

**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 CONSIDERING:**

**THE APPLICATION OF RELIANT
EXPLORATION AND PRODUCTION LLC, FOR
COMPULSORY POOLING SECTION 23, T. 20N, R. 32 E
HARDING COUNTY, NEW MEXICO.**

CASE NO. 15113

AFFIDAVIT OF FRED VANDERBURG, JR.

Fred S. Vanderburg, Jr., being first duly sworn, deposes and states:

1. I am the Chairman of the Board of Reliant Exploration and Production LLC ("Reliant"), and have personal knowledge of the matters stated herein.
2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - a) The purpose of this application is to pool several small unleased mineral interest owners owning approximately 13.33 acres each of an 80-acre tract for the purpose of forming a standard 640-acre spacing unit for the drilling and completing a carbon dioxide well. All other interests in the 640-acre spacing unit are subject to a lease or agreement.
 - b) No opposition is expected because the mineral interest owners being pooled have been contacted regarding the proposed well but have not responded to well proposals or notices concerning the hearing on this Application. Furthermore, the unleased mineral interest owners to be pooled are unlocatable, though a good faith effort has been made to locate each owner. Reliant has reached a verbal agreement with OXY, USA Inc. ("OXY"), the only other working interest owner in Section 23.
 - c) A plat outlining the unit being proposed is attached hereto as Attachment A. Reliant seeks an order approving compulsory pooling of all unleased mineral interests underlying the 640-acre standard spacing and proration unit (project area) in the Tubb formation comprised of Section 23, Township 20 North, Range 32 East, NMPM, Harding County, New

Mexico. This unit is to be dedicated to the 23-1-G well, a vertical well with a surface location of 1980 feet from the North line and 1980 feet from the East line.

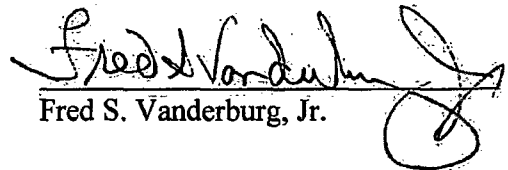
- d) The proposed well is within the Bravo Dome Carbon Dioxide Gas Pool (pool code: 96010). Spacing in this pool is governed by the Special Rules and Regulations adopted in Order No. 7556, which provides for 640 acre spacing units. The Special Rules are attached hereto as Attachment B.
- e) A copy of the proposal letter sent to the interest owners is attached hereto as Attachment C.
- f) All parties, their interests in the well unit, and their last known addresses are listed on Attachment D. Parties that are unlocatable are highlighted in yellow on Attachment D. OXY has received notice and has reached an agreement with Reliant. The unleased mineral interest owners are the only unlocatable parties.
- g) As shown in Attachment D, the unleased mineral interest owners each own 1/6 of the mineral interests in an 80-acre tract. This represents a 2.083 percent interest in the 640-acre spacing unit. As also shown, Reliant's total interest is 75 percent, and OXY's interest is 12.5 percent.
- h) To try to locate these unleased mineral interest owners, Reliant examined Harding County records, telephone directories and records in the counties of the last known residences of the out-of-state owners, and internet directories. Correspondence to the last known addresses of each these interest owners was returned to sender.
- i) Reliant has made a good faith effort to contact each of the unlocatable mineral interest owners.
- j) Reliant has made a good faith effort to obtain the voluntary joinder of interest owners in the well.
- k) Notice was published for unlocatable parties in the Union County Leader, serving Union and Harding Counties, on April 2, 2014, pursuant to NMRA 19.15.4. An Affidavit of Publication is included as Attachment E.
- l) Because the unleased mineral interests are the only remaining parties to be pooled, Reliant does not seek a 200 percent risk charge. Pursuant to NMSA § 70-2-17, the unleased mineral interests will be paid a one-eighth royalty interest.
- m) A copy of the Authority for Expenditure for the proposed well is attached hereto as Attachment F. The drilling and costs set forth therein are fair

and reasonable, and are comparable to those of other wells of this depth drilled in this area of Harding County.

n) Overhead charges of \$6,000/month while the well is drilled and \$600/month while the well is being produced are requested. These rates are also reflected in the Accounting Procedures addendum to the Joint Operating Agreement, attached hereto as Attachment G. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Reliant requests that the rates be adjusted under the COPAS accounting procedure.

o) Applicant requests that it be designated operator of the well.

