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OIL CONSERVATION DIV. SANTA FE

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. 9997

APPLICATION OF TXO PRODUCTION CORP. FOR COMPULSORY POOLING BROWN FEDERAL COM NO. 1 WELL E/2 SECTION 20, T29S, R25E, EDDY COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by TXO PRODUCTION CORP. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT (name, address, phone and contact person)

ATTORNEY

TXO Production Corp. (915) 682-7992

W. Thomas Kellahin 415 West Wall, Suite 900 KELLAHIN, KELLAHIN & AUBREY Midland, Texas 79701-4468 P.O. Box 2265 Attn: Mr. Richard H. Coats Santa Fe, New Mexico 87504 (505) 982-4285

OPPOSITION OR OTHER PARTY ATTORNEY (name, address, phone and contact person)

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STATEMENT OF CASE

APPLICANT

(please make a concise statement of what is being sought with this application and the reasons therefore.)

TXO Production Corp. seeks a compulsory pooling order for the drilling of a well at a standard well location in the E/2 of Section 20, T19S, R25E, Eddy County, New Mexico in order to test for production from a 320-acre spaced pool, any 160-acre spaced pool and any 80 or 40-acre spaced pool.

TXO has been unable despite its efforts to obtain voluntary commitment from all of the working interest owners involved in this well and now needs a compulsory pooling order.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement)

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PROPOSED EVIDENCE

APPLICANT

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
Tom Hill (landman)	15 min.	Location map Ownership map
Corky Vickers (petroleum engineer)	10 min.	Tabulation of ownership List of parties
Glen Brown (geologist)	20 min.	and interest to be pooled Correspondence with parties AFE/overhead costs Risk factor penalty geology on primary objective

OPPOSITION

WITNESSES EST. TIME EXHIBITS (name and expertise)

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to the hearing)

KELLAHIN, KELLAHIN & AUBREY

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