

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



September 23, 2013

30-021-20565

Reliant Exploration & Production, LLC
Attn: Mr. Scott Vanderburg

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6863
Administrative Application Reference No. pPRG1326057305

Reliant Exploration & Production, LLC
OGRID 251905
Libby Minerals LLC 1931 Well No. 162
API No. 30-021-20565

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
660 FSL & 2190 FWL	N	16	19N	31E	Harding

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 of Section 16	160	Bravo Dome Carbon Dioxide Gas Area	96010

Reference is made to your application received on September 17, 2013.

You have requested approval of the unorthodox carbon dioxide gas well location described above, in the referenced pool or formation. Pursuant to Order No. R-7556, this location is governed by statewide Rule 19.15.15.10.C NMAC, which provides for 160-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from a unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for engineering reasons.

DATE IN 09/17/13	SUSPENSE	ENGINEER DB	LOGGED IN 09/17/13	TYPE NSL	APP NO. PPRG1326057305
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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



NSL-6963

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. and Prod.
 30-021-20565
 Libby Minerals LLC 1931
 (16-2-N) well #162
 (Bravo Dome)

- [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.

Print or Type Name Scott Vandenberg Signature [Handwritten Signature] Title Manager Date 9/12/13
 c-mail Address scott@FLOCO2-10M

District I
1633 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6151 Fax: (575) 393-6720
District II
811 E. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1600 Rio Grande Road, Artesia, NM 87410
Phone: (505) 234-6178 Fax: (505) 234-6178
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87501
Phone: (505) 476-3460 Fax: (505) 476-3463

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 30-021-20565	Pool Code 96010	Pool Name Bravo Dome
Property Code 37025	Property Name LIBBY MINERALS LLC 1931	Well Number 16-2-N
OGRID No. 251905	Operator Name RELIANT EXPLORATION & PRODUCTION, LLC.	Elevation 4421.5'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	19 NORTH	31 EAST, N.M.P.M.		660'	SOUTH	2190'	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 unleased 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.

Signature: [Signature] Date: 3/7/13

Printed Name: Vance Vandenberg

E-mail Address: vance@reliant-gas.com

SURVEYOR CERTIFICATION

I hereby certify that the information on this plat was plotted from the notes of the survey made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: FEBRUARY 5, 2013

Signature and Seal of Professional Surveyor: [Signature] 15078

PROFESSIONAL LAND SURVEYOR

EXHIBIT

A

Via E-mail and US Mail

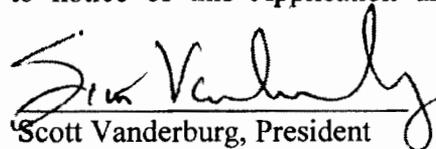
Ed Martin
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
ed.martin@state.nm.us

Re: *Application of Reliant Exploration & Production, LLC for administrative approval of an unorthodox well location for its 16-2-N Well, API 30-021-20565 located in Section 16, 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 16-2-N Well, API 30-021-20565, located in Section 16, 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 16. An APD for the well was approved by the Division on March 23, 2013, and the well was drilled pursuant to the APD at the surface location 450 feet from the quarter quarter East line of Section 16. 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 16-2-N Well. The C-102 shows that the well is located 450 feet from the quarter quarter East line of SW/4, Section 16. This location was necessary to efficiently and economically achieve the greatest recovery of the reserves underlying the Tubb formation in the S/W 4 of Section 16.

Pursuant to 19.15.15.13 NMAC, Reliant attests that it is the operator of the offset spacing and proration unit in the SE/4 of Section 14, 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
scottv@reliantholdingsltd.com

9/17/13
Date

Brooks, David K., EMNRD

From: Martin, Ed, EMNRD
Sent: Tuesday, September 17, 2013 10:54 AM
To: Brooks, David K., EMNRD
Subject: FW: Reliant Exploration Unorthodox Well Location Application
Attachments: Signed Application and Checklist.pdf

NSL

Ed Martin
New Mexico Oil Conservation Division
Supervisor, District 4
1220 S. St. Francis
Santa Fe, NM 87505
Office: 505-476-3470
Cell: 505-690-2365
Fax: 505-476-3462

-----Original Message-----

From: Mark Threadgill [<mailto:mthreadgill@reliantholdingsltd.com>]
Sent: Tuesday, September 17, 2013 10:20 AM
To: Martin, Ed, EMNRD; Scott Vanderburg
Subject: Reliant Exploration Unorthodox Well Location Application

Mr. Martin:

Attached please find the paperwork concerning approval for an unorthodox well location for Reliant Exploration. Please review the documents and approve if everything meets your expectation. Please contact me if you need further documentation. I am also sending this document to your attention via regular mail. Thanks for your help and consideration in this matter.

Mark D. Threadgill
General Counsel
Reliant Holdings, Ltd.
10817 W. County Road 60
Midland, TX 79707
Office (432) 617-4200
Fax (432) 617-4309

Brooks, David K., EMNRD

From: postmaster@reliantholdingsltd.com
To: scotty@reliantholdingsltd.com
Sent: Tuesday, September 24, 2013 10:37 AM
Subject: Undeliverable: Reliant Exploration & Production LLC - Libby Minerals LLC 1931 #162; NSL Application

Delivery has failed to these recipients or groups:

scotty@reliantholdingsltd.com

The e-mail address you entered couldn't be found. Please check the recipient's e-mail address and try to resend the message. If the problem continues, please contact your helpdesk.

