

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

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

APPLICATION OF CONCHO RESOURCES, INC.
(NOW DEVON ENERGY PRODUCTION COMPANY,
L.P.), FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

Case No. 12674

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Devon Energy Production
Company, L.P.
Suite 1500
20 North Broadway
Oklahoma City, Oklahoma
Attention: Meg Muhlinghouse
(405) 228-4415

APPLICANT'S ATTORNEY

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

OTHER PARTY

OTHER PARTY'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Concho Resources, Inc. the original applicant, has merged into Devon Energy Production Company, L.P.

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 32, Township 18 South, Range 24 East, NMPM, and in the following manner: The S¼ 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 Antelope Sink-Morrow Gas Pool; and the SW¼ to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent. The units are dedicated to applicant's Southern Cross "32" State Com. Well No. 1, located at an orthodox location

in the NE¼SW¼ of Section 32. The well has been drilled and completed. 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, and designation of applicant as operator of the well. The units are located approximately 10¼ miles southeast of Hope, New Mexico.

OTHER PARTY

PROPOSED EVIDENCE

APPLICANT

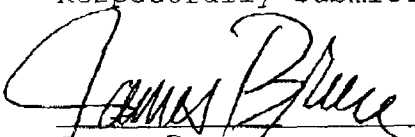
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Meg Muhlinghouse (landman)	20 Min.	(a) Land plat (b) Correspondence (c) AFE (d) Notice affidavits

OTHER PARTY

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

Respectfully submitted,


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

Attorney for Devon Energy production
Company, L.P.