

DATE 3/10/2018	SUSPENSE	ENGINEER MM	LOGGED IN 3/2/2018	TYPE	APP NO MM 1806 84677
-------------------	----------	----------------	-----------------------	------	-------------------------

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 _____

[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.

Caitlin O'Hair

Print or Type Name

Caitlin O'Hair
 Signature

Permit Technician II

Title

03/01/2018

Date

caitlin.ohair@wpenergy.com

e-mail Address

PL 1317
12K EXPIE Prod
2462489
W24
17 State #14
30-015-44534
44534
17 State #24
30-015-44535
17 State #34
30-015-44536
Pool
44536
98220
Forch and
H. And
35
24660

APPLICATION FOR POOL & LEASE COMMINGLE, OFF-LEASE MEASUREMENT, STORAGE & SALES

Commingling proposal for the C 17 State CTB:

RKI EXPLORATION & PRODUCTION, LLC is requesting approval for Surface Commingling of the wells listed below.

State Lease 319814

POOL: PURPLE SAGE;WOLFCAMP (GAS) (98220)

Well Name	Location	API	Production
C 17 STATE #001H	A-17-23S-27E	301-015-44534	Well has not been completed.

State Lease 319814

POOL: FOREHAND RANCH (BONE SPRING) (24660)

Well Name	Location	API	Production
C 17 STATE #002H	A-17-23S-27E	301-015-44535	Well has not been completed.

State Lease 319814

POOL: PURPLE SAGE;WOLFCAMP (GAS) (98220)

Well Name	Location	API	Production
C 17 STATE #003H	A-17-23S-27E	301-015-44536	Well has not been completed.

Attached is a process flow diagram.

The working interests, overriding royalty interest, and royalty interest are identical in all wells.

Oil & Gas & Water Metering and Allocation Methods:

The above listed wells will each have all three phases measured before being comingled.

The gas will be measured off of a separator by an orifice meter and then be sent to a common sales line or a common flare. The water will be measured off of a separator by a MAG meter and sent to a common tank battery where it will be shipped to a SWD. The oil will be measured off of a treater by a Coriolis meter and sent to a common tank battery where it will be sold by truck. The gas off of the treater will be measured by an orifice meter and sent to a common flare. The tank vapors from the common tank battery will be estimated and sent to a common flare.

Process and Flow Descriptions:

General Well Flow

All gross production from the well flow from its respective wellhead through a 3 – phase flowline to the tank battery. At the tank battery it flows through a dedicated 3-phase separator which meters water and gas. The water is comingled and stored in tanks. The gas is comingled and sold through a pad sales meter. The oil is sent to a dedicated heater treater and is measured before being comingled and stored in tanks. Any hydrocarbon liquid collected from gas scrubbers will be sold from the tanks as oil.

Oil

Gross production of oil is measured at the outlet of the dedicated heater treater using a Coriolis meter. The oil is then comingled and flows to the common tanks where it is sold by truck from loading points on the tanks, the oil is measured by tank gauging. The water from the heater treater is sent to the common water storage tanks.

Gas

Gross production of the gas is measured at the outlet of the dedicated separator using an orifice meter. The gas will then be comingled and flow through the gas sales orifice meter on the pad. If gathering pressures are too high the gas will flow through an orifice flare meter and comingle before flowing to a high pressure flare. All flash gas from the treater will be measured using an orifice meter and sent to a common flare. Tank vent emissions are routed to a low pressure flare.

Water

Gross production of water is measured at the outlet of the dedicated separator using a MAG meter. The water is comingled and sent to common storage tanks. From the tanks, the water is sent to a pump and measured using a turbine meter. The pump moves the water to a Salt Water Disposal well.

RKI EXPLORATION & PRODUCTION, LLC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOCD regulations.

The working interest, royalty interest and overriding royalty interest owners are the same.

Signed: 

Printed Name: Caitlin O'Hair

Title: Permit Technician II

Date: 03/01/2018



RKI Exploration & Production, LLC
3500 One Williams Center MD 35
Tulsa, OK 74172

March 1, 2018

New Mexico Oil Conservation Division
Attn: Division Director, Heather Riley
1220 South St. Francis Dr.
Santa Fe, NM 87505
CC: Mike McMillan

Director Riley,

RKI EXPLORATION & PRODUCTION, LLC is requesting to surface commingle the C 17 State #001H (API 301-015-44534), C 17 State #002H (API 301-015-44535), and C 17 State #003H (API 301-015-44536).

Please see the enclosed application. We are sending this package to your office and the New Mexico State Land Office concurrently.

Please find proof of notification to State Land Office included in this application package.

