# DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF LCX ENERGY, LLC FOR COMPULSORY POOLING EDDY COUNTY, NEW MEXICO

**CASE NO. 13873** 

# **AFFIDAVIT**

STATE OF NEW MEXICO	)
	) ss
COUNTY OF SANTA FE	)

J. SCOTT HALL, attorney and authorized representative of LCX Energy, LLC, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1210 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1210, notice has been given at the correct addresses provided by such rule.

Exhibit B is a copy of the Affidavit of Publication reflecting the legal advertisement for the hearing published on April 15, 2007 in the *Carlsbad Current-Argus* newspaper in Eddy County, New Mexico.

J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 9<sup>th</sup> day of May, 2007.

OFFICIAL SEAL
Virginia L. Bell
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Fynires: March 23, 2009

Notary Public

My Commission Expires:



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

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Of Counsel William K. Stratvert James B. Collins Sharon P. Gross 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

April 17, 2007

# CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Mr. Jamey Lucas David H. Arrington Oil & Gas Corporation Post Office Box 2071 Midland, Texas 79702

Re:

NMOCD Case No. 13873; Amended Application of LCX Energy, LLC for

Compulsory Pooling and Unorthodox Well Location, Eddy County, New Mexico

Dear Mr. Lucas:

This will advise that LCX Energy, LLC has filed an Amended Application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 10, Township 17 South, Range 24 East, NMPM. These lands are to be dedicated to Applicant's proposed 1724 Osbourn No. 101 Well. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of LCX Energy, LLC or its designee as operator of the well and a charge for risk involved in drilling said well. A copy of the amended application is enclosed.

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

Mr. Jamey Lucas April 17, 2007 Page 2

Very truly yours,

MILLER STRATVERT P.A.

J. Scott Hall

APR 17 2000

**POSTMARK OR DATE** 

Mr. Jamey Lucas
David H. Arrington Oil & Gas Corporation
Post Office Box 2071
Midland, Texas 79702

4/17/2007 10:52 AM

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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

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

Nell Graham Sale

Scott P. Hatcher

April 17, 2007

# CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Mr. William King 2491 Whitney Dr., #2 Mountainview, CA 94043

Re:

NMOCD Case No. 13873; Amended Application of LCX Energy, LLC for

Compulsory Pooling and Unorthodox Well Location, Eddy County, New Mexico

Dear Mr. King:

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LAW OFFICES

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 Board Certified Specialist: Real Estate Law

Mr. William King April 17, 2007 Page 2

Very truly yours,

MILLER STRATVERT P.A.

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J. Scott Hall

**PS FORM 3800** 



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Of Counsel William K. Stratvert James B. Collins Sharon P. Gross Robert D. Taichert

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Writer's Direct F-Mail: shall@mstlaw.com

Board Certified Specialist: Natural Resources - Oil & Gas Law

\*\* Board Certified Specialist: Real Estate Law

Nell Graham Sale

Scott P. Hatcher

April 17, 2007

#### CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Carroll J. Simmons Revocable Trust Route 1. Box 15C Booneville, AR 72927

> Re: NMOCD Case No. 13873; Amended Application of LCX Energy, LLC for

Compulsory Pooling and Unorthodox Well Location, Eddy County, New Mexico

### To whom it may concern:

This will advise that LCX Energy, LLC has filed an Amended Application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 10, Township 17 South, Range 24 East, NMPM. These lands are to be dedicated to Applicant's proposed 1724 Osbourn No. 101 Well. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of LCX Energy, LLC or its designee as operator of the well and a charge for risk involved in drilling said well. A copy of the amended application is enclosed.

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April 17, 2007 Page 2

Very truly yours,

MILLER STRATVERT P.A.

1. Scott Hall

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Carroll J. Simmons Revocable Trust Route 1, Box 15C Booneville, AR 72927

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# MILLER STRATVERT

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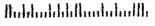
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Carroll J. Simmons Revocable Trust Route 1, Box 15C

Booneville, AR 72927









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

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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

Scott P. Hatcher

April 17, 2007

# CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Marie Wiltse King c/o William King 2491 Whitney Dr., #2 Mountainview, CA 94043

> NMOCD Case No. 13873; Amended Application of LCX Energy, LLC for Re:

Compulsory Pooling and Unorthodox Well Location, Eddy County, New Mexico

Dear Mr. King:

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Marie Wiltse King c/o William King April 17, 2007 Page 2

Very truly yours,

MILLER STRATVERT P.A.

7. Jour Hall

J. Scott Hall

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

April 17, 2007

# CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Mr. Scott B. Ford 415-A "A" St. Fort Knox, KY 40130

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LAW OFFICES

Mr. Scott B. Ford April 17, 2007 Page 2

Very truly yours,

MILLER STRATVERT P.A.

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April 17, 2007

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Mr. Jack Crockett April 17, 2007 Page 2

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Ruth O. Pregenzer 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

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Of Counsel William K. Stratvert James B. Collins Sharon P Gross 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

Scott P. Hatcher

April 17, 2007

# CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Mr. Rav B. Eller 151 North Sundown Trial Artesia, NM 88210

Re:

NMOCD Case No. 13873; Amended Application of LCX Energy, LLC for

Compulsory Pooling and Unorthodox Well Location, Eddy County, New Mexico

Dear Mr. Eller:

This will advise that LCX Energy, LLC has filed an Amended Application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 10, Township 17 South, Range 24 East, NMPM. These lands are to be dedicated to Applicant's proposed 1724 Osbourn No. 101 Well. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of LCX Energy, LLC or its designee as operator of the well and a charge for risk involved in drilling said well. A copy of the amended application is enclosed.

