

mm
7/31/2018
mm

RECEIVED: 7/30/2018	REVIEWER: KAM	TYPE: DHC	APP NO: D14A1821146498
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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



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

Applicant: RKI Exploration & Production LLC **OGRID Number:** 246289
Well Name: Smedley Fee 1 **API:** 30-015-42381
Pool: Bone Spring; Purple Sage Wolfcamp Gas Pool **Pool Code:** Bone Spring (District Assign);
 Wolfcamp (98220)

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

3) **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.

Ashlee Fechino - Regulatory Team Lead

Print or Type Name

Ashlee Fechino
 Signature

7/30/2018
 Date

539.573.0212
 Phone Number

ashlee.fechino@wpenergy.com
 e-mail Address

McMillan, Michael, EMNRD

From: Fechino, Ashlee <Ashlee.Fechino@wpxenergy.com>
Sent: Monday, July 30, 2018 1:22 PM
To: McMillan, Michael, EMNRD
Subject: RE: [EXTERNAL] RE: RKI - Downhole Commingling Applications

Hi Mike,

The ownership by pools is different.

This goes for the Skeleton Fee 1, Old Cavern Fee 1, and the Smedley Fee 1.

Thank you,

Ashlee Fechino
W: 539.573.0212 | C: 970.404.5031

From: Fechino, Ashlee
Sent: Monday, July 30, 2018 12:51 PM
To: 'McMillan, Michael, EMNRD' <Michael.McMillan@state.nm.us>
Subject: RE: [EXTERNAL] RE: RKI - Downhole Commingling Applications

Hi Mike,

Our Land team has indicated all three are potential compulsory poolings. We don't have a definitive answer, but as of today that is how our land team would represent them.

Thank you,

Ashlee Fechino
Regulatory Team Lead
WPX Energy – Permian Assets
3500 One Williams Center MD 35 | Tulsa, OK 74172
W: 539.573.0212 | C: 970.404.5031
ashlee.fechino@wpxenergy.com
www.wpxenergy.com

WPXENERGY.

From: Fechino, Ashlee
Sent: Monday, July 30, 2018 12:34 PM
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: RE: [EXTERNAL] RE: RKI - Downhole Commingling Applications

Hi Michael,

I wanted to provide this e-mail to let you all know I put 3 separate projects in 1 FedEx envelope that is being sent to Michael in Santa Fe and Rusty and Ray in Artesia.

Please let me know if any of you have questions while reviewing our projects once received.

Thank you for your time.

Sincerely,

Ashlee Fecho

Regulatory Team Lead

WPX Energy – Permian Assets

3500 One Williams Center MD 35 | Tulsa, OK 74172

W: 539.573.0212 | C: 970.404.5031

ashlee.fecho@wpxenergy.com

www.wpxenergy.com

WPXENERGY.

McMillan, Michael, EMNRD

From: Podany, Raymond, EMNRD
Sent: Monday, July 30, 2018 2:21 PM
To: McMillan, Michael, EMNRD
Subject: RE: [EXTERNAL] RE: RKI - Downhole Commingling Applications

- **Smedley Fee 1 (API 30-015-42381) 10380 Cass Draw Bone Spring**
- **Skeleton Fee 1 (API 30-015-42249) 24660 Forehand Ranch Bone Spring**
- **Old Cavern Fee 1 (API 30-015-42355)10380 Cass Draw Bone Spring**

From: McMillan, Michael, EMNRD
Sent: Monday, July 30, 2018 1:46 PM
To: Podany, Raymond, EMNRD <Raymond.Podany@state.nm.us>
Subject: FW: [EXTERNAL] RE: RKI - Downhole Commingling Applications

Ray:
I need a Bone Spring Pool for the 3 wells listed below
Mike

From: Fechino, Ashlee <Ashlee.Fechino@wpxenergy.com>
Sent: Monday, July 30, 2018 11:34 AM
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: RE: [EXTERNAL] RE: RKI - Downhole Commingling Applications

Hi Michael,

Attached are the 3 applications for:

- **Smedley Fee 1 (API 30-015-42381)**
- **Skeleton Fee 1 (API 30-015-42249)**
- **Old Cavern Fee 1 (API 30-015-42355)**

I'm checking with our land group on the compulsory pooling question. I will get back to you ASAP.

