

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING SEPTEMBER 6, 2018**

CASE No. 16399 & 16400

CASS DRAW 10-23-27 FEE 401H
JOHNSON 10-23-27 FEE 401H

EDDY COUNTY, NEW MEXICO



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

**APPLICATION OF RKI EXPLORATION AND PRODUCTION, LLC FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NOS. 16399 and 16400

**AFFIDAVIT OF AARON YOUNG IN SUPPORT OF
CASE NOS. 16399 AND 16400**

Aaron Young, of lawful age and being first duly sworn, declares as follows:

1. My name is Aaron Young. I work for RKI Exploration and Production, LLC (“RKI”) as a Landman. RKI is in the process of changing its name to WPX Energy Permian, LLC. A change of operator form has not yet been provided to the Division.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the two applications filed by RKI in these consolidated cases, and I am familiar with the status of the lands in the subject areas.
4. None of the proposed pool parties in these cases has indicated opposition, and therefore I do not expect any opposition at the hearing.
5. In Case No. 16399, RKI is seeking an Order (a) pooling all mineral interests in the Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) in the 320-acre, more or less, spacing and proration unit comprised of the S/2 of Section 10, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; (b) dedicating the horizontal spacing unit for the proposed **Cass Draw 10-23-27 Fee No. 401H Well**; and (c) designating RKI the operator of the well and the spacing unit.

6. In Case No. 16400, RKI is seeking an Order (a) pooling all mineral interests in the Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) in the 320-acre, more or less, spacing and proration unit comprised of the N/2 of Section 10, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; (b) dedicating the horizontal spacing unit for the proposed **Johnson 10-23-27 Fee No. 401H Well**; and (c) designating RKI the operator of the well and the spacing unit.

7. RKI has filed Form C-102s with the Division for the proposed Cass Draw 10-23-27 Fee No. 401H Well and the proposed Johnson 10-23-27 Fee No. 401H Well. Those C-102s are attached hereto as **RKI Exhibit A-1** and **RKI Exhibit A-2**. The C-102s show that a Pool Code of 98220 has been assigned.

8. The completed intervals for the proposed Cass Draw 10-23-27 Fee No. 401H Well and the proposed Johnson 10-23-27 Fee No. 401H Well will comply with the Special Rules set forth in Order No. R-14262.

9. **RKI Exhibit A-3** is an exhibit prepared by me that identifies the tracts of land comprising the proposed spacing unit in Case No. 16399. This proposed spacing unit includes fee land only. This exhibit shows the interest owners and the percentage of their interest by tract. RKI is seeking to pool the interest owners in bold type. A unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit, is also included on the exhibit.

10. **RKI Exhibit A-4** is an exhibit prepared by me that identifies the tracts of land comprising the proposed spacing unit in Case No. 16400. This proposed spacing unit includes fee land only. This exhibit shows the interest owners and the percentage of their interest by tract. RKI is seeking to pool the interest owners in bold type. A unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit, is also included on the exhibit.

11. There are no depth severances in the Purple Sage Wolfcamp formation.

12. In Case No. 16399, RKI is seeking to pool an uncommitted working interest owner, unleased mineral interest owners, and non-participating royalty interest owners. The only uncommitted working interest owner is MRC Permian Company. There are overriding royalty interest owners, but the instruments creating the overrides allow RKI to pool.

13. RKI sent a well proposal letter to the sole working interest owner in Case No. 16399. An AFE was included with the well proposal letter. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letter, along with the AFE, is attached as **RKI Exhibit B-5**.

14. In Case No. 16400, RKI is seeking to pool an uncommitted working interest owner and non-participating royalty interest owners. The only uncommitted working interest owner is MRC Permian Company. There are overriding royalty interest owners, but the instruments creating the overrides allow RKI to pool.

15. RKI sent a well proposal letter to the sole working interest owner in Case No. 16400. An AFE was included with the well proposal letter. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letter, along with the AFE, is attached as **RKI Exhibit B-6**.

16. RKI has made an estimate of overhead and administrative costs for drilling and producing the proposed wells. It is \$7,500/month while drilling, and \$750/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. RKI respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in these consolidated cases.

17. Regarding the working interest owner, MRC Permian Company, RKI made several telephone calls and circulated a proposed joint operating agreement.


18. Regarding the unleased mineral interest owners, RKI sent an offer to lease, made telephone calls, and sent a landman to visit the unleased mineral interest owners' home.

19. Regarding the non-participating royalty interest owners, RKI sent unit ratification letters. A copy of the unit ratification letter is attached as **RKI Exhibit A-7**.

20. In my opinion, RKI has made good faith efforts to reach an agreement with the parties it is seeking to pool. If RKI reaches an agreement with any of the proposed pool parties before the Division enters an order, I will let the Division know that RKI is no longer seeking to pool those parties.

21. I provided the law firm of Holland & Hart LLP a list of names and addresses for the proposed pool parties. The names and last known addresses are included in Exhibit C. In compiling these notice lists, RKI conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All parties were locatable.

22. **RKI Exhibit A-1 through A-7** were either prepared by me or compiled under my direction and supervision.


AARON YOUNG

STATE OF OKLAHOMA)

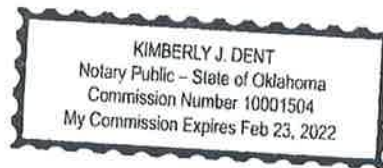
COUNTY OF TULSA)

SUBSCRIBED and SWORN to before me this 4th day of September 2018 by
Aaron Young.


NOTARY PUBLIC

My Commission Expires:

2.23.2022



11377549_1

NM OIL CONSERVATION ARTESIA DISTRICT

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 Pecos Road, Artesia, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87503
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

JUN 21 2018

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-45043	² Pool Code 98220	³ Pool Name PURPLE SAGE WOLFCAMP GAS POOL
⁴ Property Code 321360	⁵ Property Name CASS DRAW 10-23-27 FEE	
⁷ OGRID No. 246289	⁸ Operator Name RKI EXPLORATION & PRODUCTION, LLC	
		⁶ Well Number 401H
		⁹ Elevation 3,116'

¹⁰ 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	9	23 S	27 E		2,619	NORTH	338	EAST	EDDY

¹¹ 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
I	10	23 S	27 E		2,178	SOUTH	230	EAST	EDDY

¹² Dedicated Acres 320 ACRES, S/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>¹⁶ SEC. 4 SEC. 3 SEC. 2</p>				<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature: <i>Josh Walker</i> Date: <i>4/9/18</i></p> <p>Printed Name: <i>Josh Walker</i></p> <p>E-mail Address: <i>josh.walker@wpcenergy.com</i></p>					
<p>SEC. 16 SEC. 15 SEC. 14</p> <table border="0"> <tr> <td> <p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 480,040.7 X= 545,140.3 LAT.= 32.318663°N LONG.= 104.187208°W</p> <p>FIRST TAKE POINT NAD 27 NME Y= 479,805.7 X= 545,815.9 LAT.= 32.318485°N LONG.= 104.185023°W</p> <p>CORNER COORDINATES TABLE NAD 27 NME A - Y= 478,737.2 N, X= 545,501.7 E B - Y= 480,048.9 N, X= 545,477.7 E C - Y= 478,748.8 N, X= 548,131.2 E D - Y= 480,083.2 N, X= 548,111.4 E E - Y= 478,763.5 N, X= 550,763.0 E F - Y= 480,078.5 N, X= 550,744.1 E</p> </td> <td> <p>LAST TAKE POINT NAD 27 NME Y= 479,809.2 X= 550,420.8 LAT.= 32.318456°N LONG.= 104.170116°W</p> <p>BOTTOM HOLE LOCATION NAD 27 NME Y= 479,809.3 X= 550,520.8 LAT.= 32.318456°N LONG.= 104.169783°W</p> </td> <td> <p>GEODETIC COORDINATES NAD 83 NME SURFACE LOCATION Y= 480,098.7 X= 588,321.9 LAT.= 32.318783°N LONG.= 104.187709°W</p> <p>FIRST TAKE POINT NAD 83 NME Y= 479,864.7 X= 588,997.5 LAT.= 32.318584°N LONG.= 104.185524°W</p> <p>CORNER COORDINATES TABLE NAD 83 NME A - Y= 478,788.2 N, X= 588,883.3 E B - Y= 480,105.9 N, X= 588,859.3 E C - Y= 478,805.8 N, X= 589,312.9 E D - Y= 480,122.3 N, X= 589,283.0 E E - Y= 478,814.8 N, X= 591,944.7 E F - Y= 480,138.8 N, X= 591,925.8 E</p> </td> <td> <p>LAST TAKE POINT NAD 83 NME Y= 479,668.3 X= 591,802.5 LAT.= 32.318576°N LONG.= 104.170817°W</p> <p>BOTTOM HOLE LOCATION NAD 83 NME Y= 479,668.4 X= 591,702.5 LAT.= 32.318576°N LONG.= 104.170283°W</p> </td> </tr> </table>				<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 480,040.7 X= 545,140.3 LAT.= 32.318663°N LONG.= 104.187208°W</p> <p>FIRST TAKE POINT NAD 27 NME Y= 479,805.7 X= 545,815.9 LAT.= 32.318485°N LONG.= 104.185023°W</p> <p>CORNER COORDINATES TABLE NAD 27 NME A - Y= 478,737.2 N, X= 545,501.7 E B - Y= 480,048.9 N, X= 545,477.7 E C - Y= 478,748.8 N, X= 548,131.2 E D - Y= 480,083.2 N, X= 548,111.4 E E - Y= 478,763.5 N, X= 550,763.0 E F - Y= 480,078.5 N, X= 550,744.1 E</p>	<p>LAST TAKE POINT NAD 27 NME Y= 479,809.2 X= 550,420.8 LAT.= 32.318456°N LONG.= 104.170116°W</p> <p>BOTTOM HOLE LOCATION NAD 27 NME Y= 479,809.3 X= 550,520.8 LAT.= 32.318456°N LONG.= 104.169783°W</p>	<p>GEODETIC COORDINATES NAD 83 NME SURFACE LOCATION Y= 480,098.7 X= 588,321.9 LAT.= 32.318783°N LONG.= 104.187709°W</p> <p>FIRST TAKE POINT NAD 83 NME Y= 479,864.7 X= 588,997.5 LAT.= 32.318584°N LONG.= 104.185524°W</p> <p>CORNER COORDINATES TABLE NAD 83 NME A - Y= 478,788.2 N, X= 588,883.3 E B - Y= 480,105.9 N, X= 588,859.3 E C - Y= 478,805.8 N, X= 589,312.9 E D - Y= 480,122.3 N, X= 589,283.0 E E - Y= 478,814.8 N, X= 591,944.7 E F - Y= 480,138.8 N, X= 591,925.8 E</p>	<p>LAST TAKE POINT NAD 83 NME Y= 479,668.3 X= 591,802.5 LAT.= 32.318576°N LONG.= 104.170817°W</p> <p>BOTTOM HOLE LOCATION NAD 83 NME Y= 479,668.4 X= 591,702.5 LAT.= 32.318576°N LONG.= 104.170283°W</p>	<p>¹⁸ 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>04-09-2018 Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>MARK DILLON HARP 23786 Certificate Number AW 2018030893</p>	
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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-1
Submitted by: RKI E&P
Hearing Date: September 6, 2018
Case No 16399-16400

