

DATE IN 11/26/13	SUSPENSE	ENGINEER MAM	LOGGED IN 11/27/13	TYPE NSL	PMAM 1333150484
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

Reliant Expl.
 9-HK well
 30-021-20563
 Bravo Dome CO₂
 Project

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

SCOTT VANDERBURG
 Print or Type Name

Signature

Title

Date

e-mail Address

SCOTT.V@RELIANTHOLDINGS.LTD.COM

Via E-mail and US Mail

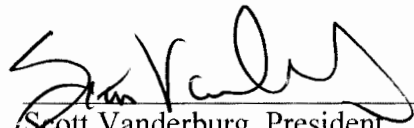
Ed Martin
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
ed.martin@state.nm.us

Re: *Application of Reliant Exploration & Production, LLC for administrative approval of an unorthodox well location for its 9-1-K Well, API 30-021-20558 located in Section 9, Township 19 North, Range 31 East, N.M.P.M., Harding County, New Mexico.*

Dear Mr. Martin:

Reliant Exploration & Production, LLC ("Reliant") (OGRID No. 251905) is seeking administrative approval under Division Rule 19.15.15.13 NMAC for an unorthodox well location for its 9-1-K Well, API 30-021-20558, located in Section 9, Township 19 North, Range 31 East, N.M.P.M., Harding County, New Mexico. According to Division Rule 19.15.15.10 NMCA, a 160-acre spacing unit area has been dedicated to this well, comprised of the NW/4 of Section 9. An APD for the well was approved by the Division on May 18, 2013, and the well was drilled pursuant to the APD at the surface location 2014 feet from the quarter West line of Section 9. The Administrative Application Checklist for this Application is enclosed together with Exhibit A, the Well Location and Acreage Dedication Plat (Form C-102), which shows the location of the 9-1-K Well. The C-102 shows that the well is located 2014 feet from the NW/4 West line of NW/4, Section 9. This location was necessary to efficiently and economically achieve the greatest recovery of the reserves underlying the Tubb formation in the N/W 4 of Section 9.

Pursuant to 19.15.15.13 NMAC, Reliant attests that it is the operator of the offset spacing and proration unit in the NW/4 of Section 9, that there is identical ownership of working interest, royalty and overriding royalty interests in the exactly the same percentages in the two spacing units and that therefore no other persons are entitled to notice of this Application under 19.15.4.12(A) (2) and 19.15.15.13(C).


Scott Vanderburg, President
Reliant Holdings Ltd

11/26/13
Date

BRAVO DOME 160 area.

Q 7556

Division
1220 N. Francis Dr., Hobbs, NM 88240
Phone: (505) 398-4161 Fax: (505) 398-9720
Division
111 S. First St., Artesia, NM 88210
Phone: (505) 748-1281 Fax: (505) 748-9720
Division
101 E. Blanco Road, Artesia, NM 88210
Phone: (505) 734-5178 Fax: (505) 334-6170
Division
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Case# 8190
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

2 0563 WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-021-20550	Pool Code 96010	Pool Name BRAVO DOME
Property Code 37025	Property Name LIBBY MINERALS LLC 1931	Well Number 9-1-K
OGRID No. 251905	Operator Name RELIANT EXPLORATION & PRODUCTION, LLC.	Elevation 4437.6'

Surface Location

UL or lot no.	Section	Township	Range	Loc. Id.	Feet from the	North/South line	Feet from the	East/West line	County
K	9	19 NORTH	31 EAST, N.M.P.M.		1980'	SOUTH	2014'	WEST	HARDING

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Loc. Id.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160		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.

