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:

CASE NO. 12701

APPLICATION OF EXCO RESOURCES, INC. FOR COMPULSORY POOLING, CHAVEZ COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Exco Resources, Inc. 1775 Sherman Street, Suite 2650 Denver, CO 80203 (303) 830-1490

ATTORNEY

Michael H. Feldewert, Esq. Holland & Hart LLP and Campbell & Carr Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the following described acreage in Section 20, Township 5 South, Range 25 East, in the following manner: the NW/4 to form a standard 160-acre spacing unit for all formations and/or pools developed on 160-acre spacing within that vertical extent which presently includes but is not necessarily limited to the Pecos Slope-ABO Gas Pool, SW/4 NW/4 to form a standard 40 acre spacing and proration unit for any and all formations and or pools developed on 40 acre spacing within that vertical extent. Said unit is to be dedicated to Applicant's proposed Rose Federal Well No. 15 to be located at a standard location in Unit E of this section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a charge for risk involved in drilling and completing this well. This unit is located approximately 48 miles north and east of Roswell, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Gayle Baker (Land)	10 Minutes	Approximately 4
John Meyers (Geologist)	10 Minutes	Approximately 4

PROCEDURAL MATTERS

Exco Resources, Inc. will move to consolidate Case Nos. 12700, 12701 and 12702.

Michael H. Feldewert

Attorney for Exco Resources, Inc.