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Attorney at Law

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Recognized Specialist in the Area of
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New Mexico Board of Legal Specialization

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Facsimile 505-982-2047
kellahin@earthlink.net

March 29, 2005

HAND DELIVERED

Mr. Mark E. Fesmire, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13471

2005 MAR 29 PM 3 12

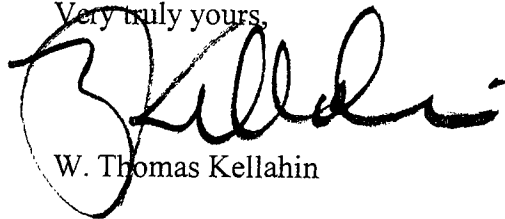
Re: Application of RB Operating Company
for approval of directional wellbore and an unorthodox
oil well location and simultaneous dedication,
East Loving-Brushy Canyon Pool,
Eddy County, New Mexico

Carrasco "14" Well No. 6
Surface: 1400 feet FNL and 800 feet FEL (Unit H)
Bottom hole: 1400 feet FNL and 1250 feet FEL Unit H)
Section 14, T23S, R28E

Dear Mr. Fesmire:

On behalf of RB Operating Company, please find enclosed our referenced application that we request to set for hearing on the next available docket currently schedule for April 21, 2005.

Very truly yours,



W. Thomas Kellahin

cc: RB Operating Company
Attn: Bobby Ebeier

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

**IN THE MATTER OF THE APPLICATION OF
RB OPERATING COMPANY FOR A DIRECTIONAL
WELLBORE AND FOR UNORTHODOX OIL WELL
LOCATION AND SIMULTANEOUS DEDICATION,
EDDY COUNTY, NEW MEXICO.**

Case 13471

APPLICATION

RB OPERATING COMPANY ("RB") by its attorneys, Kellahin & Kellahin, seeks an order authorizing the directional wellbore and the production of its Carrasco "14" Well No. 6 at an unorthodox subsurface well location 1400 feet FNL and 1250 feet FEL (Unit H) Section 14, T23S, R28E and to simultaneously dedicate it along with the Carrasco "14" Well No. 3, (API 30-015-26350) a producing oil well located 1980 feet FNL and 560 feet FEL (Unit H) Section 14, T23S, R28E to the same standard 40-acre oil spacing unit for production from the East Loving-Brushy Canyon Pool, Eddy County New Mexico.

In support of its application RB states:

1. RB proposes to directionally drill its Carrasco "14" Well No. 6 from a unorthodox surface location, 1400 feet FNL and 800 feet FEL to an unorthodox subsurface oil well location 1400 feet FNL and 1250 feet FEL (Unit H) Section 14, T23S, R28E and to simultaneously dedicate it along with the Carrasco "14" Well No. 3, (API 30-015-26350) a producing oil well located 1980 feet FNL and 560 feet FEL (Unit H) Section 14, T23S, R28E. **See locator map attached as Exhibit "A" and C-102s attached as Exhibit "B"**
2. This spacing unit is 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. This proposed well is to be located at the intersection of four adjoining 40-acre oil spacing units that contain existing Brushy Canyon wells.

4. As a result of development in accordance with Division rules, each of these four governmental quarter-section contains a oil well that may have by passed recoverable oil that now can be recovered by adding a new well at the approximate center of the intersection these 4 quarter-quarter section. In order to test this probability, RB proposes to drill this infill well. **See locator map attached as Exhibit "A"**
5. RB, based upon geologic data, believes that its proposed unorthodox well location 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 adjacent spacing units.
6. The 4 existing wells in the NE/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 25 barrels of oil per day (Carrasco "14" Well No. 3) and with the total current production from all four wells being 110 BOPD.

