

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

WELL FILE
30-021-20563

Jami Bailey, Division Director
Oil Conservation Division



December 10, 2013

Reliant Exploration and Production LLC
Attn: Mr. Scott Vanderburg

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6981
Administrative Application Reference No. pMAM1333150484

Reliant Exploration and Production LLC
OGRID 251905
Libby Minerals LLC 1931 Well No. 9-1-K
API No. 30-021-20563

Proposed Location:

Footages	Unit	Section	Township	Range	County
1980 FSL & 2014 FWL	K	9	19N	31E	Harding

Proposed Unit:

Description	Acres	Pool	Pool Code
SW/4 of Section 9	160	Bravo Dome Carbon Dioxide Gas Area W	72892

Reference is made to your application received on November 27, 2013.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.10.C [19.15.15.10.C NMAC], which provides for 160-acre units with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from a unit outer boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location to maximize production of carbon dioxide in the proration unit.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

December 10, 2013

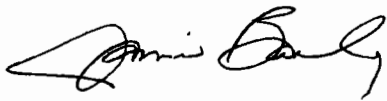
Page 2

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", with a stylized, cursive script.

Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Santa Fe

DATE IN 11/26/13	SUSPENSE	ENGINEER MAM	LOGGED IN 11/27/13	TYPE NSL	APP NO. 2MAM 1333150484
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

Reliant Expl.
9-HK well
30-021-20563
Bravo Dome CO₂
Project

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

SCOTT VANDERBURG
Print or Type Name

Signature

Title

Date

SCOTT V @ RELIANT HOLDINGS LTD. com
e-mail Address

Via E-mail and US Mail

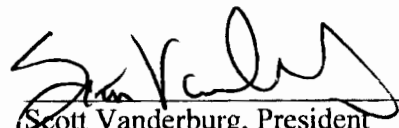
Ed Martin
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
ed.martin@state.nm.us

Re: *Application of Reliant Exploration & Production, LLC for administrative approval of an unorthodox well location for its 9-1-K Well, API 30-021-20558 located in Section 9, Township 19 North, Range 31 East, N.M.P.M., Harding County, New Mexico.*

Dear Mr. Martin:

Reliant Exploration & Production, LLC ("Reliant") (OGRID No. 251905) is seeking administrative approval under Division Rule 19.15.15.13 NMAC for an unorthodox well location for its 9-1-K Well, API 30-021-20558, located in Section 9, Township 19 North, Range 31 East, N.M.P.M., Harding County, New Mexico. According to Division Rule 19.15.15.10 NMCA, a 160-acre spacing unit area has been dedicated to this well, comprised of the NW/4 of Section 9. An APD for the well was approved by the Division on May 18, 2013, and the well was drilled pursuant to the APD at the surface location 2014 feet from the quarter West line of Section 9. The Administrative Application Checklist for this Application is enclosed together with Exhibit A, the Well Location and Acreage Dedication Plat (Form C-102), which shows the location of the 9-1-K Well. The C-102 shows that the well is located 2014 feet from the NW/4 West line of NW/4, Section 9. This location was necessary to efficiently and economically achieve the greatest recovery of the reserves underlying the Tubb formation in the N/W 4 of Section 9.

Pursuant to 19.15.15.13 NMAC, Reliant attests that it is the operator of the offset spacing and proration unit in the NW/4 of Section 9, that there is identical ownership of working interest, royalty and overriding royalty interests in the exactly the same percentages in the two spacing units and that therefore no other persons are entitled to notice of this Application under 19.15.4.12(A) (2) and 19.15.15.13(C).


Scott Vanderburg, President
Reliant Holdings Ltd

11/26/13
Date

Bravo Dome 160 area.

