

STATEMENT OF CASE

APPLICANT

Applicant seeks an order of the Oil Conservation Division force-pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the W/2 of Section 19, Township 26 North, Range 8 West, San Juan County, New Mexico, forming a standard, standup 320-acre (more or less) proration unit to be dedicated to the Hun Nop Pi No. 2 Well to be drilled at a standard gas well location.

Applicant also seeks to be designated as the operator of the Well and that he and other joining working interest owners be authorized to recover the costs of drilling, completing, equipping, and operating the Well, together with an additional 200 % charge for risk associated with the drilling and completion of the Well.

Applicant further requests that he be allowed a reasonable charge for the supervision of the Well during drilling and production stages.

Efforts to obtain the voluntary joinder of certain owners of leasehold operating rights have been unsuccessful.

OPPOSITION OR OTHER PARTY

We are unaware of any parties opposing this application.