BEFORE THE OIL CONSERVATION DIVISION NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION OF THE REDMON OIL COMPANY, INC., FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 13430

<u>AFFIDAVIT</u>

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of Redmon Oil Company, Inc., the Applicant herein, being first duly sworn, upon oath, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

William F. Carr

SUBSCRIBED AND SWORN to before this day of January 2005 by William F. Carr.

Notary Rublic

My Commission Expires:

any 23, 2005

Santa Fe, New Mexico
Case No. 13430 Exhibit No. 6
Submitted by:

Redmon Oil Company, Inc.
Hearing Date: February 17, 2005

HOLLAND&HART.

William F. Carr wcarr@hollandhart.com

January 26, 2005

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of The Redmon Oil Company, Inc. for compulsory pooling, Lea County,

New Mexico.

Ladies and Gentlemen:

This letter is to advise you that The Redmon Oil Company, Inc. ("ROCO") has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Ellenberger formation in the following described acreage in Section 8, Township 22 South, Range 38 East, NMPM: the N/2 for all formations and/or pools developed on 320-acre spacing; the NE/4 for all formations and/or pools developed on 160-acre spacing which includes but is not limited to the Undesignated South Brunson-Drinkard-Abo Pool and the Undesignated Tubb Oil and Gas Pool; and the SW/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Wantz-Granite Wash Pool, Undesignated South Brunson-Drinkard-Abo Pool, Undesignated Tubb Oil and Gas Pool, Undesignated Blinebry Oil and Gas Pool and Undesignated Paddock Pool. Said units are to be dedicated to ROCO's Brabant Well No. 1 to be re-entered and re-completed at a location 1980 feet from the North and East lines (Unit G) of said Section 8.

This application has been set for hearing before a Division Examiner on February 17, 2005. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement three days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

William F. Carr

ATTORNEY FOR THE REDMON OIL COMPANY, INC.

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

IN THE MATTER OF THE APPLICATION OF THE REDMON OIL COMPANY, INC., FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE	NO.	

<u>APPLICATION</u>

The Redmon Oil Company, Inc. ("Redmon"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann.§70-2-17, (1978), for an order pooling all mineral interests in all formations from the surface to the base of the Ellenberger formation in the following described spacing and proration units located in Section 8, Township 22, South, Range 38 East, NMPM, Lea County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing; the NE/4 for all formations and/or pools developed on 160-acre spacing which includes but is not limited to the Undesignated South Brunson-Drinkard-Abo Pool and the Undesignated Tubb Oil and Gas Pool; and the SW/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Wantz-Granite Wash Pool, Undesignated South Brunson Drinkard-Abo Pool, Undesignated Tubb Oil and Gas Pool, Undesignated Blinebry Oil and Gas Pool and Undesignated Paddock Pool, and in support of its application states:

- 1. Redmon is a working interest owner in the N/2 of Section 8, Township 22 South, Range 38 East, NMPM, on which is located the Brabant Well No. 1 at a standard oil and gas well location 1980 feet from the North and East lines (Unit G) of the section that was drilled by OXY USA WTP Limited Partnership in 2003 and has been plugged and abandoned.
- 2. Redmon proposes to re-enter the well and attempt to re-complete the well in any and all formations.
- 3. Redmon has sought and been unable to obtain a voluntary agreement for the development of this acreage from the owners of certain interests, including the owners of unleased mineral interests, in the N/2 of Section 8 to whom notice of this application will be provided in accordance with the rules of the Division.
- 3. Said pooling interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

4. In order to permit Redmon to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Redmon should be the designated operator of the well.

WHEREFORE, The Redmon Oil Company, Inc., requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 17, 2005, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all mineral interests in the subject spacing and proration units,
- B. Designating The Redmon Oil Company, Inc., operator of the unit and the well to be drilled thereon,
- C. Authorizing Redmon to recover its costs of drilling, equipping and completing the well,
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. Imposing a 200% penalty for the risk assumed by Redmon in drilling and completing the well against any working interest owner and any unleased mineral interest owner who does not voluntarily participate in this well.

Respectfully submitted,

HOLLAND & HART LLP

By:

William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR THE REDMON OIL COMPANY, INC.