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order sanctioned by the Division. <u>Signature</u> <u>10/20/2013</u> SCOTT VANDERBURG Printed Name SCOTT V@RELIANTHOLDINGS LTD.COM E-mail Address
	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 belief. <u>NOVEMBER 1, 2013</u> Date of Survey Signature and Seal of Professional Surveyor
	Certificate Number <u>15079</u> HQ# 121101W-11 01

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 8705

District IV

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD
A ZONE**

¹ Operator Name and Address Reliant Exploration & Production, LLC 10817 West county Road 60 Midland, Texas 79707		² OGRID Number 251905
³ Property Code 37025	⁴ Property Name LIBBY MINERALS LLC 1931	⁵ APT Number 30-021-20558 ⁶ WSH No 9-1-K
⁷ Proposed Pool 1 Bravo Dome 96010		⁸ Proposed Pool 2

Surface Location

U/L or lot no	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
K	9	19 North	31 East NM/PM		1980'	South	2014'	West	Harding

Proposed Bottom Hole Location If Different From Surface

U/L or lot no	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County

Additional Well Information

⁹ Work Type Code N	¹⁰ Well Type Code C	¹¹ Cable/Rotary R	¹² Lease Type Code P	¹³ Ground Level Elevation 4437.6
¹⁴ Multiple NO	¹⁵ Proposed Depth 2600'	¹⁶ Formation TUBB	¹⁷ Contractor RELIANT	¹⁸ Spud Date 5/19/2013
¹⁹ Depth to Groundwater >100'		²⁰ Distance from nearest fresh water well >1000'		²¹ Distance from nearest surface water >1000'
²² Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20 mils thick Clay <input type="checkbox"/> Pit Volume: 850 bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

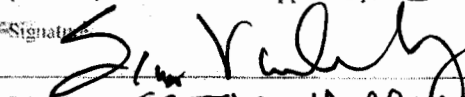
Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	700'	300SX	SURFACE
7-7/8"	5-1/2"	5.9#EG/15.5#	2600'	400SX	SURFACE

²³ Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SEE ATTACHMENTS

²⁴ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OGD-approved plan ☐.

Signature: 
 Printed name: **SCOTT VANDERBURG**
 Title: **PRESIDENT**
 E-mail Address: **SCOTTV@RELIANTHOLDINGS LTD. COM**
 Date: **5/20/13** Phone: **432-667-4200**

OIL CONSERVATION DIVISION

Approved by: _____
 Title: _____
 Approval Date: _____ Expiration Date: _____
 Conditions of Approval Attached ☐

ATTACHMENT C-101

RELIANT EXPLORATION & PRODUCTION WELL 9-1-K

PROPOSED TD. 2600'

BOP PROGRAM: 0-700' None
700 – 2600' 9" annular 3000# Ragan Tuaras

Casing: Surface: 8-5/8" OD 24# J55 8rd ST&C new casing set at
700' 12-1/4" hole Centralizers from TD – Surface, every fourth
joint

Production: 5 -1/2" OD new casing from 0-2600'
300' – 15.5# J55 8rd LTC 2300' – 5.9# 10rd FG
7 -7/8" hole – 5 centralizers

* This well will have fiberglass casing from the surface down to
the productive interval (Tubb). Steel casing will be used across the
Tubb. The fiberglass casing will at a minimum penetrate the
Cimarron formation, with the optimum setting point being the
midpoint of the Cimarron formation.

Cement: Surface – Circulate cement with 300sx class C – additives 2# C45,
weight of 12.4# per gallon. Yield 2.14 and 1/8# of Cetaflake per
sx. Tail Cement 100sx class C 2% CACI with 1/8# per sx
Cetaflake Yield of 1.32# with weight of 14.8# per gallon