Sincerely,

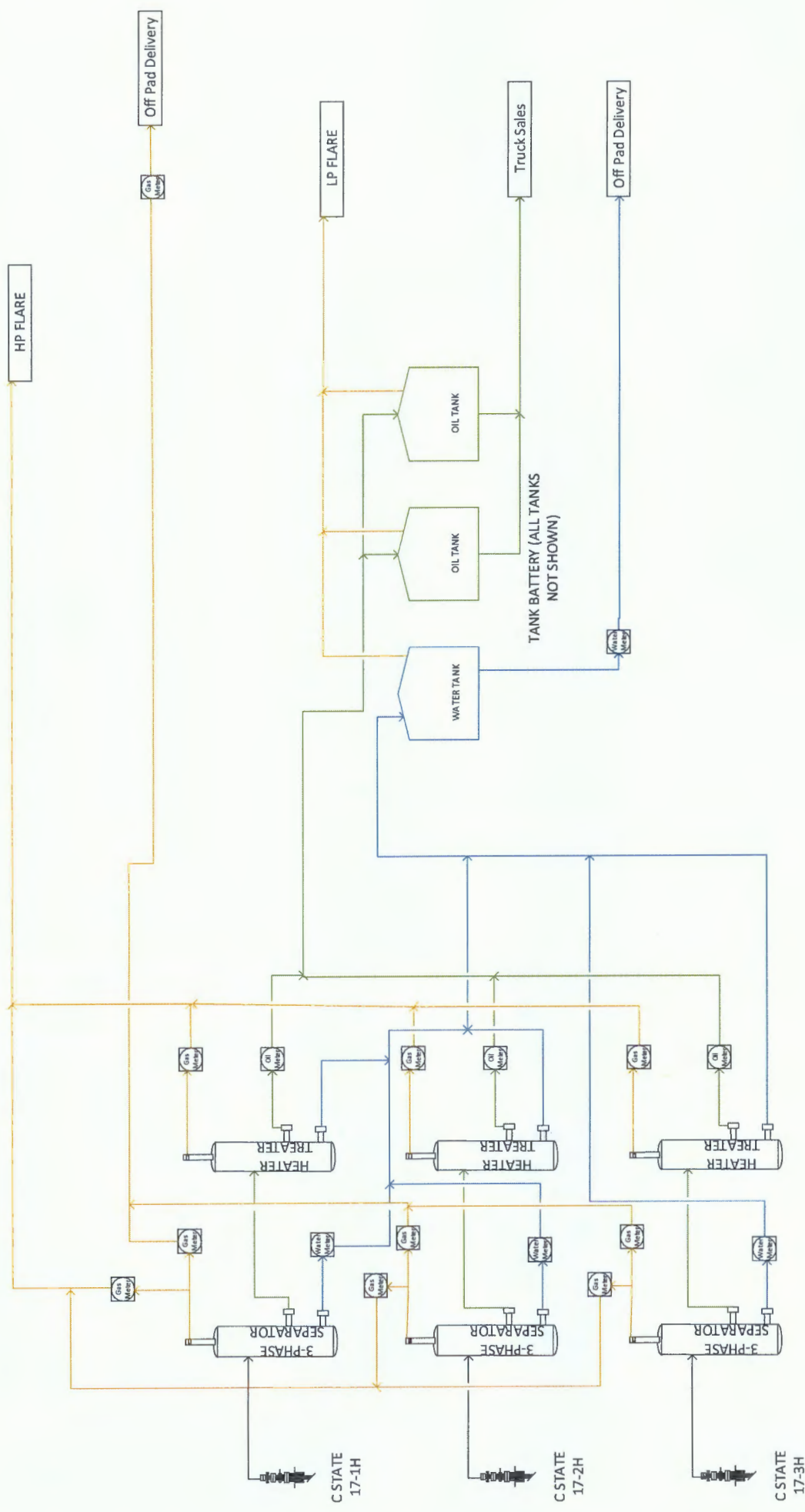
RKI Exploration & Production, LLC

A handwritten signature in black ink, appearing to read "Caitlin O'Hair".

