

DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF LCX ENERGY, LLC
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

CASE NO. 13873

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

J. SCOTT HALL, attorney for and authorized representative of LCX Energy, L.L.C., the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1210 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice and that pursuant to Rule 1210, notice has been given at the correct addresses provided by such rule. Exhibit A is a copy of the January 19, 2007 letter of notification and the receipt for certified mail for the notice letter addressed to the following persons at their last known address:

Mr. William King
2491 Whitney Dr., #2
Mountainview, CA 94043

Mr. Ray B. Eller
151 North Sundown Trail
Artesia, NM 88210

Exhibit B is a copy of the Affidavit of Publication reflecting the legal advertisement for the hearing published on January 26, 2007 in the Carlsbad *Current-Argus* newspaper in Eddy County, New Mexico.

J. Scott Hall

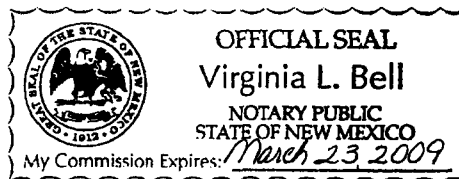
J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 14th day of February, 2007.

Virginia L. Bell

Notary Public

My Commission Expires:



MILLER STRATVERT

LAW OFFICES

Ranne B. Miller
Alice T. Lorenz
Stephen M. Williams
Stephan M. Vidmar
Seth V. Bingham
Timothy R. Briggs
Rudolph Lucero
Deborah A. Solove
Gary L. Gordon
Lawrence R. White
Virginia Anderman
Marte D. Lightstone
J. Scott Hall*
Thomas R. Mack
Thomas M. Domme

Ruth O. Pregenzer
Jeffrey E. Jones
James J. Widland
Bradley D. Tepper**
Robin A. Goble
James R. Wood
Dana M. Kyle
Kirk R. Allen
Ruth Fuess
H. Brook Laskey
Paula G. Maynes
M. Dylan O'Reilly
Jennifer D. Hall
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W. Scott Jaworski
Anita M. Kelley
Elizabeth B. Driggers
Jerome A. O'Connell

Of Counsel

William K. Stratvert
James B. Collins
Sharon P. Gross
Robert D. Taichert

Reply to Santa Fe

150 Washington Ave., Suite 300
Santa Fe, NM 87501

Mailing Address:
P.O. Box 1986
Santa Fe, NM 87504-1986

Telephone: (505) 989-9614
Facsimile: (505) 989-9857

Writer's Direct E-Mail:
shall@mstlaw.com

* Board Certified Specialist: Natural Resources - Oil & Gas Law
** Board Certified Specialist: Real Estate Law

January 19, 2007

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Mr. William King
2491 Whitney Dr., #2
Mountainview, CA 94043

Re: NMOCD Case No. _____; Application of LCX Energy, LLC for Compulsory Pooling,
Eddy County, New Mexico

Dear Mr. King:

This will advise that LCX Energy, LLC has filed an Application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 10, Township 17 South, Range 24 East, NMPM. These lands are to be dedicated to Applicant's proposed 1724 Osbourn No. 101 Well. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of LCX Energy, LLC or its designee as operator of the well and a charge for risk involved in drilling said well. A copy of the application is enclosed.

This application will be set for hearing before a Division Examiner on February 15, 2007, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Mr. William King
January 19, 2007
Page 2

Very truly yours,

MILLER STRATVERT P.A.

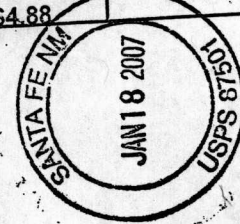
A handwritten signature in cursive script, appearing to read "J. Scott Hall".

J. Scott Hall

JSH/glb
Enclosure

7161 8863 9710 0000 6568

RETURN RECEIPT SERVICE	POSTAGE	\$0.63	POSTMARK OR DATE
	RESTRICTED DELIVERY FEE	\$0.00	
	CERTIFIED FEE	\$2.40	
	RETURN RECEIPT FEE	\$1.85	
SENT TO:		TOTAL POSTAGE AND FEE'S	\$4.88
<p>Mr. William King 2491 Whitney Dr., #2 Mountainview, CA 94043</p> <p>1/19/2007 2:04 PM</p>			



PS FORM 3800



RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(SEE OTHER SIDE)

