

DATE IN 8/14/06	SUSPENSE 9-5-06	ENGINEER MIKE STOGNER	LOGGED IN 8/15/06	TYPE SD	APP NO. PTD50622738199
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☒ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached.

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

John M. Hillman

Print or Type Name

Signature

Vice-President

Title

8-07-2006

Date

candy@rocaresource.com

e-mail Address

2006 AUG 14 PM 3 21

August 14, 2006

HAND DELIVERY

Mr. Mark Fesmire, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Roca Operating, Inc., for administrative approval of the simultaneous dedication of the N/2 NE/4 of Section 36, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico to its New Mexico 36 State Well No. 1 and its New Mexico 36 State Well No. 2.

Dear Mr. Fesmire:

Roca Operating, Inc. ("Roca") is the operator of a standard 80-acre spacing unit in the E.K.-Bone Springs Pool comprised of the N/2 NE/4 of Section 36, Township 18 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit is dedicated to Roca's New Mexico 36 State Well No. 2 which produces from the Second Bones Springs Sand in the EK Bone Springs Field.

Roca seeks administrative approval of the simultaneous dedication of this standard 80-acre spacing unit to the following two wells:

- A. the New Mexico 36 State Well No. 2 (**API No. 30-025-29108**) located 660 feet from the North line and 660 feet from the East line of said Section 36; and
- B. the New Mexico 36 State Well No. 1 (**API No. 30-025-28786**) to be re-entered and re-completed at a location 660 feet from the North line and 1980 feet from the East line of said Section 36.

Although Roca proposes these wells share the same spacing unit, they will produce from two distinctly different reservoirs in the EK Bone Springs Pool. The New Mexico 36 State Well No. 2 is currently producing at an approximate depth of 9,500 feet from the Second Bones Springs Sand. The First Bone Springs does not appear productive in this well because the upper part of the sand is not present. The New Mexico 36 State



Well No. 1 is currently producing at its economic limit from the Morrow formation at a depth of 13,300 feet. Roca proposes to recompletion this well to the First Bones Springs Sand at an approximate depth of 8,850 feet. This is the next potentially productive zone in the well because the Second Bone Springs Sand is drained by offset wells.

Approval of this application will result in the efficient recovery of hydrocarbons, prevent waste and will not violate correlative rights.

Attached hereto as **Exhibit A** is a plat showing the location of the two wells and the offset operators adjoining this spacing unit. **Exhibit B** are copies of the resistivity logs indicating the Bone Spring sand tops and **Exhibit C** are copies of the porosity logs showing the current and proposed perforations.

Exhibit A also lists the parties affected by this application as defined by Rule 1210. A notice of this application has been provided in accordance with the provisions of Rule 1210(B) by providing a copy of this application to the affected parties by certified mail-return receipt requested advising them that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days after the filing of this application and proof of notice with the Division.

Your attention to this application is appreciated.

Sincerely,


Ocean Munds-Dry
Attorney for Roca Operating, Inc.

Enclosures

cc: Mr. Kevin Allen
Roca Operating, Inc.



August 14, 2006

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Application of Roca Operating, Inc. for administrative approval of the simultaneous dedication of the N/2 NE/4 of Section 36, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico to its New Mexico 36 State Well No. 1 and its New Mexico 36 State Well No. 2.

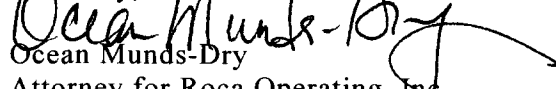
Dear Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by Roca Operating, Inc. for administrative approval of an infill gas well and simultaneous dedication for its New Mexico State 36 State Well No. 1, 660' FNL and 1980' FEL, S36-T18S-R33E, Lea County, New Mexico.

Roca seeks to dedicate this well to an existing 80-acre gas spacing unit comprising Section 36 which is currently dedicated to the New Mexico 36 State Well No.2.

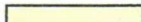
As an owner of an interest that may be affected by these proposed wells, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If no objection is received within this twenty-day period, this application may be approved.


