

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

**APPLICATION OF RKI EXPLORATION AND PRODUCTION TO RE-OPEN CASE
NO. 15341 TO AMEND THE SPACING UNIT UNDER THE TERMS OF
COMPULSORY POOLING ORDER R-14016, EDDY COUNTY, NEW MEXICO.**

CASE NO. 15341 (re-opened)

RKI'S PRE-HEARING STATEMENT

RKI Exploration and Production, the applicant in the above referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

RKI Exploration and Production
210 Park Avenue
Suite 900
Oklahoma City, OK 73102

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

RKI Exploration and Production ("RKI") seeks to amend Order No. R-14016 to conform the pooled spacing unit to the 160-acre non-standard oil spacing and proration unit subsequently designated by the Division for applicant's **RDX Federal Com 17 26H Well** (API No. 30-015-42752). On July 15, 2015, the Division entered Order No. R-14016 granting RKI's application to pool all uncommitted interests within the Wolfcamp formation underlying the E/2 of Section 17, Township 26 South, Range 30 East, NMPM, in Eddy County, New Mexico. The order dedicated a 320-acre standard spacing unit to the RDX Federal Com 17 Well No. 26H which was drilled at an approved unorthodox location in the W/2 E/2 of Section 17. Since this

was a wildcat area for the Wolfcamp formation at the time of the initial application, a 320-acre spacing unit was formed in the event a gas well was completed.

The only uncommitted interest owner in the subject acreage is EOG Resources, which owns an undivided interest in the entire E/2 of Section 17. EOG received notice of the Division hearing resulting in Order R-14016 and did not appear or otherwise object to the entry of a pooling order for this well.

On August 18, 2015, the Division modified the C-102 for the RDX Federal Com 17 Well No. 26H to place the well in the Brushy Draw; Wolfcamp (O) Pool (97136), an oil pool subject to the Division's statewide rules. The Division also amended the dedicated acreage for this well from 320-acres to 160 acres comprised of the W/2 E/2 of Section 17. RKI therefore seeks to amend Order R-14016 to contract the pooled spacing unit to the non-standard 160-acre spacing unit comprised of the W/2 E/2 of Section 17 designated by the Division. All other aspects of Order R-14016 will remain the same.

APPLICANT'S PROPOSED EVIDENCE

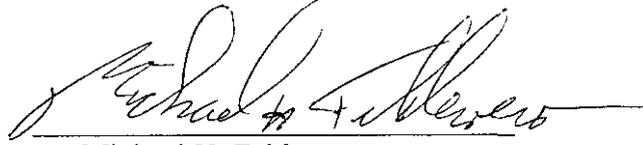
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Sam McCurdy (Landman)	Via Affidavit	Approx. 1
Jeanne Allen (Geologist)	Approx. 10 minutes	Approx. 5

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP

A handwritten signature in black ink, appearing to read "Michael H. Feldewert" and "Jordan L. Kessler", written over a horizontal line.

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