27556

Division
1222 N. Texas Dr., Hobbs, NM 88240
Phone: (505) 398-4361 Fax: (505) 398-0710
T-1 S. Pine St., Artesia, NM 88210
Phone: (505) 748-1251 Fax: (505) 748-9720
Division
101 E. C. Burton Road, Aztec, NM 87410
Phone: (505) 334-5179 Fax: (505) 334-6170
Division
1222 S. St. Francis Dr., Santa Fe, NM 87503
Phone: (505) 476-3469 Fax: (505) 476-3462

State of New Mexico Case# 8190
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

27556 WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-021-20550	Pool Code 96010	Pool Name BRAVO DOME
Property Code 37025	Property Name LIBBY MINERALS LLC 1931	Well Number 9-1-K
OOBID No. 251905	Operator Name RELIANT EXPLORATION & PRODUCTION, LLC	Elevation 4437.6'

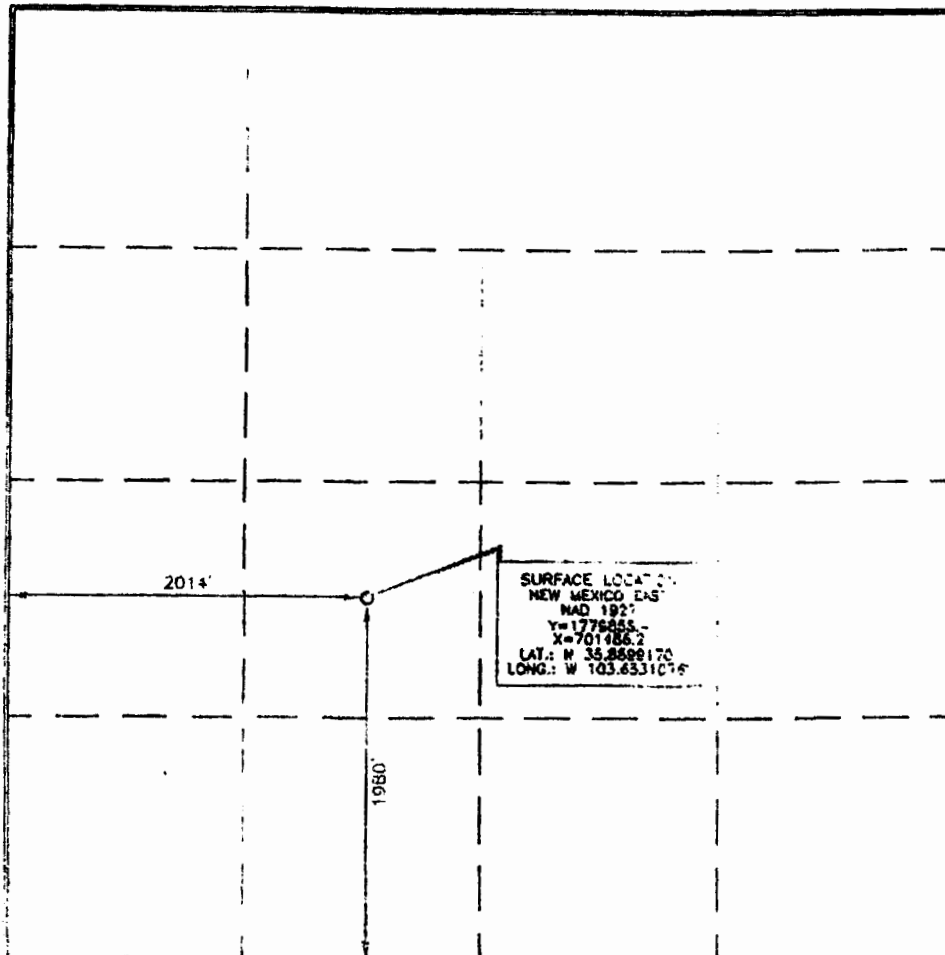
Surface Location

UL or lot no.	Section	Township	Range	Loc Id	Feet from the	North/South line	Feet from the	East/West line	County
K	9	19 NORTH	31 EAST, N.M.P.M.		1980'	SOUTH	2014'	WEST	HARDING

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Loc Id	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160	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 undivided interest in the land including the proposed bottom hole location or has a right to drill this well on the 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.

