

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]

NSL-6982

[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 _____

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[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

Reliant Expi
 5-2-K well
 30-021-20588
 Bravo Dome Co., Proj

[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 VANDERBEEK
 Print or Type Name

[Signature]
 Signature

PRESIDENT
 Title

 Date

SCOTT.V@RELIANTHOLDINGS.LTD.COM
 e-mail Address

Via E-mail and US Mail

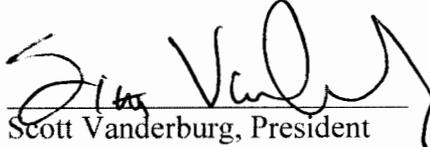
Ed Martin
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
ed.martin@state.nm.us

Re: *Application of Reliant Exploration & Production, LLC for administrative approval of an unorthodox well location for its 5-2-K Well, API 30-021-20558 located in Section 5, 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 5-2-K Well, API 30-021-20558, located in Section 5, 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 SW/4 of Section 5. An APD for the well was approved by the Division on March 15, 2013, and the well was drilled pursuant to the APD at the surface location 2260 feet from the quarter West line of Section 5. 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 5-2-K Well. The C-102 shows that the well is located 2260 feet from the NW/4 West line of NW/4, Section 5. 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 5.

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 5, 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

11/24/13
Date

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

SENT
10/23/13

District IV

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

¹ Operator Name and Address Reliant Exploration & Production, L.L.C. 3700 Kermit Highway Odessa, Texas 79764		² OGRID Number 251905
³ Property Code 37025		⁴ API Number 30 - 021 - 2055 B
⁵ Property Name LIBBY MINERALS LLC 1931		⁶ Well No. 5-2-K
⁷ Proposed Pool 1 Bravo Dome 96010		⁸ Proposed Pool 2

⁷ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	5	19 North	31 East NMPM		1700'	South	2260'	West	Harding

⁸ Proposed 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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code C	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 4469.7
¹⁶ Multiple NO	¹⁷ Proposed Depth 2600'	¹⁸ Formation TUBB	¹⁹ Contractor CAPSTAR DRILLING	²⁰ Spud Date 3-15-2013
Depth to Groundwater > 100'		Distance from nearest fresh water well > 1000'		Distance from nearest surface water > 1000'
Pit: Liner: Synthetic <input type="checkbox"/> 20' mils thick Clay <input type="checkbox"/> Pit Volume: 850 bbls				
Closed-Loop System <input type="checkbox"/>				
Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas Air <input type="checkbox"/>				

²¹ 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#FG/15.5#	2600'	400SX	SURFACE

²² 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

²³ 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 OCD-approved plan .

Signature: *Scott S. Vanderburg*

Printed name: Scott S. Vanderburg

Title: President

E-mail Address: scottv@reliantholdingsltd.com

Date:

Phone: 432-362-9206

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached

Division I
 1421 N. Front Dr., Hobbs, NM 88240
 Phone: (505) 393-4100 Fax: (505) 393-0720
 Division II
 811 S. First St., Artesia, NM 88210
 Phone: (505) 748-1285 Fax: (505) 748-9720
 Division III
 1000 Rio Brazos Road, Artesia, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170
 Division IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-021-20558	Pool Code 96010	Pool Name BRAVO DOME
Property Code 37025	Property Name LIBBY MINERALS LLC 1931	
OGRID No. 251905	Operator Name RELIANT EXPLORATION & PRODUCTION, LLC.	
		Well Number 5-2-K
		Elevation 4491.9'

