

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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION FOR THE PURPOSE OF  
CONSIDERING:

APPLICATION OF EOG RESOURCES, INC.  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

CASE NO. 13912 (De Novo)

APPLICATION OF OCCIDENTAL PERMIAN,  
LTD. FOR CANCELLATION OF A DRILLING  
PERMIT AND APPROVAL OF A DRILLING  
PERMIT, LEA COUNTY, NEW MEXICO.

CASE NO. 13945 (De Novo)

Order No. R-12832-A

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 9 o'clock a.m. on April 16, 2008, at Santa Fe, New Mexico, before the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission."

NOW, on this 16<sup>th</sup> day of April, 2008, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS THAT:

- (1) The proceeding before the Commission in these combined cases involved:
  - (a) a de novo application by EOG Resources, Inc. (EOG) for compulsory pooling of all uncommitted interests in all formations from the surface to the base of the Bone Spring formation underlying the SW/4 NW/4 of Section 17, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, to form a standard 40-acre spacing and proration unit to be dedicated to the applicant's Cimarron "17" State Well No. 1 (**API No. 30-025-38347**) to be drilled at an orthodox location in the SW/4 NW/4 of said Section 17;
  - (b) a de novo application by Occidental Permian, Ltd. (OPL) for cancellation of EOG's drilling permit for its Cimarron "17" State Well No. 1 and

approval of a drilling permit for OPL's Desert Bighorn 17 State Well No. 1 to be drilled to the Bone Spring formation at a standard location in the SW/4 NW/4 of Section 17, Township 18 South Range 34 East, NMPM, Lea County, New Mexico.

(2) Cimarron Exploration Company (Cimarron) filed an entry of appearance in the two cases as the successor in interest to Santa Fe Exploration Company as to all of Santa Fe's oil and gas properties in Lea County, New Mexico, including the SW/4 NW/4 of Section 17, Township 18 South, Range 34 East, NMPM.

(3) Cimarron has commenced quiet title litigation before the Fifth Judicial District Court in Lea County, New Mexico, to resolve the dispute over title to the subject lands as well as other lands.

(4) The parties to this proceeding, OPL, EOG, and Cimarron, advised the Commission on April 15, 2008, that until such time as the District Court enters a final decision in this litigation, they stipulate that De Novo Cases 13912 and 13945 should not proceed and accordingly agree to the dismissal of both cases without prejudice.

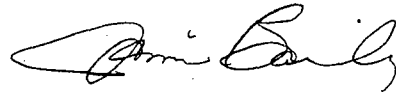
IT IS THEREFORE ORDERED THAT:

(1) The hearing of De Novo Cases 13912 and 13945 set for April 16, 2008, and all associated deadlines, are hereby vacated, and both cases are dismissed without prejudice.

(2) The Commission retains jurisdiction of this matter for the entry of such further orders as may be necessary.

DONE at Santa Fe, New Mexico, on this 16<sup>th</sup> day of April, 2008.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



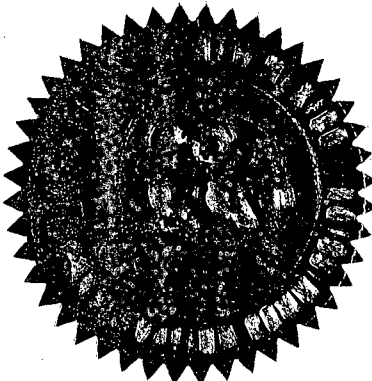
JAMI BAILEY, CPG, MEMBER



WILLIAM OLSON, MEMBER



MARK E. FESMIRE, P.E., CHAIR



SEAL