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August 17, 2010

HAND-DELIVERED

Energy, Mineral and Natural Resources
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 14542

ATTN: Florene Davidson

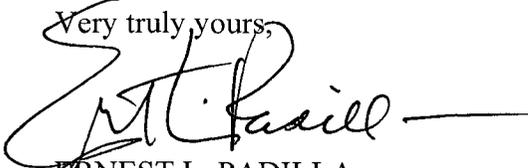
RSC
RE: (1) Application of ~~RCS~~ Resources Limited Partnership for Compulsory Pooling, Non-standard Spacing and Proration Unit, and Unorthodox Location, Eddy County, New Mexico; Lomesome 35 Federal Com 2H Well

RSC
(2) Application of ~~RCS~~ Resources Limited Partnership for Compulsory Pooling, Non-standard Spacing and Proration Unit, and Unorthodox Location, Eddy County, New Mexico; Lomesome 35 Federal Com 1H Well

Dear Ms. Davidson:

Enclosed for filing and your further handling are the above-referenced applications which we are filing on behalf of RCS Resources Limited Partnership. Please set the applications for the Division's next available hearing date. Also enclosed are proposed newspaper publications for both applications.

Thank you.

Very truly yours,

ERNEST L. PADILLA

ELP:jbg

cc: RCS Resources Limited Partnership

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

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2010 AUG 17 P 3: 04

IN THE MATTER OF THE ^{RSC} ~~RSC~~ ^{ed} RESOURCES LIMITED
APPLICATION OF RSC RESOURCES LIMITED
PARTNERSHIP FOR COMPULSORY
POOLING, NON-STANDARD SPACING AND
PRORATION UNIT, AND UNORTHODOX LOCATION
EDDY COUNTY, NEW MEXICO.

CASE NO. 14542

APPLICATION FOR COMPULSORY POOLING, NON-STANDARD
SPACING AND PRORATION UNIT, AND UNORTHODOX LOCATION

RSC RESOURCES LIMITED PARTNERSHIP applies for an order pooling all mineral interests from the surface of the earth to a depth sufficient to a depth sufficient to test the undesignated Wolfcamp formation, non-standard spacing and proration unit, and unorthodox location, underlying the W/2W/2 of Section 35, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of this application, Applicant states:

1. Applicant is an interest owner in the W/2W/2 of Section 35, and has the right to drill thereon.
2. Applicant proposes to drill its Lonesome Wolf 35 Federal Com 2H well to be located at a non-standard well location having a surface location 150 FSL and 660 FWL of Section 35 and a bottom hole location of 330 FNL and 660 FWL.
- 3 Applicant seeks to dedicate the W/2W/2 of Section 35 to the well to forming a non-standard 160 acre spacing and proration unit as to the Wolfcamp formation and for any other formations or pools encountered for developed on 160 or less acre spacing within the vertical extent of the well.

4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2W/2 of Section 35 for the purposes set forth herein.

5. Certain mineral owners have failed or refused to join in the drilling of the proposed well, therefore, applicant seeks an order pooling all mineral interest owners in the W/2W/2 of Section 35 pursuant to NMSA 1978, Section 70-2-17.

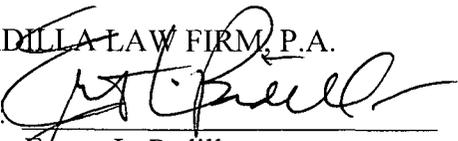
6. The pooling of all mineral interests as requested in this application underlying the W/2W/2 of Section 35 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the W/2W//2 of Section 35;
- B. Approving this application with respect to non-standard spacing and proration unit and unorthodox location.
- C. Designating Applicant as the operator of the well;
- D. Considering the cost of 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.

PADILLA LAW FIRM, P.A.

By



Ernest L. Padilla
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NMOCD Case No. 14542; Application of RCS Resources Limited Partnership for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Eddy County, New Mexico; Applicant seeks an order pooling all mineral interests from the surface of the earth to the base of the undesignated Wolfcamp formation underlying the W/2W/2 of Section 35, Township 16 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to drill its Lonesome Wolf 35 Federal Com 2H well to be located at a surface location of 150 FSL and 660 FWL and bottom hole location of 330 FNL and 660 FWL of said Section 35. Applicant seeks to dedicate the W/2W/2 of Section 35 to the well to form a non-standard 160 acre spacing and proration unit for any formations and/or pools developed on 160 acre or less within the vertical extent, including the Wolfcamp formation. The subject lands are located approximately 7 miles northwest of Loco Hills, New Mexico.

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2010 AUG 17 P 3: 04