

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. 13,218

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Concho Resources Inc. (now known as Chesapeake Permian, L.P.) 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 S½ of Section 17, Township 19 South, Range 33 East, NMPM 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 Buffalo-Pennsylvanian Gas Pool, Undesignated Tonto-Atoka Gas Pool, and Undesignated Gem-Morrow Gas Pool. The unit will be dedicated to applicant's Excalibur "17" Fed. Com. Well No. 1, to be located at an orthodox location in the SE¼SE¼ of Section 17. 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>
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PROCEDURAL MATTERS

-None-

Respectfully submitted,

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

Attorney for Concho Resources
Inc. (now known as Chesapeake
Permian, L.P.)