

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

IN THE MATTER OF THE APPLICATION OF
PRAIRIE SUN, INC. FOR FORCED POOLING
EDDY COUNTY, NEW MEXICO

CASE NO. 12236

RESPONSE TO MOTION TO DISMISS

COMES NOW Prairie Sun, Inc. (Prairie Sun) and files its response to Exxon Corporation's (Exxon) Motion to Dismiss Prairie Sun's application. In support thereof, Prairie Sun states:

1. On July 30, 1999, Prairie Sun filed an application for compulsory pooling of the E/2 of Section 28, Township 23 South, Range 29 East, N.M.P.M. from the top of the Wolfcamp Formation through the base of the Morrow Formation to form a standard 320-acre spacing and proration unit for all pools or formations developed on 320-acre spacing. The spacing unit is to be dedicated to the Laguna Grande No. 1 Well. The Laguna Grande well No. 1 was drilled to test the Morrow foundation some years prior to the filing of the application and is in a temporarily abandoned status. Prairie Sun seeks to re-enter the well in an attempt to re-establish production from the Morrow Formation as a primary objective with secondary objectives being the Wolfcamp, the Strawn, and the Atoka formations.

2. In its Motion, Exxon states that Prairie Sun's well proposal was sent to Exxon after the pooling application was filed. Such a representation is false, and apparently Exxon has not been candid with its counsel.

3. Beginning in January, 1999, H.E. Lee, as agent for Prairie Sun, began calling Exxon offices in Midland, Texas. Each time Mr. Lee attempted to contact Mr. Randy