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Attorney at Law

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Recognized Specialist in the Area of
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New Mexico Board of Legal Specialization

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March 29, 2005

HAND DELIVERED

Mr. Mark E. Fesmire, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13471

2005 MAR 29 PM 3 12

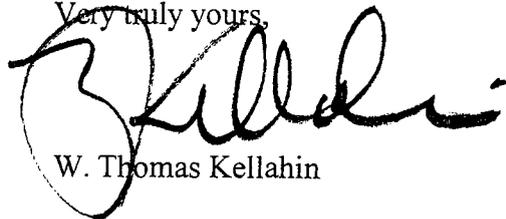
Re: Application of RB Operating Company
for approval of directional wellbore and an unorthodox
oil well location and simultaneous dedication,
East Loving-Brushy Canyon Pool,
Eddy County, New Mexico

Carrasco "14" Well No. 6
Surface: 1400 feet FNL and 800 feet FEL (Unit H)
Bottom hole: 1400 feet FNL and 1250 feet FEL Unit H)
Section 14, T23S, R28E

Dear Mr. Fesmire:

On behalf of RB Operating Company, please find enclosed our referenced application that we request to set for hearing on the next available docket currently schedule for April 21, 2005.

Very truly yours,



W. Thomas Kellahin

cc: RB Operating Company
Attn: Bobby Ebeier

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

**IN THE MATTER OF THE APPLICATION OF
RB OPERATING COMPANY FOR A DIRECTIONAL
WELLBORE AND FOR UNORTHODOX OIL WELL
LOCATION AND SIMULTANEOUS DEDICATION,
EDDY COUNTY, NEW MEXICO.**

Case 13471

APPLICATION

RB OPERATING COMPANY ("RB") by its attorneys, Kellahin & Kellahin, seeks an order authorizing the directional wellbore and the production of its Carrasco "14" Well No. 6 at an unorthodox subsurface 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 to the same standard 40-acre oil spacing unit for production from the East Loving-Brushy Canyon Pool, Eddy County New Mexico.

In support of its application RB states:

1. RB proposes to directionally drill its Carrasco "14" Well No. 6 from a 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. **See locator map attached as Exhibit "A" and C-102s attached as Exhibit "B"**
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-section 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 section. In order to test this probability, RB proposes to drill this infill well. **See locator map attached as Exhibit "A"**
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. 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.

NOTIFICATION AND WAIVERS

7. RB, for administrative convenience, has selected to place this infill well within an existing spacing unit and requests approval for simultaneous dedication.
8. 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.
9. 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.
10. RB has obtained 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 is privately owners and all tracts are exactly 40-acre in size.

11. This agreement provide 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. **See map attached as Exhibit "A" Attached.**

12. In accordance with the Division's notice rules, copies of the application and notice of hearing will be sent to all the interest owners affected. **See Exhibit "C" attached**

WHEREFORE, RB, as applicant, requests that, after notice and hearing, the Division enter its order approving these requested unorthodox well locations and simultaneous dedications.

RESPECTFULLY SUBMITTED:



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KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87504
Telephone: (505) 982-4285
Fax: (505) 982-2047

ETA OIL PRODUCERS
 PARQUE C 8808 JV
 1,019,931
 190,336
 15,134
 261,744,328
 6,250,538
 32,748
 5,950

ETA OIL PRODUCERS
 PARQUE C 8808 JV
 1,019,931
 190,336
 15,134
 261,744,328
 6,250,538
 32,748
 5,950

BIRD CREEK LIMITED LIABILITY CORP
 TELEEDYNE
 781,699
 144,476
 112,845
 26,330
 6,187

BIRD CREEK LIMITED LIABILITY CORP
 TELEEDYNE
 1,337,758
 215,698
 94,702
 26,330
 6,210

Proposed Drilling Unit

BIRD CREEK LIMITED LIABILITY CORP
 TRACHTA
 1,115,813
 151,031
 77,550
 26,328
 6,220

BIRD CREEK LIMITED LIABILITY CORP
 CARRASCO '14
 1,137,710
 252,846
 84,665
 261,217,21
 6,210,100

Existing Production Unit

BIRD CREEK LIMITED LIABILITY CORP
 TRACHTA
 954,567
 134,913
 63,065
 26,328
 6,200

BIRD CREEK LIMITED LIABILITY CORP
 RGA
 1,264,145
 711,354
 70,220
 26,151
 6,250

BIRD CREEK LIMITED LIABILITY CORP
 RGA
 1,055,623
 189,382
 83,994
 26,182
 6,250

BIRD CREEK LIMITED LIABILITY CORP
 REID
 1,013,626
 131,976
 149,869
 26,528
 6,300

BIRD CREEK LIMITED LIABILITY CORP
 RGA
 717,730
 127,539
 86,163
 26,331
 6,250

BIRD CREEK LIMITED LIABILITY CORP
 REID
 756,288
 88,406
 37,525
 26,592
 6,300

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 671,442
 136,999
 205,645
 26,294

