Revised March 23, 2017 APR 27 2018 AM11:28

REVIEWER:

RL

APP NO: 181345637

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

# **NEW MEXICO OIL CONSERVATION DIVISION**

- Geological & Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



THIS CHECKLIST IS MANDATORY FOR ALL ADMII	E APPLICATION CHECKLIST  NISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND  PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applicant: RKI Exploration & Production, LLC	OGRID Number: 246289
Well Name: C 17 State 1H Well	API: 30-015-44534
Pool: Purple Sage Wolfcamp Gas Pool (R-14262)	Pool Code: 98220
	ATION REQUIRED TO PROCESS THE TYPE OF APPLICATION DICATED BELOW
A. Location – Spacing Unit – Simultaneo  NSL NSP (PROJECT AR	ous Dedication
[II] Injection – Disposal – Pressure Inc.  WFX PMX SWD  2) NOTIFICATION REQUIRED TO: Check those A. Offset operators or lease holders B. Royalty, overriding royalty owners C. Application requires published no D. Notification and/or concurrent ap E. Notification and/or concurrent ap F. Surface owner	PC OLS OLM crease - Enhanced Oil Recovery IPI EOR PPR  Which apply.  revenue owners tice proval by SLO  FOR OCD ONLY  Notice Complete  Application Content Complete
	formation submitted with this application for complete to the best of my knowledge. I also not this application until the required information and
Note: Statement must be completed by a	an individual with managerial and/or supervisory capacity.
	April 27, 2018
Adam G. Rankin	Date
Print or Type Name	505-988-4421
(AD	Phone Number
	agrankin@hollandhart.com
Signature	e-mail Address



Adam G. Rankin Associate Phone (505) 954-7294 Fax (505) 983-6043 AGRankin@hollandhart.com

April 27, 2018



## VIA HAND DELIVERY

Heather Riley
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of RKI Exploration & Production, LLC for administrative approval of an unorthodox well location for its C 17 State 1H Well in the N/2 of Section 17, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Riley:

RKI Exploration & Production, LLC (OGRID No. 246289)¹ seeks administrative approval of an unorthodox well location for its C 17 State 1H Well (API No. 30-015-44534) to be completed within the Purple Sage Wolfcamp Gas Pool (Pool Code 98220) underlying Section 17, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. This well has been drilled from a surface location 1,194 feet from the north line and 551 feet from the east line (Unit C) of Section 17. The upper most perforation will be located at a standard location within the NE/4 NE/4 (Unit C) of Section 17, 330 feet from the east line and 468 feet from the north line. While drilling, the well bore strayed from its intended trajectory as it approached the intended bottomhole location. Accordingly, the lower-most perforation will be 409 feet from the west line and 323 feet from the north line (Unit A) of Section 17. Since this acreage is governed by the Division's statewide rules which provides for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is closer to the north and northwestern boundaries of the project area than statewide rules allow.

320 Acres

<sup>&</sup>lt;sup>1</sup> As of April 1, 2018, RKI Exploration & Production, LLC changed its name to WPX Energy Permian, LLC. A name-change request is currently pending at the Division. The OGRID number will remain the same.



**Exhibit A** is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed C 17 State 1H Well encroaches on the spacing and proration units to the north and northwest.

only

**Exhibit B** is a land plat for Section 17 and the surrounding sections that shows the proposed **C** 17 State 1H Well spacing unit in relation to adjoining units.

**Exhibit** C is a list of the parties affected by the encroachment to the north and northwest. The only affected parties are in the spacing unit to the north and northwest. Each of the parties listed on Exhibit C has been provided notice of this application by certified mail. A copy of this application has been provided to the State Land Office.

Your attention to this matter is appreciated.

Sincerely,

Adam G. Rankin

ATTORNEY FOR RKI EXPLORATION AND PRODUCTION, LLC

cc: New Mexico State Land Office P.O. Box 1148 Santa Fe, NM 87504-1148



Adam G. Rankin Associate Phone (505) 954-7294 Fax (505) 983-6043 AGRankin@hollandhart.com

April 27, 2018

# <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

Marathon Oil Permian LLC 5555 San Felipe St. Houston, TX 77056

Re: Application of RKI Exploration & Production, LLC for administrative approval of an unorthodox well location for its C 17 State 1H Well in the N/2 of Section 17, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact Justin R. Hall at (539) 573-8967 or Justin.Hall@wpxenergy.com.