Sincerely,

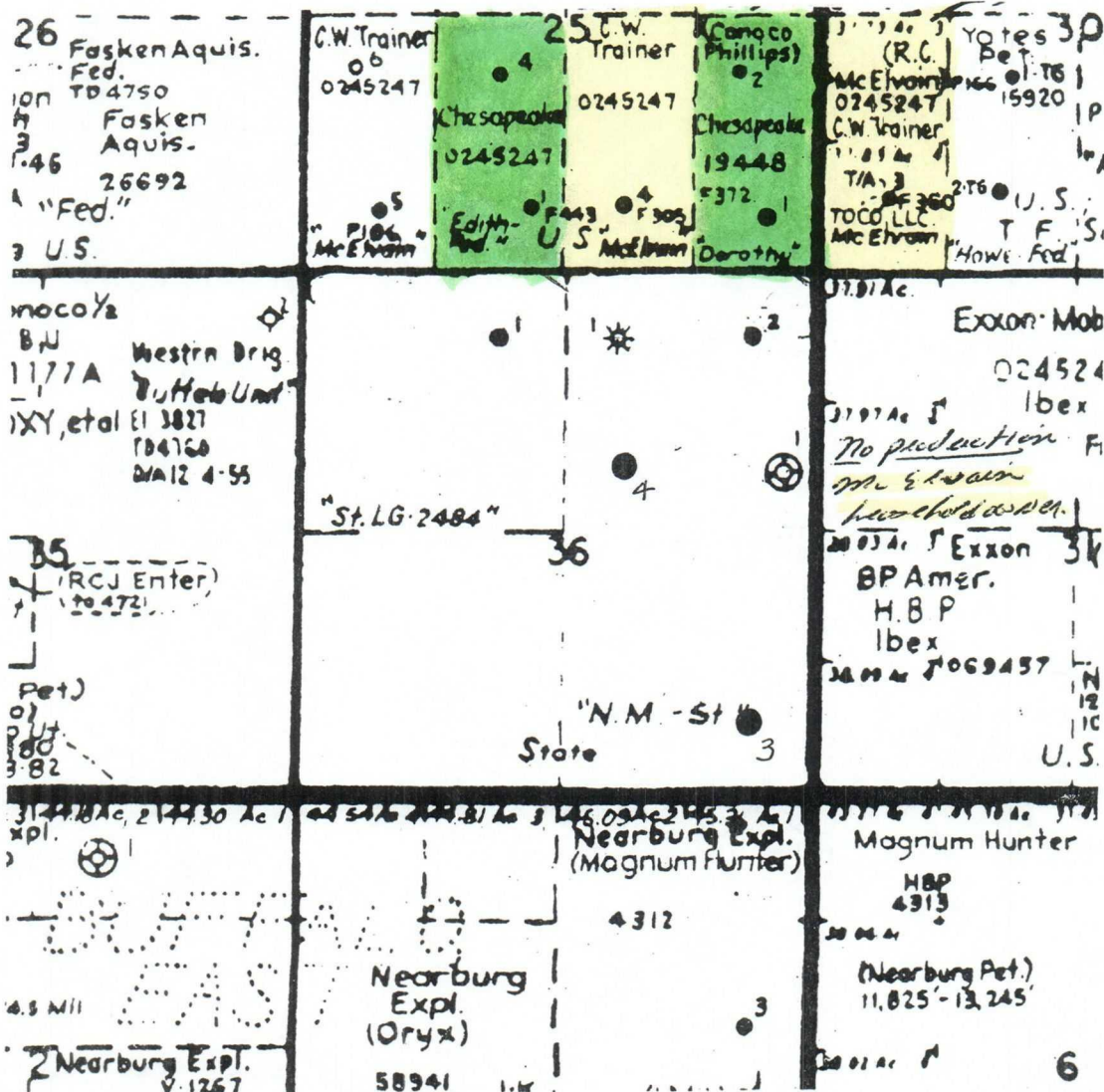

Ocean Munds-Dry
Attorney for Roca Operating, Inc.