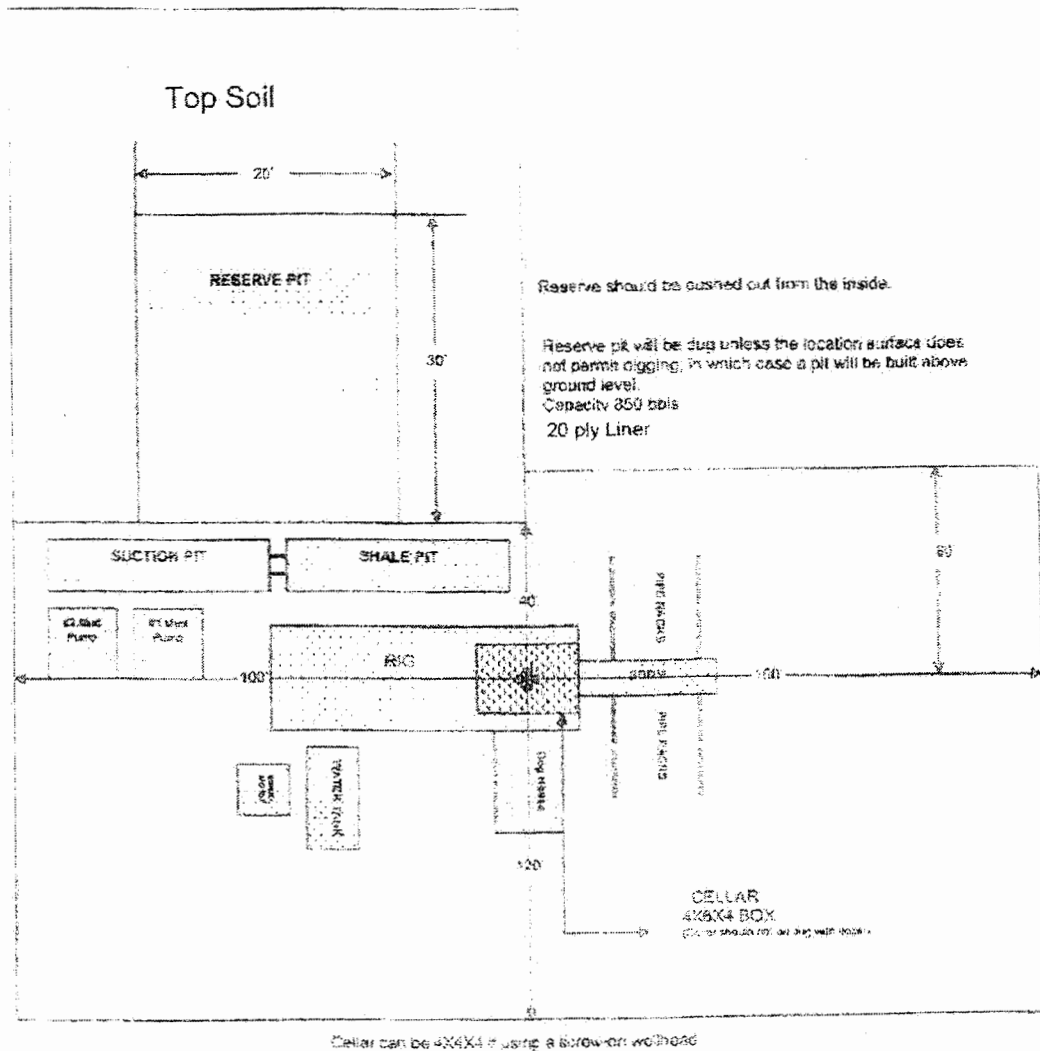
Production- Circulate cement with 400sx class C – additives 2#
C45, weight of 12.4# per gallon. Yield 2.14 and 1/8# of Cetaflake
per sx. Tail Cement 100sx class C 2% CACI with 1/8# per sx
Cetaflake Yield of 1.32# with weight of 14.8# per gallon

Mud 0-700' Fresh water/native mud. Wt 8.6-9.2ppg,
Vis 32 –36sec

700- 2600' Fresh water/ Starch/Gel with ph control as needed.
Wt 9.0-9.2ppg, Vis 28-29 sec

Utilizing Metal Pits with a 30' by 20' reserve lined pit with 20 ply
liner.

