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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF ROCA EXPLORATION, LTD. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

(3 597 Case No. 13,578-

ENTRY OF APPEARANCE AND PRE-HEARING STATEMENT

This entry of appearance and pre-hearing statement is submitted by Rex Energy Operating Corp. as required by the Oil Conservation Division.

APPEARANCES

<u>APPLICANT</u> Roca Exploration, Ltd.

APPLICANT'S ATTORNEY

William F. Carr Holland & Hart LLP P.O. Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

<u>OPPONENT</u> Rex Energy Operating Corp.

OPPONENT'S ATTORNEY

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

STATEMENT OF THE CASE

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APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SE^{1/4}SE^{1/4} of Section 36, Township 18 South, Range 33 East, NMPM. The unit is to be dedicated to the existing New Mexico "36" State Well No. 3.

OPPONENT

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Rex Encryy Operating Corp. does not oppose the drilling of the well. However, it believes the acreage is already subject to an operating agreement, and pooling is unnecessary. Also, the well is in the E-K Bone Spring Pool, which is spaced on 80 acres under Division Order No. R-4981, as amended. The application only seeks to pool a 40 acre well unit.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

<u>EXHIBITS</u>

Approx. 4

Elizabeth Moses (landman)

10 min.

PROCEDURAL MATTERS

Rex Energy Operating Corp. has informally requested applicant to continue this case, so that the issues listed above may be resolved.

Respectfully submitted,

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

Attorney for XTO Energy Inc.

11/23/2005 09:59 9822151

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JAMES BRUCE

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 2/2 day of November, 2005 by facsimile transmission:

William F. Carr Holland & Hart LLP P.O. Box 2208 Santa Fe, New Mexico 87504 (505) 983-6043

James Bruce