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. ARTESIA DISTRICT
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

JUN 21 2018

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30.015-45044	² Pool Code 98220	³ Pool Name PURPLE SAGE WOLF CAMP GAS POOL
⁴ Property Code 321561	⁵ Property Name JOHNSON 10-23-27 FEE	⁶ Well Number 401H
⁷ OGRID No. 246289	⁸ Operator Name RKI EXPLORATION & PRODUCTION, LLC	⁹ Elevation 3,116'

¹⁰ Surface Location

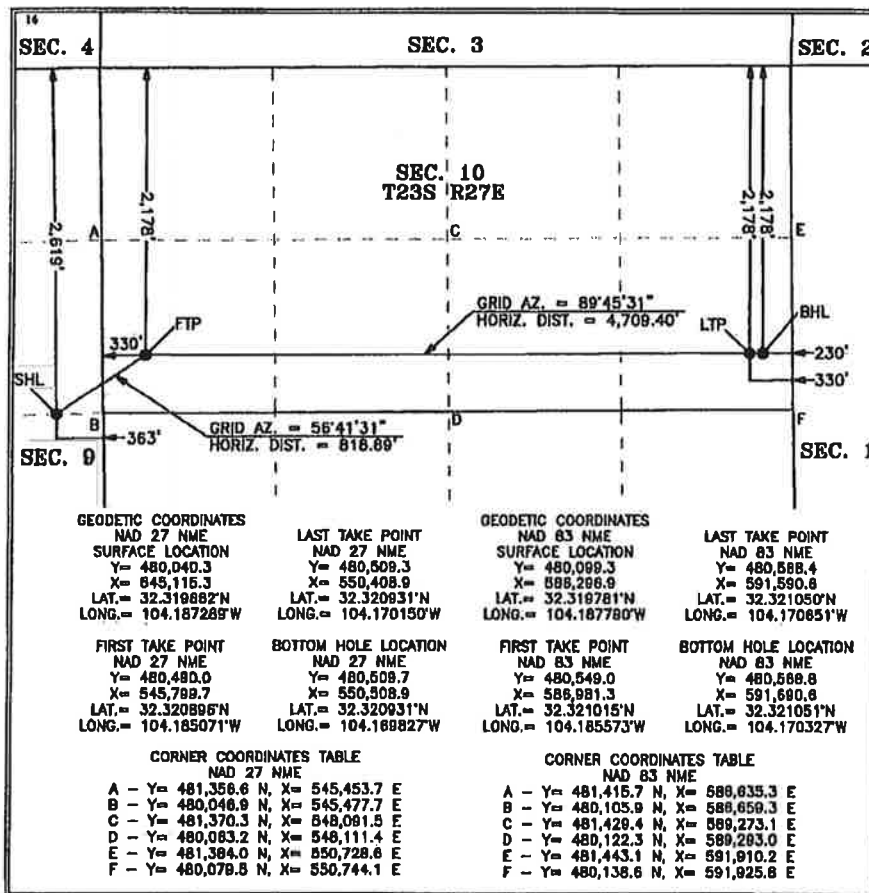
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	9	23 S	27 E		2,619	NORTH	363	EAST	EDDY

¹¹ 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
H	10	23 S	27 E		2,178	NORTH	230	EAST	EDDY

¹² Dedicated Acres 320 ACRES, N/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



¹⁷ 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 adriental 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: *[Signature]* Date: **4/9/18**

Printed Name: **Tosh Walker**

E-mail Address: **josh.walker@wpcenergy.com**

¹⁸ 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.

04-09-2018

Date of Survey

Signature and Seal of Professional Surveyor:



MARK DILLON HARP 23786
Certificate Number

AW 2018030891

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

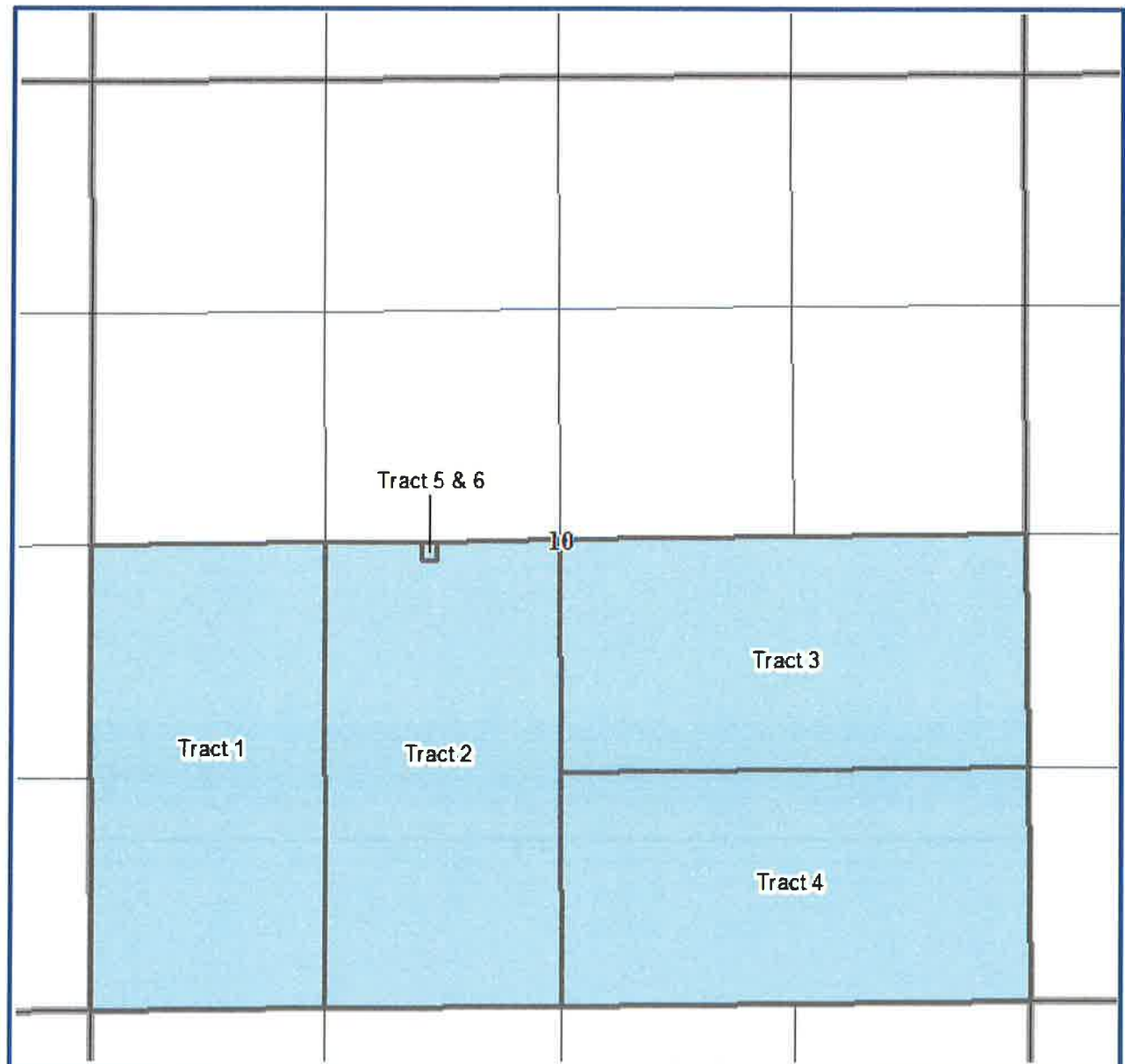
Exhibit No. A-2

Submitted by: RKI E&P

Hearing Date: September 6, 2018

Case No 16399-16400

Cass Draw 10-23-27 Fee #401H
Section 10, T23S-R27E, NMPM,
Eddy Co., New Mexico



Cass Draw 10–23–27 Fee #401H
Section 10, T23S-R27E, NMPM,
Eddy Co., New Mexico

Tract 1- (80.00 acres)