Caitlin O'Hair
Permit Technician II
(office) 539-573-3527
(email) caitlin.ohair@wpxenergy.com

Cc Ashlee Fechino, RKI Regulatory Team Lead
Cc Josh Walker, RKI Regulatory Team Lead

MAR 06 2018 AM 09:26



Rev.	Comment	Date	WPX ENERGY	WPX Energy Production, LLC
0	CONSTRUCTION DRAWING	03/02/2018		PERMAN BASIN CSTATE PAD
			Drawn by: TMA	Scale: NA
				Design No.: SHEET 1



February 20, 2018

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Surface Commingling Sundry (C-103)
C 17 State 001H – N/2 – Sec. 17-T23S-R27E
C 17 State 002H – N/2N/2 – Sec. 17-T23S-R27E
C 17 State 003H – N/2 – Sec. 17-T23S-R27E
Eddy County, New Mexico

To whom it may concern:

This letter serves to notice you that the working interests, overriding royalty interest and royalty interest are identical in the wells set forth below.

	Well Name	Surface Location	API	Pool Code/Name	Status
1	C 17 State 001H	A-17-23S-27E	30-015-44534	98220: Purple Sage Wolfcamp (Gas)	Spud 1/2017
2	C 17 State 002H	A-17-23S-27E	30-015-44535	24660: Forehand Ranch Bone Spring	Spud 1/2017
3	C 17 State 003H	A-17-23S-27E	30-015-44536	98220: Purple Sage Wolfcamp (Gas)	Spud 1/2017

I certify that this information is true and correct to the best of my knowledge.

Sincerely,

RKI Exploration & Production, LLC

Justin R. Hall
Staff Landman – Permian Asset

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com™.

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

\$

Sent To

NM State Land Office

Street and Apt. No., or PO Box No.

PO Box 1148

City, State, ZIP+4®

Santa Fe NM 87504

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

Santa Fe, NM 87504-1148

Postmark
Here

RKI Exploration & Production, LLC
3500 One Williams Center MD 35
Tulsa, OK 74172

To whom it may concern,

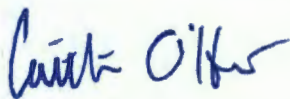
RKI EXPLORATION & PRODUCTION, LLC is requesting to surface commingle the C 17 State #001H (API 301-015-44534), C 17 State #002H (API 301-015-44535), and C 17 State #003H (API 301-015-44536).

Please see the enclosed application. We are sending this package to your office and the New Mexico Oil Conservation Division concurrently.

Also enclosed is a filing fee of \$150 made payable to the New Mexico State Land Office.

Sincerely,

RKI Exploration & Production, LLC



Caitlin O'Hair

Permit Technician II

(office) 539-573-3527

(email) caitlin.ohair@wpenergy.com

Cc Ashlee Fechino, RKI Regulatory Team Lead

Cc Josh Walker, RKI Regulatory Team Lead

**NEW MEXICO
STATE
LAND OFFICE**

**APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: Josh Walker
Well Name: C 17 State #2H
Pool: Forehand Ranch- Bone Spring (Pool Code 24660)

OGRID #: 246289
API #: 30-015-44535

OPERATOR NAME: RKI Exploration & Production, LLC
OPERATOR ADDRESS: 3500 One Williams Center MD-35, Tulsa, OK 74172

APPLICATION REQUIREMENTS – SUBMIT:

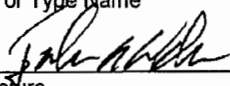
1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

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

Josh Walker
Print or Type Name

Signature
2/22/18
Date

539-573-0108
Phone Number
josh.walker@wpxenergy.com
e-mail Address

Submit application to:
Commissioner of Public Lands
Attn: Commingling Manager
PO Box 1148
Santa Fe, NM 87504-1148

Questions?
Contact the Commingling Manager:
505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

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 Bravo 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.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 98220	³ Pool Name PURPLE SAGE WOLFCAMP GAS POOL
⁴ Property Code	⁵ Property Name C 17 STATE	⁶ Well Number 1H
⁷ OGRID No. 246289	⁸ Operator Name RKI EXPLORATION & PRODUCTION, LLC	⁹ Elevation 3155'

