

STATE OF NEW MEXICO RECEIVED OGD
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION MAR 18 P 12: 54

IN THE MATTER OF THE APPLICATION OF RELIANT
EXPLORATION AND PRODUCTION LLC, FOR
COMPULSORY POOLING T. 20N, R. 32 E, SECTION 23
HARDING COUNTY, NEW MEXICO.

CASE NO. 15113

APPLICATION

Reliant Exploration and Production LLC, ("Reliant" or "Applicant") by and through its attorneys, Modrall, Sperling, Roehl, Harris & Sisk, P.A., hereby makes application to the Oil Conservation Division for an order pooling all mineral interests in the carbon dioxide formation underlying Section 23, Township 20N, Range 32E, NMPM, Harding County, New Mexico, forming a standard 640-acre gas spacing and proration units for the Bravo Dome Carbon Dioxide Gas Pool for Reliant's proposed well 23-1-G well. As grounds for this Application, Reliant states:

(1) Reliant owns 75% working interest in the Section 23, Township 20N, Range 32E, NMPM, Harding County, New Mexico.

(2) Reliant was granted approval to drill the No. 23-1-G well, API 30-021-20578, a carbon dioxide well in Harding County New Mexico (hereafter well No. 23-1-G) in Section 23, Township 20N, Range 32E, NMPM, Harding County, New Mexico.

(3) Reliant proposes to drill well No. 23-1-G on its land within the proposed spacing unit for the well at a standard location in Section 23, to a depth of 2600 feet or a depth sufficient to test the Tubb Formation, and seeks to dedicate the following acreage to the spacing unit for the well:

Township 20N, Range 32E, Section 23
NMPM, Harding County, New Mexico.

A copy of the form C-102 well location and acreage dedication plat for the well is attached hereto as Exhibit "A".

(4) OXY, along with several individuals, own working interests in Section 23, Township 20N, Range 32E, NMPM, Harding County, New Mexico which is necessary to complete the spacing unit for the well.

(5) Reliant has in good faith sought to obtain the voluntary joinder of all mineral interest owners in the spacing unit for the well for purposes set forth herein. On September 3, 2013, Reliant sent a letter via certified mail to all interest owners notifying them that Reliant planned to drill the No. 23-1-G well and that the proposed spacing unit for the well includes acreage owned by them. The letter further requested that each interest owner notify Reliant within 30 days whether that interest would elect to participate in the proposed operation, and indicated that Reliant would file an application with the Oil Conservation Division to pool its interests in well No. 23-1-G if it did not hear from OXY within thirty-days.

(6) Although Reliant attempted to obtain the voluntary agreement of each interest owner to participate in the drilling of the well or to otherwise commit their interest to the well, these owners have failed to respond to Reliant about their decision to join in dedicating its interests, and therefore Reliant is making this application to pool OXY's interests in well No. 23-1-G pursuant to NMSA 1978, § 70-2-17(C).

(7) The pooling of all mineral interests underlying Section 23 will prevent the drilling of unnecessary wells, prevent waste and protective correlative rights.

(8) Pursuant to NMSA 1978, § 70-2-17(C) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Reliant requests an order of

the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

(9) In accordance with the Division's notice requirements, a copy of this application has been sent to each of the following addresses, notifying the interest owner of this case and of the applicant's request for a hearing of this matter before the Division:

(1) Parties to be pooled:

Oxy USA Inc.
P.O. Box 4294
Houston, Texas 77210-4294
Attn: Permian Land Manager

Ms. Rose Gideon
Sandell Street
Raymond, WA 98577

Mr. A.D. Deniston
I Street
Arcata, CA 98577

Ms. Anna Clapp
Carson, WA 98610

Ms. Ethel Fermstad
316-53rd Ave. E
Seattle, WA 98105

Ms. Irene Tallman
25th Ave.
Longview, WA 98632

Ms. Audry Koski
Route 1, Box 52
Raymond, WA 98577

WHEREFORE, Reliant Exploration and Production Company, LLC, as applicant, requests that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the

mineral interest described in the appropriate spacing unit for the well at a standard well location upon terms and conditions which include:

- A. Designating applicant as operator of the well;
- B. Provisions for Reliant and all other working interest owners to participate in the costs of drilling, completing, equipping and operating the well, and allocating the cost among the well's working interest owners;
- C. In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well; together with 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.
- D. Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

Earl E. DeBrine, Jr.
Jordan L. Kessler
Post Office Box 2168
Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

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CASE NO. 15113: Notice to all affected parties as well as heirs and devisees of Irene Tallman, Anna Clapp, Ethel Fermstad, Audrey Koski, Rose Gideon, and A.D. Daniston: Application of Reliant Exploration & Production, LLC for compulsory pooling, Harding County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on _____, 2014, to consider this application. Applicant seeks an order from the Division pooling all mineral interests in the Tubb formation underlying Section 23, Township 20 North, Range 32 East, NMPM, Harding County, New Mexico, and forming a standard 640-acre gas spacing and proration unit for the Bravo Dome Carbon Dioxide Gas Pool. This proposed spacing and proration unit will be dedicated to Reliant's 23-1-G well (API # 30-021-20578). The completed interval for this well will be within the standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Reliant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 2.5 miles northeast of Mosquero, New Mexico.

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