WPX Energy Permian, LLC- 100.00%

Tract 2- (78.954 acres)

WPX Energy Permian, LLC- 100.00%

Tract 3- (80.00 acres)

WPX Energy Permian, LLC- 100.00%

Hester C. DeWitt- NPRI owner

Gaye A. Curl- NPRI owner

Estate of James L. Curl- NPRI owner

Laura Hobby Syler- NPRI owner

Tract 4- (80.00 acre)

WPX Energy Permian, LLC- 79.16667%

***MRC Permian Company- 20.83333%**

Tract 5- (0.046 acre tract)

****Carlos A. Carrasco and Estella Carrasco, as joint tenants – 100%**

Tract 6- (1.00 acre tract)

WPX Energy Permian, LLC- 100%

UNIT RECAPITULATION S2 Section 10

WPX Energy Permian, LLC- 94.777292%

***MRC Permian Company- 5.208333%**

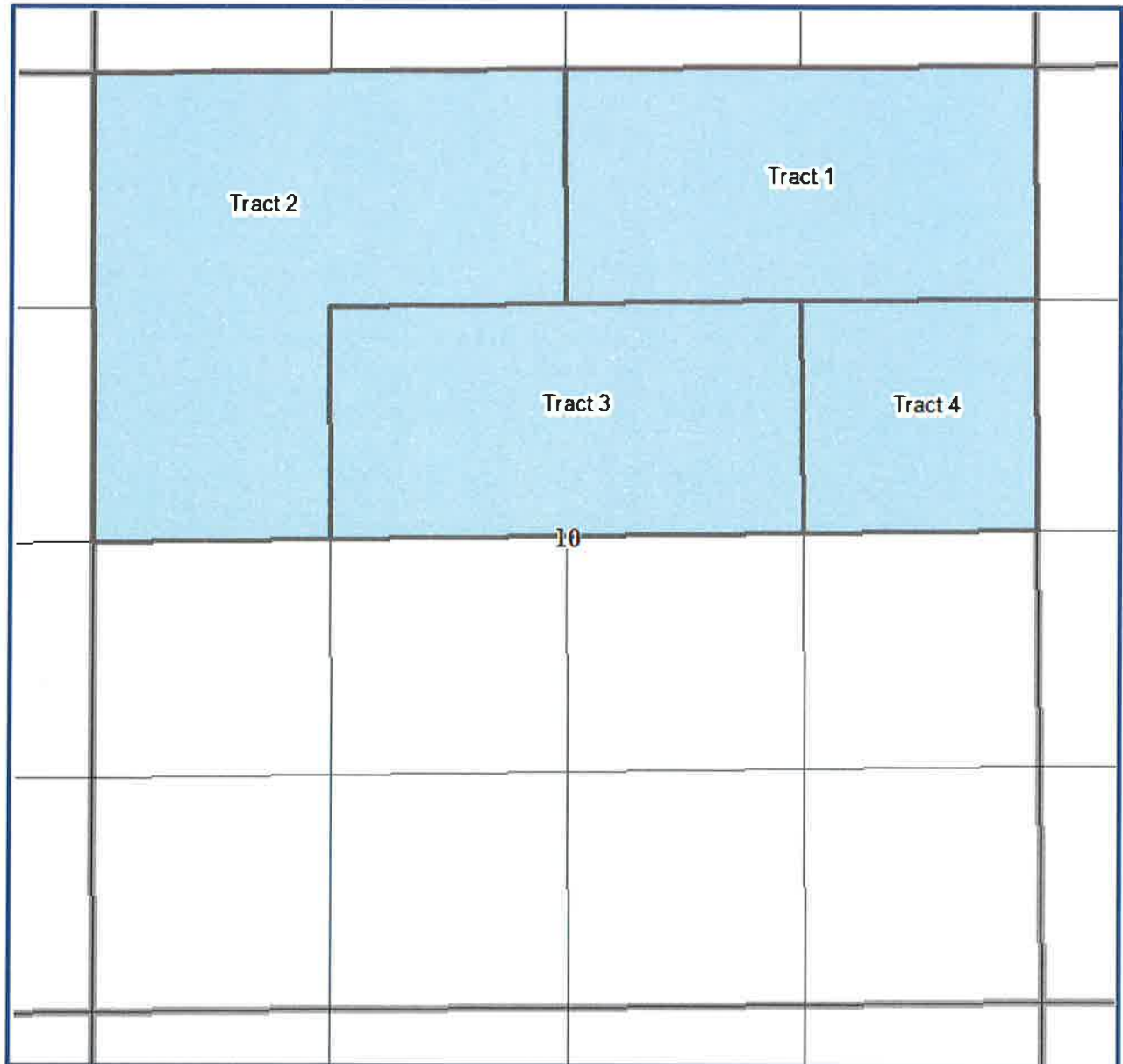
****Carlos A. Carrasco and Esetlla Carrasco, as joint tenants- 0.014375%**

Uncommitted owners in proposed standard spacing unit.

***Working interest owner**

****Unleased mineral interest owner**

Johnson 10-23-27 Fee #401H
Section 10, T23S-R27E, NMPM,
Eddy Co., New Mexico



Johnson 10-23-27 Fee #401H
Section 10, T23S-R27E, NMPM,
Eddy Co., New Mexico

Tract 1- (80.00 acres)

WPX Energy Permian, LLC- 75.00%

***MRC Permian Company- 25.00%**

Tract 2- (120.00 acres)

WPX Energy Permian, LLC- 100.00%

Tract 3- (80.00 acres)

WPX Energy Permian, LLC – 95.833333%

***MRC Permian Company- 4.1666667%**

Tract 4- (40.00 acre)

WPX Energy Permian, LLC- 100.00%

Hester C. DeWitt- NPRI owner

Gaye A. Curl- NPRI owner

Estate of James L. Curl- NPRI owner

Laura Hobby Syler- NPRI owner

UNIT RECAPITULATION N2 Section 10

WPX Energy Permian, LLC- 92.708333%

***MRC Permian Company- 7.291667%**

Uncommitted owners in proposed non-standard spacing unit.

***Working interest owner**



June 6, 2018

Via Certified Mail, Return Receipt Requested

MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Re: Cass Draw 10-23-27 Fee #401H
SHL: 2,619' FNL & 338' FEL, or at a legal location in Unit H of Section 9
BHL: 2,178' FSL & 230' FEL, or at a legal location in Unit I of Section 10
Township 23 South, Range 27 East
Eddy County, New Mexico

Dear Sir or Madam,

WPX Energy Permian, LLC ("WPX") hereby proposes the drilling of a horizontal well to a depth to test the Wolfcamp formation at a total measured depth of approximately 14,142', and a project area consisting of the S/2 of Section 10, Township 23 South, Range 27 East being 320 acres, more or less. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$7,363,869, being the total estimated cost to drill and complete said well.

WPX is proposing to drill this well under the terms of a modified 1989 A.A.P.L Form 610 Model Form Operating Agreement, which is enclosed herewith for your review and execution. The Operating Agreement covers the S/2 of Section 10, Township 23 South, Range 27 East, Eddy County, New Mexico. It has the following general terms:

- 100%/300% Non-consenting penalty
- \$7,500/\$750 Drilling and Producing Rate
- WPX named as Operator

Please have the appropriate party execute, notarize and return one (1) original of each signatory page, being the Operating Agreement and Recording Memorandum or Exhibit "H". If you do not wish to participate in the proposed operation, WPX would like to negotiate a voluntary agreement that includes the leasehold interest.

If an agreement is not reached within 30 days of the date of this letter, WPX will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well.

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic requirements, to my attention at the letterhead address or by email to aaron.young@wpxenergy.com.

3500 One Williams Center | P.O. Box 3102 | Tulsa, OK 74101-3102 | 1.855.979.2012 Tel | www.wpxenergy.com

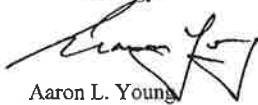
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-5
Submitted by: **RKI E&P**
Hearing Date: September 6, 2018
Case No 16399-16400

Cass Draw 10-23-27 Fee #401H
June 6, 2018
Page No. 2

Should you have any questions, please do not hesitate to contact me at 539.573.3531.