Enclosures

OFFSET OPERATORS

 McElvain Oil & Gas Properties
1050 17th Street, Suite 1800
Denver, Colorado 80265-1801

 Chesapeake Exploration Limited
1201 NW 41st Street
Oklahoma City, Oklahoma 73118-5446

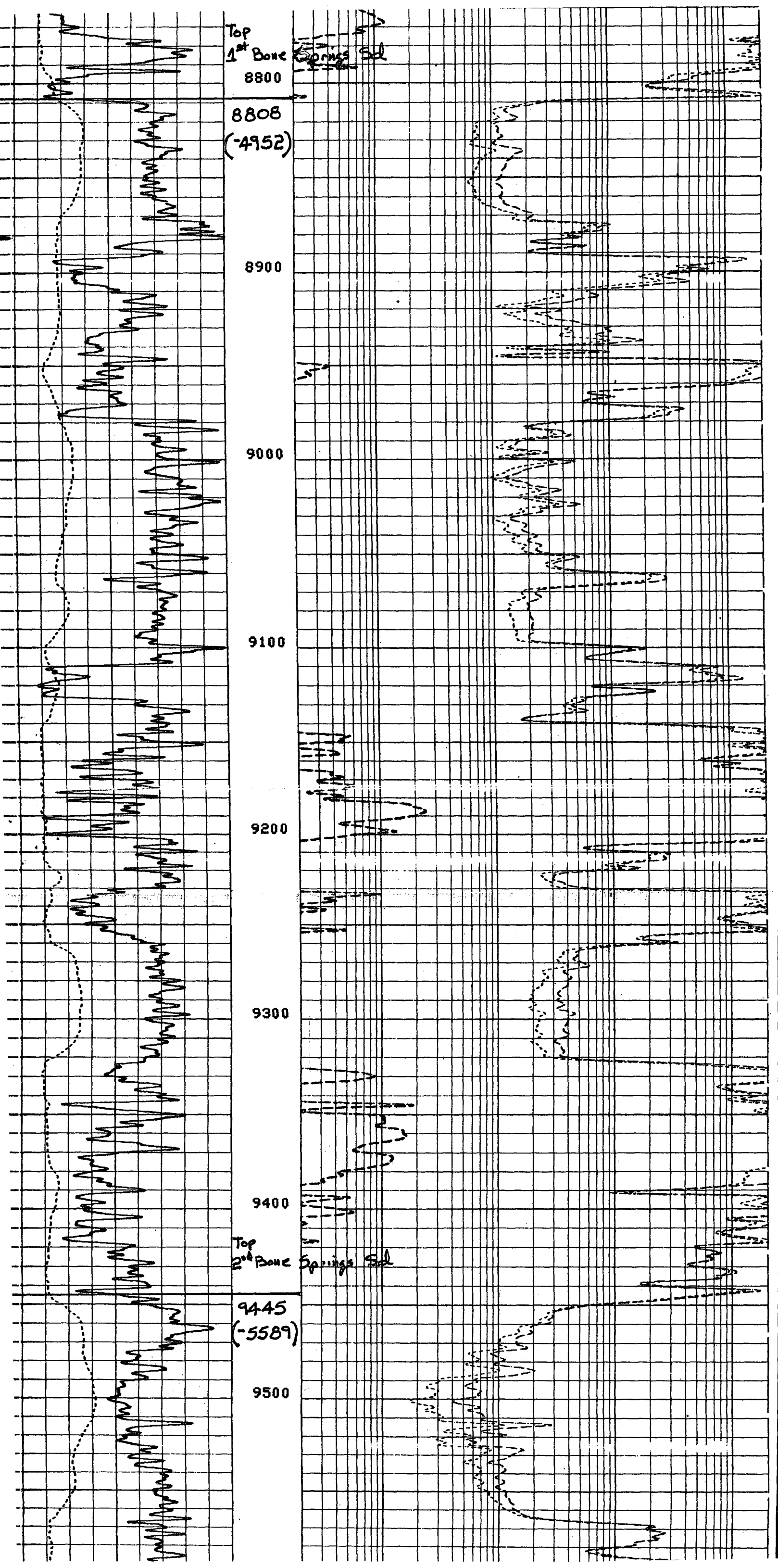


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**Formation Tops
New Mexico 36 State Com #1
ROCA Operating, Inc.
API#30-025-28786
660 FNL and 1980 FEL**

