

**Lawrence D. Garcia**  
Attorney at Law  
1502 Dodd Lane  
Houston, Texas 77077

lawrencedgarcia@gmail.com

713-598-4668

March 24, 2011

**DELIVERED BY FEDERAL EXPRESS**

Ms. Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Shrike 10 State Well No. 2 H  
Dedication: S/2SW/4 of Section 10, T25S, R28E  
Application of Lime Rock Resources A, L.P.,  
for Designation of Non-Standard Spacing Unit and  
for Compulsory Pooling,  
Eddy County, New Mexico

Dear Ms. Davidson:

Enclosed for filing, on behalf of Lime Rock Resources A, L.P., are an original and two copies of an application for compulsory pooling and non-standard spacing and proration unit, together with a proposed advertisement.

Please set this matter for the April 28, 2011 Examiner hearing.

Thank you.

  
Lawrence D. Garcia

Attorney for Lime Rock Resources A, L.P.

cc: Lime Rock Resources A, L.P.  
Attn: Charles Reagan

*Case 14630*  
2011 MAR 29 P 1:35  
RECEIVED OGD

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

**IN THE MATTER OF THE  
APPLICATION OF LIME ROCK  
RESOURCES A, L.P. FOR COMPULSORY POOLING  
AND NON-STANDARD SPACING AND  
PRORATION UNIT, EDDY COUNTY, NEW MEXICO.**

CASE NO. 14630

**APPLICATION FOR COMPULSORY POOLING AND  
NON-STANDARD SPACING AND PRORATION UNIT**

LIME ROCK RESOURCES A, L.P., ("Applicant") applies for an order pooling all mineral interests from the surface of the earth down to a depth sufficient to test the Cherry Canyon formation, and non-standard spacing and proration unit underlying the S/2 SW/4 of Section 10, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico (Section 10).

In support of this application, Applicant states:

1. Applicant is an interest owner in the S/2SW/4 of Section 10, and has the right to drill thereon.
2. Applicant proposes to horizontally drill its Shrike 10 State Well No. 2 H well to be located at a standard well location having a surface location 400 FSL and 2590 FWL and a bottom hole location of 400 FSL and 330 FWL of Section 10.
3. Applicant seeks to dedicate the S/2SW/4 of Section 10 to the well to forming a non-standard 80-acre spacing and proration unit as to the Cherry Canyon formation and for any other formations or pools encountered for developed on 80 or less acre spacing within the vertical extent of the well.
4. Applicant has in good faith sought to obtain the voluntary joinder of all

RECEIVED OGD  
2011 MAR 09 P 1:35

other mineral interest owners in the S/2SW/4 of Section 10 for the purposes set forth herein.

5. Certain mineral owners have failed or refused to join in the drilling of the proposed well, therefore, applicant seeks an order pooling all mineral interest owners in the S/2SW/4 of Section 10 pursuant to NMSA 1978, Section 70-2-17.

6. Pursuant to Commission Order ~~RE-11992~~<sup>RE-11992</sup>, effective August 15, 2003, Applicant requests that the 200% risk charge be applied.

7. The pooling of all mineral interests as requested in this application underlying the S/2SW/4 of Section 10 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

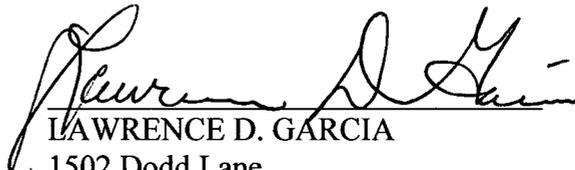
8. In accordance with the Division's notice requirements, a copy of this application has been sent to the working interest owners to be pooled along with the applicants request for a hearing on this matter before the Division on the next available Examiner's docket now scheduled for April 28, 2011.

**WHEREFORE**, Applicant requests that this application be set for hearing on April 28, 2011 before the Division's duly appointed Examiner, and that after notice and hearing, the Division enter its order pooling the mineral interest in described in the appropriate spacing unit for this well at a standard well location upon the terms and conditions which include:

- A. Pooling all mineral interests in the S/2SW/4 of Section 10;
- B. Approving this application with respect to non-standard spacing and proration unit.
- C. Designating Applicant as the operator of the well;

- D. Considering the cost of completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and,
- F. In the event a mineral interest owner or working interest owner fails to elect to participate, then provision be made to recover out of production the costs of drilling, completing, equipping and operating the well, including a risk factor penalty of 200%; and,
- G. For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED



LAWRENCE D. GARCIA

1502 Dodd Lane

Houston, Texas 77077

(713) 598-4668

lawrencedgarcia@gmail.com

Attorney for Lime Rock Resources A, L.P.

PROPOSED ADVERTISEMENT

**NMOCD Case No. 14630; Application of Lime Rock Resources A, L.P. for compulsory pooling and non-standard spacing and proration unit, Eddy County, New Mexico;** Applicant seeks an order pooling all mineral interests from the surface of the earth to test the Cherry Canyon formation underlying the S/2SW/4 of Section 10, Township 25 South, Range 298 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to horizontally drill its Shrike State Well No. 2H to be located at a surface location of 400 FSL and 2590 FWL and bottom hole location of 400 FSL and 330 FWL of said Section 10. Applicant seeks to dedicate the S/2SW/4 of Section 10 to the well to form a non-standard 80 acre spacing and proration unit for any formations and/or pools developed on 80 acre or less within the vertical extent, including the Cherry Canyon formation. The subject lands are located approximately 6 miles south of Malaga, New Mexico.