Sincerely,

WPX Energy Permian, LLC



Aaron L. Young
Sr. Landman

Enclosures

_____ I/We hereby elect to participate in the Cass Draw 10-23-27 Fee #401H.

_____ I/We hereby elect not to participate in the Cass Draw 10-23-27 Fee #401H.

MRC PERMIAN COMPANY

By: _____

Name: _____

Title: _____

Date: _____

3035-WPX ENERGY PERMIAN, LLC AFE # (WT47999-62482054), Complete											
Well Name: CASSDRAW 10-23-27 FEE401H						Well#: 62482054			Field: PHANTOM		
Location: 10-23S-						County: EDDY			State: NM		
BHL:						SHL:					
Formation: WOLFCAMP Y						Total Depth: 0.0			Days:		
Effective Date: 04/01/2018						Type Code: Development			Desc:		
Budget No: FP1120430-2018 PERMIAN OPERATED D&C (3035)						Aries ID: RC1KORQQ6L			Pad Name:		
Operator: WPX ENERGY PERMIAN LLC						Asset Group: PERMIAN			Proj Manager: Knopp, Bryan		
AFE Desc: Costs to drill, complete, and equip a one mile lateral well targeting the Wolfcamp Y formation. 1 well pad.											
8500 8600 Tangible											
Tubular Goods											
DRL	CMP	Line Item	Feet	Size	Wt.	GradeConn	\$/FT	DRILL	COMP	TOTAL	
8739		CASING/LINER (PROD)						74700	0	74700	
8810		CASING (INT1)						54400	0	54400	
8820		CASING (INT2)						212400	0	212400	
8889		CASING (SURF)						13800	0	13800	
Other Equipment											
8855		LINER HANGER & TOE SLEEVE					65000	0	65000		
8918		WELLHEAD - MATERIALS					37000	0	37000		
	8716	ARTIFICIAL LIFT - MATERIALS					0	155000	155000		
	8902	TUBING & ACCESSORIES					0	50000	50000		
	8918	WELLHEAD - MATERIALS					0	25000	25000		
8510 8610 Offset Well Tangible											
Offset Well - Tangible											
Total Tangible Costs							457300	230000	687300		
8300 8400 Intangible											
Drilling Costs											
DRL	CMP	Line Item						DRILL	COMP	TOTAL	
8212		FUEL EXPENSES						70200	0	70200	
8298		MISCELLANEOUS - MATERIALS						16200	0	16200	
8732		BITS						75000	0	75000	
8734		CASING CREWS & TOOLS						50200	0	50200	
8742		TRUCKING						46100	0	46100	
8743		WELLHEAD - SERVICES						17900	0	17900	
8757		DIRECTIONAL EQUIPMENT - SERVICES						199200	0	199200	
8758		DRILL FLUIDS & CHEMICALS - MATERIALS						130200	0	130200	
8760		RIG DAYWORK						411200	0	411200	
8774		GENERAL LABOR						54700	0	54700	
8781		CENTRALIZERS & FLOAT EQUIP (SURF) (INT1) (INT2) (PROD)						18100	0	18100	
8783		FLUID & CUTTINGS DISPOSAL						88700	0	88700	
8803		MAN CAMP						10000	0	10000	
8823		LIVING FACILITIES & SANITATION						50500	0	50500	
8862		CONDUCTOR/RAT HOLE - SERVICES						23100	0	23100	
8868		RENTAL EQUIPMENT (DOWNHOLE)						75400	0	75400	
8869		RENTAL EQUIPMENT (SURFACE)						115400	0	115400	
8885		SOLIDS CONTROL - MATERIALS						18900	0	18900	
8910		WATER - MATERIALS						4500	0	4500	
8911		FLUID HAULING						120000	0	120000	
8917		WELLSITE SUPERVISION						103800	0	103800	
8989		DRILL FLUIDS & CHEMICALS - SERVICES						23300	0	23300	
8994		SOLIDS CONTROL - SERVICES						61200	0	61200	
Cementing											
8400		CEMENT (SURF) - MATERIALS						13500	0	13500	
8401		CEMENT (PROD) - MATERIALS						22000	0	22000	
8811		CEMENT (INT1) - MATERIALS						15000	0	15000	
8821		CEMENT (INT2) - MATERIALS						40000	0	40000	
8857		CEMENT (PROD) - SERVICES						25000	0	25000	
8891		CEMENT (SURF) - SERVICES						15000	0	15000	
8938		CEMENT (INT2) - SERVICES						27000	0	27000	
8949		CEMENT (INT1) - SERVICES						11000	0	11000	
Formation Treatment											
	8212	FUEL EXPENSES						0	175000	175000	
	8402	STIMULATION - MATERIALS						0	1028172	1028172	
	8403	FRAC WATER - MATERIALS						0	4525	4525	
	8708	STIMULATION - SERVICES						0	868000	868000	
	8728	COIL TUBING - SERVICES						0	250000	250000	
	8730	ACCESS & LOCATION - SERVICES						0	15000	15000	
	8738	PERFORATING & WIRELINE - SERVICES						0	234500	234500	
	8742	TRUCKING						0	7547	7547	
	8743	WELLHEAD - SERVICES						0	42000	42000	
	8772	ENVIRONMENTAL MITIGATION						0	10000	10000	
	8774	GENERAL LABOR						0	15000	15000	
	8787	FRAC WATER - SERVICES						0	70000	70000	
	8846	PACKERS & PLUGS						0	45500	45500	
	8868	RENTAL EQUIPMENT (DOWNHOLE)						0	10000	10000	
	8869	RENTAL EQUIPMENT (SURFACE)						0	185000	185000	
	8870	RENTAL EQUIPMENT (TANKS)						0	37000	37000	
	8875	ACCESS & LOCATION - MATERIALS						0	10000	10000	
	8879	RUBBER GOODS						0	15000	15000	
	8910	WATER - MATERIALS						0	226250	226250	

8911	FLUID HAULING	0	22625	22625
8917	WELLSITE SUPERVISION	0	95200	95200
Special Services				
8718	TUBULAR INSPECTION	15900	0	15900
8837	MUD LOGGING	25200	0	25200
8733	LOGGING (CASED HOLE)	0	10000	10000
8843	FLOWBACK - SERVICES	0	127650	127650
Materials				
Access Location and Cleanup				
8219	SAFETY - MATERIALS	500	0	500
8250	AIR QUALITY MGMT - SERVICES	33400	0	33400
8715	ARCH	5000	0	5000
8730	ACCESS & LOCATION - SERVICES	115300	0	115300
8740	RIG MOBILIZATION/DEMOBILIZATION	82500	0	82500
8791	SURVEY & MAPPING - SERVICES	5000	0	5000
8875	ACCESS & LOCATION - MATERIALS	15000	0	15000
8880	SAFETY - SERVICES	10000	0	10000
8899	TITLE OPINION-ABSTRACT	50000	0	50000
8934	ROW & SURFACE USE PAYMENTS NON-PERPETUAL	12500	0	12500
Contract Supervision/Contract Professional Services etc.				
8310	8410	Offset Well Intangible		
Offset Well Intangible				
Total Intangible Costs		2322600	3503969	5826569
Well Connect				
8211	FITTINGS/PIPES/ETC-NON PROCESS RELATED	0	125000	125000
8226	NEW CONSTRUCTION LABOR	0	45000	45000
8242	ELECTRICAL/AUTOMATION MATERIALS	0	40000	40000
8272	ELECTRICAL/AUTOMATION LABOR	0	30000	30000
8274	HEAT TRACE LABOR	0	5000	5000
8277	HEAT TRACE MATERIALS	0	9000	9000
8279	TELEMETRY RADIO/FIBER MATERIALS	0	600	600
8312	TANK BATTERY INSTALL AND CONSTRUCTION	0	201482	201482
8396	TELEMETRY RADIO/FIBER LABOR	0	400	400
8397	CONTAINMENT AND LINERS	0	15000	15000
8473	ENGINEERING SERVICES	0	4000	4000
8742	TRUCKING	0	5000	5000
8791	SURVEY & MAPPING - SERVICES	0	2323	2323
8828	MEASUREMENT EQUIPMENT	0	32000	32000
8856	PRODUCTION EQUIPMENT	0	250000	250000
8877	ROW & SURFACE USE PAYMENTS PERPETUAL	0	6195	6195
8893	PRODUCTION STORAGE TANKS	0	60000	60000
8961	ELECTRIFICATION - MATERIALS	0	18000	18000
8967	PRODUCTION EQUIPMENT - NON CONTROLLABLE	0	1000	1000
Total Well Connect Costs		0	850000	850000
Total Cost		2779900	4583969	7363869
Working Interest				
Date: 04/30/2018 Prepared By: Cassie Staves				
Date: 05/02/2018 Approved By: William Westler				
Date: 05/04/2018 Approved By: Matthew Hinson				
Date:		Partners Approval:		
Estimated costs only - Each participating Owner to pay proportionate share of Actual Well Costs				



June 6, 2018

Via Certified Mail, Return Receipt Requested

MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Re: Johnson 10-23-27 Fee #401H
SHL: 2,619' FNL & 363' FEL, or at a legal location in Unit H of Section 9
BHL: 2,178' FNL & 230' FEL, or at a legal location in Unit H of Section 10
Township 23 South, Range 27 East
Eddy County, New Mexico

Dear Sir or Madam,

WPX Energy Permian, LLC ("WPX") hereby proposes the drilling of a horizontal well to a depth to test the Wolfcamp formation at a total measured depth of approximately 14,145', and a project area consisting of the N/2 of Section 10, Township 23 South, Range 27 East being 320 acres, more or less. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$7,363,369, being the total estimated cost to drill and complete said well.