**Section 36, T18S, R33E,
Lea County, Texas
KB 3856**

EXHIBIT B



#2

Formation Tops
New Mexico 36 State #2
ROCA Operating, Inc.
API#30-025-29108
660 FNL and 660 FEL

Section 36, T18S, R33E,
Lea County, Texas
KB 3857

Top
1st Bone Springs Sd

8900

8902
(-5045)

9000

9100

9200

9300

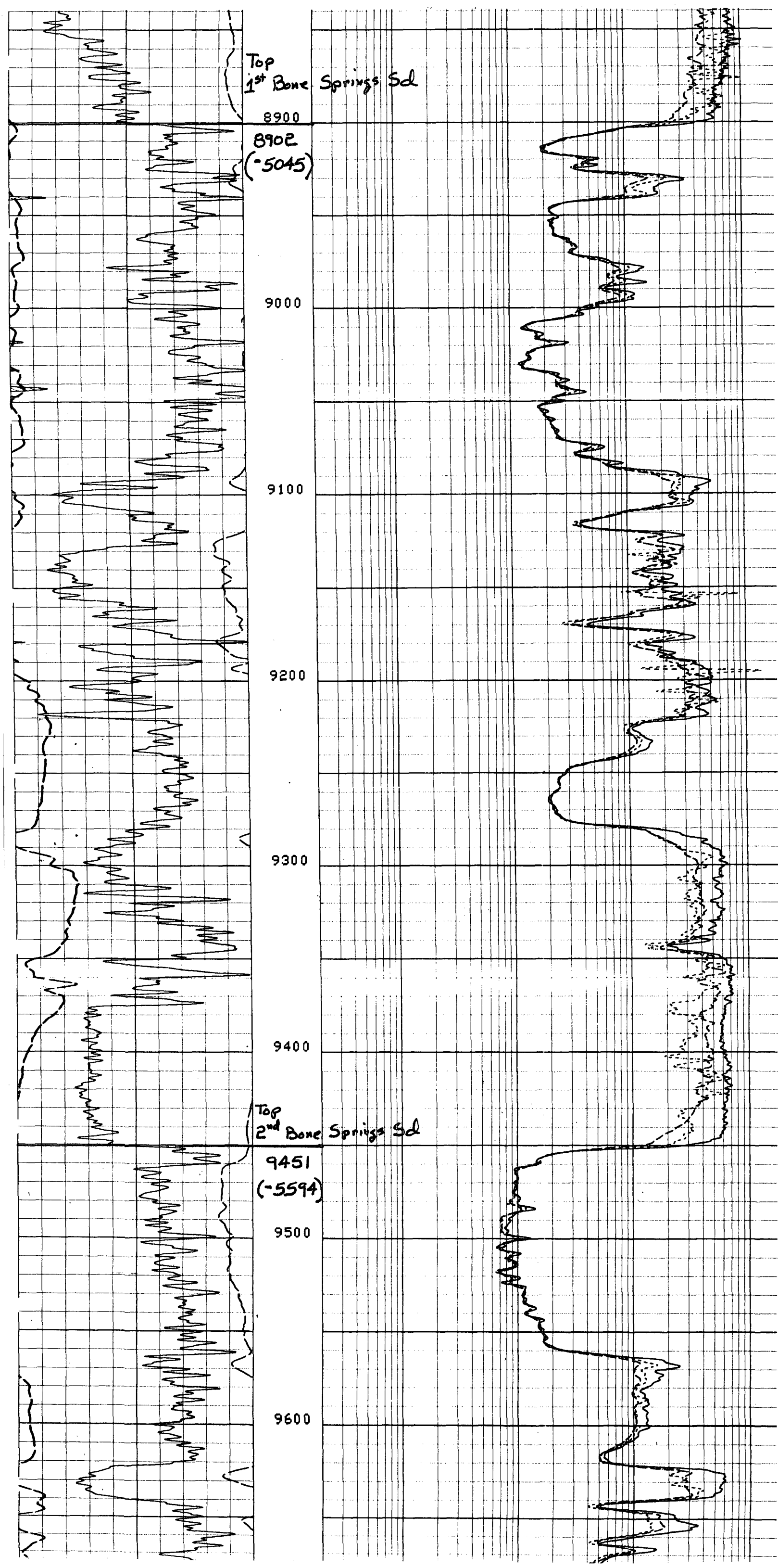
9400

Top
2nd Bone Springs Sd

9451
(-5594)