Surface Location

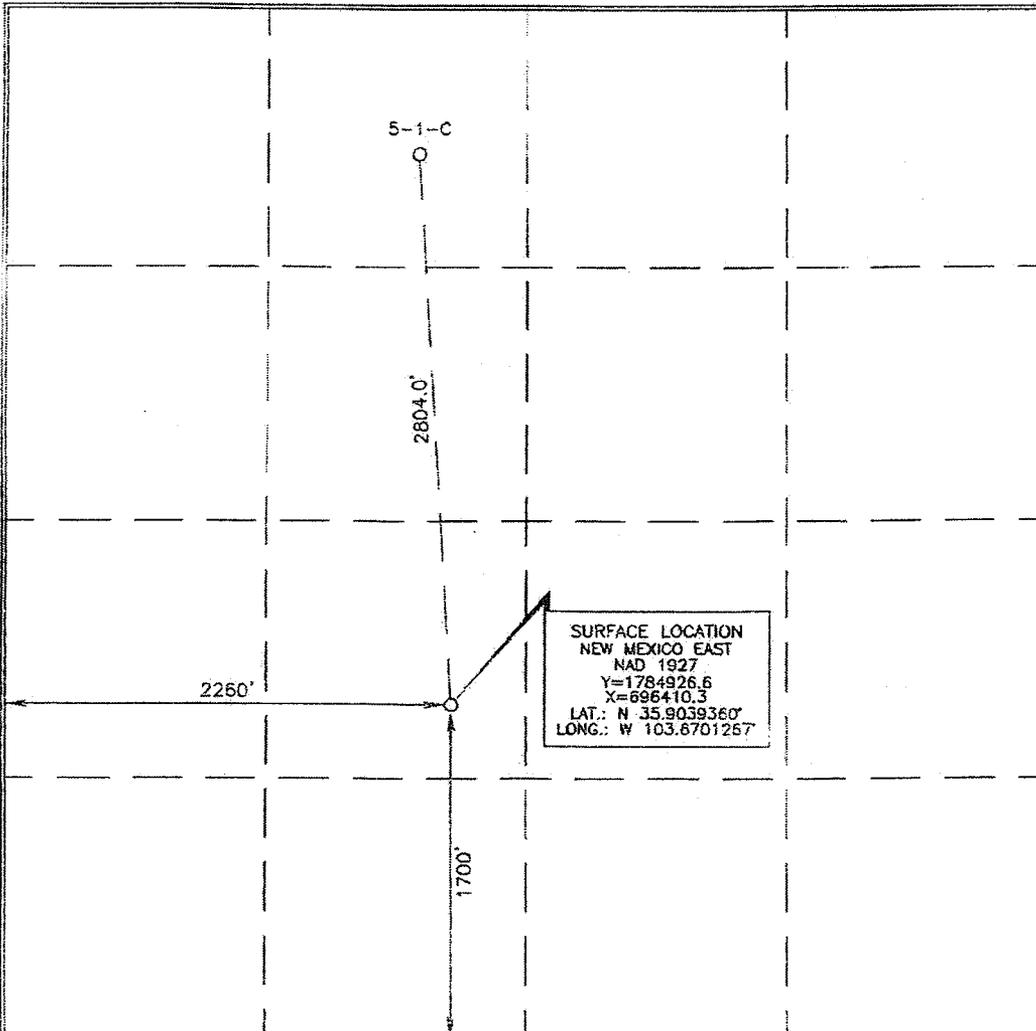
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	5	19 NORTH	31 EAST, N.M.P.M.		1700'	SOUTH	2260'	WEST	HARDING

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 160	Joint or Infill	Consolidation Code	Order No.
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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 heretofore entered by the division.

Date: 11/20/2012

SCOTT VANDERBURG
 Printed Name
SCOTTV@RELIANTHOLDINGS-LLC.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.

Date of Survey: **NOVEMBER 2, 2012**

Signature and Seal of Professional Surveyor:

Certificate Number: **15079**

ATTACHMENT C-101
RELIANT EXPLORATION & PRODUCTION WELL 5-2-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 Celaflake per
sx. Tail Cement 100sx class C 2%CaCl with 1/8# per sx
Celaflake Yield of 1.32# with weight of 14.8# per gallon

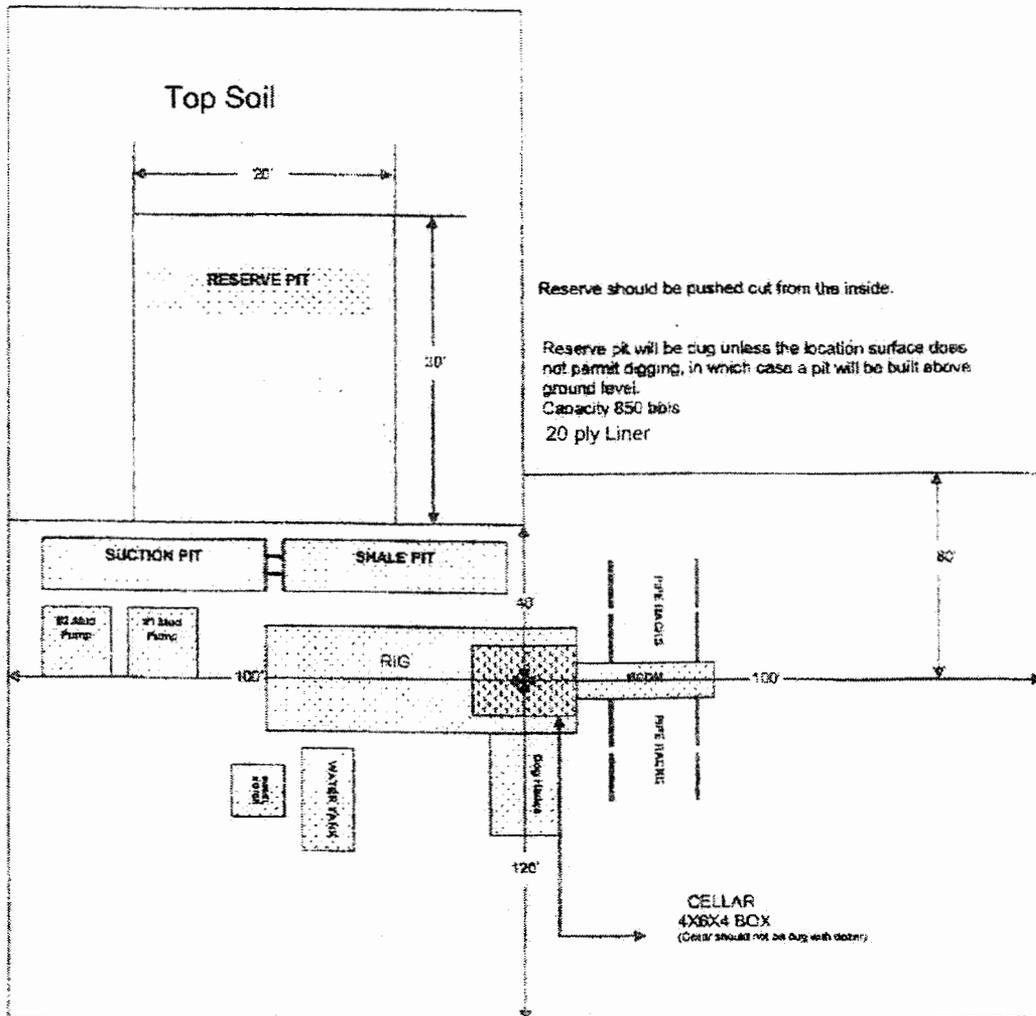
Production- Circulate cement with 400sx class C - additives 2#
C45, weight of 12.4# per gallon. Yield 2.14 and 1/8# of Celaflake
per sx. Tail Cement 100sx class C 2%CaCl with 1/8# per sx
Celaflake Yield of 1.32# with weight of 14.8# per gallon