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 652,621
 57,142
 189,934

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 442,521
 169,457

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 815,790
 132,999
 132,999

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 169,457

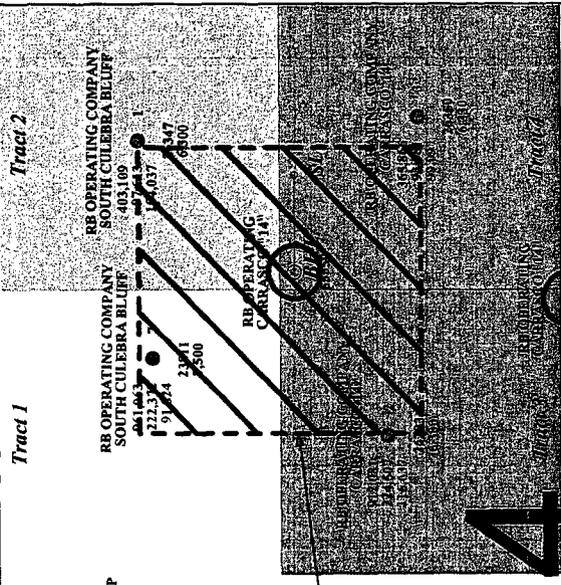
RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
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 169,457

RB OPERATING COMPANY
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 189
 164,888
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RB OPERATING COMPANY
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 334,688
 6,408,453
 132,913
 26,536

1,076,746
 221,183
 125,243
 26540
 6,350

707,351
 26512
 6,300



RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 237,909
 34,481
 96,648
 26,534
 6,400

RB OPERATING COMPANY
 CARRASCO '14
 40,202
 9,558
 60,378
 6,800

RB OPERATING COMPANY
 CARRASCO '14
 471,152
 84,894
 119,308
 26,349
 6,310

RB OPERATING COMPANY
 REID
 756,288
 88,406
 37,525
 26,592
 6,300

RB OPERATING COMPANY
 CANDIE '13
 216,978
 55,709
 179,070
 26,709
 6,300

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 671,442
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 26,294

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 26,534
 6,484

RB OPERATING
 SOUTH CULEBRA BLUFF
 34,481
 96,648
 26,534
 6,484

AMOCO PROD CO
 TELEEDYNE GAS COM
 21138

RB OPERATING
 EDDY COUNTY, NEW MEXICO
 LOVING EAST AREA
 Carrasco "14" No. 6 Location



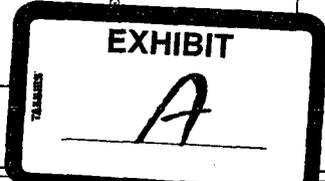
POSTED WELL DATA

Operator
 WELL - G - BRUSHY CANYON
 WELL - O - BRUSHY CANYON
 WELL - W - BRUSHY CANYON Series 1D

SYMBOL HIGHLIGHT

WELL SYMBOLS
 Location Only
 Oil Well
 Gas Well
 Injection Well
 Abandoned Oil Well

By: MXE
 March 9, 2005



State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT I
1600 N. FRANCIS DR., ROSA, NM 88240

DISTRICT II
1804 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Ed., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

APT Number	Pool Code	Pool Name
Property Code	Property Name CARRASCO 14	
OGRID No.	Operator Name R.B. OPERATING	
		Well Number 6
		Elevation 2979'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	14	23-S	28-E		1400	NORTH	800	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div style="text-align: center;"> <p>GEODETC COORDINATES NAD 27 NME</p> <p>Y=476201.2 N X=587029.9 E</p> <p>LAT.=32°18'31.96" N LONG.=104°03'05.90" W</p> </div> <div style="text-align: right; margin-top: 20px;"> </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;">OPERATOR CERTIFICATION</p> <p style="font-size: small;">I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p style="font-size: small;">I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p style="text-align: center;">JANUARY 06 2005</p> <p>Date Surveyed _____ LA</p> <p>Signature & Seal of Professional Surveyor _____ 04.11.1758</p> <p>Certificate No. _____ EIDSON 3239</p> </div>
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EXHIBIT

B-1

Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Benzon Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator R. B. OPERATING CO.			Lease CARRASCO 14		Well No. 3
Unit Letter H	Section 14	Township 23 SOUTH	Range 28 EAST	County EDDY	
Actual Footage Location of Well: 1980 feet from the NORTH line and 560 feet from the EAST line					
Ground level Elev. 2964.0'	Producing Formation			Pool	Dedicated Acreage: Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

