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

APPLICATION OF XTO ENERGY INC. FOR A NON-STANDARD SPACING AND PRORATION UNIT, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15434

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15411

XTO's PRE-HEARING STATEMENT

XTO Energy Inc. (XTO), the applicant in Case No. 15434, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

<u>APPLICANT</u> <u>ATTORNEY</u>

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APPLICANT'S STATEMENT OF CASE

In Case No. 15434, XTO seek an order from the Division (a) creating a 320-acre oil spacing and proration unit comprised of the W/2 W/2 of Section 8 and the W/2 W/2 of Section 17, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico; and (b) pooling all mineral interests in the Bone Spring formation underlying this acreage for a proposed two-mile horizontal well. XTO owns the N/2 of Section 8 and the NW/4 of Section 17. In Case No. 15411, Devon Energy seeks an order creating a 160-acre oil spacing and proration unit in the Bone Spring formation comprised of only the W/2 W/2 of Section 8 for a shorter, proposed horizontal well. XTO believes a two-mile horizontal well with a surface location in the SW/4 SW/4 of Section 17 and a bottomhole location in the NW/4 NW/4 of Section 8 provides a more efficient development plan than that proposed by Devon.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|--|----------------|-----------|
| Mark S. Dale, Landman | Approx. 10 | Approx. 5 |
| Brian Henthorn, Petroleum Geologist | Approx. 10 | Approx. 5 |
| James Madison Petroleum Engineer | Approx. 10 | Approx. 3 |

PROCEDURAL MATTERS

XTO requests that Devon's competing pooling application under Case No. 15411 be consolidated with Case No. 15434 for hearing.

Respectfully submitted,

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