LOCATION SPECIFICATION AND RIG LAYOUT FOR STEEL PITS (PICTURE NOT TO SCALE)



McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Wednesday, November 27, 2013 9:37 AM
To: 'scottv@reliantholdingsltd.com'
Cc: Martin, Ed, EMNRD
Subject: 5-2-k and 9-1-k wells Harding County

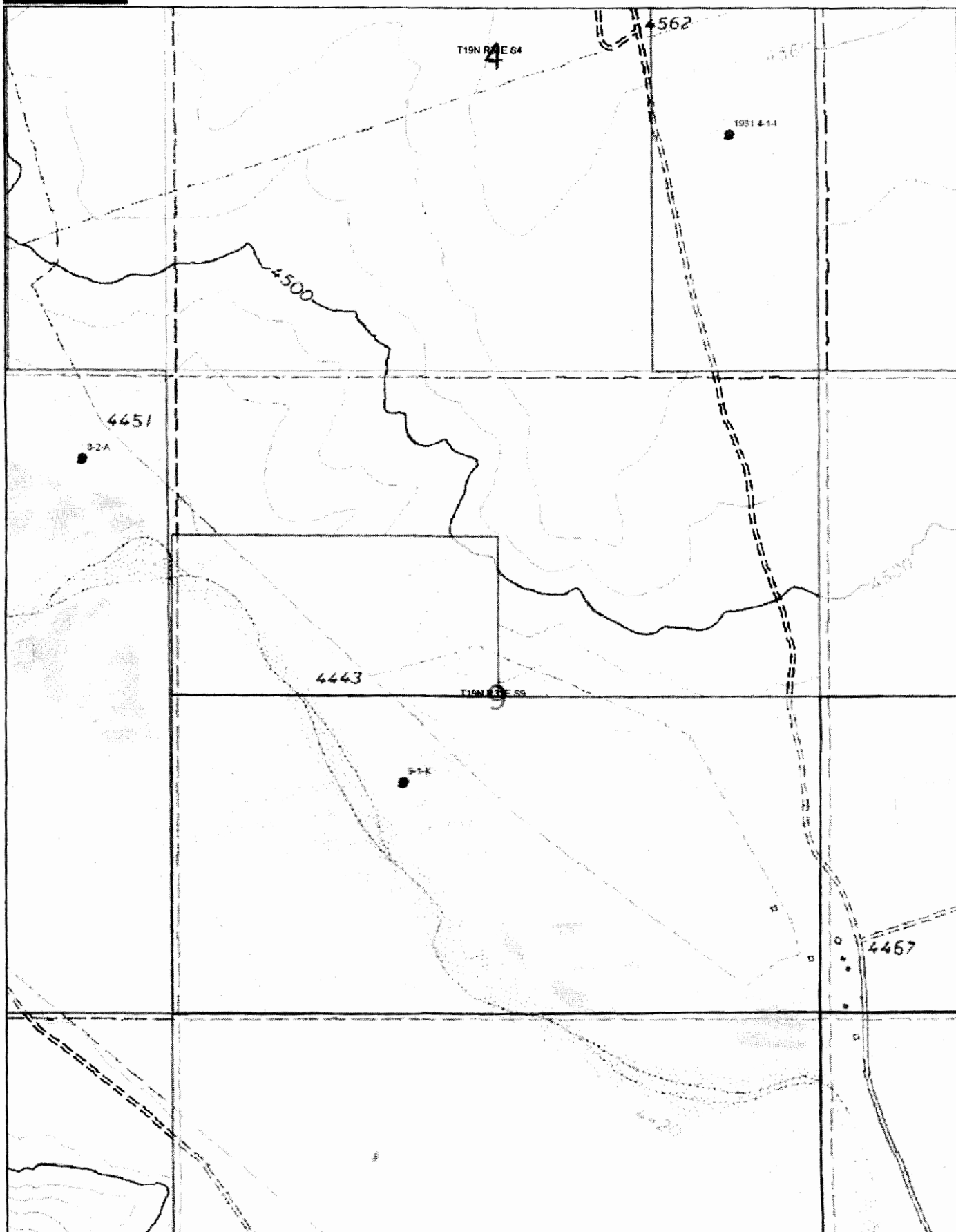
Scott:

Please provide the following for the two mentioned wells in Harding County.

