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VIA HAND DELIVERY

Florene Davidson
Oil Conservation Division
1220 S St Francis Drive
Santa Fe, NM 87505

Case 15678

Re Lime Rock Resources II-A, L P Application

Dear Florene

Enclosed please find (1) for filing, the original and one (1) copy of an application by Lime Rock Resources II-A L P for compulsory pooling in relation to Lime Rock's Higgins Cahoon 12D #3 well, and (11) a proposed hearing notice I will email the proposed hearing notice to you in Word format

As stated in the application, Lime Rock requests that the application be placed on the Division's April 27, 2017 hearing docket

Thank you for your assistance

Very truly yours,

Gary W Larson

GWL jwl
Enclosures

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

LIME ROCK
2017 " 7 24 17 1 54

**APPLICATION OF LIME ROCK RESOURCES
II-A, L P FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No 15678

APPLICATION

Pursuant to NMSA § 70-2-17, Lime Rock Resources II-A, L P (“Lime Rock”) applies for an order pooling all uncommitted mineral interests in the Yeso formation in the NW/4 NW/4 of Section 12, Township 18 South, Range 26 East, Eddy County, New Mexico. In support of its Application, Lime Rock states

1 Lime Rock (OGRID No 277558) is a working interest owner in the NW/4 NW/4 of Section 12 and has the right to drill a well thereon

2 Lime Rock proposes to dedicate the above-referenced 40-acre spacing and proration unit to its Higgins Cahoon 12D #3 well, which will be vertically drilled from an orthodox location in the NW/4 NW/4 of Section 12

3 Lime Rock has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well but has been unable to obtain voluntary agreements from all of the mineral interest owners

4 The pooling of those uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights

5 In order to allow Lime Rock to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interest owners should be pooled and Lime Rock should be designated the operator of the Higgins Cahoon 12D #3 well

WHEREFORE, Lime Rock requests that this application be set for hearing on April 27 2017 and that after notice and hearing the Division enter an order

A Pooling all uncommitted mineral interests in the Yeso formation in the NW/4 NW/4 of Section 12, Township 18 South, Range 26 East in Eddy County

B Designating Lime Rock as the operator of the Higgins Cahoon 12D #3 well,

C Authorizing Lime Rock to recover its costs of drilling, equipping, and completing the well,

D Considering the cost of drilling and completing the Higgins Cahoon 12D #3 well and allocating the cost among the uncommitted mineral interest owners,

E Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure, and

F Imposing a 200% penalty for the risk assumed by Lime Rock in drilling and completing the Higgins Cahoon 12D #3 well against any mineral interest owner who does not voluntarily participate in the drilling of the well

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Counsel for Lime Rock Resources II-A LP

PROPOSED NOTICE

Case No 15678 Application of Lime Rock Resources II-A, L P for compulsory pooling, Eddy County, New Mexico Applicant seeks an order pooling all uncommitted mineral interests in the Yeso formation in the NW/4 NW/4 of Section 12, Township 18 South, Range 26 East, NMPM, in Eddy County Applicant will dedicate the acreage to its Higgins Cahoon 12D #3 well, which will be vertically drilled in Unit D of Section 12, Township 18 South, Range 26 East The well will be completed within the 330-foot standard offset required by the Division's rules Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Lime Rock Resources II-A, L P as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well The well will be located approximately ten (10) miles southeast of Artesia, New Mexico

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LIME ROCK