

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

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2014 DEC -1 P 2: 56

November 18, 2014

Case 15248

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

Dear Florene:

Enclosed for filing, on behalf of RMR Operating, LLC, is an application for compulsory pooling, etc., together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the December 18, 2014 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for RMR Operating, LLC

Parties Being Notified

Rachel Lyman

C.V. Lyman

J.B. Appling

(all with unknown addresses)

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF RMR OPERATING, LLC 2014 DEC -1 P 2: 56
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Case No. 15248

APPLICATION

RMR Operating, LLC applies for an order (i) approving a non-standard oil spacing and proration unit in the Delaware formation comprised of the W/2E/2 of Section 25, and Lot 2 and the NW/4NE/4 of Section 36, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, and (ii) pooling all mineral interests in the Delaware formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the W/2E/2 of Section 25 and Lot 2 and the NW/4NE/4 of Section 36, and has the right to drill a well thereon.
2. Applicant has drilled its Madera 25 Fed. Com. Well No. 2H to a depth sufficient to test the Delaware formation. Applicant seeks to dedicate the W/2E/2 of Section 25 and Lot 2 and the NW/4NE/4 of Section 36 to the well to form a non-standard 234.75 acre oil spacing and proration unit (project area) in the Delaware formation for all pools developed on 40 acre spacing. The well is a horizontal well, with a surface location in the NW/4NE/4 of Section 25; and a terminus in Lot 2 of Section 36.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2E/2 of Section 25 and Lot 2 and the NW/4NE/4 of Section 36 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to

the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the W/2E/2 of Section 25 and Lot 2 and the NW/4NE/4 of Section 36, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit, and the pooling of all mineral interests underlying the W/2E/2 of Section 25 and Lot 2 and the NW/4NE/4 of Section 36, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the W/2E/2 of Section 25 and Lot 2 and the NW/4NE/4 of Section 36;
- B. Pooling all mineral interests in the Delaware formation underlying the W/2E/2 of Section 25 and Lot 2 and the NW/4NE/4 of Section 36; and
- C. Designating applicant as operator of the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for RMR Operating, LLC

PROPOSED ADVERTISEMENT

Case No. 16248:

Application of RMR Operating, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 234.75-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the W/2E/2 of Section 25, and Lot 2 and the NW/4NE/4 of Section 36, Township 26 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Delaware formation underlying the non-standard oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the Madera 25 Fed. Com. Well No. 2H, a horizontal well with a surface location in the NW/4NE/4 of Section 25, and a terminus in Lot 2 of Section 36. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 12-1/2 miles west-southwest of Bennett, New Mexico.

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