FURTHER AFFIANT SAYETH NOT.


Fred S. Vanderburg, Jr.

STATE OF TEXAS

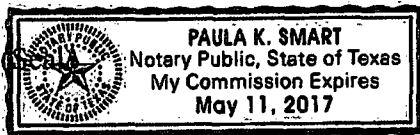
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COUNTY OF MIDLAND

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Signed and sworn to before me this 16th day of April, 2014, by Fred S. Vanderburg, Jr..





Notary Public
My Commission Expires: 5-11-2017

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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 August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name LIBBY MINERALS LLC 2032	Well Number 23-1-G
OGRID No.	Operator Name RELIANT EXPLORATION & PRODUCTION, LLC.	Elevation 5044.8'

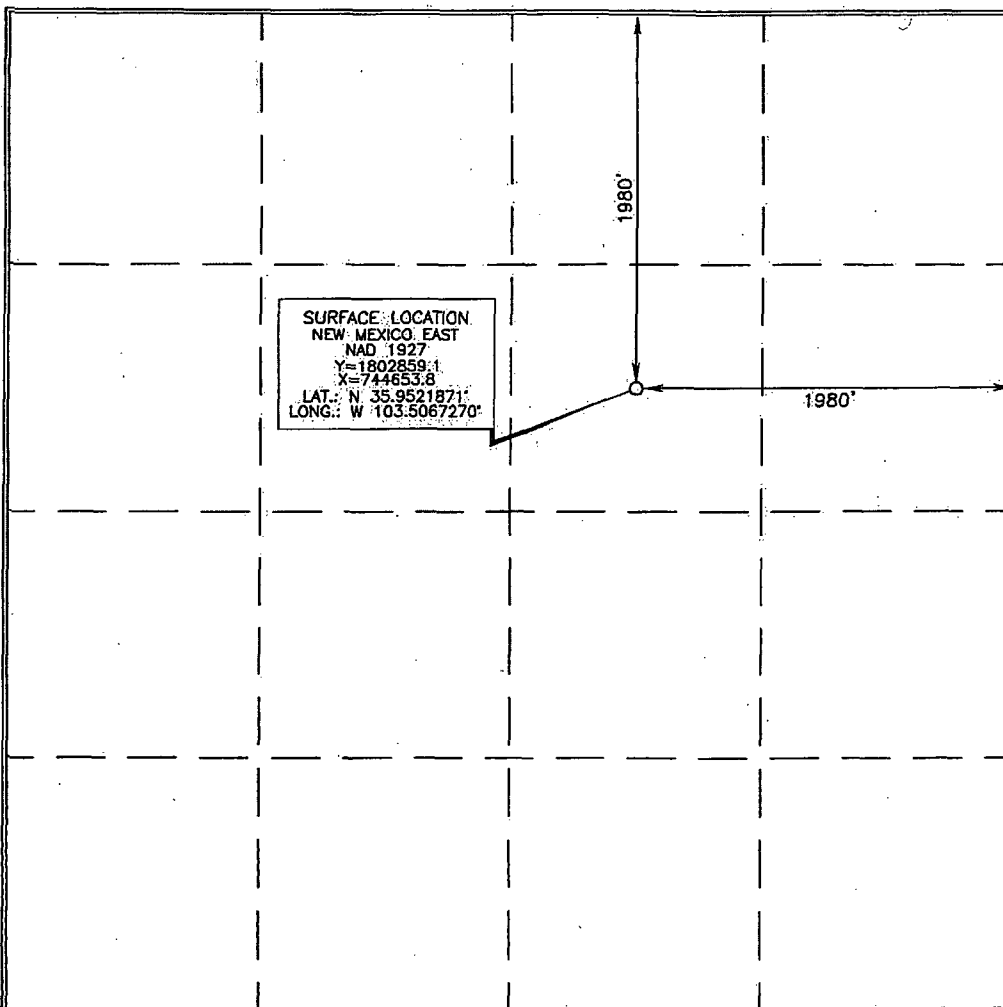
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	23	20 NORTH	32 EAST, N.M.P.M.		1980'	NORTH	1980'	EAST	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 in 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: _____ Date: _____
Printed Name: _____
E-mail Address: _____

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.

Date of Survey: **MAY 1, 2015**
Signature and Seal of Professional Surveyor: _____

Terry J. Paul 5/8/2015
Certificate Number 15079

WO# 130417WL-J (KA)