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)



Reserve should be pushed out from the inside.

Reserve pit will be dug unless the location surface does not permit digging, in which case a pit will be built above ground level.
Capacity 850 bbis
20 ply Liner

CELLAR
4X6X4 BOX
(Cellar should not be dug with dozer)

Cellar can be 4X4X4 if using a screw-on wellhead

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

COTTON
BLEDSOE
TIGHE &
DAWSON, PC
Attorneys at Law

Post Office Box 2776
Midland, Texas 79702-2776
500 West Illinois, Suite 500
Midland, Texas 79701
(432) 684-5782
(432) 682-3672 Fax
www.cottonbledsoe.com

ALBERT E. SHERMAN • *NO-HUD CERTIFIED OIL, GAS & MINERAL LAW TEXAS BOARD OF LEGAL SPECIALIZATION • ALSO LICENSED IN NEW MEXICO*
(432) 685-8573 Direct
(432) 684-3167 Direct Fax
asherman@cbtd.com

December 26, 2007

No. 13,558

LIBBY RANCH

**PARTS OF SECTION 5, 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 W/2 and
W/2 E/2 of Section 5, T-19-N, R-31-E, N.M.P.M.,
Harding County, New Mexico, containing 480 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 the period 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.

PATENT INFORMATION

1. Lot 2, the SW/4 NE/4 and the W/2 SE/4 of Section 5 were
patented by the United States of America to Manuel N.
Garcia on September 28, 1908 by Patent No. 16906. 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
334.

2. Lot 3, the SE/4 NW/4 and the E/2 SW/4 of Section 5 were patented by the United States of America to Encarnacion Herrera on April 23, 1897. 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 337.
3. The W/2 NW/4 and W/2 SW/4 of Section 5 were patented by the United States of America to Francisco Lopez on October 20, 1890. No minerals were reserved to the United States of America. This Patent is recorded in Harding County, New Mexico at U3 PR 418.

FEE 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:

Surface Estate Tract 1:

Libby Cattle Company, Inc. All*

Surface Estate Tract 2:

Ute Creek Cattle Company, Inc. All*

*Surface Estate Tract 1 is that portion of the captioned land that lies east and south of an existing fence and Surface Estate Tract 2 is that portion of the captioned land that lies west and north of said existing fence in Township 19 North, Range 31 East, N.M.P.M., Harding County, New Mexico, being described as follows:

Beginning at a point where an existing fence crosses the North line of Section 5, approximately 2150 feet West of the Northeast corner of Section 5;

