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

APPLICATION OF E.G.L. REOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 23331

NOTICE OF FILING ADDITIONAL EXHIBIT

E.G.L. Resources, Inc. hereby submits for filing Revised Exhibit 3, the geologist's affidavit.

Respectfully submitted,

James Bruce

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Attorney for E.G.L. Resources, Inc.

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 E.G.L. RESOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case Nos. 23329 - 23332

SELF-AFFIRMED STATEMENT OF MATTHEW PARDEE

Matthew Pardee deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am a geologist for E.G.L. Resources, Inc. ("E.G.L."), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum geologist.
- 3. The following Bone Spring geological plats are attached hereto:
 - (a) Attachment A is an area base map on the top of the Second Bone Spring Sand around Sections 13 and 24, Township 19 South, Range 33 East, N.M.P.M, which also identifies the Millie Mile area of interest. It shows that structure dips to the South.
 - (b) Attachment B is a Second Bone Spring Sand net pay map. The target zone is continuous and uniformly thick across the well units.
 - (c) Attachment C is a cross-section showing the Second Bone Spring Sand, the target zone for two of the proposed wells. The well logs on the cross-section give a representative sample of the Second Bone Spring Sand in this area. The sand is continuous and uniformly thick across the Bone Spring well units. The same applies to the First Bone Spring Sand.
- 4. The following Wolfcamp geological plats are attached hereto:
 - (a) Attachment D is an area base map on the top of the Wolfcamp formation around Sections 13 and 24, Township 19 South, Range 33 East, N.M.P.M, which also identifies the Millie Mile area of interest. It shows that structure dips to the South.
 - (b) Attachment E is a Wolfcamp XY net pay map. The target zone is continuous and uniformly thick across the well units.

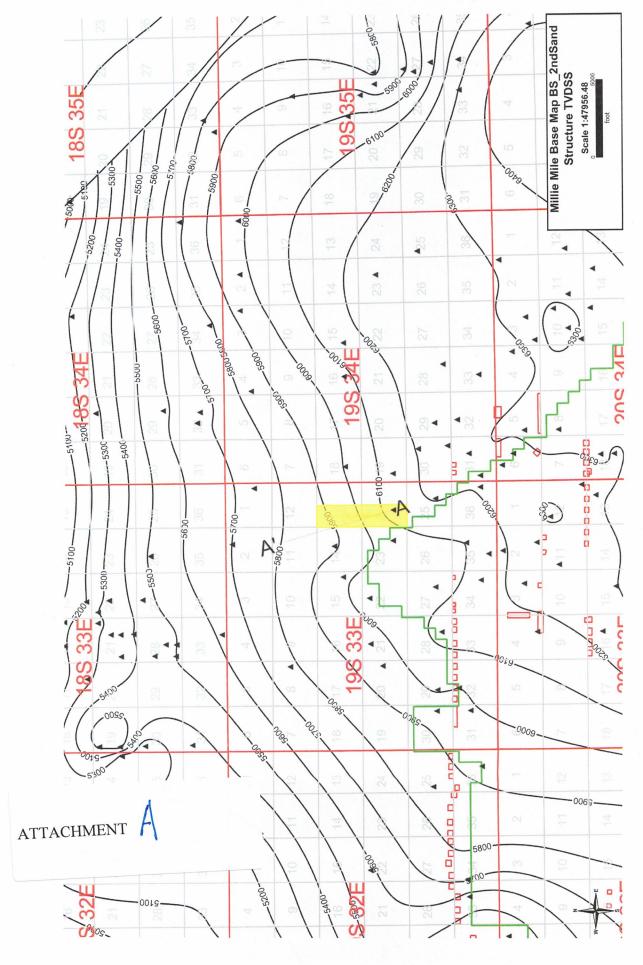
REVISED EXHIBIT 3

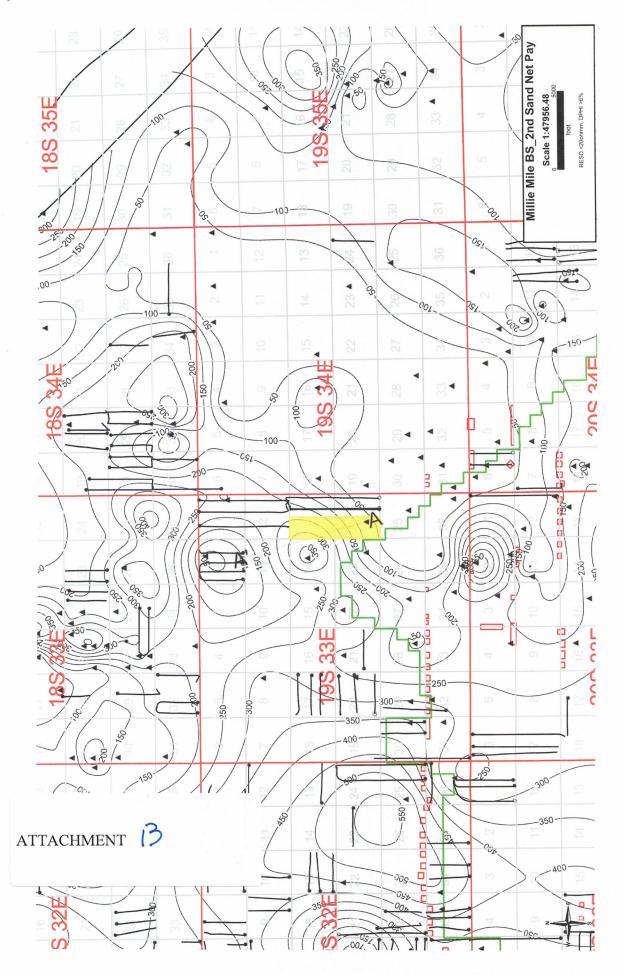
- (c) Attachment F is a cross-section showing the Wolfcamp formation, the target zone for the proposed wells. The well logs on the cross-section give a representative sample of the Wolfcamp formation in this area. The target zone is continuous and uniformly thick across the well units.
- 5. I conclude from the maps that, in both the Bone Spring and Wolfcamp formations:
 - (a) The horizontal spacing units are justified from a geologic standpoint.
 - (b) The target zones are continuous and of relatively uniform thickness across the well units.
 - (c) Each quarter-quarter section in the well units will contribute more or less equally to production.
 - (d) There is no faulting or other geologic impediment in this area which will affect the drilling of the subject wells.
- 6. There are both standup and laydown Bone Spring and Wolfcamp wells in this area, but with a preference for standup wells.
- 7. Attachment G contains Horizontal Planning Reports for the proposed wells. The producing intervals of the wells will be orthodox.

