JAMES BRUCE ATTORNEY AT LAW

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January 20, 2009

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Case 14277

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

Dear Florene:

Enclosed for filing, on behalf of RSC Resources Limited Partnership, are an original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the February 19, 2009 Examiner hearing. Thanks.

Very truly yours, un

James Bruce Attorney for RSC Resources Limited Partnership

PARTIES BEING POOLED

Anderson Oil Ltd. Attn: Neal B. Anderson Suite 300 5005 Woodway Drive Houston, TX 77056-1784

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El Paso Exploration & Production LP Attn: Martin E. Wirth 1001 Louisiana Houston, TX 77002

EOG Resources, Inc. Attn: Patrick J. Tower P.O. Box 2267 Midland, TX 79702-2267

Eagle Oil and Gas, Ltd. Suite 510 2525 Kell Boulevard Wichita Falls, TX 76308

J. Cleo Thompson & J. Cleo Thompson, Jr., L.P. Suite 4300 325 North St. Paul Dallas, Texas 75201

Kaiser-Francis Oil Company P.O. Box 21468 Tulsa, OK 74121-1468

Occidental Oil and Gas Corp. P.O. Box 4294 Houston, TX 77210-4294 Devon Energy Production Company, L.P. 20 North Broadway Oklahoma City, OK 73102

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COG Oil & Gas, LP COG Operating, LLC Suite 1300 550 West Texas Midland, Texas 79701

Dallas P. Bauer P.O. Box 95 La Mesa, NM 88044

Pear Resources P.O. Box 11044 Midland, TX 79702

E. Earl Baldridge III P.O. Box 50716 Midland, TX 79710

Three Span Oil & Gas, Inc. P.O. Box 51538 Midland, TX 79710

WKKA, Ltd. P.O. Box 10354 Midland, TX 79702

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION RECEIVED

APPLICATION OF RSC RESOURCES EFMITED PARTNERSHIP FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. <u>14277</u>

APPLICATION

RSC Resources Limited Partnership applies for an order (i) approving a non-standard oil spacing and proration unit in the Wolfcamp formation comprised of Lot 3, NE¹/₄SW¹/₄, and N¹/₂SE¹/₄ (the N¹/₂S¹/₂ equivalent) of Section 30, Township 16 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the $N\frac{1}{2}S\frac{1}{2}$ of Section 30, and has the right to drill a well thereon.

2. Applicant proposes to drill its Lucky Wolf "30" Fed. Com. Well No. 2, to a depth sufficient to test the Wolfcamp formation, and seeks to dedicate the $N\frac{1}{2}S\frac{1}{2}$ of Section 30 to the well to form a non-standard 162.74 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The well is a horizontal well, with a surface location 2310 feet from the south line and 100 feet from the west line of Section 30. The well will penetrate the Wolfcamp formation at a point 2295 feet from the south line and 330 feet from the west line, and have a terminus 1980 feet from the south line and 330 feet from the south line and 30.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the $N\frac{1}{2}S\frac{1}{2}$ of Section 30 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the N¹/₂S¹/₂ of Section 30, pursuant to NMSA 1978 §§70-2-17, 18.

5. The approval of the non-standard unit, and the pooling of all mineral interests underlying the $N\frac{1}{2}S\frac{1}{2}$ of Section 30, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the $N\frac{1}{2}S\frac{1}{2}$ of Section 30;

B. Pooling all mineral interests in the $N\frac{1}{2}S\frac{1}{2}$ of Section 30 in the Wolfcamp formation;

C. Designating applicant as operator of the well;

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D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting 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.

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Respectfully submitted,

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James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for RSC Resources Limited Partnership