

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF HEARING:**

**APPLICATION OF RB OPERATING COMPANY  
FOR APPROVAL OF TWO UNORTHODOX WELL  
LOCATIONS AND SIMULTANEOUS DEDICATION,  
LEA COUNTY, NEW MEXICO**

**CASE 13358**

**PRE-HEARING STATEMENT**

RB Operating Company submits this pre-hearing statement as required by the New Mexico Oil Conservation Division.

**APPEARANCES OF THE PARTIES**

**APPLICANT**

RB Operating Company  
777 Main St. Suite 800  
Fort Worth, Texas 76102  
Attn: Bobby Ebeier  
817-810-1907  
Fax 817-870-2316

**ATTORNEY**

Thomas Kellahin, Esq.  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
505-982-4285  
fax: 505-982-2047

**OPPONENTS**

None

**ATTORNEY**

## STATEMENT OF THE CASE

### APPLICANT:

1. RB Operating Company (RB") proposes to drill the following two wells each at an unorthodox oil well location and to simultaneously dedicate each to a different standard 40-acre spacing unit as follows:

- a. Its Carrasco "14" Well No. 4 to be drilled at an unorthodox oil well location 2630 feet FSL and 1330 feet FEL (Unit J) Section 14, T23S, R28E and to simultaneously dedicate it along with the South Culebra Bluff Well No. 2, (API 30-015-22591) a producing oil well located 1722 feet FSL and 2032 feet FEL (Unit J) Section 14, T23S, R28E. and
  - b. its South Culebra Bluff "23" Well No. 15 to be drilled at an unorthodox oil well location 1430 feet FNL and 1150 feet FEL (Unit H) Section 23, T23S, R28E and to simultaneously dedicate it along with the South Culebra Bluff "23" Well No. 12 (API 30-015-26368) a producing oil well located 2140 feet FNL and 400 feet FEL (Unit H) Section 23, T23S, R28E.
2. These spacing units are subject to the East Loving-Brushy Canyon Pool including, among other things, 40-acre oil spacing with wells located not closer than 330 feet to the side boundaries and a special limiting gas/oil ratio of 8,000 cubic feet of gas per barrel of oil produced.
3. As a result of development in accordance with Division rules, each of these two governmental quarter-section contains 4 oil wells that may have by passed recoverable oil that now can be recovered by adding a new well at the approximate center of each quarter section. In order to test this probability, RB proposes to drill these two infill wells. RB, based upon geologic data, believes that its proposed unorthodox well locations will provide better opportunities to access potential production in the Brushy Canyon interval of the Delaware formation that cannot be produced by the other wells within this spacing unit or
4. Based upon Volumetric Analysis for these two wells, RB estimates that additional recovered by well be recovered that will not be recovered the existing wells.
5. The 4 existing wells in the S/2NE/4 and N/2SE/4 of Section 14 have a combined total allowable of 568 barrels of oil per day (142 x 4) with the original well in this 40-acre spacing unit (Unit J) currently producing about 32 barrels of oil per day (South Culebra Bluff Well No. 2) The 4 existing wells in the NE/4 of Section 23 have a combined total allowable of 568 barrels of oil per day (142 x 4) with the original well in this 40-acre spacing unit (Unit H) currently producing about 6 barrels of oil per day (South Culebra "23" Well No. 12)

6. RB, for administrative convenience, has selected to place each infill well within an existing spacing unit and requests approval for simultaneous dedication. RB and Chesapeake Permian, L. P. are the only working interest owners affected and RB has contacted all royalty and overriding royalty interest owners affected and has obtained the consent of all owners. RB has entered into an agreement with all these affected owners for the sharing of production for these 2 infill wells by creating a voluntary "Proposed Drilling Unit" consisting of 10-acres from each of the 40-acre spacing units in the quarter section.

### PROPOSED EVIDENCE

#### APPLICANT

| WITNESSES               | EST. TIME | EST. EXHIBITS |
|-------------------------|-----------|---------------|
| Martin Emery, geologist | 30 min    | about 8       |
| Dwayne Bryant (PE)      | 30 min    | about 8       |
| Bobby Ebeler (landman)  | 30 min    | about 8       |

### PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN



W. Thomas Kellahin  
P.O. Box 2265  
Santa Fe, New Mexico 87504  
Phone 505-982-4285  
Fax 505-982-2047  
E-mail: kellahin@earthlink.net