¹⁰ Surface Location

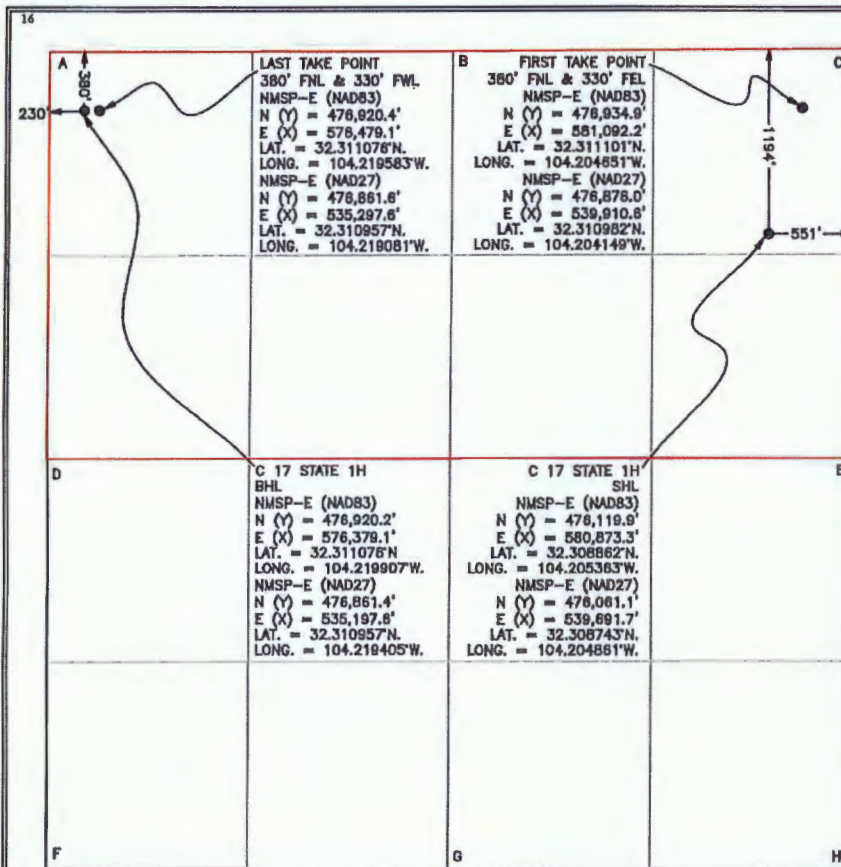
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	17	23 S	27 E		1,194	NORTH	551	EAST	EDDY

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
D	17	23 S	27 E		380	NORTH	230	WEST	EDDY

¹² Dedicated Acres 320.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



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 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.

Signature: *Josh Walker* Date: 1/11/18

Printed Name: Josh Walker

E-mail Address: josh.walker@supercrux.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.

1-10-2018

Date of Survey

Signature and Seal of Professional Surveyor:

MARK DILLON HARP 23786
Certificate Number



AI/RR

2017020275

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.
Santa Fe, NM 87505

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name BONE SPRING
⁴ Property Code	⁵ Property Name C 17 STATE	⁶ Well Number 2H
⁷ OGRID No. 246289	⁸ Operator Name RKI EXPLORATION & PRODUCTION, LLC	⁹ Elevation 3155'

¹⁰ Surface Location

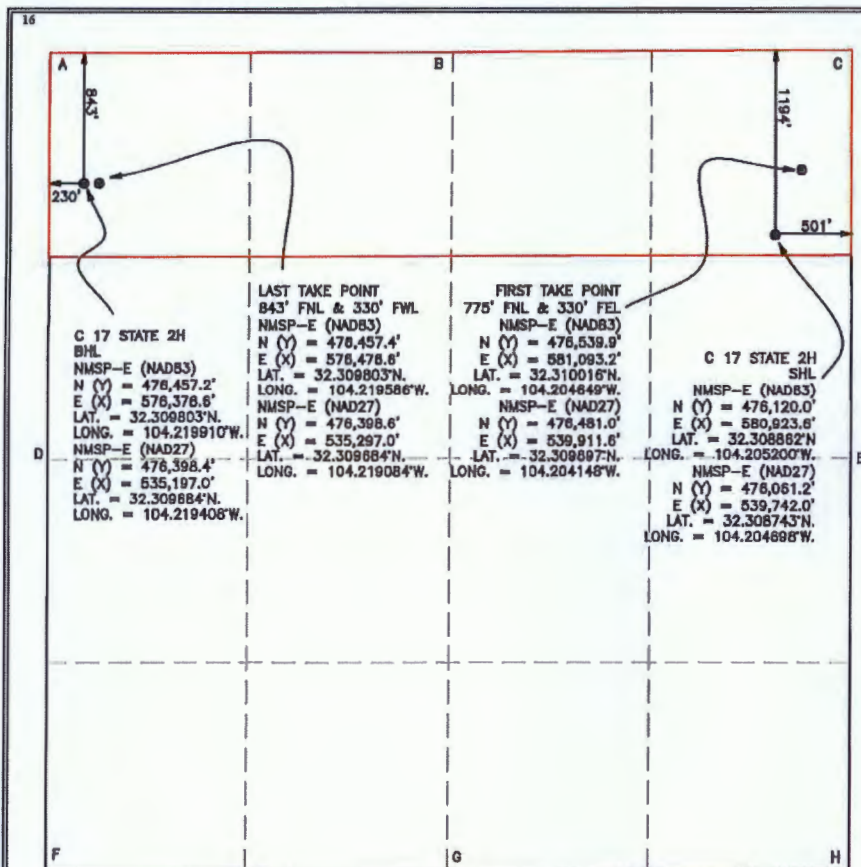
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	17	23 S	27 E		1,194	NORTH	501	EAST	EDDY

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
D	17	23 S	27 E		843	NORTH	230	WEST	EDDY

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



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 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.

