

MILLER STRATVERT

PROFESSIONAL ASSOCIATION

Ranne B. Miller
Alice T. Lorenz
Stephen M. Williams
Stephan M. Vidmar
Seth V. Bingham
Timothy R. Briggs
Rudolph Lucero
Deborah A. Solove
Gary L. Gordon
Lawrence R. White
Virginia Anderman
Marte D. Lightstone
J. Scott Hall*
Thomas R. Mack
Thomas M. Domme

Ruth O. Pregoner
Jeffrey E. Jones
James J. Widland
Bradley D. Tepper**
Robin A. Goble
James R. Wood
Dana M. Kyle
Kirk R. Allen
Ruth Fuess
H. Brook Laskey
Paula G. Maynes
M. Dylan O'Reilly
Jennifer D. Hall
Todd A. Schwarz

Nell Graham Sale
Scott P. Hatcher
Ann M. Conway
Randall J. McDonald
Robert H. Clark
Richard L. Alvidrez
Kelsey D. Green
Marcy Baysinger
Caroline Blankenship
Matthew S. Rappaport
Karen E. Wootton
Somer K. Chyz
Joseph L. Romero
Kelly A. Stone

Deron B. Knoner
Patricia A. Bradley
T. Aaron Garrett
Amy P. Hauser
Rebecca M. Alves
Alisa R. Wigley-DeLara

Of Counsel

William K. Stratvert
James B. Collins
Sharon P. Gross
Terri S. Beach
Robert D. Taichert

Reply to Santa Fe

150 Washington Ave., Suite 300
Santa Fe, NM 87501

Mailing Address:
P.O. Box 1986
Santa Fe, NM 87504-1986

Telephone: (505) 989-9614
Facsimile: (505) 989-9857

Writer's Direct E-Mail
shall@mstlaw.com

* Board Certified Specialist: Natural Resources - Oil & Gas Law
** Board Certified Specialist: Real Estate Law

June 19, 2006

HAND DELIVERED

Florence Davidson
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Case No. 13752 :
*Application of LCX Energy, LLC for Approval of a Unit Agreement,
Eddy County, New Mexico*

Dear Ms. Davidson:

Enclosed for filing are the original and one copy of the Application in the above-referenced matter. Also enclosed is a proposed advertisement on disk.

On behalf of the Applicant, we request this matter be set for examiner hearing on the July 20, 2006 hearing docket.

Very truly yours,



J. Scott Hall

JSH/jez
Enclosures
cc: Michael Short, Esq.

2006 JUN 19 PM 2 30

LAW OFFICES

ALBUQUERQUE
(505) 842-1950

FARMINGTON
(505) 326-4521

LAS CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

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

2006 JUN 19 PM 2 30

IN THE MATTER OF THE
APPLICATION OF LCX ENERGY, LLC
FOR APPROVAL OF A UNIT AGREEMENT,
EDDY COUNTY, NEW MEXICO

CASE NO. 13752

APPLICATION

LCX ENERGY, LLC, ("LCX") by its undersigned counsel, Miller, Stratvert P.A., (J. Scott Hall) hereby makes application for an order approving the Unit Agreement for the Collins Ranch State Exploratory Unit and in support of its application, states:

1. LCX proposes to unitize all oil and gas in all formation underlying the following described 1,120 acres, more or less, of State lands comprising the Unit area situated in Eddy County, New Mexico:

Township 17 South, Range 24 East

Section 30: SE/4

Section 31: E/2

Section 32: All

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit area to provide effective control of Unit operations.

3. One hundred percent of the royalty interests is owned by the State of New Mexico.

4. Applicant is requesting preliminary approval for this Unit from the New Mexico State Land Office.

5. The initial well will be drilled to an approximate depth of 5,100 feet (true vertical depth) and 9,000 feet (measured depth) feet at a standard gas well location from a surface

location 660' N and 660' E to a bottom hole location 660' FSL and 660' FEL in the E/2 of Section 31, T17S, R24E, NMPM, Eddy County, New Mexico.

5. The initial well will be the Wolfcamp formation. The Applicant LCX Energy, LLC is designated as Unit Operator under the Unit Agreement and all oil and gas in all formations are unitized.

6. All of the proposed Unit acreage appears prospective for recovery of oil and gas from the target formation. Further, the boundaries of the Unit area are consistent and substantially supported by the geologic limits of the unitized formations.

7. Approval of the proposed Unit Agreement will serve to prevent waste, protect correlative rights within the lands dedicated to the Unit area and is otherwise in the interest of conservation.

WHEREFORE LCX Energy, LLC requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on July 20, 2006 and that after notice and hearing as required by law, the Division enter its Order approving of the Collins Ranch State Exploratory Unit and Unit Agreement.

MILLER STRATVERT P.A.

By: J. Scott Hall
J. Scott Hall
Attorneys for LCX Energy, LLC
Post Office Box 1986
Santa Fe, New Mexico 87504-1986
(505) 989-9614