

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

**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. _____

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:

Before the Oil Conservation Division
Case No. 14688
Hearing July 21, 2011
Reliant Exploration & Production LLC
EXHIBIT NO. 5

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.

(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 30-021-20516	Pool Code 96010	Pool Name Brevo Dome
Property Code 37025	Property Name LIBBY MINERALS LLC 1931	Well Number 7-1-L
OGRID No. 251905	Operator Name RELIANT EXPLORATION & PRODUCTION, LLC.	Elevation 4537.2'

Surface Location

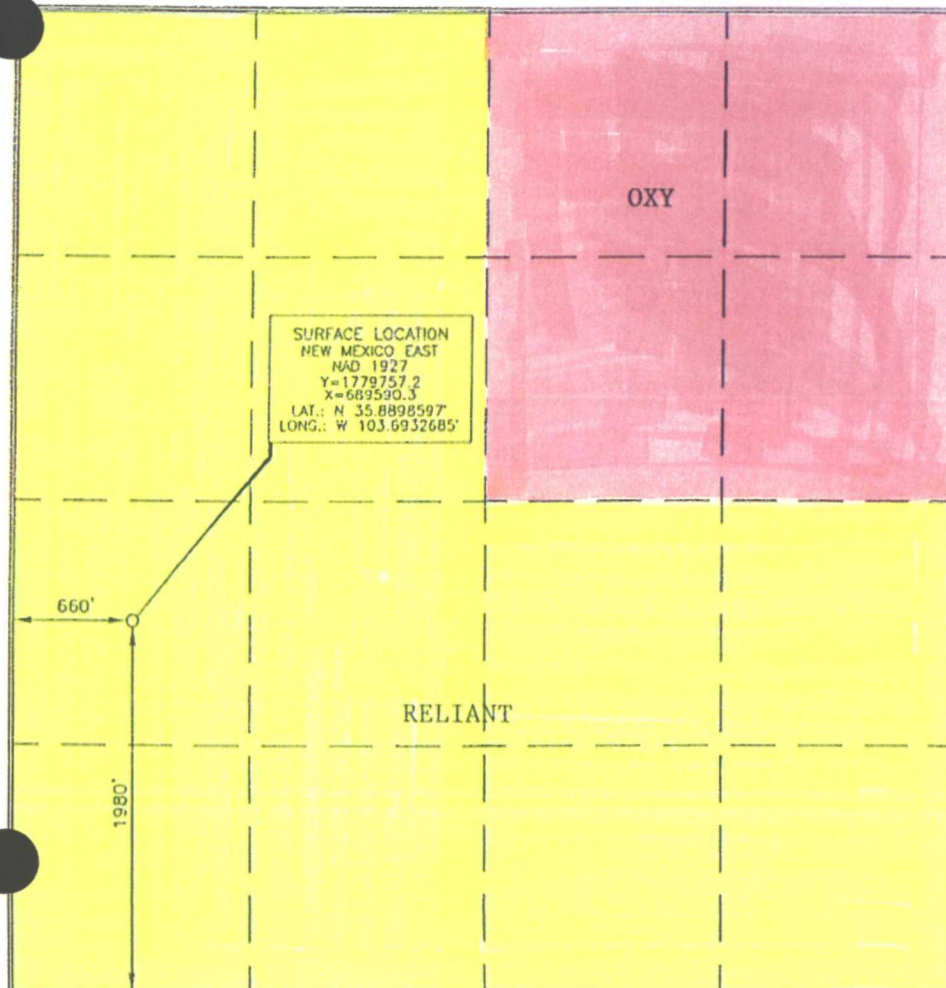
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	7	19 NORTH	31 EAST, N.M.P.M.		1980'	SOUTH	660'	WEST	HARDING

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	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.

Signature: *Scott Varderbury*
Date: *8/29/2009*
Printed Name: **Scott Varderbury**

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.

Signature: *Terry J. Ash*
Date of Survey: **AUGUST 25, 2009**
Professional Surveyor Seal: **15079**
Certificate Number: **15079**

WO# 090825WL (KA)

EXHIBIT