WPX is proposing to drill this well under the terms of a modified 1989 A.A.P.L Form 610 Model Form Operating Agreement, which is enclosed herewith for your review and execution. The Operating Agreement covers the N/2 of Section 10, Township 23 South, Range 27 East, Eddy County, New Mexico. It has the following general terms:

- 100%/300% Non-consenting penalty
- \$7,500/\$750 Drilling and Producing Rate
- WPX named as Operator

Please have the appropriate party execute, notarize and return one (1) original of each signatory page, being the Operating Agreement and Recording Memorandum or Exhibit "H". If you do not wish to participate in the proposed operation, WPX would like to negotiate a voluntary agreement that includes the leasehold interest.

If an agreement is not reached within 30 days of the date of this letter, WPX will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well.

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic requirements, to my attention at the letterhead address or by email to aaron.young@wpxenergy.com.

3500 One Williams Center | P.O. Box 3102 | Tulsa, OK 74101-3102 | 1.855.979.2012 Tel | www.wpxenergy.com

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-6
Submitted by: **RKI E&P**
Hearing Date: September 6, 2018
Case No 16399-16400

Johnson 10-23-27 Fee #401H
June 6, 2018
Page No. 2

Should you have any questions, please do not hesitate to contact me at 539.573.3531.

Sincerely,

WPX Energy Permian, LLC



Aaron L. Young
Sr. Landman

Enclosures

_____ I/We hereby elect to participate in the Johnson 10-23-27 Fee #401H.

_____ I/We hereby elect not to participate in the Johnson 10-23-27 Fee #401H.

MRC PERMIAN COMPANY

By: _____

Name: _____

Title: _____

Date: _____

3035-WPX ENERGY PERMIAN, LLC AFE # (WT48001-62482056), Complete											
Well Name: JOHNSON 10-23-27 FEE 401H				Well#: 62482056				Field: PHANTOM			
Location: 10-23S-				County: EDDY				State: NM			
BHL:				SHL:							
Formation: WOLFCAMP Y				Total Depth: 0.0				Days:			
Effective Date: 04/01/2018				Type Code: Development				Desc:			
Budget No: FP1120430-2018 PERMIAN OPERATED D&C (3035)				Aries ID: RC1KORPTNL				Pad Name:			
Operator: WPX ENERGY PERMIAN LLC				Asset Group: PERMIAN				Proj Manager: Knopp, Bryan			
AFE Desc: Costs to drill, complete, and equip a one mile lateral well targeting the Wolfcamp Y formation. 1 well pad.											
8500 8600 Tangible											
Tubular Goods											
DRL	CMP	Line Item	Feet	Size	Wt.	Grade	Conn	\$/FT	DRILL	COMP	TOTAL
8739		CASING/LINER (PROD)							74700	0	74700
8810		CASING (INT1)							54200	0	54200
8820		CASING (INT2)							212300	0	212300
8889		CASING (SURF)							13800	0	13800
Other Equipment											
8855		LINER HANGER & TOE SLEEVE						65000	0		65000
8918		WELLHEAD - MATERIALS						37000	0		37000
	8716	ARTIFICIAL LIFT - MATERIALS						0	155000		155000
	8902	TUBING & ACCESSORIES						0	50000		50000
	8918	WELLHEAD - MATERIALS						0	25000		25000
8510 8610 Offset Well Tangible											
Offset Well - Tangible											
Total Tangible Costs								457000	230000	687000	
8300 8400 Intangible											
Drilling Costs											
DRL	CMP	Line Item							DRILL	COMP	TOTAL
8212		FUEL EXPENSES							70100	0	70100
8298		MISCELLANEOUS - MATERIALS							16200	0	16200
8732		BITS							75000	0	75000
8734		CASING CREWS & TOOLS							50200	0	50200
8742		TRUCKING							46100	0	46100
8743		WELLHEAD - SERVICES							17900	0	17900
8757		DIRECTIONAL EQUIPMENT - SERVICES							199200	0	199200
8758		DRILL FLUIDS & CHEMICALS - MATERIALS							130200	0	130200
8760		RIG DAYWORK							411100	0	411100
8774		GENERAL LABOR							54700	0	54700
8781		CENTRALIZERS & FLOAT EQUIP (SURF) (INT1) (INT2) (PROD)							18100	0	18100
8783		FLUID & CUTTINGS DISPOSAL							88700	0	88700
8803		MAN CAMP							10000	0	10000
8823		LIVING FACILITIES & SANITATION							50500	0	50500
8862		CONDUCTOR/RAT HOLE - SERVICES							23100	0	23100
8868		RENTAL EQUIPMENT (DOWNHOLE)							75400	0	75400
8869		RENTAL EQUIPMENT (SURFACE)							115400	0	115400
8885		SOLIDS CONTROL - MATERIALS							18900	0	18900
8910		WATER - MATERIALS							4500	0	4500
8911		FLUID HAULING							120000	0	120000
8917		WELLSITE SUPERVISION							103800	0	103800
8989		DRILL FLUIDS & CHEMICALS - SERVICES							23300	0	23300
8994		SOLIDS CONTROL - SERVICES							61200	0	61200
Cementing											
8400		CEMENT (SURF) - MATERIALS							13500	0	13500
8401		CEMENT (PROD) - MATERIALS							22000	0	22000
8811		CEMENT (INT1) - MATERIALS							15000	0	15000
8821		CEMENT (INT2) - MATERIALS							40000	0	40000
8857		CEMENT (PROD) - SERVICES							25000	0	25000
8891		CEMENT (SURF) - SERVICES							15000	0	15000
8938		CEMENT (INT2) - SERVICES							27000	0	27000
8949		CEMENT (INT1) - SERVICES							11000	0	11000
Formation Treatment											
	8212	FUEL EXPENSES							0	175000	175000
	8402	STIMULATION - MATERIALS							0	1028172	1028172
	8403	FRAC WATER - MATERIALS							0	4525	4525
	8708	STIMULATION - SERVICES							0	868000	868000
	8728	COIL TUBING - SERVICES							0	250000	250000
	8730	ACCESS & LOCATION - SERVICES							0	15000	15000
	8738	PERFORATING & WIRELINE - SERVICES							0	234500	234500
	8742	TRUCKING							0	7547	7547
	8743	WELLHEAD - SERVICES							0	42000	42000
	8772	ENVIRONMENTAL MITIGATION							0	10000	10000
	8774	GENERAL LABOR							0	15000	15000
	8787	FRAC WATER - SERVICES							0	70000	70000
	8846	PACKERS & PLUGS							0	45500	45500
	8868	RENTAL EQUIPMENT (DOWNHOLE)							0	10000	10000
	8869	RENTAL EQUIPMENT (SURFACE)							0	185000	185000
	8870	RENTAL EQUIPMENT (TANKS)							0	37000	37000
	8875	ACCESS & LOCATION - MATERIALS							0	10000	10000
	8879	RUBBER GOODS							0	15000	15000
	8910	WATER - MATERIALS							0	226250	226250

AFE # (WT48001-62482056) -- JOHNSON 10-23-27 FEE 401H -- 06/06/2018 -- Page 2



August 29, 2018

Hester C. DeWitt
5466 Northbrook Drive
Dallas, Texas 75220

Dear Hester,

Enclosed please find the Pooling Agreement and Ratification of Oil, Gas and Mineral Lease.

Please sign the Pooling Agreement and return to me in the enclosed Pre-paid envelope.

If you have any questions you can contact Aaron Young at 539-573-3531 or aaron.young@wpxenergy.com.

Sincerely,

WPX Energy Permian, LLC

Christine Kennon
Land Data Tech Sr

Enclosures

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY OR DRIVER'S LICENSE NUMBER.

POOLING AGREEMENT AND RATIFICATION OF OIL, GAS AND MINERAL LEASE

THE STATE OF EDDY

COUNTY OF NEW MEXICO

This Pooling Agreement and Ratification of Oil, Gas and Mineral Lease (this "Agreement") is entered into by Hester C. DeWitt, whose address is 5466 Northbrook Drive, Dallas, Texas 75220, ("NPRI OWNER") and WPX Energy Permian, LLC, a Delaware limited liability company ("WPX"), whose address is 3500 One Williams Center, MD 35, Tulsa, Oklahoma 74172.

WHEREAS, an Oil, Gas and Mineral Lease covering and affecting the following described land:

Township 23 South, Range 27 East, N.M.P.M.
Section 10: S/2NE/4; SE/4NW/4; W/2SW/4, N/2SE/4

consisting of 280.00 acres, more or less, (the "Leased Premises"), dated March 25, 2017, was executed by New Mexico Western Minerals, Inc. as Lessor, in favor of Gabler Energy Investments, LLC, as Lessee, and was placed of record as Book 1093, Page 846, Official Public Records of Eddy County, New Mexico, being hereinafter referred to as the "Lease"; and

WHEREAS, Hester C. DeWitt, by Deed dated June 8, 1987, and recorded as Book 278, Page 738, Official Public Records of Eddy County, New Mexico, did acquire an interest in 120.00 acres covered by the Lease being the N/2SE/4 and SE/4NE4, and does currently have an interest in and to the 120.00 acres; and

WHEREAS, LESSOR and LESSEE desire to authorize pooling of the lands covered and affected by the Lease with other lands or leases; and

WHEREAS, NPRI OWNER desires to ratify the Lease and all of its terms and condition and all amendments and corrections thereof;

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Hester C. DeWitt, and WPX Energy Permian, LLC, as LESSEE, do hereby authorize the pooling and unitization of the Lands covered and affected by the Lease with any other lands or leases,

In conjunction with this agreement, NPRI OWNER, ratifies, adopts and confirms the Lease, as to all amendments and corrections thereof; and grants, leases, and lets unto WPX Energy Permian, LLC, and its successors and assigns the lands covered and affected by the Lease for the purposes and upon the terms, conditions and provisions contained in the Lease. The provisions hereof shall be binding upon the parties hereto, their respective heirs, legatees, devisees, personal representatives, successors and assigns.

