

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:

CASE NO. 13148
ORDER NO. R-12042

APPLICATION OF ROCA OPERATING, INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This *case came* on for hearing at 8:15 a.m. on September 18, 2003, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 17th day of October, 2003, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT;

(1) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.

(2) Roca Operating, Inc., ("Applicant"), seeks an order pooling all uncommitted mineral interests from the base of the **Wolfcamp** formation to the base of the Morrow formation underlying the N/2 of Section 36, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, in the following manner:

The N/2, forming a standard 320-acre gas spacing and proration unit (the 320-acre "Unit") for all formations or pools spaced on 320 acres within this vertical extent, which presently include, but are not necessarily limited to, the North Quail Ridge-Morrow Gas Pool.

(3) The above-described unit (the Unit) is to be dedicated to Applicant's New Mexico 36 State Com. Well No. 1, located within the **NW/4 NE/4**, Section 36, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico. The Applicant did not supply the legal footage location of this well or the fact that it was a standard or non-standard location.

(4) Two or more separately owned tracts are embraced within the Unit, **and/or** there are royalty interests or interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(5) Applicant is an owner of an oil and gas working interest within the Unit. Applicant has the right to drill and has drilled its New Mexico 36 State Com. Well No. 1 (the "well") to a common source of supply at a gas well location within the NW/4 NE/4 of Section 36.

(6) All of the working interests in the Unit have been voluntarily pooled. However, there are owners of record title to State oil and gas leases in the Unit that have not agreed to pool their interests.

(7) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense its just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, within the Unit.

(8) Applicant should be designated the operator of the well and of the Unit.

IT IS THEREFORE ORDERED THAT;

(1) Pursuant to the application of Roca Operating, Inc., all uncommitted record title interests from the base of the **Wolfcamp** formation to the base of the Morrow formation underlying the N/2 of Section 36, Township 18 South, Range 33 East, N.M.P.M., Lea County, New Mexico, are hereby pooled, as follows:

The N/2, forming a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include but are not necessarily limited to the North Quail Ridge-Morrow Gas Pool.

The Unit shall be dedicated to Applicant's New Mexico 36 State Com. Well No. 1, located at a gas well location within the NW/4 NE/4 of Section 36.

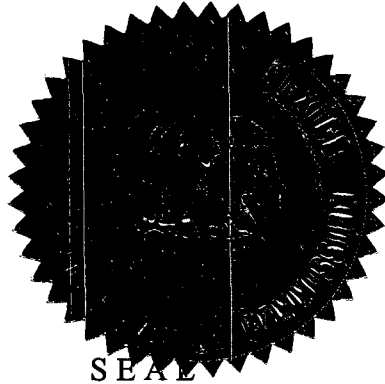
(2) Applicant is hereby designated the operator of the well and of the Unit.

(3) Should all the parties to this compulsory pooling order reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(4) The operator of the well and Unit shall notify the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

(5) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "Lori Wrotenbery".

LORI WROTENBERY
Director