Sincerely,

Adam G. Rankin

ATTORNEY FOR RKI EXPLORATION & PRODUCTION, LLC

Marathon Oil Permian LLC agrees to waive objection to RKI Exploration & Production, LLC's administrative application for an unorthodox well location for its C 17 State Com 1H on the condition that RKI consent to waive objection to a future unorthodox location for a Marathon well in which any perforation along the wellbore is no closer than 323 feet, whether parallel or perpendicular, to its project area boundary line or any diagonally offsetting spacing and proration unit wherein RKI has ownership in the immediate adjacent and/or diagonally offsetting spacing and proration unit to Marathon's project area boundary.

By: _		Date:	
-	Name & Title		



Adam G. Rankin Associate Phone (505) 954-7294 Fax (505) 983-6043 AGRankin@hollandhart.com

April 27, 2018

# <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

Tap Rock Operating, LLC 602 Park Point Drive, Suite 200 Golden, CO 80401

Re: Application of RKI Exploration & Production, LLC for administrative approval of an unorthodox well location for its C 17 State 1H Well in the N/2 of Section 17, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact Justin R. Hall at (539) 573-8967 or Justin.Hall@wpxenergy.com.

Sincerely.

Adam G. Rankin
ATTORNEY FOR RKI EXPLORATION &
PRODUCTION, LLC

Tap Rock Operating, LLC agrees to waive objection to RKI Exploration & Production, LLC's administrative application for an unorthodox well location for its C 17 State Com 1H on the condition that RKI consent to waive objection to a future unorthodox location for a Marathon well in which any perforation along the wellbore is no closer than 323 feet, whether parallel or perpendicular, to its project area boundary line or any diagonally offsetting spacing and proration unit wherein RKI has ownership in the immediate adjacent and/or diagonally offsetting spacing and proration unit to Marathon's project area boundary.

By:		Date:	
	Name & Title		

District I
1625 N. French Dr., Hobbs, NM 88240
Pbone: (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

<sup>12</sup> Dedicated Acres

320.0

13 Joint or Infill

# 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

MENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT AS-DRILLED PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name PURPLE SAGE WOLFCAMP GAS POOL				
98220  4 Property Code  7 OGRID No.	<sup>5</sup> Propert C 17 S'		<sup>6</sup> Well Number			
<sup>7</sup> OGRID No. 246289	RKI EXPLORATION &		<sup>9</sup> Elevation 3,155'			

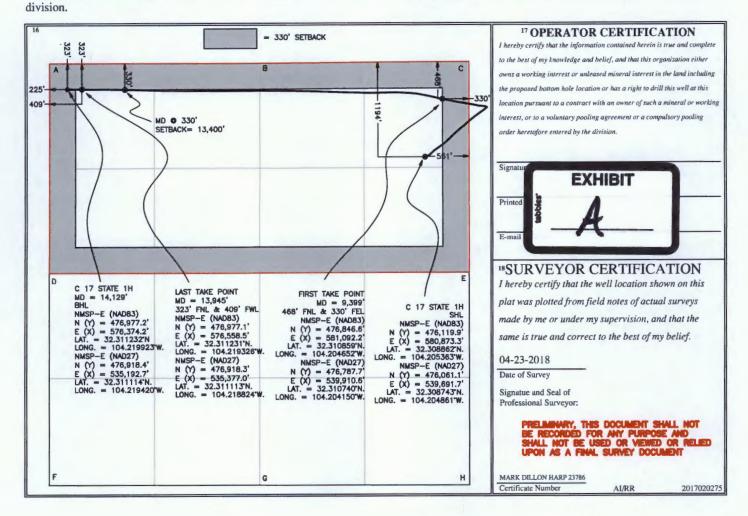
#### 10 Surface Location

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 Bot	ttom Hol	e Location If	Different From	n 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		323	NORTH	225	WEST	EDDY

