

**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 OGX OPERATING, LLC FOR  
A NON-STANDARD SPACING AND PRORATION  
UNIT, COMPULSORY POOLING, AND AN  
UNORTHODOX GAS WELL LOCATION, EDDY  
COUNTY, NEW MEXICO.**

**Case No. 15,597**

**APPLICATION OF OGX OPERATING, LLC FOR  
A NON-STANDARD SPACING AND PRORATION  
UNIT, COMPULSORY POOLING, AND AN  
UNORTHODOX GAS WELL LOCATION, EDDY  
COUNTY, NEW MEXICO.**

**Case No. 15,603**

**PRE-HEARING STATEMENT**

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

**APPEARANCES**

**APPLICANT**

OGX Resources LLC  
P.O. Box 2064  
Midland, Texas 79702

Attention: Garland H. Lang III

**APPLICANT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

**Case No. 15,597:** OGX Operating, LLC seeks an order approving a 457.78 acre non-standard spacing and proration unit in the Wolfcamp formation comprised of Lots 7-10 (the W/2) of

Section 34, and the W/2 of Section 27, Township 26 South, Range 29 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the Littlefield 34 Fed. Com. Well No. 1H, a horizontal well with a surface location 380 feet from the south line and 2390 feet from the west line of Section 34, a penetration point 330 feet from the south line and 1900 feet from the west line of Section 34, and a final take point 330 feet from the north line and 1900 feet from the west line of Section 27. The producing interval will be unorthodox. 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, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Case No. 15,603: OGX Operating, LLC seeks an order approving a 441.71 acre non-standard spacing and proration unit in the Wolfcamp formation comprised of Lots 5, 6, 11, and 12 (the E/2) of Section 34, and the E/2 of Section 27, Township 26 South, Range 29 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the Littlefield 34 Fed. Com. Well No. 3H, a horizontal well with a surface location 380 feet from the south line and 2470 feet from the west line of Section 34, a penetration point 330 feet from the south line and 1900 feet from the east line of Section 34, and a final take point 330 feet from the north line and 1900 feet from the east line of Section 27. The producing interval will be unorthodox. 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, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

#### OPPONENT

#### **PROPOSED EVIDENCE**

#### APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Garland H. Lang III (landman)	20 min.	Approx. 6
William Hardie (geologist)	15 min.	Approx. 5

#### OPPONENT

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

Applicant requests that these matters be heard together.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

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

Attorney for OGX Operating, LLC