KELLAHIN & KELLAHIN Attorney at Law

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July 13, 2006

VIA FACSIMILE 476-3462

Mr. Mark E. Fesmire, Director Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: Request to Dismiss NMOCD Case 13729 Application of OGX Resources LLC for compulsory pooling, Red Bat Fee Com Well No 1, Unit O, 320-acre spacing unit consisting of S/2 Section 8, T24S, R27E, Eddy County, New Mexico

2/15

Dear Mr. Fesmire:

OXG Resources LLC has informed me that it believes that it has reach a voluntary agreement with Devon and therefore requests that the referenced case currently set for hearing on July 20, 2006 be dismissed.

homas Kellahin

Facsimile to:

OGX Resources LLC Attn: Richard Coats

DOCKET: EXAMINER HEARING - THURSDAY – July 20, 2006 8:15 A.M. - 1220 South St. Francis Santa Fe, New Mexico

Docket Nos. 25-06 and 26-06 are tentatively set for August 3, 2006 and August 17, 2006. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

CASE NO. 13729: Continued from July 6, 2006 Examiner Hearing

Application of OGX Resources LLC 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 S/2 of Section 8, T24S, R27E, NMPM, Eddy County, New Mexico, forming a standard 320-acre gas spacing and proration unit for production from any and all formation or pools developed on 320-acre spacing including but not limited to the Black River-Morrow Gas Pool This unit is to be dedicated to its Red Bat Fee Com Well No. 1 (API# 30-015-34701) to be drilled at a standard gas well location in Unit O of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of OGX Resources LLC as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 8 miles West from Malaga, New Mexico.

<u>CASE NO. 13746</u>: Application of OGX Resources LLC 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 W/2 of Section 11, T24S, R28E, NMPM, Eddy County, New Mexico, forming a standard 320-acre gas spacing and proration unit for production from any and all formation or pools developed on 320-acre spacing including but not limited to the Malaga-Morrow Gas Pool. This unit is to be dedicated to its C.N.B. Com Well No. 1 (API# 30-015-21786) an existing gas well located 1780 feet FSL and 660 feet FWL (Unit L) of this section. Also to be considered will be the costs of re-entry and additional drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of OGX Resources LLC as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1/2 mile Northeast from Malaga, New Mexico.

CASE NO. 13650: Continued from June 22, 2006, Examiner Hearing

Application of Ridgeway Arizona Oil Corporation for Approval of a Unit Agreement, Catron County, New Mexico. Applicant seeks approval of the Cottonwood Canyon Carbon Dioxide Gas Unit Area, comprising 89,574.12 acres of federal, state, and fee lands described as follows:

Township 2 North. Sections 30-32:	<u>Range 20</u> All	West, N.M.P.M.
<u>Township 2 North,</u> Section 9: Sections 14-16:	Range 21	West, N.M.P.M. All
Sections 21-28:	All	
Sections 33-36:	All	
<u>Township 1 North</u> ,	Range 20	West, N.M.P.M.
Sections 4-9:		All
Sections 16-21:	All	
Section 26:		S/2
Section 27:		S/2
Sections 28-35:	All	
Township 1 North,	Range 21	
Sections 1-4:		All
Sections 9-16:		All
Sections 21-28:	All	
Sections 33-36:	All	
Township 1 South,	Range 20	West, N.M.P.M.
Sections 2-10:		All
Sections 16-21:	All	
Sections 28-33:	All	