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June 14, 2011

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VIA FACSIMILE & U.S. MAIL  
(505) 476-3462

Florene Davidson  
Oil Conservation Commission  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

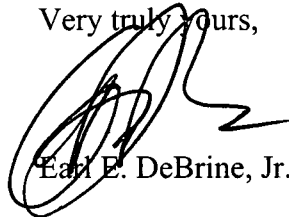
*Case 14688*

Re: *In The Matter of the Application of Reliant Exploration & Production LLC for compulsory pooling, Harding County, NM*

Dear Ms. Davidson:

On behalf of Reliant Exploration & Production L.L.C., please find enclosed our referenced Application which we request be set for hearing on the first available Examiner's docket after the 20 day notice period is satisfied. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



Earl E. DeBrine, Jr.

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Enclosures

cc: Reliant Exploration & Production LLC  
OXY USA Inc. (via Certified U.S. Mail)

Modrall Sperling  
Roehl Harris & Sisk P.A.

Bank of America Centre  
500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

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Albuquerque,  
New Mexico 87103-2168

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

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IN THE MATTER OF THE APPLICATION OF RELIANT  
EXPLORATION AND PRODUCTION LLC, FOR  
COMPULSORY POOLING T. 19N, R. 31 E, SECTION 7  
HARDING COUNTY, NEW MEXICO.

CASE NO. 14688

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 SW $\frac{1}{4}$  of Section 7, Township 19N, Range 31E, NMPM, Harding County, New Mexico, forming a standard 160-acre gas spacing and proration units for the Bravo Dome Carbon Dioxide Gas Pool for Reliant's proposed well 7-1-L well. As grounds for this Application, Reliant states:

- (1) Reliant owns 100% working interest in the W/2 SW $\frac{1}{4}$  and the SE $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 7, Township 19N, Range 31E, NMPM, Harding County, New Mexico.
- (2) Reliant was granted approval to drill the No. 7-1-L well, API 30-021-20516, a carbon dioxide well in Harding County New Mexico (hereafter well No. 7-1-L) in Section 7, Township 19N, Range 31E, NMPM, Harding County, New Mexico.
- (3) Reliant proposes to drill well No. 7-1-L on its land within the proposed spacing unit for the well at a standard location in the NW $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 7, 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:

0% ownership in NE $\frac{1}{4}$  SW $\frac{1}{4}$   
20

Township 19N, Range 31E, SW $\frac{1}{4}$  of Section 7,  
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 owns an interest in the NE $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 7, Township 19N, Range 31E, NMPM, Harding County, New Mexico which is necessary to complete the spacing unit for the well.

How Big is The OXY interest?

(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 March 14, 2011, Reliant sent a letter via certified mail to OXY USA, Inc. ("OXY") notifying OXY that Reliant planned to drill the No. 7-1-L well and that the proposed spacing unit for the well includes acreage owned by OXY. The letter further requested OXY to notify Reliant within 30 days whether OXY elects 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. 7-1-L if it did not hear from OXY within thirty-days.

(6) Although Reliant attempted to obtain the voluntary agreement of OXY to participate in the drilling of the well or to otherwise commit their interest to the well, OXY has failed to respond to Reliant about its decision whether to join in dedicating its interests, and therefore Reliant is making this application to pool OXY's interests in well No. 7-1-L pursuant to NMSA 1978, § 70-2-17(C).

(7) The pooling of all mineral interests underlying the SW $\frac{1}{4}$  of Section 7 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 OXY USA Inc., c/o Mr. Mark E. Hodge, 5 Greenway Plaza, Suite 110, Houston, Texas 77046, notifying it of this case and of the applicant's request for a hearing of this matter before the Division.

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: 

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*Attorneys for Applicant*

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District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005  
Submit to Appropriate District Office  
State Lease- 4 Copies  
Fee Lease- 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-021-20516</b>	Pool Code <b>96010</b>	Pool Name <b>Bravo Dome</b>
Property Code <b>37025</b>	Property Name <b>LIBBY MINERALS LLC 1931</b>	Well Number <b>7-1-L</b>
OGRID No. <b>251905</b>	Operator Name <b>RELIANT EXPLORATION &amp; PRODUCTION, LLC.</b>	Elevation <b>4537.2'</b>