Thank you for your time reviewing. If you have any questions please let me know.

Ashlee Fechino
Regulatory Team Lead
WPX Energy – Permian Assets
3500 One Williams Center MD 35 | Tulsa, OK 74172
W: 539.573.0212 | C: 970.404.5031
ashlee.fechino@wpxenergy.com
www.wpxenergy.com

WPXENERGY.

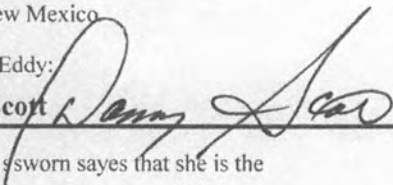
Affidavit of Publication

No. 24776

State of New Mexico

County of Eddy:

Danny Scott



being duly sworn says that she is the
of the Artesia Daily Press, a daily newspaper of General
circulation, published in English at Artesia, said county
and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said
Artesia Daily Press, a daily newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for
1 Consecutive weeks/day on the same

day as follows:

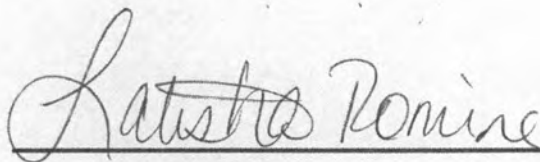
First Publication	<u>July 31, 2018</u>
Second Publication	_____
Third Publication	_____
Fourth Publication	_____
Fifth Publication	_____
Sixth Publication	_____
Seventh Publication	_____

Subscribed and sworn before me this
31st day of July 2018



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2019



Latisha Romine
Notary Public, Eddy County, New Mexico

Copy of Publication:

Legal Notice

Notice of Application for Downhole Commingling Application

Attention heirs and devisees of Elizabeth. P Hitson and Jewett Purdy. RKI Exploration & Production LLC (RKI), located at 3500 One Williams Center, MD 35, Tulsa, OK 74172, is applying to the State of New Mexico Oil Conservation Division for a permit to downhole commingle production from the Bone Spring pool and Purple Sage Wolfcamp Gas pool on the Smedley Fee 1 well (API 30-015-42381). The upper zone Bone Spring interval is 6,725' - 9,060 TVD. The lower zone Purple Sage Wolfcamp Gas Pool interval is 9,090' - 9,410 TVD. This well will be located at 2,161' FSL, 1,481' FEL, Section 35, Township 22S, Range 27E, Eddy County, New Mexico. This notice is being made for all working, royalty, and overriding royalty interest owners in the commingled zones. Objection to this application may be made within 20 days of this publication to the State of New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. Questions regarding this application may be directed to Ashlee Fechino, RKI Regulatory Team Lead, 539.573.0212.

Published in the Artesia Daily Press, Artesia, N.M., July 31, 2018 Legal No. 24776.

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1100 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

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

Smedley Fee 1 J-Sec 35-T225-R27E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 246289 Property Code 313253 API No. 30-015-42381 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Bone Spring		Purple Sage Wolfcamp Gas Pool
Pool Code	District to Assign		98220
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Top: 6,725' TVD Bottom: 9,060' TVD		Top: 9,090' TVD Bottom: 9,410' TVD
Method of Production (Flowing or Artificial Lift)	Free flow -> artificial lift		Free flow -> artificial lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	4,450 psi		5,000 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	Oil Gravity: ~47 Gas BTU: ~1,300		Oil Gravity: ~47 Gas BTU: ~1,300
Producing, Shut-In or New Zone	New Well		New Well
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	N/A Date: Rates:	Date: Rates:	N/A Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 96 % 96 %	Oil Gas % %	Oil Gas 4 % 4 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes _____ No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No _____

Are all produced fluids from all commingled zones compatible with each other? Yes No _____

Will commingling decrease the value of production? Yes _____ No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes _____ No _____

NMOC Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ashlee Fechino TITLE Regulatory Team Lead DATE 7/30/2018

