



## STATEMENT OF THE CASE

### APPLICANT:

1. RB proposes to directionally drill its Carrasco "14" Well No. 6 from an unorthodox surface location, 1400 feet FNL and 800 feet FEL to an unorthodox subsurface oil well location 1400 feet FNL and 1250 feet FEL (Unit H) Section 14, T23S, R28E and to simultaneously dedicate it along with the Carrasco "14" Well No. 3, (API 30-015-26350) a producing oil well located 1980 feet FNL and 560 feet FEL (Unit H) Section 14, T23S, R28E.
2. This spacing unit is subject to the East Loving-Brushy Canyon Pool including, among other things, 40-acre oil spacing with wells located not closer than 330 feet to the side boundaries and a special limiting gas/oil ratio of 8,000 cubic feet of gas per barrel of oil produced.
3. This proposed well is to be located at the intersection of four adjoining 40-acre oil spacing units that contain existing Brushy Canyon wells.
4. As a result of development in accordance with Division rules, each of these four governmental quarter-sections contains a oil well that may have by passed recoverable oil that now can be recovered by adding a new well at the approximate center of the intersection these 4 quarter-quarter sections. In order to test this probability, RB proposes to drill this infill well.
5. RB, based upon geologic data, believes that its proposed unorthodox well location will provide better opportunities to access potential production in the Brushy Canyon interval of the Delaware formation that cannot be produced by the other wells within this spacing unit or adjacent spacing units.
6. Based upon Volumetric Analysis for these two wells, RB estimates that additional recovered by well be recovered that will not be recovered the existing wells.
7. The 4 existing wells in the NE/4 of Section 14 have a combined total allowable of 568 barrels of oil per day (142 x 4) with the original well in this 40-acre spacing unit (Unit J) currently producing about 25 barrels of oil per day (Carrasco "14" Well No. 3) and with the total current production from all four wells being 110 BOPD.
8. RB, for administrative convenience, has selected to place this infill well within an existing spacing unit and requests approval for simultaneous dedication.
9. RB and Chesapeake Permian, L. P. are the only working interest owners affected. With the exception of the Bureau of Land Management ("BLM"), RB has contacted all royalty and overriding royalty interest owners affected and has obtained the consent of all owners.
10. The federal tract consists of the N/2NE/4 of this section and RB will contact the BLM to determine if it has any opposition to this application.

11. RB has obtained a fully executed voluntary agreement from all interest owners affected except for the BLM. Affected owners are all the owners in each of the 40-acre proration units surrounding the two proposed wells. Except for the N/2NE/4 of this section, all other acreage involved and affected by this application are private owners and all tracts are exactly 40-acre in size.
12. This agreement provides for the sharing of production for this infill well by creating a voluntary "Proposed Drilling Unit" consisting of 10-acres from each of the 40-acre spacing units in the quarter section.
13. In accordance with the Division's notice rules, copies of the application and notice of hearing has been sent to all the interest owners affected.

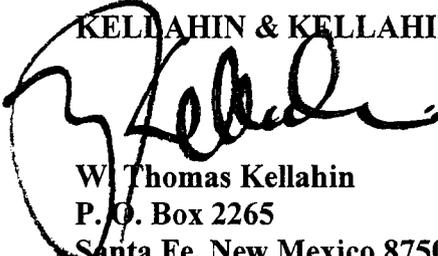
**PROPOSED EVIDENCE**

**APPLICANT**

<b>WITNESSES</b>	<b>EST. TIME</b>	<b>EST. EXHIBITS</b>
<b>Martin Emery, geologist</b>	<b>20 min</b>	<b>about 8</b>
<b>Dwayne Bryant (PE)</b>	<b>20 min</b>	<b>about 8</b>
<b>Bobby Ebeier (landman)</b>	<b>20 min</b>	<b>about 8</b>

**PROCEDURAL MATTERS**

None

  
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