NOTIFICATION AND WAIVERS

7. RB, for administrative convenience, has selected to place this infill well within an existing spacing unit and requests approval for simultaneous dedication.
8. RB and Chesapeake Permian, L. P. are the only working interest owners affected. With the exception of the Bureau of Land Management ("BLM"), RB has contacted all royalty and overriding royalty interest owners affected and has obtained the consent of all owners.
9. The federal tract consists of the N/2NE/4 of this section and RB will contact the BLM to determine if it has any opposition to this application.
10. RB has obtained fully executed voluntary agreement from all interest owners affected except for the BLM. Affected owners are all the owners in each of the 40-acre proration units surrounding the two proposed wells. Except for the N/2NE/4 of this section, all other acreage involved and affected by this application is privately owners and all tracts are exactly 40-acre in size.

11. This agreement provide for the sharing of production for this infill well by creating a voluntary "Proposed Drilling Unit" consisting of 10-acres from each of the 40-acre spacing units in the quarter section. **See map attached as Exhibit "A" Attached.**
12. In accordance with the Division's notice rules, copies of the application and notice of hearing will be sent to all the interest owners affected. **See Exhibit "C" attached**

WHEREFORE, RB, as applicant, requests that, after notice and hearing, the Division enter its order approving these requested unorthodox well locations and simultaneous dedications.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87504
Telephone: (505) 982-4285
Fax: (505) 982-2047

BYA OIL PRODUCERS
 PARQUE C 8808 JV
 1,019,931
 14,357
 190,336
 15,334
 36,744,328
 6,250,538
 32,748
 5,950

BYA OIL PRODUCERS
 PARQUE C 8808 JV
 1,019,931
 14,357
 190,336
 15,334
 36,744,328
 6,250,538
 32,748
 5,950

26341
 6,250

BIRD CREEK LIMITED LIABILITY CORP
 TELEDYNE
 781,699
 144,476
 112,845
 26,330
 6,187

1,337,758
 215,698
 94,702
 26,330
 6,210

Proposed Drilling Unit

BIRD CREEK LIMITED LIABILITY CORP
 TRACHTA
 1,135,812
 151,031
 77,550
 26,329
 6,220

1,137,710
 252,846
 84,665
 26,122,721
 6,210,100

14

Existing Production Unit

BIRD CREEK LIMITED LIABILITY CORP
 TRACHTA
 954,567
 134,913
 63,065
 26,328
 6,200

1,264,145
 211,354
 70,220
 26,151
 6,250

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 937,389
 196,293
 137,113
 25,991
 13,150

RB OPERATING COMPANY
 CARRASCO "14"
 471,152
 84,894
 119,308
 26,349
 6,310

BIRD CREEK LIMITED LIABILITY CORP
 RGA
 1,055,423
 189,382
 83,994
 26,182
 6,250

1,013,626
 131,976
 149,869
 26,528
 6,300

RB OPERATING COMPANY
 REID
 756,288
 88,406
 37,525
 26,592
 6,300

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 707,730
 127,539
 86,163
 26,331
 6,250

1,013,626
 131,976
 149,869
 26,528
 6,300

RB OPERATING COMPANY
 REID
 756,288
 88,406
 37,525
 26,592
 6,300

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 671,442
 136,999
 205,645

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 815,790
 132,999
 6,250

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 652,803
 189,944
 11

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 442,521
 169,457
 4

RB OPERATING COMPANY
 CANDELLARIO 24
 189
 164,888
 2,293
 33,008,468
 6,408,453
 132,913
 26,536

RB OPERATING COMPANY
 SOUTH CULEBRA BLUFF
 237,909
 34,481
 96,648
 26,534
 6,400

RB OPERATING
 SOUTH CULEBRA BLUFF
 237,909
 34,481
 96,648
 26,534
 6,400

AMOCO PROD CO
TELEDYNE GAS COM
 21138

RB OPERATING

EDDY COUNTY, NEW MEXICO
LOVING EAST AREA

Carrasco "14" No. 6 Location



POSTED WELL DATA

Operator
Well Name
Well Number
Series
TD

SYMBOL HIGHLIGHT

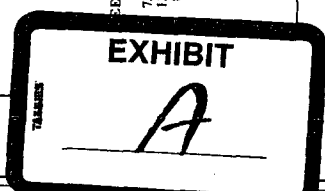
LOC

WELL SYMBOLS

- Location Only
- Oil Well
- Gas Well
- Injection Well
- Abandoned Oil Well

By: MXE

March 9, 2005



DISTRICT I

1000 N. FRANKLIN DR., ROSA, NM 88240

DISTRICT II

1001 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1000 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

For Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name CARRASCO 14	Well Number 6
GRID No.	Operator Name R.B. OPERATING	Elevation 2979'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	14	23-S	28-E		1400	NORTH	800	EAST	EDDY

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

<p>GEODETIC COORDINATES NAD 27 NME Y=476201.2 N X=587029.9 E LAT.=32°18'31.96" N LONG.=104°03'05.90" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 06, 2005</p> <p>Date Surveyed _____</p> <p>Signature & Seal of Professional Surveyor _____</p> <p>12641</p> <p>04.11.1758</p> <p>Certificate No. _____</p>
	<p>EXHIBIT</p> <p>B-1</p>
	<p>LA</p> <p>12641</p> <p>04.11.1758</p> <p>EDDY</p> <p>12641</p> <p>04.11.1758</p> <p>EDDY</p> <p>12641</p> <p>04.11.1758</p> <p>EDDY</p>

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-182
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

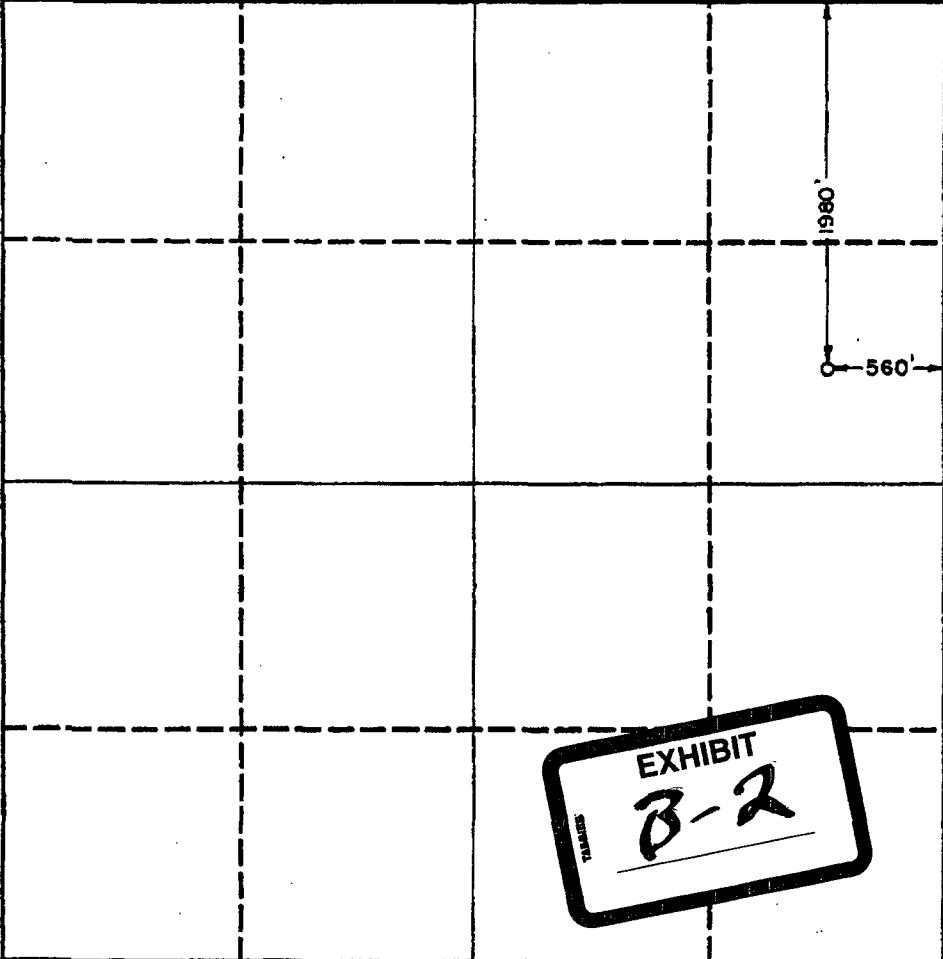
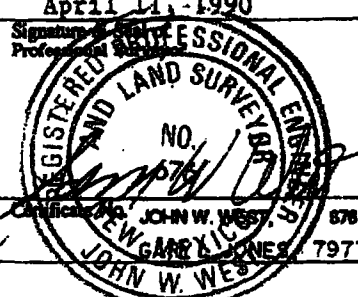
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Benzon Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator R. B. OPERATING CO.		Lease CARRASCO 14		Well No. 3
Unit Letter H	Section 14	Township 23 SOUTH	Range 28 EAST	County EDDY
Actual Footage Location of Well: 1980 feet from the NORTH line and 560 feet from the EAST line				
Ground level Elev. 2964.0'	Producing Formation		Pool	Dedicated Acreage: Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>				
				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ Printed Name _____ Position _____ Company _____ Date _____
				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 knowledge and belief. Date Surveyed April 11, 1990 Signature of Registered Professional Surveyor _____ 