9500

9600



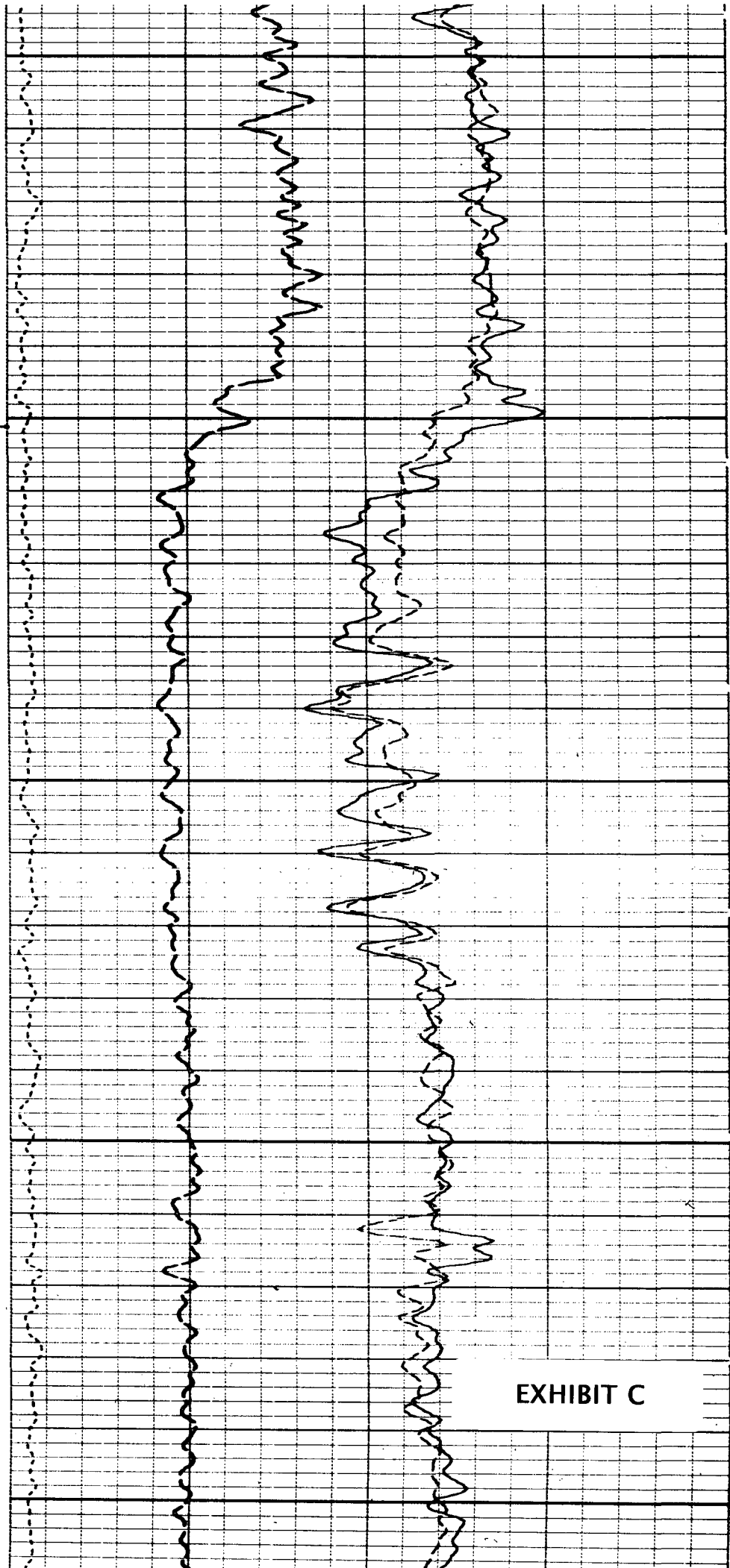
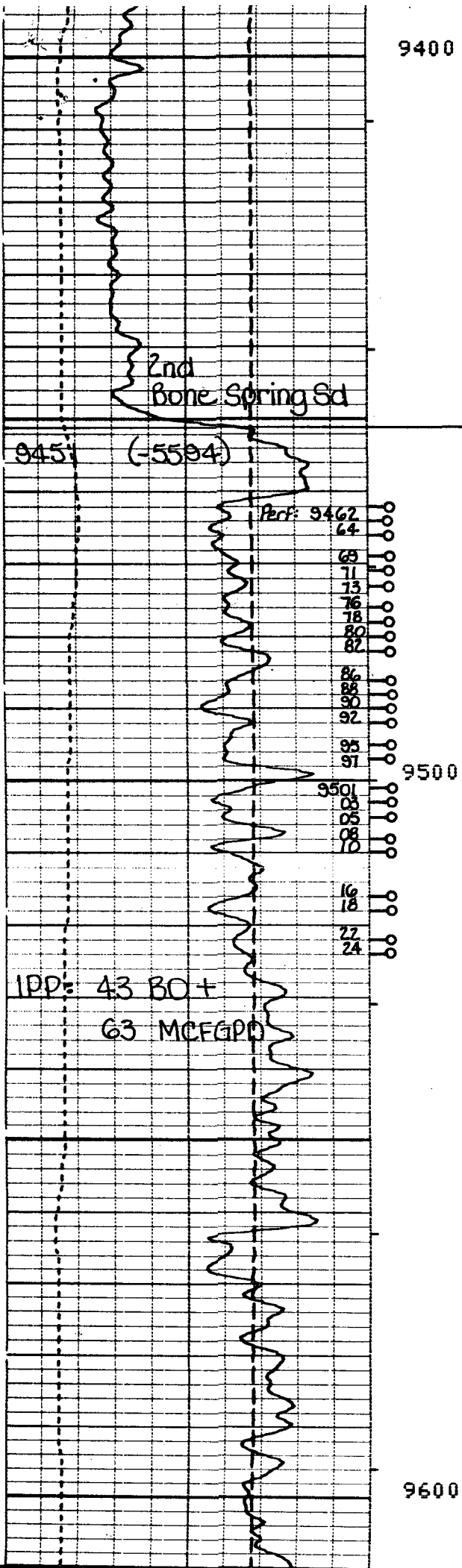
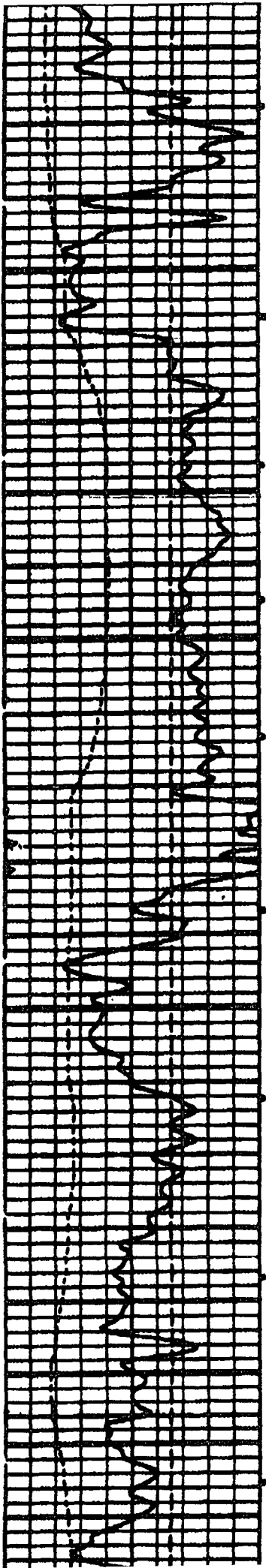


EXHIBIT C



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Proposed

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Proposed