TYPE OR PRINT NAME Ashlee Fechino TELEPHONE NO. (539) 573.0212

E-MAIL ADDRESS ashlee.fechino@wpenergy.com

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 30-015-42381		² Pool Code	³ Pool Name BONE SPRING
⁴ Property Code	⁵ Property Name SMEDLEY FEE		⁶ Well Number 1
⁷ OGRID No. 246289	⁸ Operator Name RKI EXPLORATION & PRODUCTION, LLC		⁹ Elevation 3084'

¹⁰ Surface Location

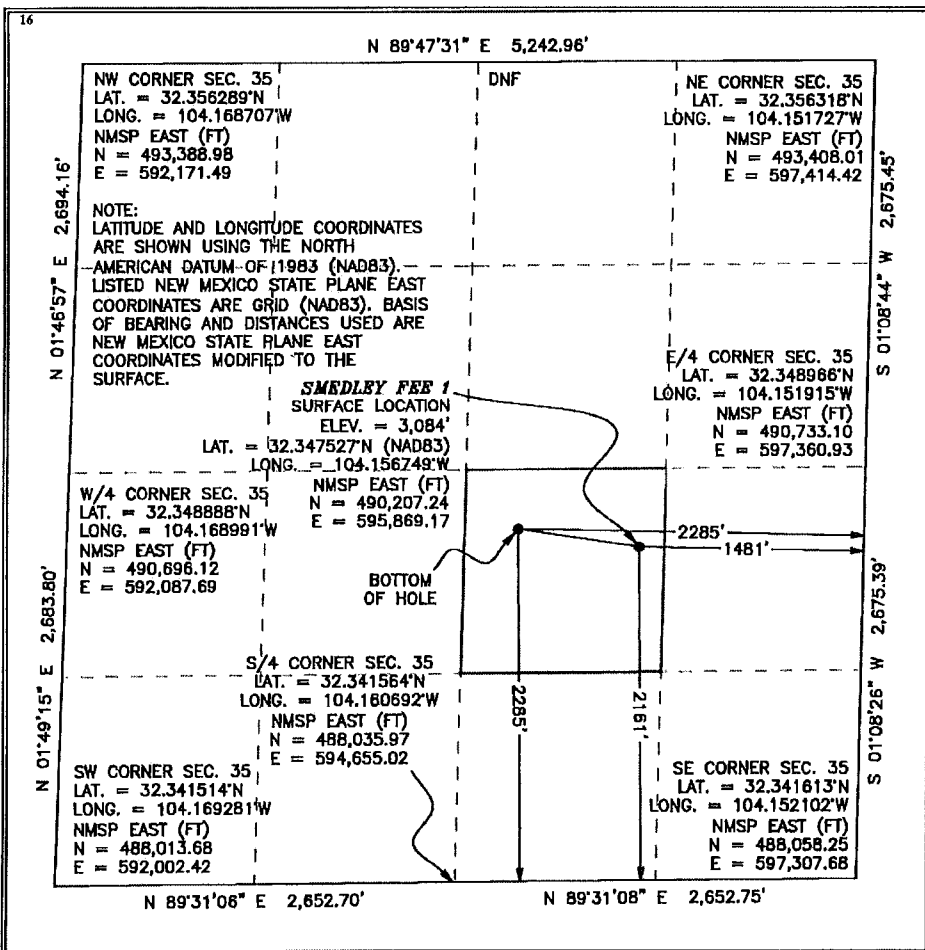
UI. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	35	22 S	27 E		2,161	SOUTH	1,481	EAST	EDDY

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
J	35	22 S	27 E		2,285	SOUTH	2,285	EAST	EDDY

¹² Dedicated Acres 40 AC. NW/SE	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Josh Walker* Date: 6/14/18
 Printed Name: Josh Walker
 Email 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.

06-07-2018
 Date of Survey

Signature and Seal of Professional Surveyor:

MARK DILLON HARP 23786
 Certificate Number

DH/AW 2017081250



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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Phone: (575) 748-1283 Fax: (575) 748-9720

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1000 Rio Brazos Road, Aztec, NM 87410
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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 30-015-42381	² Pool Code 98220	³ Pool Name PURPLE SAGE WOLFCAMP GAS POOL
⁴ Property Code 313253	⁵ Property Name SMEDLEY FEE	
⁷ OGRID No. 246289	⁸ Operator Name RKI EXPLORATION & PRODUCTION, LLC	⁶ Well Number 1
		⁹ Elevation 3084'

