Grama Ridge-Wolfcamp Gas Pool and Undesignated South Osudo-Morrow Gas Pool; the NW $\frac{1}{4}$ to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent, including the Undesignated North San Simon-Yates Associated Pool and Undesignated South Osudo-Wolfcamp Pool; and the SW $\frac{1}{4}$ NW $\frac{1}{4}$ to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Undesignated North San Simon-Yates Associated Pool. The units are to be dedicated to applicant's San Simon State Com. Well No. 2, to be located at an

orthodox location in the SW¼NW¼ of Section 21. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Garland H. Lang III (Landman)	10 min.	Approx. 5

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>

PROCEDURAL MATTERS

-None-

Respectfully submitted,

James Bruce
 Post Office Box 1056
 Santa Fe, New Mexico 87504
 (505) 982-2043

Attorney for Concho Resources Inc.