STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIMISION 7 PM 2 40

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

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

Case No. 13,776

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

XTO Energy Inc.

Suite 2000

810 Houston Street

Fort Worth, Texas 76102

Attention:

Christopher Spencer

(817) 885-2540

OPPONENT

OPPONENT'S ATTORNEY

APPLICANT'S ATTORNEY

Santa Fe, New Mexico 87504

James Bruce

(505) 982-2043

Post Office Box 1056

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Applicant seeks an order pooling all mineral interests in the Blanco-Mesaverde Gas Pool underlying the N/2 of Section 10, Township 30 North, Range 11 West, NMPM, to form a 320-acre gas spacing unit within that vertical extent. The unit is to be dedicated to the Hampton Well No. 2, to be drilled at an orthodox gas well location in the NE/4NE/4 of Section 10. 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.

Wy 9/11/6

The unit is located approximately 1 mile east of Aztec, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

This application will be submitted by affidavit.

OPPONENT

<u>WITNESSES</u>

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

ames Bruce

Post Office Box 1056

Respectfully submitted,

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for XTO Energy Inc.