

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 OIL & GAS
CORP. FOR COMPULSORY POOLING AND
AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

No. 12995

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Concho Oil & Gas Corp.
as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Concho Oil & Gas Corp.
Suite 410
110 West Louisiana
Midland, Texas 79701

Attention: Michael M. Gray
(915) 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 N¼ of Section 20, Township 18 South, Range 26 East, NMPM, to form a standard 320-acre gas spacing and proration unit (Atoka-Pennsylvanian Gas Pool). The unit is to be dedicated to applicant's Dayton Flyer Well No. 1, to be located at an unorthodox gas well location in the SW¼NE¼ of Section 20. 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 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>
Michael M. Gray (landman)	15 min.	Approx. 5
Louis J. Mazzullo (geologist)	15 min.	Approx. 4

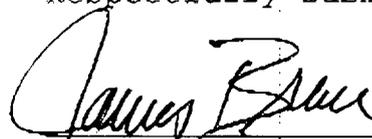
OPPONENT

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

PROCEDURAL MATTERS

-None-

Respectfully submitted,



James Bruce
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Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Concho Oil & Gas Corp.