

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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

CASE NO. 13873

AMENDED APPLICATION

LCX ENERGY, LLC, by its undersigned attorneys, Miller, Stratvert P.A., (J. Scott Hall) hereby makes application pursuant to NMSA 1978 Section 70-2-17 (1995) for an order pooling all interests in all formations developed on a 320-acre basis, including 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 spacing and proration unit. Applicant would show the Division:

1. Applicant owns certain working interests in and under the E/2 of Section 10, and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its 1724 Osbourn No. 101 Well to be drilled to a depth sufficient to test the Wolfcamp formation underlying the E/2 of Section 10. The well will be drilled from a surface location 200' from the North line and 1880' from the East line of Section 10, penetrating the Wolfcamp formation 661.15' from the North line and 1880' from the East line, to a bottom hole location 660' from the South line and 1880' from the East line of Section 10, Township 17 South, Range 24 East, NMPM, Eddy County, New Mexico.

3. Applicant has been unable to obtain leases or voluntary agreement for pooling or farmout from certain other interest owners in the above-referenced formations underlying the E/2 of said Section 10.

4. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled and Applicant should be designated operator of the well.

5. The pooling of interests and approval of the unorthodox well location will afford the Applicant the opportunity to produce its just and equitable share of hydrocarbons underlying the spacing unit, will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

WHEREFORE Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on May 10, 2007 and that after notice and hearing as required by law, the Division enter its Order approving the unorthodox well location and pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges and providing for adjustments to such rates in accordance with accepted COPAS accounting procedures, and imposing a 200% risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as maybe proper in the premises.

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By:



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