Signature: *Scott Vanderburgh* Date: **10/23/2013**
Printed Name: **SCOTT VANDERBURGH**
E-mail Address: **SCOTT@RELIANTHOLDINGSLLC.COM**

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: **NOVEMBER 1, 2012**

Signature and Seal of Professional Surveyor

Certificate Number: **18005**

RCR 1215101W-11.00

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 8705

District IV

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD
A ZONE**

¹ Operator Name and Address Reliant Exploration & Production, LLC 10817 West county Road 60 Midland, Texas 79707		² OCRID Number 251905
³ Property Code 37025	⁴ Property Name LIBBY MINERALS LLC 1931	⁵ API Number 30 - 021 - 20558 ⁶ Well No 9-1-K
⁷ Proposed Pool 1 Bravo Dome 96010		⁸ Proposed Pool 2

7 Surface Location

Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
K	9	19 North	31 East	1980'	South	2014'	West	Harding

8 Proposed Bottom Hole Location If Different From Surface

Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
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Additional Well Information

⁹ Work Type Code N	¹⁰ Well Type Code C	¹¹ Cable/Rotary R	¹² Lease Type Code P	¹³ Ground Level Elevation 4437.6
¹⁴ Multiple NO	¹⁵ Proposed Depth 2600'	¹⁶ Formation TUBB	¹⁷ Contractor RELIANT	¹⁸ Spud Date 5/10/2013
¹⁹ Depth to Groundwater >1000'		²⁰ Distance from nearest fresh water well >1000'		²¹ Distance from nearest surface water >1000'
²² Pit: Liner: Synthetic <input checked="" type="checkbox"/> 2" thick: Clay <input type="checkbox"/> Pit Volume: 850 bbls Drilling Method:				
Closed-Loop System: <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel Oil-based <input type="checkbox"/> Gas Air <input type="checkbox"/>				

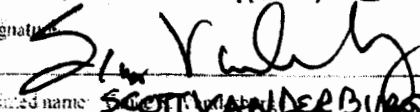
21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	700'	300SX	SURFACE
7-7/8"	5-1/2"	5.9#EG/15.5#	2600'	400SX	SURFACE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blow out prevention program, if any. Use additional sheets if necessary.

SEE ATTACHMENTS

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature: 

Printed name: **SCOTT VANDERBURG**

Title: **PRESIDENT**

Company Address: **SCOTT V @ RELIANT HOLDINGS LTD. COM**

Date: Phone: **432-617 4200**

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date

Conditions of Approval Attached ☐

ATTACHMENT C-101

RELIANT EXPLORATION & PRODUCTION WELL 9-1-K

PROPOSED TD. 2600'

BOP PROGRAM: 0-700' None
700 – 2600' 9" annular 3000# Ragan Tuaras

Casing: Surface: 8-5/8" OD 24# J55 8rd ST&C new casing set at
700' 12-1/4" hole Centralizers from TD – Surface, every fourth
joint

Production: 5 -1/2" OD new casing from 0-2600'
300' – 15.5# J55 8rd LTC 2300' – 5.9# 10rd FG
7 -7/8" hole – 5 centralizers

* This well will have fiberglass casing from the surface down to
the productive interval (Tubb). Steel casing will be used across the
Tubb. The fiberglass casing will at a minimum penetrate the
Cimarron formation, with the optimum setting point being the
midpoint of the Cimarron formation.

Cement: Surface – Circulate cement with 300sx class C – additives 2# C45,
weight of 12.4# per gallon. Yield 2.14 and 1/8# of Cetaflake per
sx. Tail Cement 100sx class C 2%CACl with 1/8# per sx
Cetaflake Yield of 1.32# with weight of 14.8# per gallon

