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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 LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

3 Case No. 1,4,429

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

OGX Resources LLC

P.O. Box 2064

Midland, Texas 79702

Attention:

Richard Coats

(432) 684-5824

OPPONENT

OTHER PARTY

EOG Resources, Inc.

Occidental Permian Limited Partnership APPLICANT'S ATTORNEY

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

OPPONENT'S ATTORNEY

William F. Carr

OTHER PARTY'S ATTORNEY

W. Thomas Kellahin

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E% of Section 20, Township 24 South, Range 28 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent. The unit is to be dedicated to applicant's New Man Fed. Com. Well No. 1, to be drilled at an orthodox location in the SEMSEM of Section 20. Also to be considered will be the cost of drilling and completing the 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 200% charge for the risk involved in drilling and completing the well.

OPPONENT

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PROPOSED EVIDENCE

APPLICANT

WITNESSES EST. TIME EXHIBITS Richard Coats 20 min. Approx. 5 (landman) 20 min. Approx. 4 (geologist)

OTHER PARTY

<u>WITNESSES</u> EST. TIME **EXHIBITS**

OPPONENT

<u>WITNESSES</u> EST. TIME **EXHIBITS**

PROCEDURAL MATTERS

The attorney for EOG Resources, Inc. has indicated he may request a continuance.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for OGX Resources LLC

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 1372 day of February, 2005 via facsimile transmission:

W. Thomas Kellahin P.O. Box 2265 Santa Fe, New Mexico 87502 (505) 982-2047

William F. Carr Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 983-2043

James Bruce