1. Map of offset operators, and leaseholders
2. Copy of letter of notification
3. Include documentation including return receipt

Michael McMillan

EMNRD



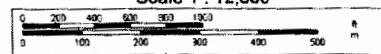
Data use subject to license.

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www.delorme.com



Scale 1 : 12,800



1" = 1,066.7 ft

Data Zoom 14-0

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BLEDSOE
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DAWSON, PC**
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(432) 684-3167 Direct Fax
asherman@cbld.com

June 30, 2008

No. 13,577

LIBBY RANCH

PARTS OF SECTION 9, T-19-N, R-31-E

HARDING COUNTY, NEW MEXICO

Reliant Exploration and Production, LLC
3700 Kermit Highway
Odessa, Texas 79764

Attention: Frank A. Hunold, Jr.

ORIGINAL DRILLING TITLE OPINION covering the S/2 and
S/2 NW/4 of Section 9, T-19-N, R-31-E, N.M.P.M.,
Harding County, New Mexico, containing 400 acres, more
or less.

Gentlemen:

At your request, and for the purpose of rendering this
Original Drilling Title Opinion, we have examined the following:

MATERIALS EXAMINED

1. Personal examination of the records maintained by the offices of the County and District Clerks of Harding County, New Mexico, affecting title to the captioned land, as reflected by an uncertified runsheet prepared by this firm from the tract indices maintained by Tucumcari Abstract Company, Tucumcari, New Mexico, covering the captioned land from inception of the records to November 30, 2007 at 8:00 a.m.
2. Letter dated January 30, 2007 from KHL, Inc. to the undersigned relating to review of OCD records and conversations with OCD and State Land Office employees regarding whether acreage covered by the lease analyzed herein was properly included in the Bravo Dome Unit.
3. Photocopy of The Norman W. Libby Revocable Trust Agreement dated September 26, 1968, and various amendments thereto.
4. Photocopy of probate proceedings for the Estate of Norman W. Libby, Deceased, conducted in Cause No. PB-92-00001, 10th Judicial District Court, Harding County, New Mexico.
5. Affidavit of Merger dated June 12, 2008, recorded Book 19, Page 2184, Harding County, New Mexico, evidencing the merger of Libby Ranch Company, a New Mexico corporation into Libby Cattle Company, a New Mexico corporation, and

the subsequent name change from Libby Cattle Company to Libby Cattle and Ranch Company, a New Mexico Corporation, effective January 1, 2001.

PATENT INFORMATION

1. The SW/4 NW/4 and the NW/4 SW/4 of Section 9 were patented by the United States of America to Francisco Sanchez on January 14, 1896. No minerals were reserved to the United States of America. A right of way was reserved for ditches and canals. This Patent is recorded in Harding County, New Mexico at U2 PR 54.
2. The SE/4 NW/4, NE/4 SW/4 and the N/2 SE/4 of Section 9 were patented by the United States of America to Jose de la Paz Mascarena on October 10, 1896. No minerals were reserved to the United States of America. This Patent is recorded in Harding County, New Mexico at U3 PR 19.
3. The S/2 SW/4 and S/2 SE/4 of Section 9 were patented by the United States of America to Francisco Sanchez on November 3, 1891. No minerals were reserved to the United States of America. This Patent is recorded in Harding County, New Mexico at U3 PR 11.

SEE TITLE

Based solely upon our examination of the foregoing, and subject to the requirements and comments below, it is our opinion that title to the surface estate and carbon dioxide estate in captioned land is vested as follows:

I. SURFACE ESTATE:

Libby Cattle Company, Inc. All

II. CARBON DIOXIDE ESTATE:

(including executive rights, bonus, delay rentals and royalty)

Libby Minerals LLC 8/8

CARBON DIOXIDE LEASE

Dated: March 28, 2007.

Recorded: 19 MISC 929.

Lessor: Libby Minerals LLC.

Lessee: Reliant Exploration and Production, LLC.

Land Covered: All of captioned land, among numerous other lands estimated to comprise 31,960 acres, more or less.

Interest Covered: Full interest lease as to captioned land. No opinion is expressed as to other lands.