

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



May 18, 2018

Adam G. Rankin
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NON-STANDARD LOCATION

Administrative Order NSL-7716

RKI Exploration & Production, LLC [OGRID 246289]
C 17 State Well No. 1H
API No. 30-015-44534

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1194 FNL & 551 FEL	A	17	23S	27E	Eddy
Penetration Point	468 FNL & 330 FEL	A	17	23S	27E	Eddy
Final perforation	323 FNL & 409 FWL	A	17	23S	27E	Eddy
Terminus	323 FNL & 225 FWL	D	17	23S	27E	Eddy

Proposed Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N2 of Section 17	320	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on April 27, 2018.

You have requested to recomplete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules for the Purple Sage; Wolfcamp (Gas) Pool of and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 323 feet to the northern edge of the project area. Encroachment will impact the following tracts.

Section 8, T23N R27W encroachment to the W2 and S2

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

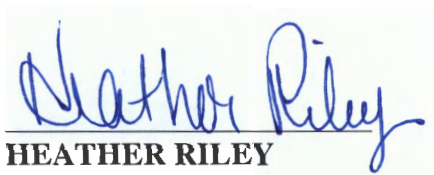
Division understands you seek this unorthodox location request due to the well bore straying off its intended trajectory during drilling in the Wolfcamp formation underlying the N2 of Section 17.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



HEATHER RILEY
Director

HR/lrl

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division