DOMENICI LAW FIRM, P.C.

Pete V. Domenici, Jr. pdomenici@domenicilaw.com

Jeanne Cameron Washburn jwashburn@domenicilaw.com ATTORNEYS AT LAW 320 Gold Ave. SW, Suite 1000 Albuquerque, New Mexico 87102

> (505) 883-6250 Telephone (505) 884-3424 Facsimile

Charles N. Lakins clakins@domenicilaw.com

Lorraine Hollingsworth hollingsworth@domenicilaw.com

November 7, 2005

Florene Davidson Hearing Clerk Oil Conservation Division 1220 So. St. Francis Drive Santa Fe, NM 87505

RE: Lynx Petroleum Consultants, Inc. Application for Compulsory Pooling

Dear Ms. Davidson:

Attached please find the Applicant Lynx Petroleum, Inc.'s Pre-Hearing Statement. This matter is set for the November 17, 2005 docket.

Thank you for your courtesies.

Sincerely, DOMENICI LAW FIRM, P.C.

Charles N. Lakins, Esq.

cc: Client 1606



· · · · ·

BEFORE THE NEW MEXICO OIL CONSERVATON DIVISION

APPLICATION OF LYNX PETROLEUM CONSULTANTS, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No.: 13578

APPLICANT'S PRE-HEARING STATEMENT

COMES NOW Lynx Petroleum Consultants, Inc., by and through undersigned counsel

of record, and submits the following Pre-Hearing Statement in the above-captioned matter

I. Name of the Party and Party's Attorney

Lynx Petroleum Consultants, Inc. Operator of Record PO Box 1708 Hobbs, NM 88241

Pete V. Domenici, Jr., Esq. Charles N. Lakins, Esq. Attorneys for Lynx Petroleum Consultants, Inc. Domenici Law Firm, P.C. 320 Gold Avenue SW, Suite 1000 Albuquerque, NM 87102 (505) 883-6250 Fax 884-3424



II. Lynx Petroleum Consultants, Inc's Statement of the Case

Lynx Petroleum Consultants, Inc. (Lynx) is applying for an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying a standard 40-acre proration unit being the NE1/4 NE1/4 of Section 8, Township 18S, Range 32E, N.M.P.M., Lea County, New Mexico.

Lynx will provide testimony that it is an interest owner in the subject acreage and that it has the right to re-enter and attempt a completion of the plugged and abandoned Amoco Production Company Federal 'DM' No. 1 located thereon. A map showing the proposed location and surrounding producing wells will be presented at hearing.

Lynx will testify that there is only one other mineral interest owner in the NE1/4 NE1/4 of Section 8, T18S, R32E, which is XTO Energy, 810 Houston Street, Fort Worth, TX 76102-6298. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the subject acreage both through written correspondence and verbally via telephone. Copies of the correspondence will be presented at hearing. Over the course of these communications, several copies of an Authority for Expenditure were prepared and submitted to the other mineral interest owners for review and approval. The latest iteration of the AFE will also be presented at hearing.

Overhead charges will be requested conforming to the Ernst & Young Fixed-Rate Overhead Survey for 2004 adjusted for well depth and the 2005 escalation factor.

Lynx will testify to its belief that the granting of the compulsory pooling order will prevent the drilling of unnecessary wells, prevent waste of hydrocarbon resources, and protect correlative rights.

OPERATOR'S PROPOSED EVIDENCE

Witness: Jack Scott, Owner-Partner Lynx Petroleum Consultants, Inc. Operator of Record PO Box 1708 Hobbs, NM 88241

Estimated Time: 30 minutes.

Respectfully Submitted,

Charles N. Lakins Esq. Attorney for Operator of Record 320 Gold Ave. SW, Suite 1000 Albuquerque, NM 87102 (505) 883-6250