In witness hereof, this Agreement is executed as of the date of the acknowledgements below, to be effective as of the effective date of the Lease, March 25, 2017.

NPRI OWNER

LESSEE

WPX Energy Permian, LLC

Name: _____

By: _____
Name: Gregory J. Geist
Title: Vice President, Land

Name: _____

ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this _____ day of _____,
20____, by _____.

Notary Public in and for the State of _____

ACKNOWLEDGEMENT

STATE OF OKLAHOMA

COUNTY OF TULSA

This Instrument was acknowledged before me on this _____ day of _____,
20____, by Gregory J. Geist, as Vice President, Land, for WPX Energy Permian, LLC.

Notary Public in and for the State of Oklahoma

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

**APPLICATION OF RKI EXPLORATION AND PRODUCTION, LLC FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NOS. 16399, 16400

**AFFIDAVIT OF KASMIRA WORKMAN IN SUPPORT OF
CASE NOS. 16399 and 16400**

Kasmira Workman, of lawful age and being first duly sworn, declares as follows:

1. My name is Kasmira Workman. I work for RKI Exploration and Production, LLC as a Geologist. RKI is now known as WPX Energy Permian, LLC.
2. This is my first time testifying before the New Mexico Oil Conservation Division as an expert witness in petroleum geology.
3. I earned a BS in Geology from CMU in 2012. Following graduation, I worked with a wellsite company, FGS, for 3 years. In September 2014 WPX hired me as a Geoscientist for the Williston Basin. In December 2017 I was moved over to work in the Permian Basin as a Geoscientist II. I have been working New Mexico projects since January 2018. Professional clubs I am apart of include: AAPG, RMAG, TGS, and HGS.
4. I am familiar with the two applications filed by RKI in these consolidated cases, and I have conducted a geologic study of the lands in the subject areas.
5. With these consolidated cases, RKI is targeting the Purple Sage Wolfcamp formation.
6. **RKI Exhibit B-1** is a subsea structure map that I prepared for the top of the Wolfcamp Y. The contour interval is 50 feet. The proposed spacing units in both cases are denoted

by green boxes. The proposed wellbore paths for the proposed **Cass Draw 10-23-27 Fee No. 401H Well** and the proposed **Johnson 10-23-27 Fee No. 401H Well** are depicted by the two blue lines.

7. The structure map shows the Wolfcamp Y gently dipping to the east. The map also identifies wells used to create this Wolfcamp Y subsea structure map. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinch-outs, or other geologic impediments to horizontal drilling.

8. **RKI Exhibit B-2** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the Wolfcamp Y from two representative wells denoted from A to A'. For each well in the cross-section, RKI Exhibit B-2 shows the following logs: gamma ray, resistivity, and porosity. The proposed target interval is labeled and marked. The logs in the cross-section demonstrate that the target interval, within the Wolfcamp Y, is consistent in thickness, across the entire proposed spacing unit.

9. Based on my geologic study of the areas in both consolidated cases, I have not identified any geologic impediments to drilling horizontal wells in the area.

10. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to each 40-acre unit comprising the spacing and proration units.

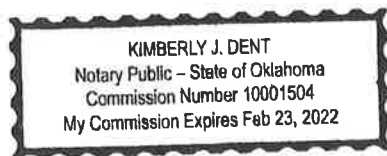
11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

12. In my opinion, the granting of RKI's two applications in these consolidated cases will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.


KASMIRA WORKMAN

STATE OF OKLAHOMA)
)
COUNTY OF TULSA)

SUBSCRIBED and SWORN to before me this 5th day of September 2018 by
Kasmira Workman.



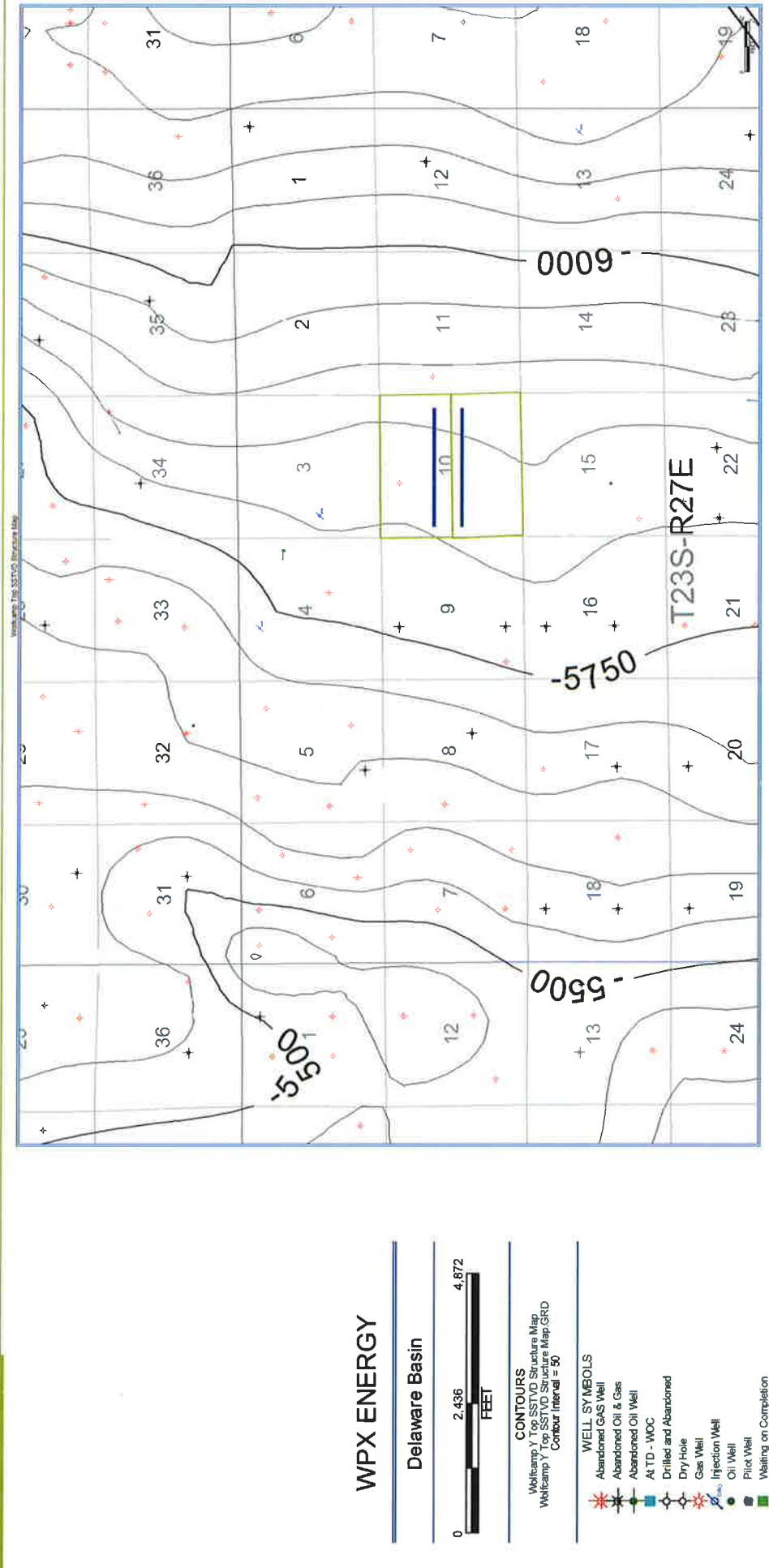

NOTARY PUBLIC

My Commission Expires:

2-23-2022

11380381_1

Wolfcamp Y Top SSTVD Structure Map- Johnson 10-23-27 #401H and Cass Draw 10-23-27 #401H



WPX ENERGY

Delaware Basin



CONTOURS

Wolfcamp Y Top SSTVD Structure Map
Wolfcamp Y Top SSTVD Structure Map GFD
Contour Interval = 50

