

RECEIVED

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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION FOR THE PURPOSE OF  
CONSIDERING:

APPLICATION OF EOG RESOURCES, INC.  
FOR COMPULSORY POOLING  
LEA COUNTY, NEW MEXICO

CASE NO. 13912-DeNovo

APPLICATION OF OCCIDENTAL PERMIAN, LTD  
FOR CANCELLATION OF A DRILLING PERMIT  
AND APPROVAL OF A DRILLING PERMIT,  
LEA COUNTY, NEW MEXICO

CASE NO. 13945-DeNovo

ORDER NO. R-12832

**STIPULATED DISMISSAL**

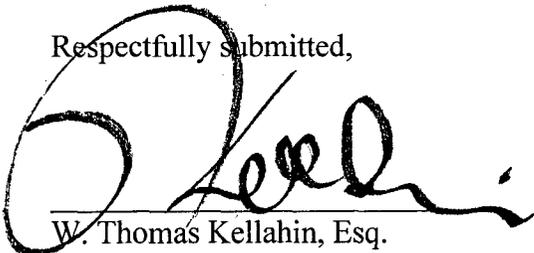
The parties to this proceeding, Occidental Permian, Ltd. ("OPL"), EOG Resources, Inc. ("EOG") and Cimarron Exploration Company ("Cimarron") hereby advise the New Mexico Oil Conservation Commission ("Commission") that they have reached a stipulation for the dismissal of the two referenced cases currently pending a DeNovo Hearing before the Commission.

These two cases involve a dispute between EOG and OPL over the SW/4NW/4 of Section 17, T18S, R34E, Lea County, New Mexico. In Case 13912, EOG is seeking a compulsory pooling order against OPL pooling this spacing unit for the drilling of the Cimarron 17 State Well No 1. In Case 13945, OPL is seeking to have the Commission cancel EOG's application for permit to drill ("APD") for this well and substitute approval of OPL's APD. Fundamental to both cases is the issue of title to the drillsite lands and other lands, with EOG claiming it has title and OPL claiming that EOG has no title.

Cimarron has commenced quiet title litigation in case CV-08-99 before the Fifth Judicial District Court, Lea County, New Mexico to resolve the dispute over title to the lands that are the subject of the two administrative Applications as well as other lands. EOG will join in the quiet title litigation by amended complaint. The lands described in the complaint and amended complaint in the quiet title case are described herein as the "Lawsuit Lands". Until such time as the District Court enters a final decision in this litigation, the parties stipulate that these two cases pending hearing before the Commission should not proceed and accordingly agree to the dismissal of both cases without prejudice. The parties also stipulate that none of them shall enter onto the Lawsuit Lands for the purpose of drilling any new well or wells until final resolution of the referenced litigation and the administrative proceedings.

In order to implement this stipulation, the parties jointly move that the Commission vacate the April 16, 2008 De Novo hearing and all deadlines associated with such hearing and dismiss both cases without prejudice, to be re-filed if necessary, after the entry of a final order by the district court.

Respectfully submitted,



W. Thomas Kellahin, Esq.

Phil Brewer, Esq.

Attorneys for Cimarron Exploration Company



J. Scott Hall, Esq.

Montgomery and Andrews, P. A.

Attorneys for Occidental Permian, Ltd

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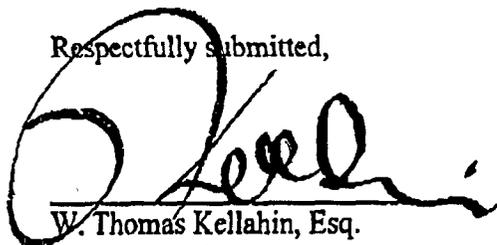
James Bruce, Esq.

Attorney for EOG Resources, Inc.

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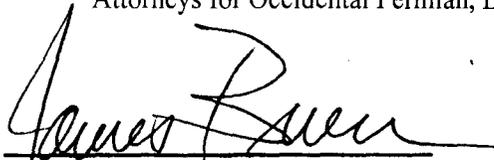
Attorneys for Cimarron Exploration Company

v.

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