¹⁰ Surface Location

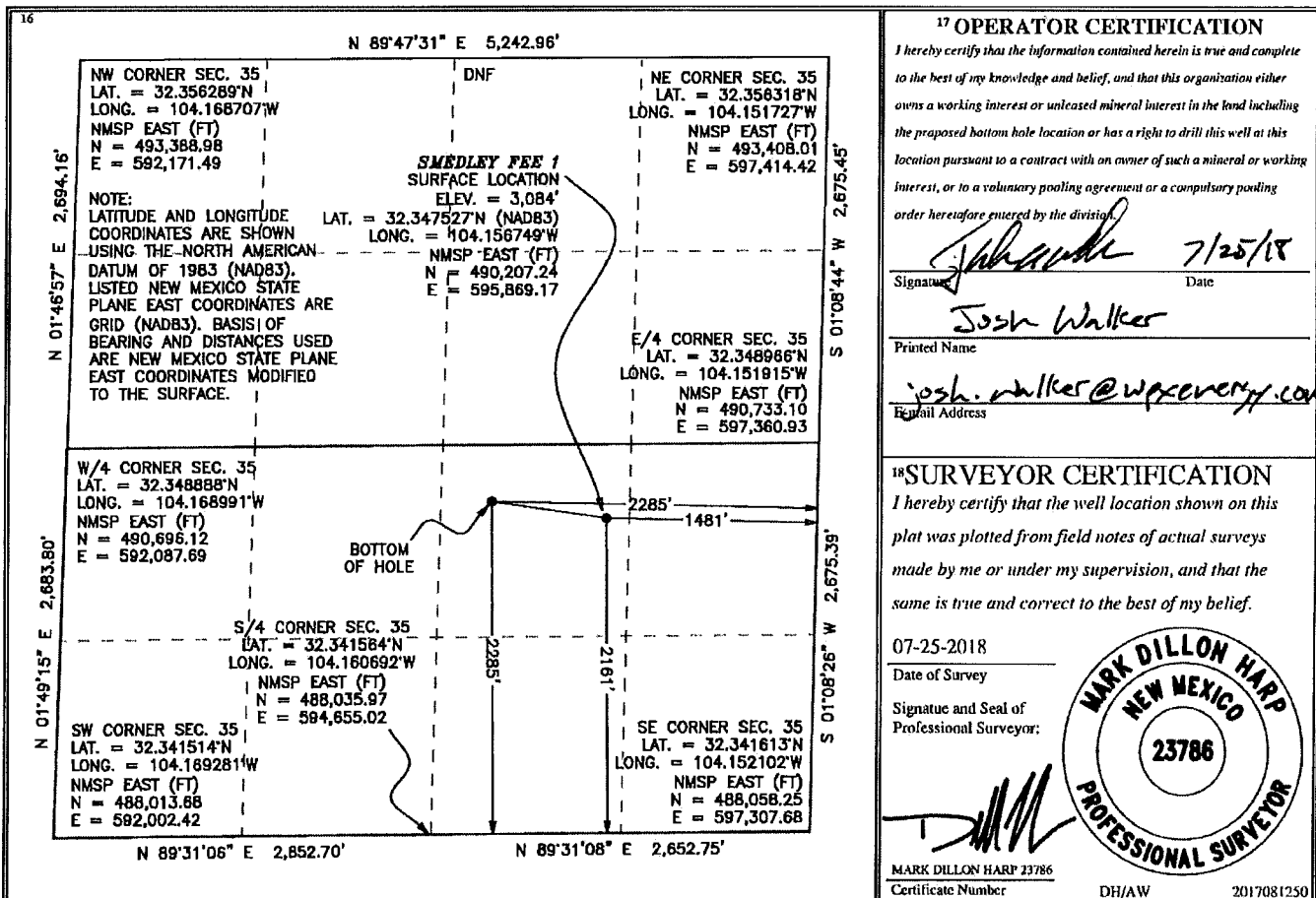
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	35	22 S	27 E		2,161	SOUTH	1,481	EAST	EDDY

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
J	35	22 S	27 E		2,285	SOUTH	2,285	EAST	EDDY

¹² Dedicated Acres 320 AC. S/2	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: 7/25/18

Printed Name: Josh Walker

Email 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.

