

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

2006 AUG 10 PM 2 41

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 13756

APPLICATION OF XTO ENERGY, INC., FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by
the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

XTO ENERGY INC.

ATTORNEY

J. Scott Hall, Esq.
Miller Stratvert P.A.
Post Office Box 1986
Santa Fe, New Mexico 87504
(505) 989-9614

OPPOSITION

BEPCO, L.P.

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

STATEMENT OF CASE

OPPOSITION

BEPCo., L.P. owns a working interest in the E/2 of Section 25, Township 23 South, Range 29 East, NMPM that XTO Energy Inc. seeks to pool. BEPCo., L.P. has a competing application for compulsory pooling affecting the same lands (Case No. 13740). BEPCo. opposes this application because XTO did not undertake good faith efforts to reach voluntary agreement with BEPCo. for the development of the subject spacing units. BEPCo. proposed the well first to XTO and was unable to reach agreement with XTO and subsequently brought an application to the Division for compulsory pooling. In response, XTO filed its own application. Furthermore, the evidence will show that XTO has no right to pool in shallower formations as it owns no interest.

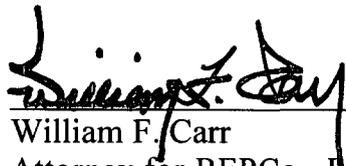
PROPOSED EVIDENCE

OPPOSITION

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Wayne Bailey, Landman	Approx. 30 min.	Approx. 8

PROCEDURAL MATTERS

BEPCo., L.P. has none at this time.



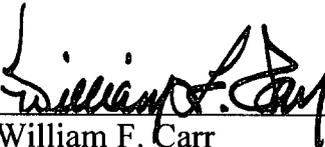
William F. Carr
Attorney for BEPCo., L.P.

CERTIFICATE OF SERVICE

I certify that on August 10, 2006, I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax
- Electronic Service by LexisNexis File & Serve

J. Scott Hall, Esq.
Miller Stratvert & Torgerson, P.A.
150 Washington Avenue, Suite 300
Post Office Box 1986
Santa Fe, NM 87504-1986
(505) 989-9857 facsimile



William F. Carr