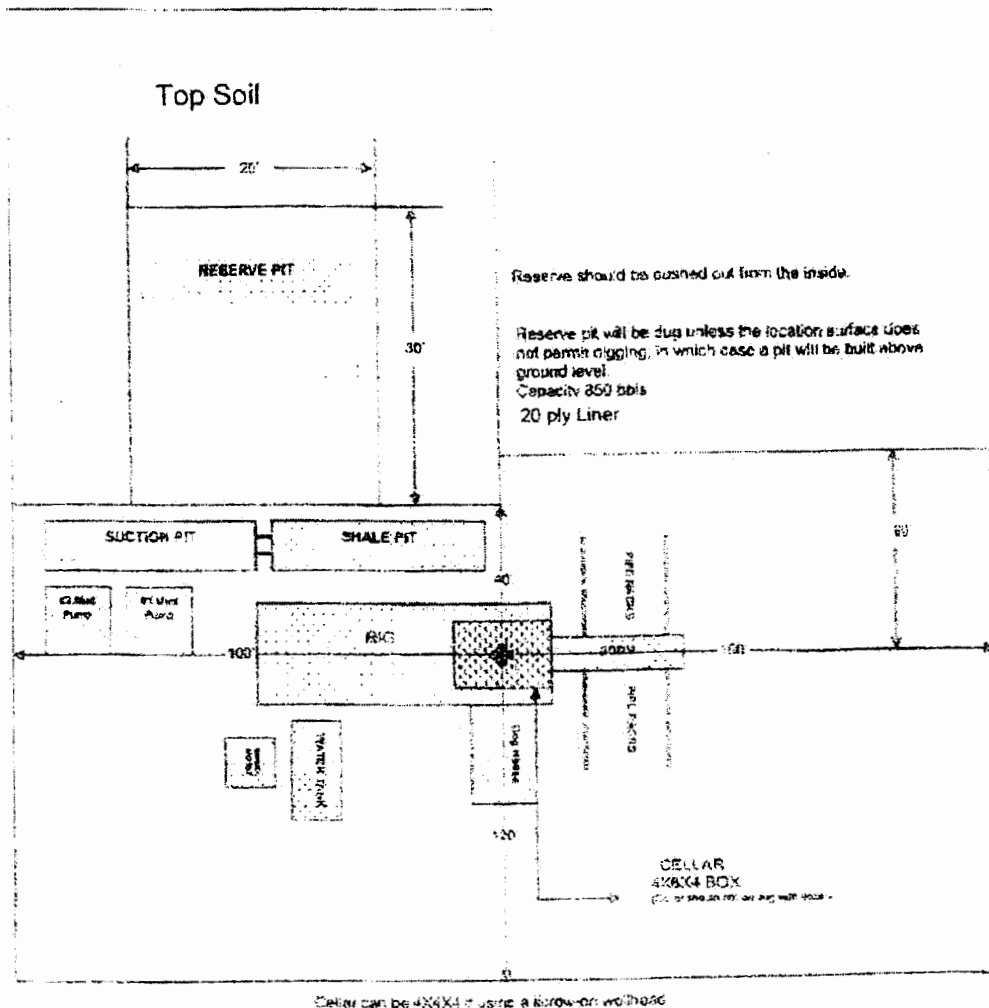
Production- Circulate cement with 400sx class C – additives 2#
C45, weight of 12.4# per gallon. Yield 2.14 and 1/8# of Cetaflake
per sx. Tail Cement 100sx class C 2%CACl with 1/8# per sx
Cetaflake Yield of 1.32# with weight of 14.8# per gallon

Mud 0-700' Fresh water/native mud. Wt 8.6-9.2ppg,
Vis 32 –36sec

700- 2600' Fresh water/ Starch/Gel with ph control as needed.
Wt 9.0-9.2ppg, Vis 28-29 sec

Utilizing Metal Pits with a 30' by 20' reserve lined pit with 20 ply
liner.

LOCATION SPECIFICATION AND RIG LAYOUT FOR STEEL PITS (PICTURE NOT TO SCALE)