07-25-2018

Date of Survey

Signature and Seal of Professional Surveyor:



MARK DILLON HARP 23786

Certificate Number

DH/AW

2017081250



July 30, 2018

Mr. Michael McMillan
Petroleum Engineer
New Mexico Oil Conservation Division (OCD)
New Mexico Energy, Mineral, and Natural Resources Department
1220 South St. Francis Dr.
Santa Fe, NM, 87505
505.476.3448

RE: Smedley Fee 1 (API 30-015-42381) – Down Hole Commingling Application

Dear Mr. McMillan,

RKI Exploration & Production LLC (OGRID# 246289) is applying to downhole commingling production from the Bone Spring and Purple Sage Wolfcamp (98220) Pool on the Smedley Fee 1 well.

The Artesia office has been assigning the pool number for the Bone Spring pool per project submittal; therefore, the pool number for Bone Spring is blank on this application.

The Smedley Fee 1 well has been drilled but is not yet completed. Estimated production rates with supporting data are attached.

Please find the following attached:

- Administrative Checklist
- Form C-107A
 - o Estimated Production Rates and Supporting Data
 - o Working, Royalty, and Overriding Royalty Notification list
 - o Proof of notification
- Form C-102 for Wolfcamp Pool
- Form C-102 for Bone Spring Pool
- Gas Capture Plan
- Proposed Completion Procedure



- Current Wellbore Diagram
- Proposed Wellbore Diagram

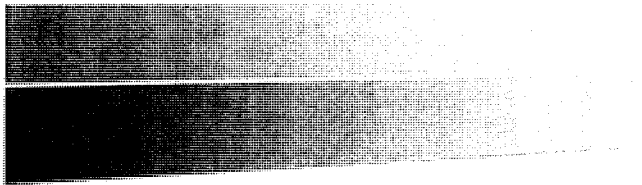
Thank you for your time reviewing our request.

Sincerely,

A handwritten signature in black ink that reads "Ashlee Fechino". The signature is written in a cursive, flowing style.

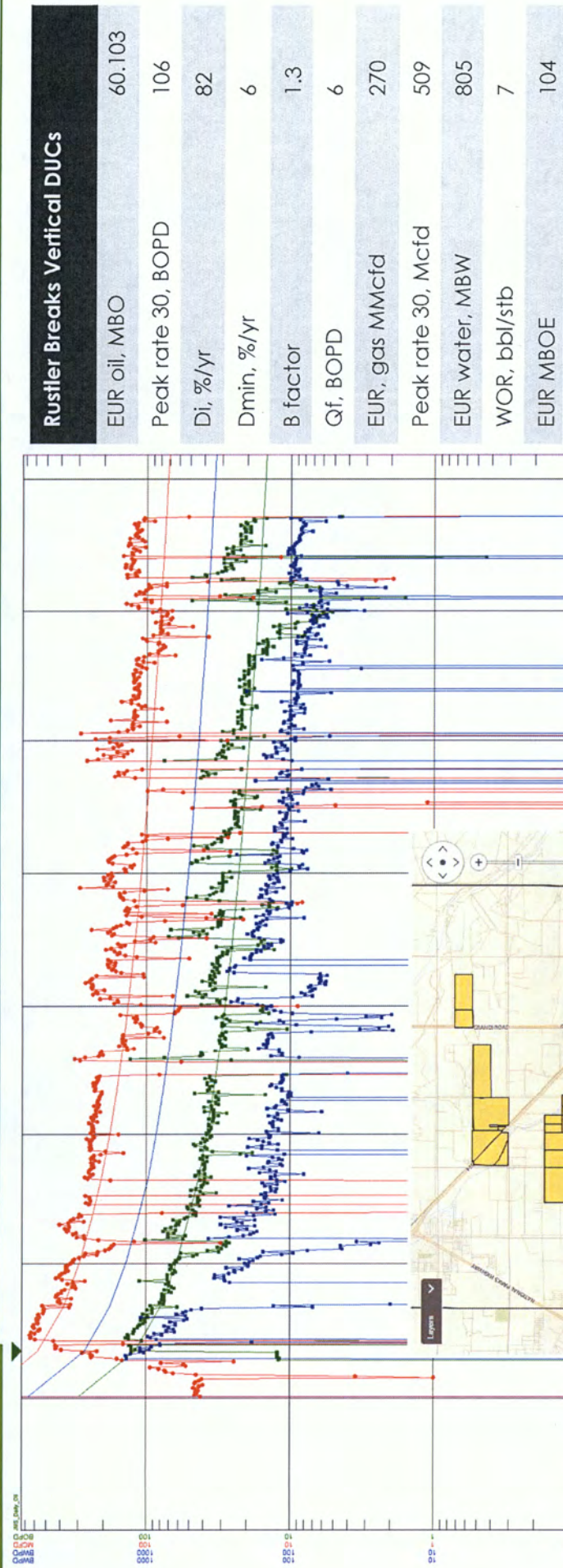
Ashlee Fechino
Regulatory Team lead
ashlee.fechino@wpxenergy.com

