

**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 RESOURCES, L.L.C. FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 14024

PRE- HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Kaye Smith
OGX Resources LLC
Post Office Box 2064
Midland, Texas 79702
(432) 685-1287

ATTORNEY

Ocean Munds-Dry, Esq.
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STATEMENT OF CASE

APPLICANT

To: Heirs and Unknown Heirs of A.J. Crawford and Minnie May Crawford including Florene Chambers, Christine Day, Marie Dillion, Lillian Dickey, Arthur J. Linn and Jenny Morris, Otis Farmers Gin Co., Inc., Unknown Heirs of Kathleen O'Connor-known heir Galindo. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the E/2 of Section 34, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Otis-Morrow Gas Pool, Undesignated Otis-Atoka Gas Pool, Undesignated Carlsbad-Strawn Gas and the Undesignated Cass Draw-Wolfcamp Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing; and the NE/4 NE/4 for all formations and/or pools

developed on 40-acre spacing which includes but is not limited to the Undesignated North Cass Draw-Wolfcamp Pool. Said units are to be dedicated to its Weems Well No. 1 (**API No. 30-015-35789**) to be directionally drilled as a gas well from a standard surface location 1073 feet from the North line and 1501 feet from the East line (Unit B), to a standard bottom hole location 660 feet from the North and East lines (Unit A) of said Section 34 at an approximate depth of 12,400 feet to test any and all formations from the surface to the base of the Morrow formation. 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 OGX Resources, L.L.C. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4 miles east of the Carlsbad, New Mexico Municipal Airport.

PROPOSED EVIDENCE

WITNESSES

Kaye Smith,
Landman

ESTIMATED TIME

20 Minutes

EXHIBITS

10

PROCEDURAL MATTERS

OGX Resources, LLC., has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

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