

**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:**

**CASE NO. 15414 (Re-Opened)  
ORDER NO. R-20611**  
(Revising Order Nos. R-14104 and R-14104-A)

**APPLICATION OF RKI EXPLORATION AND PRODUCTION, LLC TO RE-OPEN  
CASE NO. 15414 TO POOL ADDITIONAL RECORD TITLE OWNERS UNDER THE  
TERMS OF COMPULSORY POOLING ORDER NO. R-14104, EDDY COUNTY, NEW  
MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on January 10, 2019, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 10<sup>th</sup> day of June 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT:**

(1) Due public notice has been given, and the Division has jurisdiction of this case and the subject matter.

(2) The Division issued Order No. R-14104 in Case No. 15414 on December 21, 2015, approving the compulsory pooling of all uncommitted interests within a non-standard 224.74-acre Wolfcamp gas spacing unit (the "Unit") consisting of the W/2 W/2 of Section 28, and NW/4 NW/4 and Lot 4 (W/2 NW/4 equivalent) of Irregular Section 33, all in Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) The Division issued Order No. R-14104-A in reopened Case No. 15414 on October 4, 2017, pooling certain owners of record title under the terms of Order No. R-14104.

(4) The Unit is presently dedicated to the RDX Federal Com 28 Well No. 9H (API No. 30-015-43294; "subject well"), a horizontal well drilled to test the Wolfcamp formation and completed on March 19<sup>th</sup>, 2015 within the Brushy Draw; Wolfcamp (O), Pool (Pool code 84330). The subject well has been reassigned to the Purple Sage; Wolfcamp (Gas) Pool (Pool code 98220).

(5) The Applicant, RKI Exploration and Production, LLC, has again re-opened this case to pool newly discovered owners of bare record title whose interests were not pooled in the previously issued orders. The record title interest owners have divested their operating rights in the Wolfcamp formation and would not be subject to liability for costs or to the Division-approved risk penalty.

(6) Applicant appeared through counsel and presented testimony and proof of notice to the additionally discovered record title owners subject to pooling proceedings as affected parties of the proposed compulsory pooling within the Unit.

(7) Applicant provided notice to parties subject to pooling by certified mail, return receipt requested, and by publication before hearing in a newspaper of general circulation in Eddy County, New Mexico, the county in which the property is located, for those parties for whom return receipts were not returned.

(8) No other party entered an appearance or otherwise opposed this application.

The Division concludes as follows:

(9) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(10) Applicant is owner of an oil and gas working interest within the Unit. Applicant had the right to drill, and has drilled the subject well to a common source of supply within the Unit at that well's existing location.

(11) There are interest owners in the Unit that have not agreed to pool their interests.

(12) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas within the Unit.

(13) RKI Exploration and Production, LLC should be designated the operator of the subject well and the Unit.

(14) Any record title owner who was not duly noticed in the original Case No. 15414 or the previously reopened Case No. 15414, and who receives notice of this action should file the required paperwork with the BLM and should then not be subject to any other provisions of the compulsory pooling.

(15) Any working interest owner whose interest was pooled by Order No. R-14104 who has not heretofore paid its share of well costs for the subject well should remain subject to the

provisions of Ordering Paragraph (11) of that order.

**IT IS THEREFORE ORDERED THAT:**

(1) Within the Unit all uncommitted interests in the oil and gas whatever they may be are hereby pooled for the Wolfcamp formation within that vertical extent, which presently includes but is not necessarily limited to the Purple Sage; Wolfcamp (Gas) Pool. Pooled parties shall include owners of bare record title who own no working interest in the subject well or any other well dedicated to the Unit.

(2) Any working interest owner whose interest was pooled by Order No. R-14104 who has not heretofore paid its share of well costs for the subject well remains subject to the provisions of Ordering Paragraph (11) of that order.

(3) All provisions of Division Order No. R-14104 and Order No. R-14104-A not inconsistent herewith shall remain in full force and effect.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL  
Director