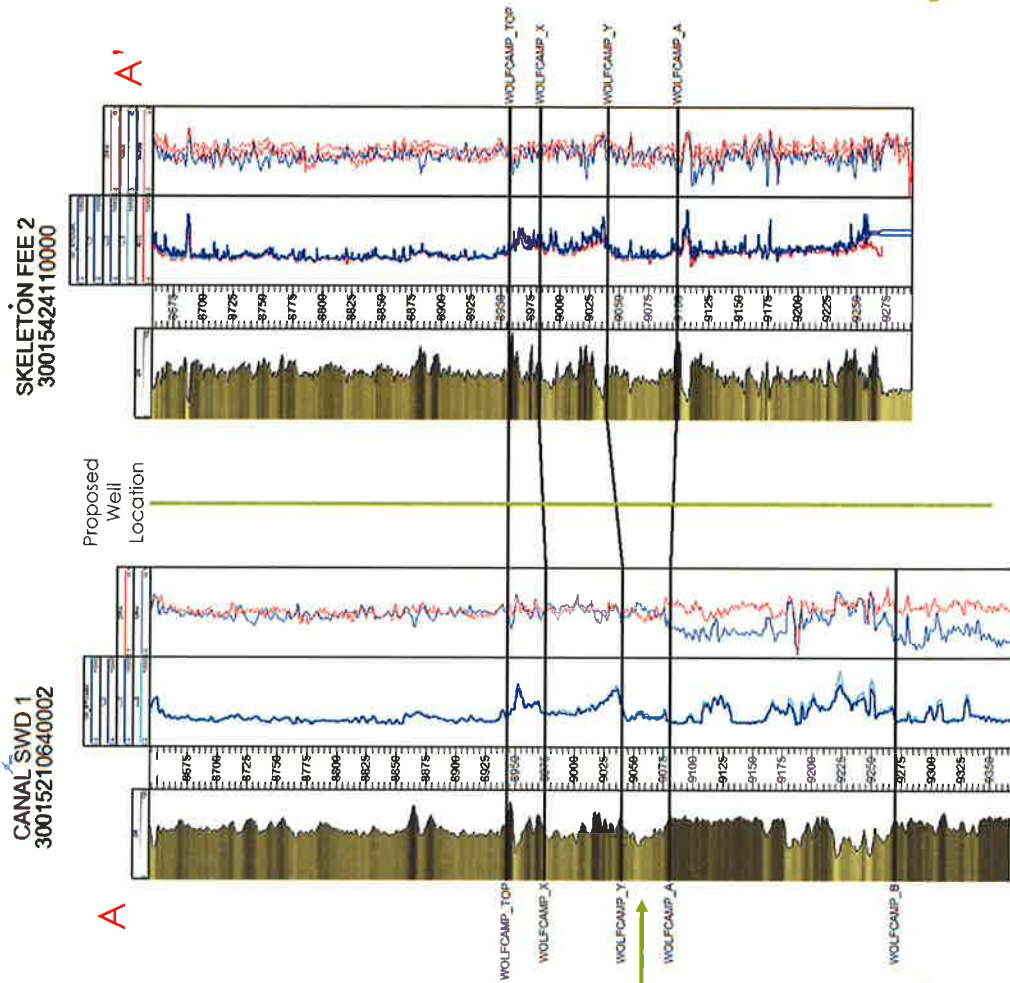
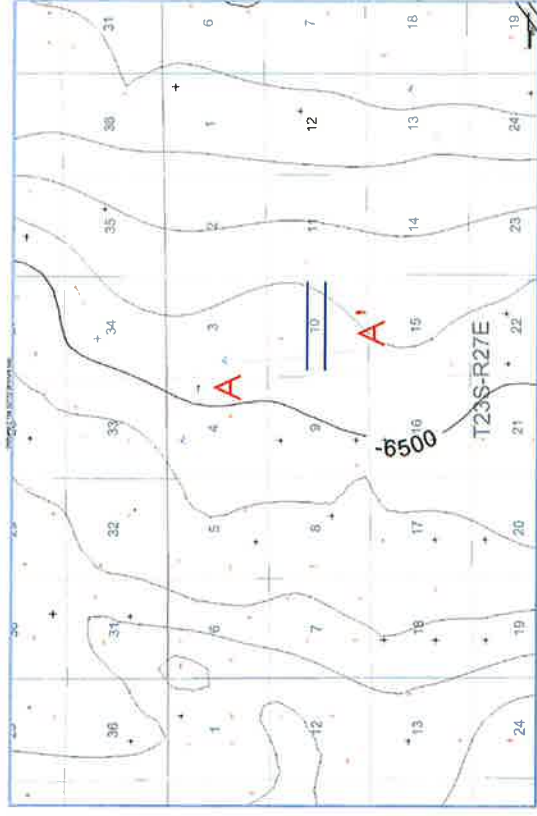
WELL SYMBOLS

- Abandoned GAS Well
- Abandoned Oil & Gas
- Abandoned Oil Well
- ATD - WOC
- Drilled and Abandoned
- Dry Hole
- Gas Well
- Injection Well
- Oil Well
- Pilot Well
- Waiting on Completion



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-1
Submitted by: RKI E&P
Hearing Date: September 6, 2018
Case No 16399-16400

Stratigraphic Cross-Section – Johnson 10-23-27 #401H and Cass Draw 10-23-27 #401H



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

**APPLICATION OF RKI EXPLORATION AND PRODUCTION, LLC
FOR A COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 16399

**APPLICATION OF RKI EXPLORATION AND PRODUCTION, LLC
FOR A COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 16400

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Julia Broggi, attorney in fact and authorized representative of WPX (RKI Exploration and Production, LLC), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.


Julia Broggi

SUBSCRIBED AND SWORN to before me this 5th Day of September 2018 by Julia Broggi.



Notary Public
My Commission Expires: August 26, 2021



August 17, 2018

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED**TO: POOLED PARTIES**

Re: Application of RKI Exploration and Production, LLC for compulsory pooling, Eddy County, New Mexico.
Cass Draw 10-23-27 Fee No. 401H Well

Ladies & Gentlemen:

This letter is to advise you that RKI Exploration and Production, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on September 6, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Aaron Young, at (539) 573-3531 or Aaron.Young@wpenergy.com.

Sincerely,

Jordan L. Kessler

RKI EXPLORATION AND PRODUCTION, LLC

	A	B	D	F	G	I	J	K
	MailClass	TrackingNo	TransactionDate	ToName	DeliveryAddress	City	State	Zip
1	Certified with Return Receipt (Signature)	9414810898765016632488	08/17/2018	MRC Permian Company	5400 LBJ Freeway, Suite 1500	Dallas	TX	75240
2	Certified with Return Receipt (Signature)	9414810898765016632570	08/17/2018	Hester C. DeWitt	5466 Northbrook Dr	Dallas	TX	75220-2256
3	Certified with Return Receipt (Signature)	9414810898765016632587	08/17/2018	Gaye A. Curl	5 Bryn Mawr Circle	Richardson	TX	75081
4	Certified with Return Receipt (Signature)	9414810898765016632594	08/17/2018	Gaye A. Curl	2701 S BERRY RD APT 66827	NORMAN	OK	73072-6908
5	Certified with Return Receipt (Signature)	9414810898765016632600	08/17/2018	Estate of James L. Curl	5 Bryn Mawr Circle	Richardson	TX	75081
6	Certified with Return Receipt (Signature)	9414810898765016632617	08/17/2018	Estate of James L. Curl	759 QUAIL CREEK RD	DURANT	OK	74701-7548
7	Certified with Return Receipt (Signature)	9414810898765016632624	08/17/2018	Laura Hobby Syler	5 Bryn Mawr Circle	Richardson	TX	75081
8	Certified with Return Receipt (Signature)	9414810898765016632631	08/17/2018	Laura Hobby Syler	759 QUAIL CREEK RD	DURANT	OK	74701-7548
9	Certified with Return Receipt (Signature)	9414810898765016632648	08/17/2018	Amy Curl	1124 BOLDMERE	WOODWAY	TX	76712-4097
10	Certified with Return Receipt (Signature)	9414810898765016632655	08/17/2018	Amy Curl	5 Bryn Mawr Circle	Richardson	TX	75081
11	Certified with Return Receipt (Signature)	9414810898765016632655	08/17/2018	Carlos A & Esetlla Carrasco	2203 Miller Road	Carlsbad	NM	88220
12	Certified with Return Receipt (Signature)	9414810898765016632495	08/17/2018	Carlos A & Esetlla Carrasco	2207 Miller Road	Carlsbad	NM	88220
13	Certified with Return Receipt (Signature)	9414810898765016632501	08/17/2018	Carlos A & Esetlla Carrasco	2203 Miller Road	Carlsbad	NM	88220
14	Certified with Return Receipt (Signature)	9414810898765016632518	08/17/2018	Carlos A & Veronica Carrasco	2203 Miller Road	Carlsbad	NM	88220
15	Certified with Return Receipt (Signature)	9414810898765016632525	08/17/2018	MRC Permian Company	5400 LBJ Freeway, Suite 1500	Dallas	TX	75240
16	Certified with Return Receipt (Signature)	9414810898765016632532	08/17/2018	Carlos A & Esetlla Carrasco, as joint ten	2203 Miller Road	Carlsbad	NM	88220
17	Certified with Return Receipt (Signature)	9414810898765016632549	08/17/2018	Carlos A & Esetlla Carrasco, as joint ten	2207 Miller Road	Carlsbad	NM	88220
18	Certified with Return Receipt (Signature)	9414810898765016632556	08/17/2018	Carlos A & Veronica J. Carrasco	2203 Miller Road	Carlsbad	NM	88220
19	Certified with Return Receipt (Signature)	9414810898765016632563	08/17/2018	Hester C. DeWitt	P.O. Box 670322	Dallas	TX	75387