Cellar can be 4x4x4 if using a borrow-on wall

McMillan, Michael, EMNRD

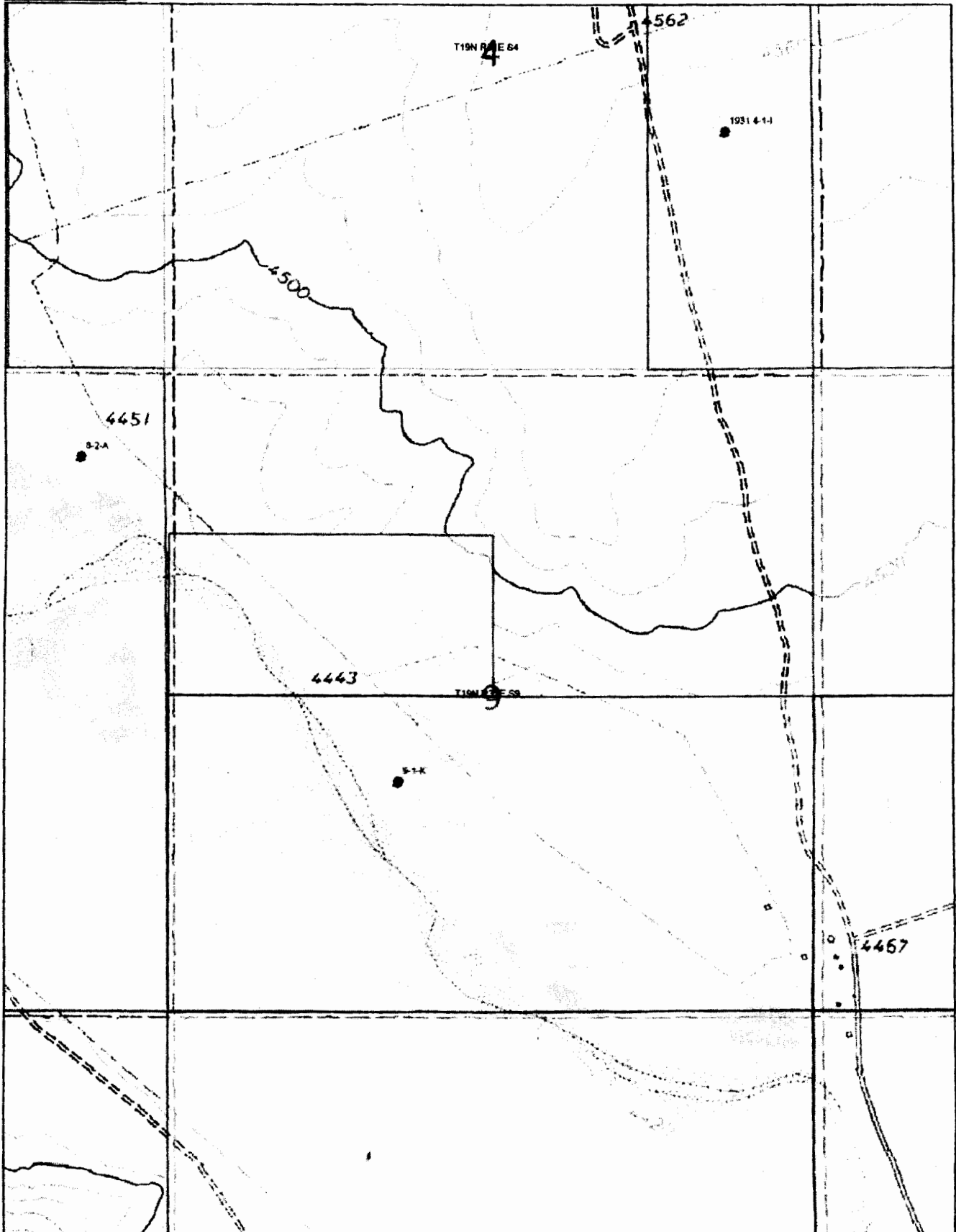
From: McMillan, Michael, EMNRD
Sent: Wednesday, November 27, 2013 9:37 AM
To: 'scottv@reliantholdingsltd.com'
Cc: Martin, Ed, EMNRD
Subject: 5-2-k and 9-1-k wells Harding County

Scott:

Please provide the following for the two mentioned wells in Harding County.

