



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



IN REPLY REFER TO:
NM136570
3105.2 (P0220)

Reference:
Communitization Agreement
East Pecos Fed Com 22 14H
T. 26 S., R. 29 E.,
Section 22: E2
Eddy County, NM

12/15/2016

RECEIVED 000
2016 DEC 21 P 2:01

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136570 involving 160 acres of Federal land in lease NM21767, and 160 acres of Federal land in lease NM22634, Eddy County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible gas and hydrocarbons from the Wolfcamp formation beneath the E2 of sec. 22, T. 26 S., R. 29 E., NMPM, and is effective 08/10/2016. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234 or Deborah Ham at (575) 234-5965.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

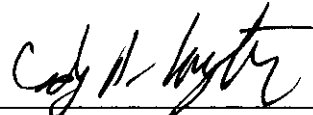
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

- B. Approve the attached Communitization Agreement covering the E2 of sec. 22, T. 26 S., R. 29 E., NMPM, as to all producible gas and hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: 12/15/2016



Cody R. Layton
Assistant Field Manager
Land and Minerals

Effective: 08/10/2016

Contract No.: Com. Agr. NM136570



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BUREAU OF LAND MANAGEMENT

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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM136570
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM136570

Date of Completion:	08/11/2016
Date of First Production:	08/24/2016
Field:	Brushy Draw
Operator, Well Name & No, API Number:	RKI Exploration; East Pecos Fed Com 22 14H; 30-015-43586
Surface Location:	SESE, sec. 22, T.26 S., R.29 E.
Bottom Location:	NENE, sec. 22, T.26 S., R.29 E.
Total Depth:	15,840 MD; 11,035 TVD
Surface Elevation:	2,882 GL
Producing Formation:	Wolfcamp (11,008 – 15,712)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 686 BBL; Gas 5,740 MCF; Water 3,118 BBL
Current Status:	Producing Gas Well
Remarks:	CA NM136570, effective 08/10/2016, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec. 22, E2, T. 26 S., R. 29 E., NMPM, and comprises 160 acres of Federal land in lease NM21767, and 160 acres of Federal land in lease NM22634, for a 320 acre well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham
12/15/2016

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)