

**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 OPERATING, LLC FOR
A NON-STANDARD SPACING AND PRORATION
UNIT, COMPULSORY POOLING, AND AN
UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO.**

Case No. 15,564

**APPLICATION OF OGX OPERATING, LLC FOR
A NON-STANDARD SPACING AND PRORATION
UNIT, COMPULSORY POOLING, AND AN
UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO.**

Case No. 15,565

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: Garland H. Lang III

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Case No. 15,564: OGX Operating, LLC seeks an order approving a 463.96 acre non-standard spacing and proration unit in the Wolfcamp formation comprised of Lots 5, 6, 11, and 12 (the

E/2) of Section 33, and the E/2 of Section 28, Township 26 South, Range 29 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the Littlefield 33 Fed. Com. Well No. 1H, a horizontal well with a surface location 330 feet from the south line and 2130 feet from the east line of Section 33, and a terminus 330 feet from the north line and 2310 feet from the east line of Section 28. The producing interval will be unorthodox. 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.

Case No. 15,565: OGX Operating, LLC seeks an order approving a 463.13 acre non-standard spacing and proration unit in the Wolfcamp formation comprised of Lots 7-10 (the W/2) of Section 33, and the W/2 of Section 28, Township 26 South, Range 29 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the Littlefield 33 Fed. Com. Well No. 2H, a horizontal well with a surface location 330 feet from the south line and 2210 feet from the east line of Section 33, and a terminus 230 feet from the north line and 2409 feet from the west line of Section 28. The producing interval will be unorthodox. 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

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Garland H. Lang III
(landman)

15 min.

Approx. 6

William Hardie
(geologist)

15 min.

Approx. 5

OPPONENT

WITNESSES

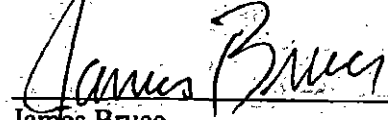
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Applicant requests that these matters be heard together.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce

Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for OGX Operating, LLC