Esther Lee Baker Trust
488 West 6th Street
Claremont, CA 91711

Candelario Carrasco, Jr.
Box 26
Loving, NM 88256

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P.O. Box 1497
Marble Falls, TX 78654-1497

Donald Paape
P.O. Box 3
Fort Davis, TX 79734

Celia C. Valdez
4204 Thomason Road
Carlsbad, NM 88220

Bogle Oil, Inc.
P.O.Box 460
Dexter, NM 88230

Richard Holesapple
P.O.Box 1250
Carnichael, CA 95609

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Scardales, NY 10583

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Sherman Oaks, Ca 91401

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Maricopa, Az 85239

John E. Clem
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Maricopa, AZ 85239-5240

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Phoenix, AZ 85012-1488

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Phoenix, AZ 85224

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Phoenix, AZ 85012-1488

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West Hollywood, CA 90069

Solomon N Gover Trust
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Woodland Hills, CA 91367

Concepcion Onsurez
P.O.Box 393
Loving, NM 88256

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C/O Gloria G. Margulies
20534 Miranda Place
Woodland Hills, CA 91367

Dale Goldman
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Lake Worth, FL 33467

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Plano, TX 75024

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Los Angeles, CA 90036

Melinda Thompson
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Westminster, CO 80021

Corina C. Urquidez
805 North Eight Street, Space
Avondale, AZ 85323

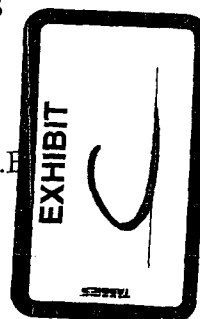
Danielle Levine-Baum
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Sherman Oaks, CA 91423

Greg Martinez, Jr.
9131 Garrison Street
Westminster, CO 80021

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6212 Osuna Road, N.E.
Albuquerque, NM 87109-2561

Charles Randall Hicks
4836 Vista Del Oso Ct. N.E.
Albuquerque, NM 87109

Lucille Paape
14911 Wunderlich Drive #1807
Houston, TX 77069



Kenneth Jay Reynolds
P. O Box 10847
Midland, TX 79702

Vikki L. Smith
9104 Haines N.E.
Albuquerque, NM 87112

Charmar, L.L.C
6212 Osuna Road N.E.
Albuquerque, NM 87109-2561

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L.P.
633 Seventeenth Street #1650
Denver, CO 80202-3660