Surface Location

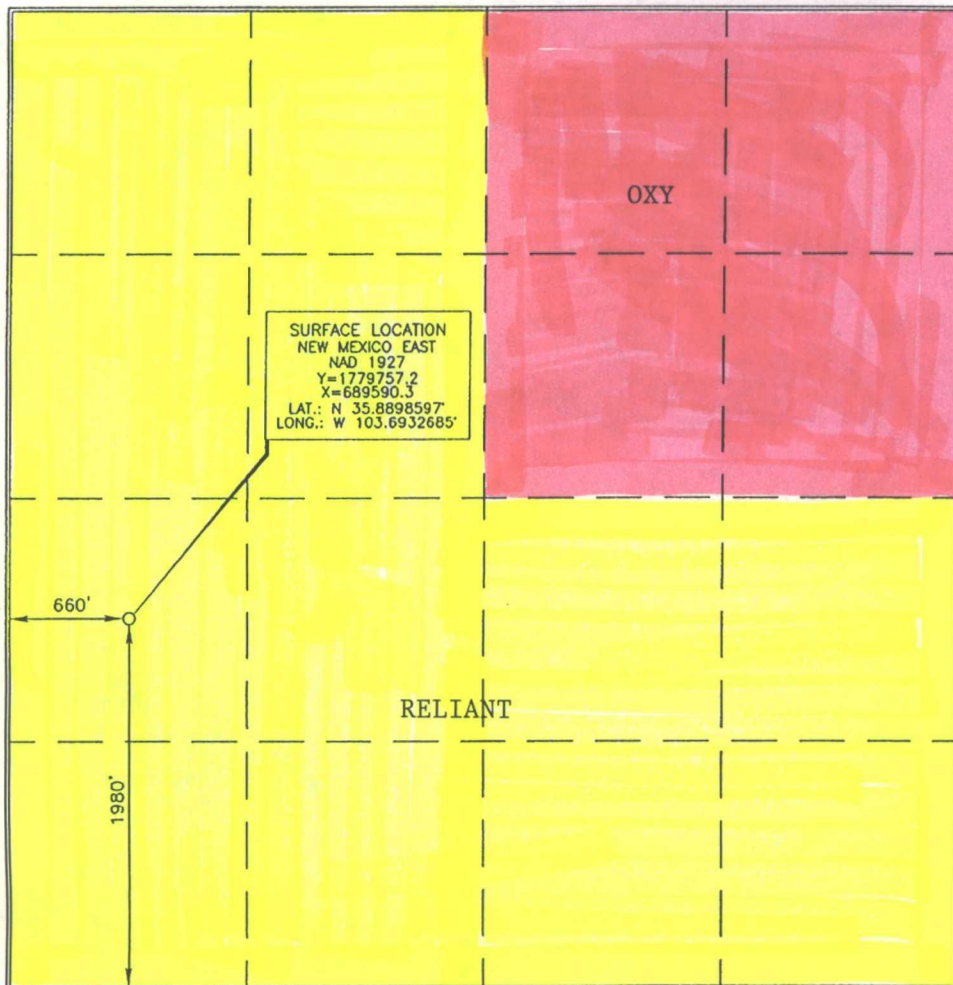
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>7</b>	<b>19 NORTH</b>	<b>31 EAST, N.M.P.M.</b>		<b>1980'</b>	<b>SOUTH</b>	<b>660'</b>	<b>WEST</b>	<b>HARDING</b>

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	Joint or Infill	Consolidation Code	Order No.

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.

*Scott Vanderburg*  
Signature Date  
**Scott Vanderburg**  
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

**15079**  
**AUGUST 25, 2009**  
Date of Survey  
Signature of Professional Surveyor  
*Terry J. Paul* 8/29/2009  
Certificate Number **15079**

WO# 090825WL (KA)

EXHIBIT

A

***CASE 14688 Application of Reliant Exploration & Production LLC for compulsory pooling, Harding County, New Mexico.*** Applicant seeks an order pooling all mineral interests within Section 7, T19N, R31E, NMPM, Harding County, New Mexico, forming a standard 160-acre gas spacing and proration unit for the Bravo Dome Carbon Dioxide Gas Pool. The unit in Section 7 is to be dedicated to Reliant's proposed 7-1-L well (API # 30-021-20516) to be drilled at a standard location in the NW¼ SW¼ of Section 7. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 24 miles northeast of Mosquero, New Mexico.

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