Diagnostic information for administrators:

Generating server: headquarters.reliantholdingsllc.com

scotty@reliantholdingsltd.com

< #5.1.1 smtp;550 5.1.1 RESOLVER.ADR.RecipNotFound; not found> #SMTP#

Original message headers:

Received: from barracuda.floco2.com (192.168.0.127) by mail2 (192.168.0.8) with Microsoft SMTP Server id 8.1.436.0; Tue, 24 Sep 2013 11:37:17 -0500
X-ASG-Debug-ID: 1380047753-043b360bc81a74ce0001-X7fc5H
Received: from mail1.bemta12.messagegels.com (mail1.bemta12.messagegels.com [216.82.251.2]) by barracuda.floco2.com with ESMTP id GEUvH06HFnJdJ1ad for <scotty@reliantholdingsltd.com>; Tue, 24 Sep 2013 13:35:53 -0500 (CDT)
X-Barracuda-Envelope-From: david.brooks@state.nm.us
X-Barracuda-Apparent-Source-IP: 216.82.251.2
Received: from [216.82.250.99:37500] by server-2.bemta-12.messagegels.com id BE/23-24506-4CFB1425; Tue, 24 Sep 2013 16:37:24 +0000
X-Env-Sender: david.brooks@state.nm.us
X-Msg-Ref: server-12.tower-126.messagegels.com!1380040610!10744440!10
X-Originating-IP: [164.64.4.99]
X-StarScan-Received:
X-StarScan-Version: 6.9.12; banners=-,-,-
X-VirusChecked: Checked
Received: (qmail 7684 invoked from network); 24 Sep 2013 16:37:18 -0000
Received: from unknown (HELO webmail.state.nm.us) (164.64.4.99) by server-12.tower-126.messagegels.com with AES128-SHA encrypted SMTP; 24 Sep 2013 16:37:18 -0000
Received: from CEXMB003.nmes.lcl ([fe80::7d17:4687:daf5:94e9]) by CEXHUB001.nmes.lcl ([:1]) with mapi id 14.03.0158.001; Tue, 24 Sep 2013 10:37:14 -0600

From: "Brooks, David K., EMNRD" <david.brooks@state.nm.us>
To: "scotty@reliantholdingsltd.com" <scotty@reliantholdingsltd.com>
CC: "Martin, Ed, EMNRD" <ed.martin@state.nm.us>, "llrwb@austin.rr.com" <llrwb@austin.rr.com>
Subject: Reliant Exploration & Production LLC - Libby Minerals LLC 1931
#162; NSL Application
Thread-Topic: Reliant Exploration & Production LLC - Libby Minerals LLC 1931
#162; NSL Application
X-ASG-Orig-Subj: Reliant Exploration & Production LLC - Libby Minerals LLC 1931
#162; NSL Application
Thread-Index: Ac65RFLID6Fov7iGTKq0r0gEzqJRfA==
Date: Tue, 24 Sep 2013 16:37:13 +0000
Message-ID: <F5DFBB2A3519FB46B8A94936528ACC101D543BE6@CEXMB003.nmes.lc>
Accept-Language: en-US
Content-Language: en-US
X-MS-Has-Attach:
X-MS-TNEF-Correlator:
x-originating-ip: [164.64.101.89]
Content-Type: multipart/alternative;
boundary="_000_F5DFBB2A3519FB46B8A94936528ACC101D543BE6CEXMB003nmeslcl_"
MIME-Version: 1.0
X-Barracuda-Connect: mail1.bemta12.messagelabs.com[216.82.251.2]
X-Barracuda-Start-Time: 1380047753
X-Barracuda-URL: <http://192.168.0.127:8000/cgi-mod/mark.cgi>
X-Virus-Scanned: by bsmtpd at floco2.com
X-Barracuda-BRTS-Status: 1
X-Barracuda-Spam-Score: 0.00
X-Barracuda-Spam-Status: No, SCORE=0.00 using global scores of TAG_LEVEL=3.5 QUARANTINE_LEVEL=1000.0
KILL_LEVEL=5.0 tests=HTML_MESSAGE, UNPARSEABLE_RELAY
X-Barracuda-Spam-Report: Code version 3.2, rules version 3.2.2.140887
Rule breakdown below
pts rule name description

0.00 UNPARSEABLE_RELAY Informational: message has unparseable relay lines
0.00 HTML_MESSAGE BODY: HTML included in message
Return-Path: david.brooks@state.nm.us

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, September 24, 2013 10:37 AM
To: 'scotty@reliantholdingsltd.com'
Cc: Martin, Ed, EMNRD; llrbw@austin.rr.com
Subject: Reliant Exploration & Production LLC - Libby Minerals LLC 1931 #162; NSL Application

Good morning, Mr. Vanderburg

This application was granted on September 3, 2013 by Order NSL-6863. The signed order will be posted on OCD's website.

Sincerely
David K. Brooks