

**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)

jamesbruc@aol.com

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October 14, 2008

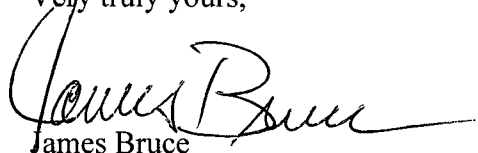
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Case 14245

Dear Florene:

Enclosed for filing, on behalf of RSC Resources Limited Partnership, are an original and one copy of 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 November 13, 2008 Examiner hearing. Thanks.

Very truly yours,

  
James Bruce  
Attorney for RSC Resources Limited Partnership

PARTIES BEING POOLED

MCB Properties  
P.O. Box 2556  
Midland, Texas 79702

Lynn Development  
Suite 811  
306 West Wall  
Midland, Texas 79701

Penroc Oil Corporation  
P.O. Box 2769  
Hobbs, New Mexico 88241

Dallas P. Bauer  
P.O. Box 95  
La Mesa, New Mexico 88044

Knox Services, Inc.  
419 East Arriba Drive  
Hobbs, New Mexico 88240-3432

Betty J. Ellsaesser Living Trust  
Earl James Fitzgerald, Trustee  
2209 Rose Lane  
Liberal, Kansas 67901

Betty J. Ellsaesser Living Trust  
Roxy Katz, Trustee  
27463 Timber Springs Road  
Shall, Missouri 65747

Ben J. Dusek  
P.O. Box 10982  
Midland, Texas 79702

E. Earl Baldrige III  
P.O. Box 50716  
Midland, Texas 79710

Three Span Oil and Gas, Inc.  
P.O. Box 51538  
Midland, Texas 79710

WKKA, Ltd.  
P.O. Box 10354  
Midland, Texas 79702

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF RSC RESOURCES LIMITED  
PARTNERSHIP FOR A NON-STANDARD OIL  
SPACING AND PRORATION UNIT AND COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 14245

**APPLICATION**

RSC Resources Limited Partnership applies for an order (i) approving a non-standard oil spacing and proration unit in the Wolfcamp formation comprised of Lot 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$ , and S $\frac{1}{2}$ SE $\frac{1}{4}$ , and (the S $\frac{1}{2}$ S $\frac{1}{2}$ ) of Section 30, Township 16 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the S $\frac{1}{2}$ S $\frac{1}{2}$  of Section 30, and has the right to drill a well thereon.
2. Applicant proposes to drill its Lucky Wolf "30" Fed. Com. Well No. 1, to a depth sufficient to test the Wolfcamp formation, and seeks to dedicate the S $\frac{1}{2}$ S $\frac{1}{2}$  of Section 30 to the well to form a non-standard 162.77 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The well is a horizontal well, with a surface location 330 feet from the south line and 330 feet from the east line, and a terminus 330 feet from the south line and 330 feet from the west line, of Section 30.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S $\frac{1}{2}$ S $\frac{1}{2}$  of Section 30 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 S½S½ of Section 30, pursuant to NMSA 1978 §§70-2-17, 18.

5. The approval of the non-standard unit, and the pooling of all mineral interests underlying the S½S½ of Section 30, 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 Wolfcamp formation comprised of the S½S½ of Section 30;
- B. Pooling all mineral interests in the S½S½ of Section 30 in the Wolfcamp formation;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", written in dark ink over a horizontal line.

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

Attorney for RSC Resources Limited Partnership

### PROPOSED ADVERTISEMENT

**Case No. 14245: Application of RSC Resources Limited Partnership for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of Lot 4, SE/4SW/4, and S/2SE/4 (the S/2S/2) of Section 30, Township 16 South, Range 28 East, NMPM, to form a non-standard 162.77-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Lucky Wolf "30" Fed. Com. Well No. 1, a horizontal well to be drilled at a surface location 330 feet from the south line and 330 feet from the east line, with a terminus 330 feet from the south line and 330 feet from the west line, of Section 30. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 11 miles east-northeast of Artesia, New Mexico.