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 HEARING:

APPLICATION OF OGX RESOURCES LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE 13729

PRE-HEARING STATEMENT

OGX Resources LLC submits this pre-hearing statement as required by the New Mexico Oil Conservation Division.

APPEARENCES OF THE PARTIES

APPLICANT

ATTORNEY

OGX Resources LLC P. O. Box 2064 Midland, Texas 79702 Attn: Richard Coats 432-685-1738 Thomas Kellahin, Esq. P. 0. Box 2265 Santa Fe, New Mexico 87504 505-982-4285

OPPONENT

ATTORNEY

none

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STATEMENT OF THE CASE

APPLICANT:

OGX Resources LLC, in accordance with Section 70-1-17.C, seeks a compulsory pooling order pooling all mineral interest from the surface to the base of the Morrow formation underlying a standard 320-acre spacing unit consisting of the S/2 of Section 8, T24S, R27E, Eddy County, New Mexico for its Red Bat Fee Com Well No. 1 (API#30-015-34071) to be drilled as a standard well location in Unit O of this section and the designation of OGX Resources LLC as the operator plus the standard provisions of the Division's compulsory pooling order including a 200% risk factor penalty in accordance with Commission Order R-11992, effective August 15, 2003.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

Richard Coats (Landman) (by affidavit or in person) 15-20 min

EST. TIME

about 10

EST. EXHIBITS

PROCEDURAL MATTERS

None

KEI AHIN & KELLAHIN

W. Thomas Kellahin P. O. Box 2265 Santa Fe, New Mexico 87504 Phone 505-982-4285 Fax 505-982-2047 E-mail: tkellahin@aol. Com

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CERTIFICATE OF SERVICE

I certify that on June 15, 2006, I served a copy of the foregoing documents by:

[] US Mail, postage prepaid

[] Hand Delivery

Facsimile

to the following:

Gail McQuesten, Esq. (NMOCD)

. Thomas Kellahin

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