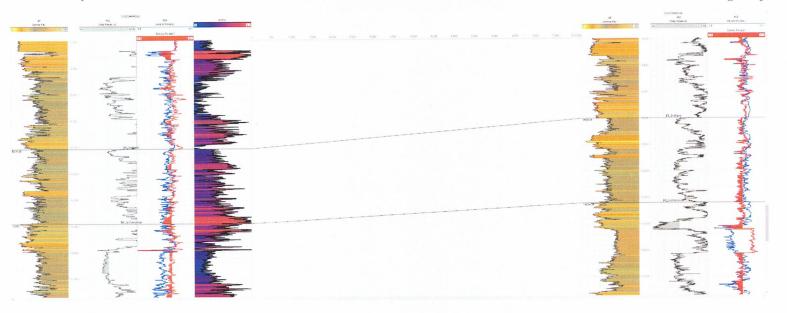
I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 7 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 02 (23/2073)

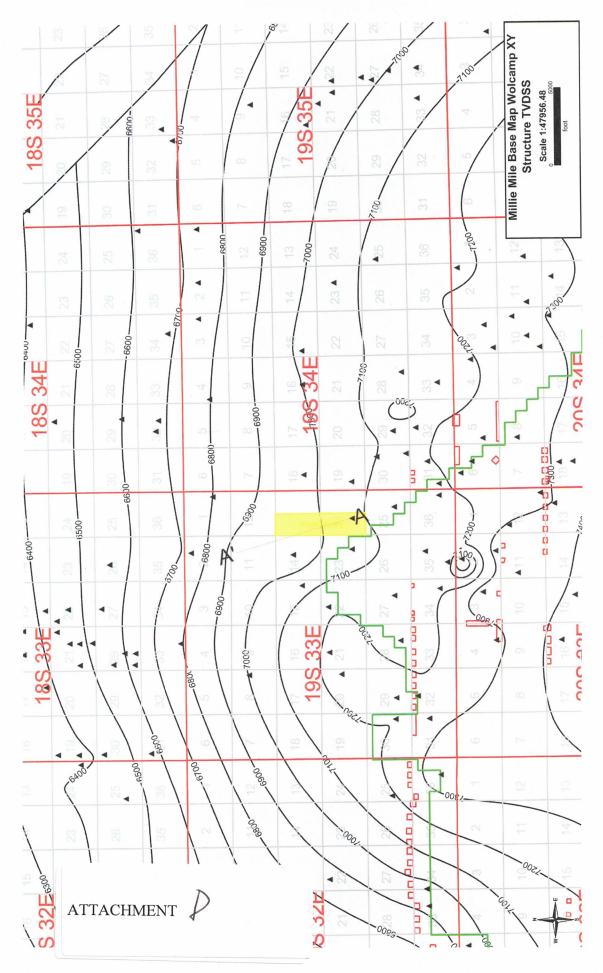
Matthew Pardee

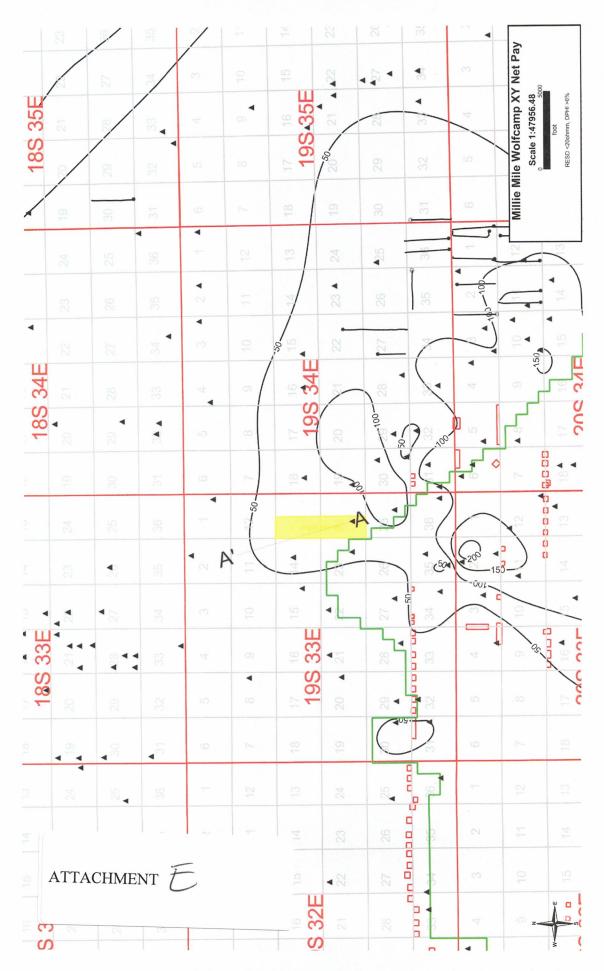






ATTACHMENT C







ATTACHMENT F