

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 XTO ENERGY INC. FOR
APPROVAL OF SURFACE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

Case No. 12,827

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: Tim Welch
(817) 885-2661

APPLICANT'S ATTORNEY

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

OTHER PARTIES

One royalty owner (Fred Armenta) may be present at the hearing.

OTHER PARTIES' ATTORNEYS

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order, pursuant to Division Rule 303.B, approving surface commingling of Blanco-Mesaverde Gas Pool production from its Armenta Gas Com. C Well No. 1A, located in the N $\frac{1}{4}$ of Section 27, Township 29 North, Range 10 West, NMPM, with Basin-Fruitland Coal Gas Pool production from its Armenta Gas Com. G Well No. 1, located in the E $\frac{1}{4}$ of Section 27, Township 29 North, Range 10 West, NMPM.

Evidence supporting the application was presented at the March 7th Examiner hearing, but the case was continued by the Division so that applicant's representatives could meet and discuss the proposal with Mr. Armenta. Applicant will present testimony of its numerous contacts with Mr. Armenta, and that his concerns do not relate to the merits of surface commingling.

OTHER PARTIES

PROPOSED EVIDENCE**APPLICANT**

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Ray Martin (operations engineer)	10 min.	
Tim Welch (landman)	10 min.	

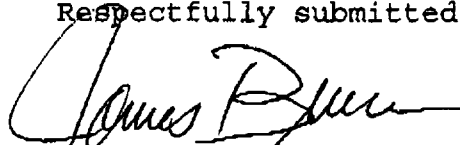
OTHER PARTIES

<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 XTO Energy Inc.