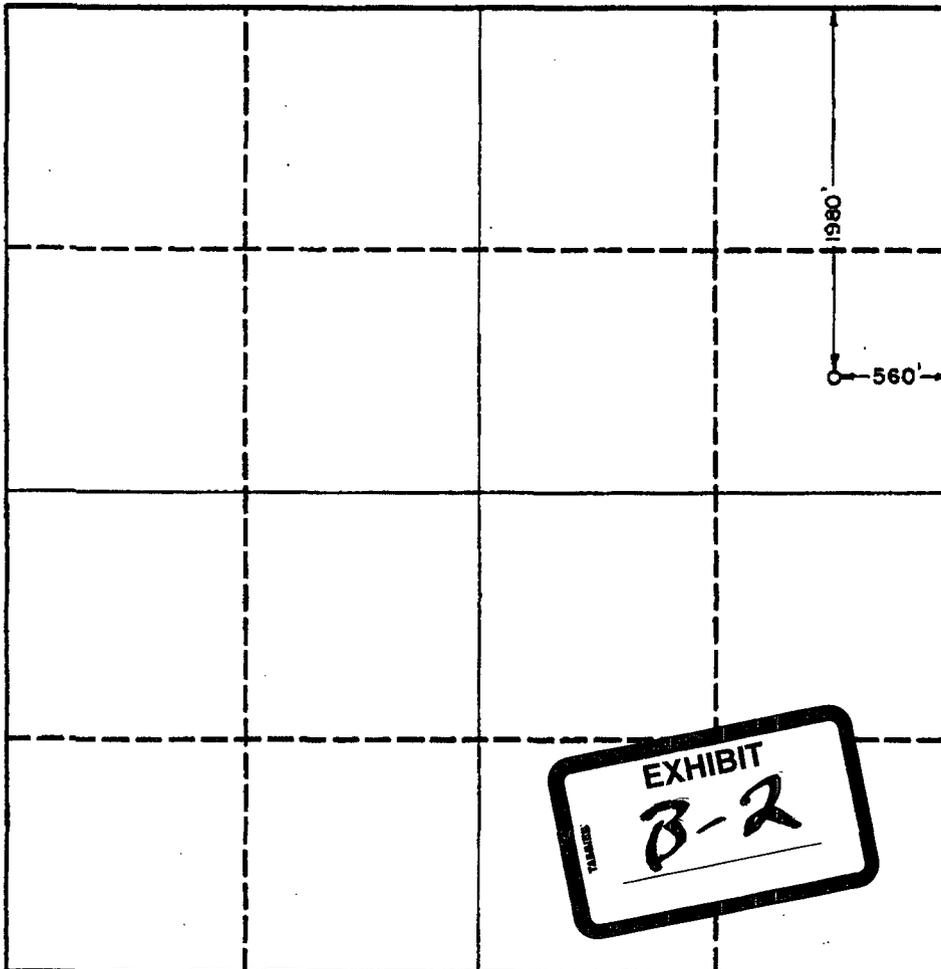


EXHIBIT
B-2

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name _____

Position _____

Company _____

Date _____

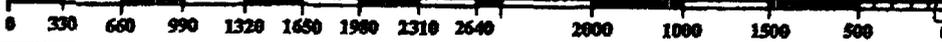
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
April 11, 1990

Signature of Registered Professional Surveyor
[Signature]

REGISTERED PROFESSIONAL SURVEYOR
NO. 7977
JOHN W. WEST
NEW GARDNER, NM 87701



Esther Lee Baker Trust
488 West 6th Street
Claremont, CA 91711

Candelario Carrasco, Jr.
Box 26
Loving, NM 88256

Robert H Northington
P.O. Box 1497
Marble Falls, TX 78654-1497

Donald Paape
P.O. Box 3
Fort Davis, TX 79734

Celia C. Valdez
4204 Thomason Road
Carlsbad, NM 88220

Bogle Oil, Inc.
P.O.Box 460
Dexter, NM 88230

Richard Holesapple
P.O.Box 1250
Carnichael, CA 95609

Marsha Kantor
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Scardales, NY 10583

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Woodland Hills, CA 91364

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Sherman Oaks, Ca 91401

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Pompano, FL 33069

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Maricopa, Az 85239

John E. Clem
49173 W. Papago Road
Maricopa, AZ 85239-5240

Geraldine Clem Bolen
11801 S. Halfmoon drive
Phoenix, AZ 85012-1488

Janice Clem Pace
543 N. Emerson Street
Phoenix, AZ 85224

Judith Hamilton Fuhr
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Phoenix, AZ 85012-1488

Emil Berger
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West Hollywood, CA 90069

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Woodland Hills, CA 91367

Concepcion Onsurez
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Woodland Hills, CA 91367

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Avondale, AZ 85323

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Sherman Oaks, CA 91423

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Westminster, CO 80021

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Albuquerque, NM 87109

Lucille Paape
14911 Wunderlich Drive #1807
Houston, TX 77069



Kenneth Jay Reynolds
P. O Box 10847
Midland, TX 79702

Vikki L. Smith
9104 Haines N.E.
Albuquerque, NM 87112

Charmar, L.L.C
6212 Osuna Road N.E.
Albuquerque, NM 87109-2561

McLish Resources Partnership
L.P.
633 Seventeenth Street #1650
Denver, CO 80202-3660