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May 8, 2007

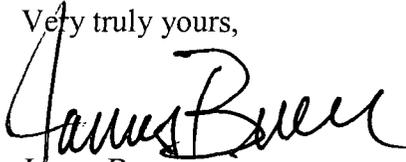
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Case 13929

Dear Florene:

Enclosed for filing, on behalf of Encore Operating, L.P., are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the June 7, 2007 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce  
Attorney for Encore Operating, L.P.

Parties Being Pooled

OXY USA WTP Limited Partnership  
P.O. Box 50250  
Midland, Texas 79710

Abo Petroleum Corporation  
MYCO Industries, Inc.  
Yates Drilling Company  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Marathon Oil Company  
P.O. Box 3487  
Houston, Texas 77253

RSC Resources L.P.  
6824 Island Circle  
Midland, Texas 79707

PROPOSED ADVERTISEMENT

**Case No. 13929 : Application of Encore Operating, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 12, Township 21 South, Range 23 East, NMPM, to form a 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acre spacing within that vertical extent, including the Southwest Indian Basin-Morrow Gas Pool. The unit is to be dedicated to the Encore Indian Com. Well No. 1, to be drilled at an orthodox location in the SE/4NE/4 of Section 12. 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, a 200% charge for the risk involved in drilling and completing the well, and a provision for additional operations on the well unit pursuant to NMAC 19.15.1.36. The unit is located approximately 10-1/2 miles southwest of Seven Rivers, New Mexico.

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