cc *Ray Podeny, OCD Artesia*
Rusty Klein, OCD Artesia



PRODUCTION ESTIMATES

Production Estimation – Rustler Breaks Vertical DUCs



Rustler Breaks Vertical DUCs	
EUR oil, MBO	60.103
Peak rate 30, BOPD	106
Di, %/yr	82
Dmin, %/yr	6
B factor	1.3
Qf, BOPD	6
EUR, gas MMcfd	270
Peak rate 30, Mcfd	509
EUR water, MBW	805
WOR, bbl/stb	7
EUR MBOE	104



PRODUCTION ALLOCATIONS

Allocation was determined based on the analysis of historical production allocation tests from the Derrick Fee 1 (API 30-015-40817) which has been applied to surrounding wells being downhole commingled in the same pools such as the Marvel Fee 1 (DHC-4765).

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-4765
Order Date: May 13, 2015
Application Reference Number: pMAM1513329314

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960

Attention: Deana Weaver

Marvel Fee Well No. 1
API No. 30-015-41922
Unit F, Section 1, Township 23 South, Range 27 East NMPM
Eddy County, New Mexico

Pool	CASS DRAW; BONE SPRING	Oil (10380)
Names:	WC-015 G-06 S232704H; UPPER WOLFCAMP	Oil (98125)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of oil production from the subject well shall be based on the analysis of the historical production from a surrounding well in the same pools.

Assignment of allowable and allocation of production from the well shall be as follows:

CASS DRAW; BONE SPRING (OIL) POOL	Pct. Oil: 96	Pct. Gas: 96
WC-015 G-06 S232704H; UPPER WOLFCAMP (OIL) POOL	Pct. Oil: 4	Pct. Gas: 4

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12A.(6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District II office upon implementation of commingling operations.

Pursuant to Division Rule 19.15.12.11B, NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



David R. Catanach
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Artesia

SCANNED

Michael,

Mack Energy has perforated and produced some of our wells in the Carlsbad area. It was discovered that the bottom section of perforations were actually in the Wolfcamp formation. After meeting with Paul Kautz and Randy Dade to discuss this issue, we agreed to test one of the wells (Derrick Fee #1) and use this data for all wells within this area.

The water analysis for the Den SWD #1 and Spoon SWD #1 is attached.

Isolated Wolfcamp perms, Bone Spring Production Only

Date:	Oil	Gas	Water
3/22/2015	22	154	87
3/23/2015	25	152	127
3/24/2015	25	152	117
3/25/2015	22	161	119
3/26/2015	25	134	111
3/27/2015	22	140	141
3/28/2015	25	152	85

Commingled Wolfcamp and Bone Spring

Date:	Oil	Gas	Water
4/30/2015	28	153	146
5/1/2015	22	153	162
5/2/2015	25	161	236
5/3/2015	25	159	150

Commingled Bone Spring and Wolfcamp Avg:

Avg: 25 Oil, 157 MCF, 173 Water

Bone Spring Only Avg:

Avg: 24 Oil, 149 MCF, 112 Water

Avg: 96% Oil

Wolfcamp Only Avg:

Avg: 1 Oil, 8 MCF, 61 Water

Avg: 4% Oil

SCANNED



WPXENERGY

NOTIFICATIONS

- Working, Royalty, and Overriding Royalty Notification list
- Proof of notification