Signature: *Josh Walker* Date: 2/22/18

Printed Name: Josh Walker

E-mail Address: josh.walker@wpxenergy.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.

02-21-2018

Date of Survey

Signature and Seal of
Professional Surveyor:

Mark Dillon Harp

MARK DILLON HARP 23786

Certificate Number



DH/RR/AI

2017020276

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.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 98220	³ Pool Name PURPLE SAGE WOLFCAMP GAS POOL
⁴ Property Code	⁵ Property Name C 17 STATE	⁶ Well Number 3H
⁷ OGRID No. 246289	⁸ Operator Name RKI EXPLORATION & PRODUCTION, LLC	⁹ Elevation 3155'

¹⁰ Surface Location

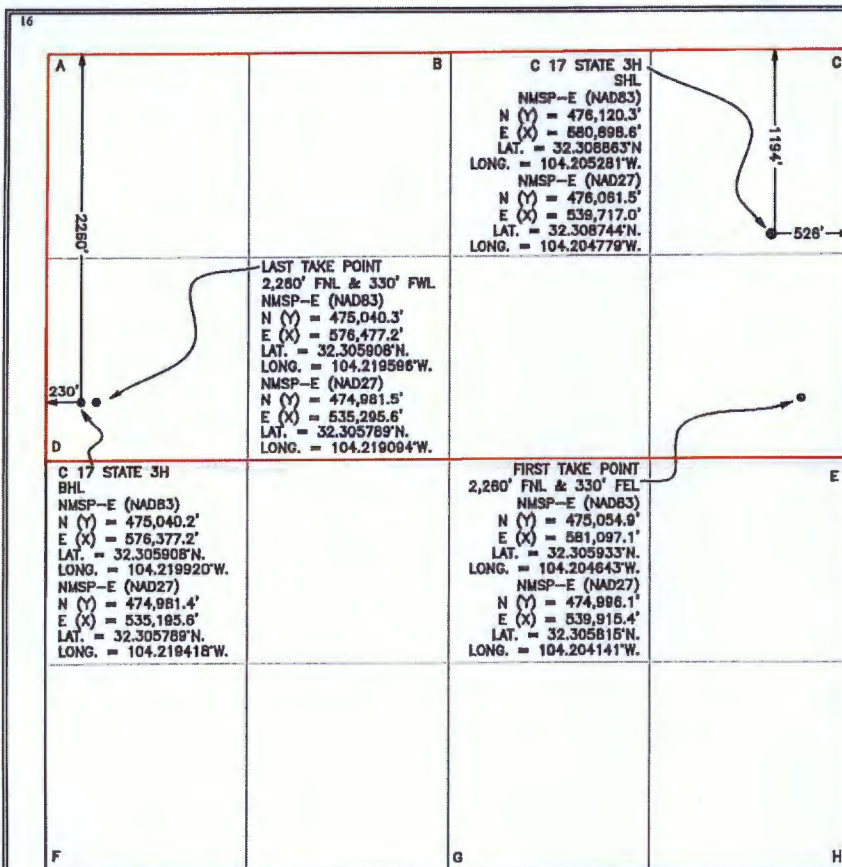
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	17	23 S	27 E		1,194	NORTH	526	EAST	EDDY

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
D	17	23 S	27 E		2,260	NORTH	230	WEST	EDDY

¹² Dedicated Acres 320.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



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 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.

Signature: *Josh Walker* Date: 1/22/18

Printed Name: Josh Walker

E-mail Address: josh.walker@up-energy.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.

1-19-2018

Date of Survey

Signature and Seal of
Professional Surveyor:

Mark Dillon Harp

MARK DILLON HARP 23786
Certificate Number



AI/DH/RR 2017020276



C 17 State 1H 2H 3H
Permian Basin

WPXENERGY.

Date: 3/12/2018
Map Scale (at 8.5" x 11"): 1:20,000
Projection: NAD 1927 UTM Zone 13N
Created by: sharriso
Geospatial Data Tech II
3800 One Williams Center
Tulsa, OK 74172

Map Symbolology

● C 17 State 1H, 2H, 3H

■ C 17 STATE 23S27E-D Pad