1. Map of offset operators, and leaseholders
2. Copy of letter of notification
3. Include documentation including return receipt

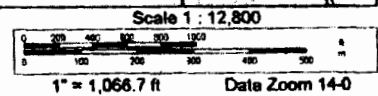
Michael McMillan
EMNRD



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www.delorme.com



Date Zoom 14-0

**COTTON
BLEDSOE
TIGHE &
DAWSON, PC**
Attorneys at Law

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Midland, Texas 79702-2776
300 West Illinois, Suite 300
Midland, Texas 79701
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(432) 682-5672 Fax
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ALBERT E. SHERMAN - BOARD CERTIFIED OIL & GAS MINERAL LAW TEXAS BOARD OF LEGAL SPECIALIZATION - ALSO LICENSED IN NEW MEXICO
(432) 684-3673 Direct
(432) 684-3167 Direct Fax
asherman@ctbd.com

June 30, 2008

No. 13,577

LIBBY RANCH

**PARTS OF SECTION 9, T-19-N, R-31-E
HARDING COUNTY, NEW MEXICO**

Reliant Exploration and Production, LLC
3700 Kermit Highway
Odessa, Texas 79764

Attention: Frank A. Hunold, Jr.

ORIGINAL DRILLING TITLE OPINION covering the S/2 and
S/2 NW/4 of Section 9, T-19-N, R-31-E, N.M.P.M.,
Harding County, New Mexico, containing 400 acres, more
or less.

Gentlemen:

At your request, and for the purpose of rendering this
Original Drilling Title Opinion, we have examined the following:

MATERIALS EXAMINED

1. Personal examination of the records maintained by the offices of the County and District Clerks of Harding County, New Mexico, affecting title to the captioned land, as reflected by an uncertified runsheet prepared by this firm from the tract indices maintained by Tucumcari Abstract Company, Tucumcari, New Mexico, covering the captioned land from inception of the records to November 30, 2007 at 8:00 a.m.
2. Letter dated January 30, 2007 from KHL, Inc. to the undersigned relating to review of OCD records and conversations with OCD and State Land Office employees regarding whether acreage covered by the lease analyzed herein was properly included in the Bravo Dome Unit.
3. Photocopy of The Norman W. Libby Revocable Trust Agreement dated September 26, 1968, and various amendments thereto.
4. Photocopy of probate proceedings for the Estate of Norman W. Libby, Deceased, conducted in Cause No. PB-92-00001, 10th Judicial District Court, Harding County, New Mexico.
5. Affidavit of Merger dated June 12, 2008, recorded Book 19, Page 2184, Harding County, New Mexico, evidencing the merger of Libby Ranch Company, a New Mexico corporation into Libby Cattle Company, a New Mexico corporation, and

the subsequent name change from Libby Cattle Company to Libby Cattle and Ranch Company, a New Mexico Corporation, effective January 1, 2001.

PATENT INFORMATION

1. The SW/4 NW/4 and the NW/4 SW/4 of Section 9 were patented by the United States of America to Francisco Sanchez on January 14, 1896. No minerals were reserved to the United States of America. A right of way was reserved for ditches and canals. This Patent is recorded in Harding County, New Mexico at U2 PR 54.
2. The SE/4 NW/4, NE/4 SW/4 and the N/2 SE/4 of Section 9 were patented by the United States of America to Jose de la Paz Mascarena on October 10, 1896. No minerals were reserved to the United States of America. This Patent is recorded in Harding County, New Mexico at U3 PR 19.
3. The S/2 SW/4 and S/2 SE/4 of Section 9 were patented by the United States of America to Francisco Sanchez on November 3, 1891. No minerals were reserved to the United States of America. This Patent is recorded in Harding County, New Mexico at U3 PR 11.

THE TITLE

Based solely upon our examination of the foregoing, and subject to the requirements and comments below, it is our opinion that title to the surface estate and carbon dioxide estate in captioned land is vested as follows:

I. SURFACE ESTATE:

Libby Cattle Company, Inc. All

II. CARBON DIOXIDE ESTATE:

(including executive rights, bonus, delay
rentals and royalty)

Libby Minerals LLC 8/8

CARBON DIOXIDE LEASE

Dated: March 28, 2001.

Recorded: 19 MISC 929.

Lessor: Libby Minerals LLC.

Lessee: Reliant Exploration and Production, LLC.

Land Covered: All of captioned land, among numerous other lands estimated to comprise 31,960 acres, more or less.

Interest Covered: Full interest lease as to captioned land.
No opinion is expressed as to other lands.