EXHIBIT A

NOTIFICATION LIST

Application of The Redmon Oil Company, Inc. for compulsory pooling

N/2 Section 8
Township 22 South, Range 38 East, NMPM
Lea County, New Mexico.
(Barbant Well No. 1)

The Fasken Foundation 500 West Texas, Suite 1160 Midland, Texas 79701

Maecenas Minerals, L.L.P. Post Office Box 176 Abilene, Texas 79604

Republic Royalty company 3738 Oak Lawn Ave., suite 300 Dallas, Texas 75219

Mr. Warren Akers 2465 Mustang Drive Arroyo Grande, California 93420

Ms. Lori Jean Houston 1298 Locust Street, Apt. 45 Willits, California 95490

EXHIBIT A

NOTIFICATION LIST

Application of The Redmon Oil Company, Inc. for compulsory pooling

N/2 Section 8
Township 22 South, Range 38 East, NMPM
Lea County, New Mexico.
(Barbant Well No. 1)

The Fasken Foundation 307 East 2nd Street Austin, Texas 78701

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Mr. Warren Akers 2465 Mustang Drive Arroyo Grande, California 93420

Ms. Lori Jean Houston 1298 Locust Street, Apt. 45 Willits, California 95490

U.S. Postal Service CERTIFIED MAIL RECEIPT		
(Domestic Mail Only; No Insurance Coverage Pr	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
	Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A. Received by (Please Print Clearly) B. Date of Deliver
	■ Print your name and address on the reverse	C. Signature 2.4.08
56010,5101 Postage \$,83	so that we can return the card to you. Attach this card to the back of the mailpiece,	Volume (Ikove - Agent
Kedmon 220	or on the front if space permits.	D. Is delivery address different from item 1? Yes
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Restricted Delivery Fee (Endorsement Required)	Mr. Warren Akers	
Total Postage & Fees \$ / 80	2465 Mustang Drive	3. Service Type
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	so that we can return the card to you. Attach this card to the back of the mailpiece,	C. Signature
	or on the front if space permits.	Addressee
Redynah Postage \$ 103	Article Addressed to:	D. is delivery address different from item 1? Yes If YES, enter delivery address below: No
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Restricted Delivery Fee (Endorsement Required)	307 East 2nd Street	
Total Postage & Face \$ 7.00	Austin, Texas 78701	3. Service Type Certified Mail Express Mail
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or PO Box No. City, State, ZIP. Austin, Texas 78701	2. Article Number (Copy 7001 1140 0002	
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(Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees \$ / 80		
Ms. Lori Jean Houston		
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City, State, 2) Willits, CA 95490		
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PS Form 385

	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage)	 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: 	A. Received by (Please Print Clearly) B. Date of Delivery FER 0 1 20 C. Signature X
00010.5101 \$,83 Redmon Certified Fee 2.30 (c) Return Receipt Fee (Endorsement Required)	Maecenas Minerals, L.L.P. Post Office Box 176	LINDA KINARD
Restricted Delivery Fee (Endorsement Required) Total Postage & Fees Sent To Maecenas Minerals, L.L.!	Abilene, Texas 79604	3. Service Type Certified Mail
Street, Apt. No or PO Box No City, State, Zif Abilene, Texas 79604	2. Article Number (Cox 7001 1140 0002 PS Form 3811, July 1999 Domestic Ret	9557 LL 57 turn Receipt 102595-00-M-0952
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O0010-6101 \$.83 Redmon Certified Fee 2.30	1. Article Addressed to: Republic Royalty Company 3738 Oak Lawn Avenue	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees Sent To	Suite 300 Dallas, Texas 75219	3. Service Type Certified Mail
Republic Royalty Company 3738 Oak Lawn Avenue	2. Article Number (Cop. 7001 1140 0002	9557 6664
Suite 300 ity, State, Dallas, Texas 75219	PS Form 3811, July 1999 Domestic R	leturn Receipt 102595-00-M-095

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NOTICE OF PUBLICATION

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on February 17, 2005, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qulified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by February 7, 2005. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13430:

Application of The Redmon Oil Company, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations in the following described spacing and proration units located in Section 8, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing; the NE/4 for all formations and/or pools developed on 160-acre spacing which includes the Undesignated Tubb Oil and Gas Pool; and the SW/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Wantz-Granite Wash Pool, Undesignated South Brunson Drinkard-Abo Pool, Undesignated Tubb Oil and Gas Pool, Undesignated Blinebry Oil and Gas Pool and Undesignated Paddock Pool. Applicant proposes to dedicate the pooled units to its Brabant Well No. 1 to be re-entered at a standard gas well location 1980 feet from the North and East lines of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6 miles southeast of Eunice, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 27th day of January 2005.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Mark E. Fesmire, P.E., Director