2. Article Number		COMPLETE THIS SECTION ON DELIVERY	
<p>7161 8863 9710 0000 6568</p> <p>1. Article Addressed to:</p> <p>Mr. William King 2491 Whitney Dr., #2 Mountainview, CA 94043</p> <p>1/19/2007 2:04 PM</p>		A. Signature X <i>William A. King</i>	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
		B. Received by (Printed Name) <i>King</i>	C. Date of Delivery <i>1-25</i>
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No <i>JAN 25 2007</i>	
		3. Service Type <input checked="" type="checkbox"/> Certified	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811

Domestic Return Receipt

MILLER STRATVERT

LAW OFFICES

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January 19, 2007

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Mr. Ray B. Eller
151 North Sundown Trail
Artesia, NM 88210

Re: NMOCD Case No. ____; Application of LCX Energy, LLC for Compulsory Pooling,
Eddy County, New Mexico

Dear Mr. Eller:

This will advise that LCX Energy, LLC has filed an Application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 10, Township 17 South, Range 24 East, NMPM. These lands are to be dedicated to Applicant's proposed 1724 Osbourn No. 101 Well. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of LCX Energy, LLC or its designee as operator of the well and a charge for risk involved in drilling said well. A copy of the application is enclosed.

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A PROFESSIONAL ASSOCIATION

ALBUQUERQUE
(505) 842-1950

FARMINGTON
(505) 326-4521

LAS CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

Mr. Ray B. Eller
January 19, 2007
Page 2

Very truly yours,

MILLER STRATVERT P.A.

A handwritten signature in cursive script, appearing to read "J. Scott Hall".

J. Scott Hall

JSH/glb
Enclosure

7161 8863 9710 0000 6551

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	RESTRICTED DELIVERY FEE	\$0.00	
	CERTIFIED FEE	\$2.40	
	RETURN RECEIPT FEE	\$1.85	
SENT TO:		TOTAL POSTAGE AND FEE'S	\$4.88

Mr. Ray B. Eller
151 North Sundown Trail
Artesia, NM 88210

1/19/2007 2:02 PM

PS FORM 3800



RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(SEE OTHER SIDE)



7161 8863 9710 0000 6551

CERTIFIED MAIL

Mr. Ray B. Eller
151 North Sundown Trail
Artesia, NM 88210

NIXIE

871

1

10 01/27/07 SN

RETURN TO SENDER
NO SUCH NUMBER
UNABLE TO FORWARD

BC: 87501206275

*0968-01551-22-44

875012062

|||||C-01

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

April Hernandez, being first duly sworn,
on oath says:

That she is HR/Administrative Assistant of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

January 26

2007

That the cost of publication is **\$80.88** and that Payment Thereof has been made and will be assessed as court costs.

April Hernandez

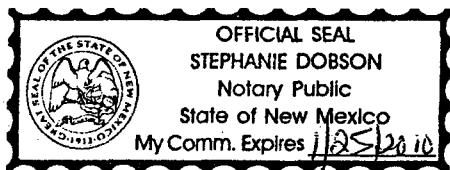
Subscribed and sworn to before me this

26 day of January, 2007

Stephanie Dobson

My commission Expires on 1/25/2010

Notary Public



January 26, 2007

LCX Energy, LLC has made application to the New Mexico Oil Conservation Division for relief in the following matter: Case _____: Application of LCX Energy, LLC For Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 10, Township 17 South, Range 24 East, NMPM, Eddy County, New Mexico, to form a standard 320-acre gas spacing and proration

unit for any and all formations and or pools developed on 320-acres, including but not necessarily limited to the Wolfcamp formation. Said units are to be dedicated to Applicant's proposed 1724 Osbourn No. 101 Well to be drilled from a surface location 660' from the South line and 1880' from the East line to a bottom hole location 660' from the North line and 1880' from the East line of said Section 10. This Application is brought pursuant to the provisions of 19.15.14.1207 A.(1)(b) NMAC. Applicant has been unable to locate the following owners of the operating rights referenced above. The last known address for each of the owners of the interests to be pooled is:

William Darryl Murphy
39 Burns Rd.
Manitou Springs,
CO 80829

Jack Crockett
P. O. Box 6041
Fitzsimmons Medical
Center
Denver, CO 80240

Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator and a charge for risk involved in drilling the well. The lands that are the subject of the application are located approximately 1.5 miles west of Artesia, New Mexico. This application will be set for hearing before a Division Examiner on February 15, 2007, at the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe,

New Mexico. Any owner of an interest that may be affected may appear and present testimony. Failure to appear at that time and become a party of record will preclude such party from challenging this application at a later time.

For further information, contact the applicant's attorney, J. Scott Hall, Miller-Stratvert, P.A., 150 Washington Ave., Suite 300, Santa Fe, New Mexico 87501, (505) 989-9614.