Affidavit of Publication

No. 24773

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn says that she is the
of the Artesia Daily Press, a daily newspaper of General
circulation, published in English at Artesia, said county
and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said
Artesia Daily Press, a daily newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for
1 Consecutive weeks/day on the same
day as follows:

First Publication July 29, 2018

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Sixth Publication _____

Seventh Publication _____

Subscribed and sworn before me this

30th day of July 2018



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2019

Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:

Legal Notice

Notice of Application for Downhole Commingling Application

RKI Exploration & Production LLC (RKI), located at 3500 One Williams Center, MD 35, Tulsa, OK 74172, is applying to the State of New Mexico Oil Conservation Division for a permit to downhole commingle production from the Bone Spring pool and Purple Sage Wolfcamp Gas pool on the Smedley Fee 1 well (API 30-015-42381). The upper zone Bone Spring interval is 6,725' - 9,060 TVD. The lower zone Purple Sage Wolfcamp Gas Pool interval is 9,090' - 9,410 TVD. This well will be located at 2,161' FSL, 1,481' FEL, Section 35, Township 22S, Range 27E, Eddy County, New Mexico. This notice is being made for all working, royalty, and overriding royalty interest owners in the commingled zones. Objection to this application may be made within 20 days of this publication to the State of New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. Questions regarding this application may be directed to Ashlee Fechino, RKI Regulatory Team Lead, 539.573.0212.

Published in the Artesia Daily Press, Artesia, N.M., July 29, 2018 Legal No. 24773.


WPXENERGY

COPY OF LETTER TO PARTIES NOTIFIED

July 30, 2018

Ashlee Fechino
Regulatory Team Lead
3500 One Williams Center, MD 35
Tulsa, OK 74172
(539) 573-0212
ashlee.fechino@wpxenergy.com

Sent via Certified Mail, Return Receipt Requested

Sir or Madam:

RKI Exploration & Production LLC (RKI), located at 3500 One Williams Center, MD 35, Tulsa, OK 74172, is applying to the State of New Mexico Oil Conservation Division for a permit to downhole commingle production from the Bone Spring pool and Purple Sage Wolfcamp Gas pool on the Smedley Fee 1 well (API 30-015-42381). The upper zone Bone Spring interval is 6,725' – 9,060 TVD. The lower zone Purple Sage Wolfcamp Gas Pool interval is 9,090' – 9,410 TVD. This well will be located at 2,161' FSL, 1,481' FEL, Section 35, Township 22S, Range 27E, Eddy County, New Mexico.

This notice is being made for all working, royalty, and overriding royalty interest owners in the commingled zones. Objection to this application may be made within 20 days of this publication to the State of New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. Questions regarding this application may be directed to Ashlee Fechino, RKI Regulatory Team Lead, 539.573.0212.

Sincerely,



Ashlee Fechino

Enclosure – Smedley Fee 1 Downhole Commingling Application

Smedley Fee #1 Notice List- S2 Proration Unit

Walterscheid Family Minerals, L.L.C.
3129 Helper Road
Carlsbad, NM 8820

7018 0680 0000 0726 6216

Panhandle Properties, LLC
PO Box 647
Artesia, New Mexico 88211

7018 0680 0000 0726 6223

Xplor Resources, LLC
1104 N. Shore Dr.
Carlsbad, NM 88220

7018 0680 0000 0726 6230

B&G Royalties, LLC
PO Box 376
Artesia, NM 88211

7018 0680 0000 0726 6247

Timothy John Walterscheid
5107 Grandi Rd.
Carlsbad, NM 88220

7018 0680 0000 0726 6254

Robert Leon Walterscheid and Judith Ann Walterscheid, aka Judy A. Walterscheid, as Trustees
of the Robert & Judy Walterscheid Family 2008 Revocable Trust
5412 Grandi Rd.
Carlsbad, NM 88220

7018 0680 0000 0726 6261

Linda Joyce Walterscheid Sloan
2003 Solana Rd.
Carlsbad, NM 88220

7018 0680 0000 0726 6278

Nancy Dayle Walterscheid Morgan, aka Nancy Dayle Walterscheid Ferguson
1506 Muscatel
Carlsbad, NM 88220

