

From: Brooks, David K., EMNRD, EMNRD <david.brooks@state.nm.us>  
To: jamesbruc <jamesbruc@aol.com>; Michael Feldewert <MFeldewert@hollandhart.com>  
Cc: Ezeanyim, Richard, EMNRD, EMNRD <richard.ezeanyim@state.nm.us>  
Subject: Case No. 14662; Application of Approval of a Non-Standard Unit and Compulsory Pooling  
Date: Thu, Jun 30, 2011 11:22 am

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2011 JUL -5 P 12:

Gentlemen:

Unfortunately there is a problem in this case that I did not identify at the hearing.

The request to include the south 34 acres of the N/2 N/2 of Section 32, in addition to the S/2 N/2 equivalent, means that portions of standard spacing units are being excluded from the proposed non-standard unit. Rule 4.12.A(3) requires that in non-standard unit cases, "owners of interest in the mineral estate to be excluded from the proration unit the quarter-quarter section" be noticed. As I interpret this rule as applied to the present request, it requires notice to mineral and royalty owners, as well as working interest owners, in each of the quarter-quarters comprising the N/2 N/2 of Section 32, since a part of each of those quarter-quarters is to be excluded from the proposed non-standard unit.

I am accordingly directing Florine to set this case for re-hearing on the August 4 docket (to give you time to get these notices out). No further presentation of evidence will be necessary in the absence of response by any noticed party.

Sincerely

David K. Brooks  
Legal Examiner

7/2/11  
David - I think  
the attached affidavit  
answers your question.  
Jann  
cc: M. Feldewert

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

APPLICATION OF OGX RESOURCES LLC  
FOR APPROVAL OF A NON-STANDARD OIL  
SPACING AND PRORATION UNIT AND  
COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

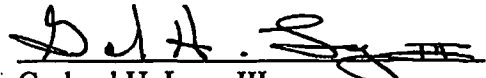
Case No. 14,662

AFFIDAVIT OF GARLAND H. LANG III

COUNTY OF MIDLAND     )  
                                      ) ss.  
STATE OF TEXAS         )


Garland H. Lang III, being duly sworn upon his oath, deposes and states:

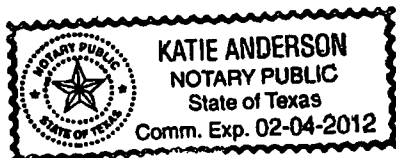
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am Land Manager of OGX Resources LLC.
3. Attached hereto as Exhibit 1 is a land plat including Section 32, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.
4. Section 32 is comprised of the following tracts:
  - (a) Lots 1, 2, and the N½NE¼ (the NE¼), which has common ownership throughout the tract; and
  - (b) Lots 3, 4, and the N½NW¼ (the NW¼), which has common ownership throughout the tract.
5. As a result, no mineral interest owner is excluded from the non-standard unit requested in this case.

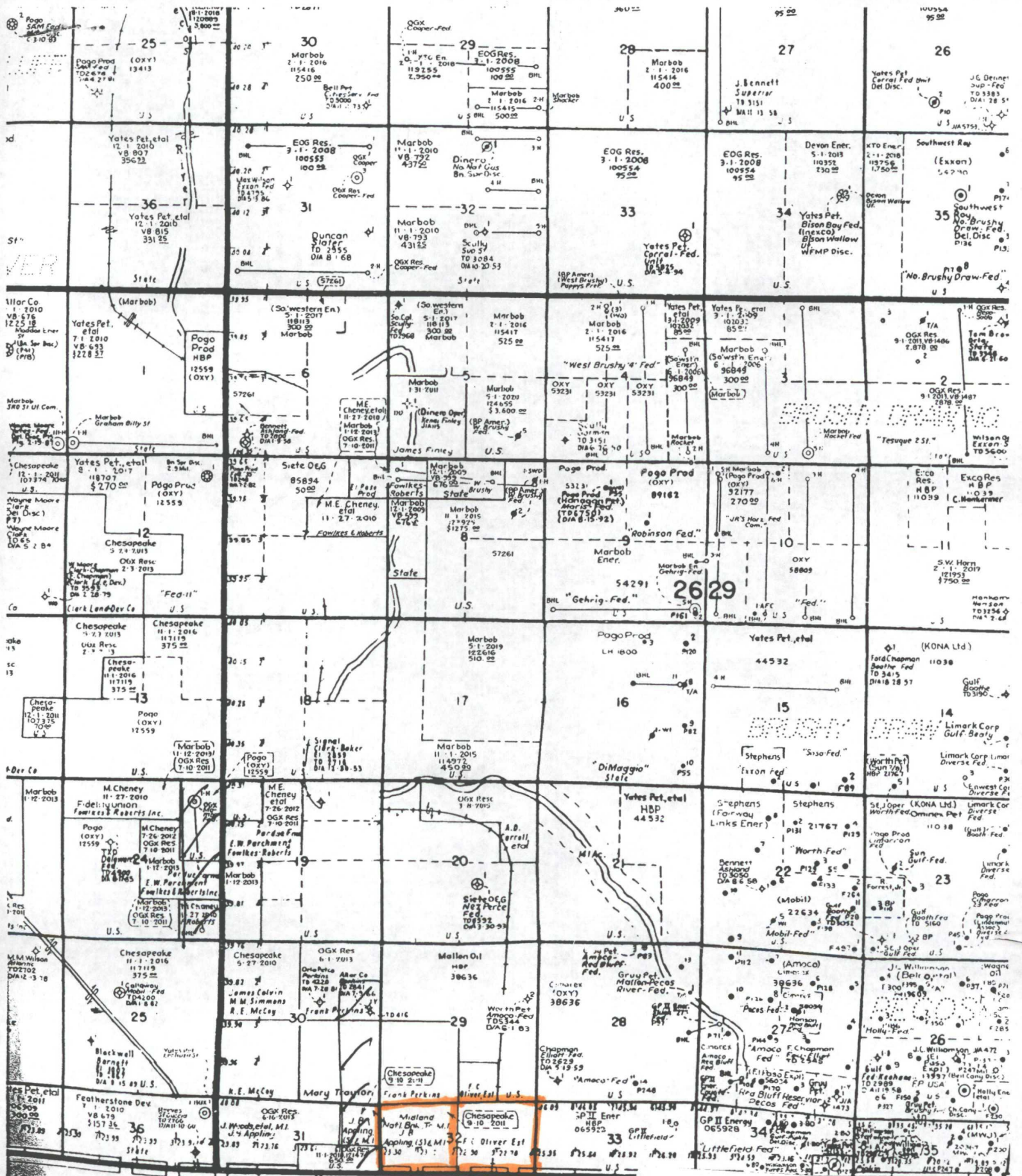
  
Garland H. Lang III

SUBSCRIBED AND SWORN TO before me this 1st day of July, 2011 by Garland H. Lang III.

My Commission Expires: 2-4-2012

  
Katie Anderson  
Notary Public, State of Texas





BERNBERSON, East

REEVES, North

Oil Conservation Division  
Case No. \_\_\_\_\_  
Exhibit No. **A**