



December 6, 2005

HAND-DELIVERED

2005 DEC 6 PM 4 17

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

Re: Amended Application of Roca Exploration, Ltd. for compulsory pooling, Eddy
County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the amended application of Roca Exploration, Ltd. in the above-referenced case as well as a copy of a legal advertisement. Roca Exploration, Ltd. requests that this amended application be placed on the docket for the January 5, 2006 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Robert Shelton
Nearburg Producing Company, L.L.C.

James Bruce, Esq.
Rex Energy Operating Corp.

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

**IN THE MATTER OF THE APPLICATION OF ROCA EXPLORATION, LTD. FOR
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 13558
2005 DEC 16 PM 4:17

AMENDED APPLICATION

ROCA EXPLORATION, LTD. ("Roca"), through its undersigned attorneys, hereby files this amended application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all mineral interests in the S/2 SE/4 of Section 36, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the EK-Bone Spring Pool. This pool is developed pursuant to Special Pool Rules and Regulations adopted by Order No. R-4981 which includes provisions for 80-acre spacing. In support of its amended application Roca states:

1. Roca Exploration, Ltd. is a working interest owner in the S/2 SE/4 of Section 36 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing and proration unit to its New Mexico State "36" Well No. 3 which it proposes to drill at a standard location 660 feet from the South and East lines of said Section 36, to a depth sufficient to test any and all formations from the surface to the base of the Bone Spring formation. This well is at a standard location for all formations and pools.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these spacing and proration units from those interest owners identified on Exhibit A to this Application.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Roca to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Nearburg Producing Company, L.L.C. should be designated the operator of the well to be drilled.

WHEREFORE, Roca Exploration, Ltd. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2006 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration unit,
- B. designating Nearburg Producing Company, L.L.C. operator of these units and the well to be re-completed thereon,
- C. authorizing the operator to recover its costs of drilling, equipping and completing the well,
- D. approving the operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a 200% penalty for the risk assumed in drilling and completing the well against any working interest owner who does not voluntarily participate in the well.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR ROCA EXPLORATION,
LTD.

Exhibit A

**Amended Application of Roca Exploration, Ltd
for compulsory pooling, Lea County, New Mexico
New Mexico "36" State No. 3**

C.W. Trainer
P.O. Box 754
Midland, Texas 79702

CASE _____:

Amended Application of Roca Exploration, Ltd. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the S/2 SE/4 of Section 36, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the EK-Bone Spring Pool. Said unit is to be dedicated to its New Mexico "36" State Well No. 3 to be drilled at a standard location 660 feet from the South and East lines of said Section 36 a to a depth sufficient to test all formations from the surface to the base of the Bone Spring formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company, L.L.C. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10 miles Northeast of Halfway, New Mexico.