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October 14, 2003
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Oil Conservation Division

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13177

Re: *Application of Crossland Operating, LLC for Compulsory Pooling, Eddy
County, New Mexico*

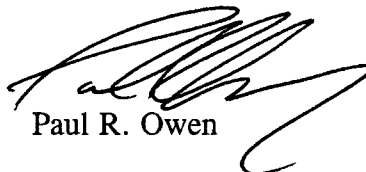
Dear Ms. Wrotenbery:

Enclosed in triplicate is an Application of Crossland Operating, LLC in the above-referenced case as well as a copy of a legal advertisement. Crossland respectfully requests that this matter be placed on the docket for the November 6, 2003 Examiner hearing.

The legal advertisement is also on the enclosed disk in WordPerfect and Word format.

If you have any questions, please call.

Very truly yours,



Paul R. Owen

Enclosures

cc: Mr. Barry Bradford

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

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OCT 14 2003

Oil Conservation Division

IN THE MATTER OF THE APPLICATION
OF CROSSLAND OPERATING, LLC FOR
COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

CASE NO. 13122

APPLICATION FOR COMPULSORY POOLING

CROSSLAND OPERATING, LLC ("Crossland"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.S.A. 1978, Section 70-2-17, for an order pooling all mineral interests for all formations and/or pools developed on 320-acre spacing the top of the Morrow formation to one hundred feet below the Morrow formation, under the following acreage in Section 27, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, in the following manner:

The E/2 of said Section 27 to form a standard 320-acre gas spacing and proration unit for the Morrow formation within that vertical extent.

Said spacing and proration units are to be dedicated to Crossland's proposed Empire A Federal Re-entry Well No. 2, to be drilled at standard location in the SE/4 NE/4 of said Section 27, and in support of its application states:

1. Crossland is a working interest owner in said Section 27 and has the right to drill thereon.
2. Crossland proposes to dedicate the above-referenced spacing or proration units to a well to be drilled at a standard location in the SE/4 NE/4 of said Section 27, to a depth sufficient to test the Morrow formation.
3. Crossland has sought and been unable to obtain voluntary agreement for the

development of these spacing and proration units from those interest owners identified on Exhibit A to this application.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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

WHEREFORE, Crossland Operating, LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 6, 2003, and after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Crossland operator of these spacing and proration units, and authorizing Crossland to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by Crossland in drilling, completing and equipping the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: 

PAUL R. OWEN

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ATTORNEYS FOR CROSSLAND OPERATING,
LLC

**EXHIBIT A
NOTIFICATION LIST
APPLICATION OF CROSSLAND OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

**SECTION 27, TOWNSHIP 18 SOUTH, RANGE 29 EAST,
NMPM, EDDY COUNTY, NEW MEXICO**

Magnum Hunter Resources, Inc.
3500 William D. Tate Avenue
Suite 200
Grapevine, Texas 76051

Magnum Hunter Production, Inc.
600 East Las Colinas Boulevard
Irving, Texas 75039

EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 79702-2267

CASE 13127.

Application of Crossland Operating, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the top of the Morrow formation to one hundred feet below the Morrow formation in the SE/4 NE/4 of Section 27, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate these pooled units to its proposed Empire A Federal Re-entry Well No. 2, to be drilled at a standard gas well location in the SE/4 NE/4 of said Section 27. Also to be considered will 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7 miles south of Loco Hills, New Mexico.