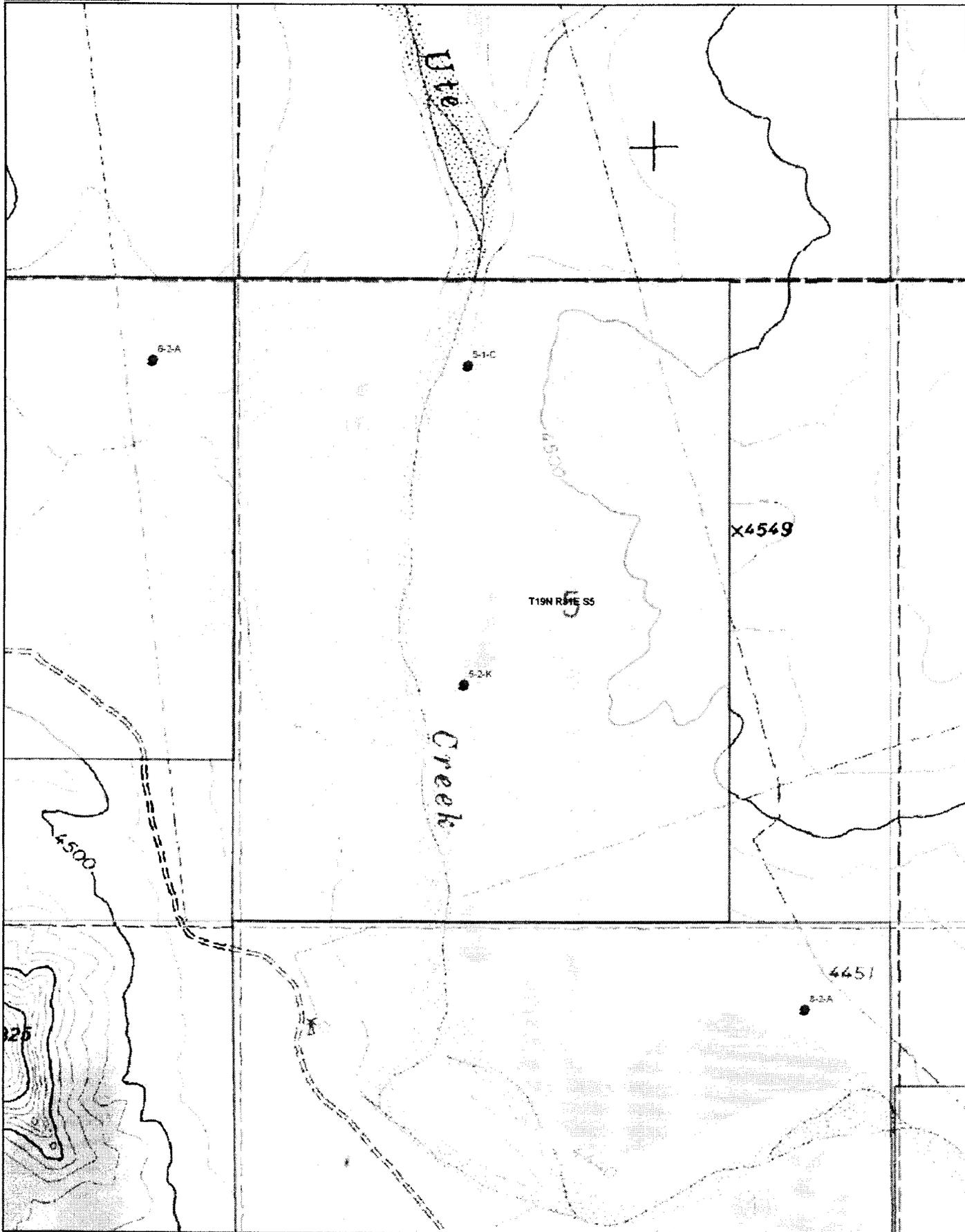
Thence South 15° 28" East along an existing fence to an angle point and a 1/2 inch rebar with cap;

Thence South 70° 00" West to a point where the fence crosses the South line of Section 5.

II. CARBON DIOXIDE ESTATE:

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

Libby Minerals LLC 8/8



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Scale 1 : 12,800



1" = 1,066.7 ft Data Zoom 14-0



Hess Corporation
1501 McKinney Street
Houston, TX 77010

Kerry W. Eckstein
Director, Land
(713) 496-7457
FAX: (713) 609-5608

February 4, 2014

Mr. Mark D. Threadgill
1509 West Wall, Suite 100
Midland, TX 79701

Re: Application of Reliant Exploration & Production, LLC for administrative approval of an unorthodox well location for its 5-2-K Well, API 30-021-20558 located in Section 5, Township 19 North, Range 31 East, N.M.P.M., Harding County, New Mexico.

Dear Mark:

Please be advised that Hess Corporation waives its objection to an unorthodox well location in connection with Reliant's application relating to the Libby Oil and Minerals 5-2-K well located in Section 5, Township 19 North, Range 31 East, N.M.P.M., Harding County, New Mexico.

If any questions, please feel free to call.

Regards,

A handwritten signature in black ink, appearing to read "Kerry W. Eckstein".

Kerry W. Eckstein
Director, Land
Hess Corporation

cc: Scott Vanderburg
10817 W. County Road 60
Midland, TX 79707