	N	R	USPS_Status	U
1	MailDate	ERR_SigDate	USPS_Status	
2	08/17/2018	08/21/2018	Your item was delivered to the front desk or reception area at 11:50 am on August 20, 2018 in DALLAS, TX 75240.	
3	08/17/2018		The delivery status of your item has not been updated as of August 20, 2018, 10:02 pm. We apologize that it may arrive later than expected.	
4	08/17/2018		Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	
5	08/17/2018	08/21/2018	Your item was delivered to an individual at the address at 4:24 pm on August 20, 2018 in NORMAN, OK 73072.	
6	08/17/2018		Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	
7	08/17/2018	08/22/2018	Your item was delivered at 11:13 am on August 21, 2018 in DURANT, OK 74701.	
8	08/17/2018		Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	
9	08/17/2018	08/22/2018	Your item was delivered at 11:13 am on August 21, 2018 in DURANT, OK 74701.	
10	08/17/2018	08/21/2018	Your item was delivered to an individual at the address at 3:59 pm on August 20, 2018 in WOODWAY, TX 76712.	
11	08/17/2018		Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	
12	08/17/2018	08/21/2018	Your item has been delivered to an agent at 3:21 pm on August 20, 2018 in CARLSBAD, NM 88220.	
13	08/17/2018	08/21/2018	Your item has been delivered to an agent at 3:22 pm on August 20, 2018 in CARLSBAD, NM 88220.	
14	08/17/2018	08/21/2018	Your item has been delivered to an agent at 3:21 pm on August 20, 2018 in CARLSBAD, NM 88220.	
15	08/17/2018	08/21/2018	Your item was delivered to the front desk or reception area at 11:50 am on August 20, 2018 in DALLAS, TX 75240.	
16	08/17/2018	08/22/2018	Your item has been delivered to an agent at 3:21 pm on August 20, 2018 in CARLSBAD, NM 88220.	
17	08/17/2018	08/21/2018	Your item has been delivered to an agent at 3:22 pm on August 20, 2018 in CARLSBAD, NM 88220.	
18	08/17/2018	08/21/2018	Your item has been delivered to an agent at 3:21 pm on August 20, 2018 in CARLSBAD, NM 88220.	
19	08/17/2018		Your item was returned to the sender on August 22, 2018 at 9:17 am in DALLAS, TX 75230 because the addressee moved and left no forwarding address.	



August 17, 2018

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED**TO: POOLED PARTIES**

Re: Application of RKI Exploration and Production, LLC for compulsory pooling, Eddy County, New Mexico.
Johnson 10-23-27 Fee No. 401H Well

Ladies & Gentlemen:

This letter is to advise you that RKI Exploration and Production, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on September 6, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Aaron Young, at (539) 573-3531 or Aaron.Young@wpenergy.com.

Sincerely,

Jordan L. Kessler

RKI EXPLORATION AND PRODUCTION, LLC

	A	B	F	G	I	J	K
	MailClass	TrackingNo	ToName	DeliveryAddress	City	State	Zip
1	Certified with Return Receipt (Signature)	9414810898765016632662	MRC Permian Company	5400 LBJ Freeway, Suite 1500	Dallas	TX	75240
2	Certified with Return Receipt (Signature)	9414810898765016632785	Laura Hobby Syler	759 QUAIL CREEK RD	DURANT	OK	74701-7548
3	Certified with Return Receipt (Signature)	9414810898765016632792	Amy Curl	1124 BOLDMERE	WOODWAY	TX	76712-4097
4	Certified with Return Receipt (Signature)	9414810898765016632808	Amy Curl	5 Bryn Mawr Circle	Richardson	TX	75081
5	Certified with Return Receipt (Signature)	9414810898765016632679	MRC Permian Company	5400 LBJ Freeway, Suite 1500	Dallas	TX	75240
6	Certified with Return Receipt (Signature)	9414810898765016632686	Hester C. DeWitt	P.O. Box 670322	Dallas	TX	75387
7	Certified with Return Receipt (Signature)	9414810898765016632693	Hester C. DeWitt	5466 NORTHBROOK DR	DALLAS	TX	75220-2256
8	Certified with Return Receipt (Signature)	9414810898765016632709	Gaye A. Curl	5 Bryn Mawr Circle	Richardson	TX	75081
9	Certified with Return Receipt (Signature)	9414810898765016632716	Gaye A. Curl	2701 S BERRY RD APT 66827	NORMAN	OK	73072-6908
10	Certified with Return Receipt (Signature)	9414810898765016632730	Estate of James L. Curl	5 Bryn Mawr Circle	Richardson	TX	75081
11	Certified with Return Receipt (Signature)	9414810898765016632754	Estate of James L. Curl	759 QUAIL CREEK RD	DURANT	OK	74701-7548
12	Certified with Return Receipt (Signature)	9414810898765016632778	Laura Hobby Syler	5 Bryn Mawr Circle	Richardson	TX	75081
13	Certified with Return Receipt (Signature)						

	N	R	U
1	MailDate	ERR_SigDate	USPS_Status
2	08/17/2018		Your shipment was received at 7:51 pm on August 17, 2018 in DENVER, CO 80217. The acceptance of your package is pending.
3	08/17/2018	08/22/2018	Your item was delivered at 11:13 am on August 21, 2018 in DURANT, OK 74701.
4	08/17/2018	08/23/2018	Your item was delivered to an individual at the address at 3:59 pm on August 20, 2018 in WOODWAY, TX 76712.
5	08/17/2018		Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
6	08/17/2018	08/21/2018	Your item was delivered to the front desk or reception area at 11:50 am on August 20, 2018 in DALLAS, TX 75240.
7	08/17/2018		Your item was returned to the sender on August 22, 2018 at 9:17 am in DALLAS, TX 75230 because the addressee moved and left no forwarding address.
8	08/17/2018		The delivery status of your item has not been updated as of August 20, 2018, 10:02 pm. We apologize that it may arrive later than expected.
9	08/17/2018		Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
10	08/17/2018	08/21/2018	Your item was delivered to an individual at the address at 4:24 pm on August 20, 2018 in NORMAN, OK 73072.
11	08/17/2018		Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
12	08/17/2018	08/25/2018	Your item was delivered at 11:13 am on August 21, 2018 in DURANT, OK 74701.
13	08/17/2018		Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

CARLSBAD
CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No.
0001258530

HOLLAND & HART
110 NORTH GUADALUPE, SUITE 1 PO BOX 2208

SANTA FE NM 87504

I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

08/18/18


Legal Clerk

Subscribed and sworn before me this
20th of August 2018.


State of WJ, County of Brown
NOTARY PUBLIC


My Commission Expires

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **September 6, 2018**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **August 27, 2018**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW
MEXICO TO:
All named parties and
persons
having any right, title,
interest
or claim in the**



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: **RKI E&P**
Hearing Date: September 6, 2018
Case No 16399-16400

Ad#:0001258530
P O : 16399
of Affidavits :0.00

**following case
and notice to the
public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All offset owners and pooled parties, including MRC Permian Company; Carlos A. Carrasco and Esetlla Carrasco, as joint tenants, their heirs and devisees; Carlos A. Carrasco and Veronica J. Carrasco, their heirs and devisees.

Case No. 16399:
Application of RKI Exploration and Production, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) in the 320-acre, more or less, spacing and proration unit comprised of the S/2 of Section 10, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit is to be dedicated to the applicant's proposed **Cass Draw 10-23-27 Fee No. 401H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 9 to a standard bottom hole location in the NE/SE/4 (Unit I) of Section 10. The completed interval for this well will remain within the offset required by the Special Rules set forth in Order No. R-14262. Also to be considered will be the cost of drilling and completing said well

and the allocation of
the cost thereof as
well as actual
operating costs and
charges for
supervision,
designation of RKI
Exploration and
Production, LLC as
operator of the well
and a 200% charge
for risk involved in
drilling said well. Said
area is located
approximately 6 miles
south of Carlsbad,
New Mexico.
August 18, 2018

CARLSBAD
CURRENT-ARCUS

AFFIDAVIT OF PUBLICATION

**Ad No.
0001258533**

HOLLAND & HART
110 NORTH GUADALUPE, SUITE 1 PO BOX 2208

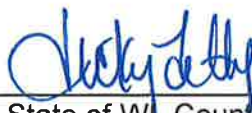
SANTA FE NM 87504

I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

08/18/18


Legal Clerk

Subscribed and sworn before me this
20th of August 2018.


State of WJ, County of Brown
NOTARY PUBLIC


My Commission Expires

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **September 6, 2018**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **August 27, 2018**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW
MEXICO TO:
All named parties and
persons
having any right, title,
interest
or claim in the**



**following case
and notice to
public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: All offset owners
and pooled parties,
including MRC
Permian Company.**

Case No. 16400:
**Application of RKI
Exploration and
Production, LLC for
compulsory pooling,
Eddy County, New
Mexico.** Applicant in
the above-styled
cause seeks an order
pooling all mineral
interests in the
Wolfcamp formation
(Purple Sage
Wolfcamp Gas Pool
(98220)) in the 320-
acre, more or less,
spacing and proration
unit comprised of the
N/2 of Section 10,
Township 23 South,
Range 27 East, NMPM,
Eddy County, New
Mexico. Said unit is to
be dedicated to the
applicant's proposed
**Johnson 10-23-27 Fee
No. 401H Well**, which
will be horizontally
drilled from a surface
location in the SE/4
NE/4 (Unit H) of
Section 9 to a
standard bottom hole
location in the SE/4
NE/4 (Unit H) of
Section 10. The
completed interval for
this well will remain
within the offset
required by the
Special Rules set forth
in Order No. R-14262.
Also to be considered
will be the cost of
drilling and
completing said well
and the allocation of
the cost thereof as
well as actual
operating costs and
charges for
supervision,
designation of RKI
Exploration and
Production, LLC as

operator of the well
and a 200% charge
for risk involved in
drilling said well. Said
area is located
approximately 6 miles
south of Carlsbad,
New Mexico.
August 18, 2018