

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

**IN THE MATTER OF THE APPLICATION
OF DEVON ENERGY CORPORATION
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 13,589

**IN THE MATTER OF THE APPLICATION
OF LCX ENERGY, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 13,628

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller Stratvert P.A. (J. Scott Hall) on behalf of LCX Energy, LLC, as required by the Oil Conservation Division.

APPEARANCES

ATTORNEYS

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OPPONENT'S ATTORNEY

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ADDITIONAL PARTIES' ATTORNEY

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APPLICANT

LCX Energy, LLC

OPPONENT

Devon Energy Corporation

ADDITIONAL PARTIES

Parallel Petroleum Corporation
Capstone Oil & Gas Company, LP

2006 JUN 13 PM 3 40

STATEMENT OF THE CASE

LCX ENERGY, LLC

Applicant, LCX ENERGY, LLC, seeks an order pooling all mineral interests from the surface through the base of the Wolfcamp formation in the following described acreage in Section 6, Township 17 South, Range 25 East, NMPM; the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool, and the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent to be dedicated to the 1725 Federal Com Well No. 61. LCX's well has been drilled to total depth, but is not yet completed.

DEVON ENERGY CORPORATION

Devon Energy Corporation seeks an order pooling all mineral interests from the surface through the base of the Wolfcamp formation in the following described acreage in Section 6, Township 17 South, Range 25 East: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool, and the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent to be dedicated to the 1725 Federal Com Well No. 61. Devon is also asking that the Division remove LCX as operator of the well and designating Devon as successor operator.

PROPOSED EVIDENCE

LCX ENERGY, LLC

WITNESSES:	Est. Time	No. of Exhibits
Frank G. Nix, Landman	1 hour	11

PROCEDURAL MATTERS

1. This matter may be consolidated with Case No. 13,589 for hearing.
2. On February 11, 2006, Devon's counsel had served on counsel for LCX a Subpoena Duces Tecum issued on Devon's behalf. The Subpoena which has not yet been formally served, calls for the production of documents and materials on January 19, 2006, the day hearing on the merits for the two cases is scheduled. It is anticipated that LCX will interpose certain objections and will move to quash the Subpoena Duces Tecum.

MILLER STRATVERT P.A.

By:

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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 12 day of January, 2006, as follows:

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