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the

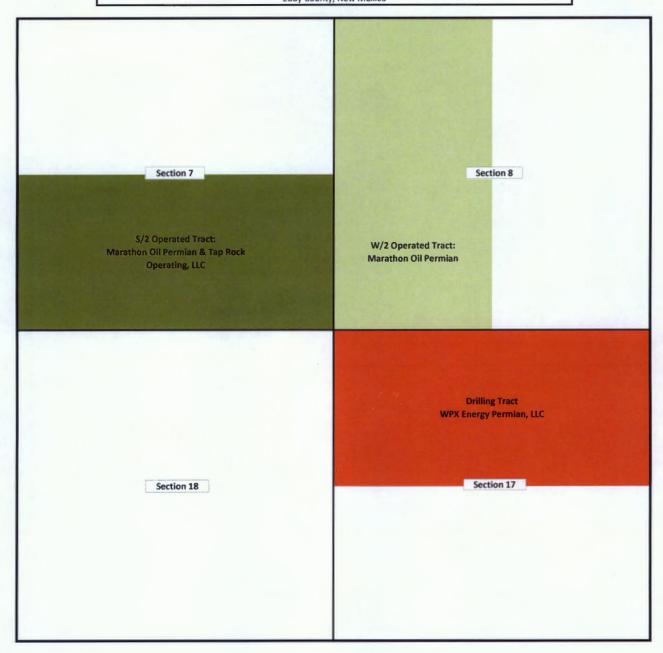
5 Order No.

4 Consolidation Code



## Cavern 17 State 1H Notice Place

N/2 of Section 17 Township 23 South, Range 27 East, NMPM Eddy County, New Mexico

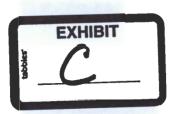




# Exhibit C

Marathon Oil Permian LLC 5555 San Felipe St. Houston, TX 77056

Tap Rock Operating, LLC 602 Park Point Drive, Suite 200 Golden, CO 80401





# **Shipment Confirmation Acceptance Notice**

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

RKI Exploration & Production WPX - C 17 State 1H Well CM# 55449.0002 20180427 **BLM** 

Shipment Date: 04/26/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: \_\_110 N GUADALUPE ST # 1

City: SANTA FE

ZIP+4® 87501 State: NM

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

<sup>\*</sup>Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

## **B. USPS Action**

- Note to RSS Clerk: 1. Home screen > Mailing/Shipping > More 2. Select Shipment Confirm
- 3. Scan or enter the barcode/label number from PS Form 5630
- Confirm the volume count message by selecting Yes or No
   Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE

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USPS Tracking/Article Number	J-90	Addressee (Name, Street, City, State, & ZIP Code <sup>TM</sup> )	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured	Due Sender if COD	ASR	ASRD Fee	P. Pe	R 8	Sc.	SCRD	F. S.
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# **Shipment Confirmation Acceptance Notice**

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

RKI Exploration & Production WPX - C 17 State 1H Well CM# 55449.0002 20180427 Exhibit C List

Shipment Date: 04/26/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: \_\_110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

<sup>\*</sup>Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

## B. USPS Action

- Note to RSS Clerk:
  1. Home screen > Mailing/Shipping > More
  2. Select Shipment Confirm
- Scan or enter the barcode/label number from PS Form 5630
- Confirm the volume count message by selecting Yes or No
   Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

**USPS SCAN AT ACCEPTANCE** 

9275 0901 1935 6200 0008 2009 99

UNITED STATES	POSTAL SERVICE®
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From: Lowe, Leonard, EMNRD

To: "Adam Rankin"

Cc: Mike Bratcher (mike.bratcher@state.nm.us); Cordero, Gilbert, EMNRD; "lisa@rwbyram.com"; Martin, Ed; Holm,

Anchor E.; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Dawson, Scott, EMNRD

Subject: APPROVED NSL-7716\_RKI Exploration & Production, LLC\_C 17 State Well No. 1H\_SEC 17 23S 27E

**Date:** Tuesday, May 22, 2018 4:53:00 PM

Importance: High

#### Mr. Adam G. Rankin.

The following administrative order has been issued and will soon be available on the Division's web site.

http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx

**ORDER No.:** NSL-7716

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

**POOL**: Purple Sage; Wolfcamp [# 98220]

# **Leonard Lowe**

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004

Office: 505-476-3492 Cell: 505-930-6717 Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <a href="http://www.emnrd.state.nm.us/ocd/">http://www.emnrd.state.nm.us/ocd/</a>