This application will be set for hearing before a Division Examiner on May 10, 2007, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

LAW OFFICES

Mr. Ray B. Eller April 17, 2007 Page 2

Very truly yours,

MILLER STRATVERT P.A.

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J. Scott Hall

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	Mr. Ray B. Eller 151 North Sundown Trial Artesia, NM 88210 4/17/2007 10:27 AM		M. LIMM

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Board Certified Specialist: Natural Resources - Oil & Gas Law

\*\* Board Certified Specialist: Real Estate Law

Nell Graham Sale

Scott P. Hatcher

April 17, 2007

# CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Marquis L. Ford c/o Scott B. Ford 415-A "A" St. Fort Knox, KY 40130

> NMOCD Case No. 13873; Amended Application of LCX Energy, LLC for Re:

Compulsory Pooling and Unorthodox Well Location, Eddy County, New Mexico

Dear Mr. Ford:

This will advise that LCX Energy, LLC has filed an Amended Application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 10, Township 17 South, Range 24 East, NMPM. These lands are to be dedicated to Applicant's proposed 1724 Osbourn No. 101 Well. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of LCX Energy, LLC or its designee as operator of the well and a charge for risk involved in drilling said well. A copy of the amended application is enclosed.

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Marquis L. Ford c/o Scott B. Ford April 17, 2007 Page 2

Very truly yours,

MILLER STRATVERT P.A.

J. Scott Hall

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	4/17/2007 10:33 AM	No.	Marie Carlotte Control of the Contro

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April 17, 2007

#### CERTIFIED MAIL/RETURN RECEIPT REQUESTED

William Darryl Murphy 39 Burns Rd. Manitou Springs, CO 80829

Re:

NMOCD Case No. 13873; Amended Application of LCX Energy, LLC for

Compulsory Pooling and Unorthodox Well Location, Eddy County, New Mexico

# Dear Mr. Murphy:

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LAW OFFICES

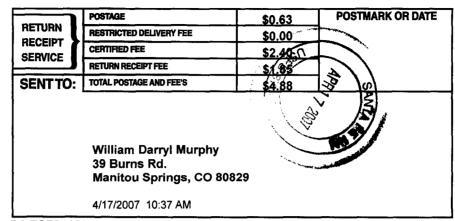
William Darryl Murphy April 17, 2007 Page 2

Very truly yours,

MILLER STRATVERT P.A.

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J. Scott Hall



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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION FEB 26 PM 1 48

IN THE MATTER OF THE APPLICATION OF LCX ENERGY, LLC FOR COMPULSORY POOLING AND UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO

CASE NO. 13873

#### **AMENDED APPLICATION**

LCX ENERGY, LLC, by its undersigned attorneys, Miller, Stratvert P.A., (J. Scott Hall) hereby makes application pursuant to NMSA 1978 Section 70-2-17 (1995) for an order pooling all interests in all formations developed on a 320-acre basis, including the Wolfcamp formation, underlying the E/2 of Section 10, Township 17 South, Range 24 East, NMPM, Eddy County, New Mexico, to form a standard 320-acre spacing and proration unit. Applicant would show the Division:

- 1. Applicant owns certain working interests in and under the E/2 of Section 10, and has the right to drill thereon.
- 2. Applicant proposes to dedicate the above-referenced pooled unit to its 1724 Osbourn No. 101 Well to be drilled to a depth sufficient to test the Wolfcamp formation underlying the E/2 of Section 10. The well will be drilled from a surface location 200' from the North line and 1880' from the East line of Section 10, penetrating the Wolfcamp formation 661.15' from the North line and 1880' from the East line, to a bottom hole location 660' from the South line and 1880' from the East line of Section 10, Township 17 South, Range 24 East, NMPM, Eddy County, New Mexico.

3. Applicant has been unable to obtain leases or voluntary agreement for pooling or farmout from certain other interest owners in the above-referenced formations underlying the E/2

of said Section 10.

4. In order to permit the Applicant to obtain its just and fair share of the oil and gas

underlying the subject lands, the mineral interests should be pooled and Applicant should be

designated operator of the well.

5. The pooling of interests and approval of the unorthodox well location will afford

the Applicant the opportunity to produce its just and equitable share of hydrocarbons underlying

the spacing unit, will avoid the drilling of unnecessary wells, will prevent waste and will protect

correlative rights.

WHEREFORE Applicant requests that this Application be set for hearing before a duly

appointed examiner of the Oil Conservation Division on May 10, 2007 and that after notice and

hearing as required by law, the Division enter its Order approving the unorthodox well location

and pooling the lands, including provisions for Applicant to recover its costs of drilling,

equipping and completing the well, its costs of supervision while drilling and after completion,

including overhead charges and providing for adjustments to such rates in accordance with

accepted COPAS accounting procedures, and imposing a 200% risk factor for the risk assumed

by the Applicant in drilling, completing and equipping the well, and making such other and

further provisions as maybe proper in the premises.

MILLER STRATVERT P.A.

By:

J. Scott Hall

Attorneys for LCX Energy, LLC

1. I wan dall

Post Office Box 1986

Santa Fe, New Mexico 87504-1986

(505) 989-9614