7018 0680 0000 0726 6285

Joseph E. Walterscheid (a/k/a Edward J. Walterscheid) and Mary Lou Walterscheid, his wife,
Trustee under the Joseph E. Walterscheid and Mary Lou Walterscheid Revocable Trust
Agreement
701 W. Riverside Drive
Carlsbad, New Mexico 88220

7018 0680 0000 0726 6292

Michael William O'Connor
PO Box 411
Marfa, TX 79843

7018 0680 0000 0726 6308

Fort Worth Mineral Company LLC
500 Main St., Ste. 500
Fort Worth, TX 76102

7018 0680 0000 0726 6315

Smedley Fee #1 Notice List- S2 Proration Unit

Milton L. Fuller
PO Box 1612
Roswell, NM 88202

7018 0680 0000 0726 6322

Milton L. Fuller
7682 Maple Road
Baldwinsville, New York 13027

7018 0680 0000 0726 6339

Marathon Oil Permian, LLC
5555 San Felipe Street
Houston, TX 77056

7018 0680 0000 0726 6346

Patricia Munoz
PO Box 1954
Carlsbad, NM 88221

7018 0680 0000 0726 6353

Samuel Munoz
2605 W. Florida
Carlsbad, NM 88220

7018 0680 0000 0726 6360

Panhandle Properties, LLC
PO Box 647
Artesia, New Mexico 88211

7018 0680 0000 0726 6377

Mary Munoz
PO Box 274
Carlsbad, NM 88221

7018 0680 0000 0726 6384

Mario Munoz, Jr.
c/o Mary Munoz
PO Box 274
Carlsbad, NM 88221

7018 0680 0000 0726 6391

Mark Munoz
c/o Mary Munoz
PO Box 274
Carlsbad, NM 88221

7018 0680 0000 0726 6407

Matthew Munoz
c/o Mary Munoz
PO Box 274
Carlsbad, NM 88221

7018 0680 0000 0726 6414

Smedley Fee #1 Notice List- S2 Proration Unit

Shelbie Munoz
PO Box 693
Loving, NM 88256

7018 0680 0000 0726 6421

Daniel Bryce Munoz
1843 San Leanna Dr.
Allen, TX 75013

7018 0680 0000 0726 6438

Brandon Munoz
PO Box 1954
Carlsbad, NM 88220

7018 0680 0000 0726 6445

TROG Fund I, LP
PO Box 5746
Austin, TX 78763

7018 0680 0000 0726 6452

Tower Rock Royalties, LP
PO Box 5746
Austin, TX 78763

7018 0680 0000 0726 6469

Ross Duncan Properties, LLC
PO Box 647
Artesia, NM 88211

7018 0680 0000 0726 6476

MRC Permian Company
One Lincoln Centre, 5400 LBJ Freeway, Ste. 1500
Dallas, TX 75240

7018 0680 0000 0726 6483

Prospector, LLC
PO Box 429
Roswell, NM 88202

7018 0680 0000 0726 6490

Brian C. Reid and wife, Katherine A. Reid
2502 Camarie
Midland, TX 79705

7018 0680 0000 0726 6506

Free Ride, LLC
PO Box 429
Roswell, NM 88202

7018 0680 0000 0726 6513

Southwest Petroleum Land Services
1901 W. 4th St.
Roswell, NM 88201

7018 0680 0000 0726 6520

Smedley Fee #1 Notice List- S2 Proration Unit

Oak Valley Mineral & Land, LP

PO Box 50820
Midland, TX 79710

7018 0680 0000 0726 6537

Gary W. Walterscheid

1206 W. Riverside
Carlsbad, NM 88220

7018 0680 0000 0726 6544

Steven C. Walterscheid

1706 E. Wood
Carlsbad, NM 88220

7018 0680 0000 0726 6551

Patricia Crawford

#58 Flora Hills
Fulshear, TX 77441

7018 0680 0000 0726 6568

Betty J. Sanders

2902 Old South Dr.
Richmond, TX 77406

7018 0680 0000 0726 6575

Jennifer McIlvain

134 Leaf Dale Trail
Dripping Springs, TX 78620

7018 0680 0000 0726 6582

Janice Lee Massey

5505 Highland Ct.
Midland, TX 79707

7018 0680 0000 0726 6599

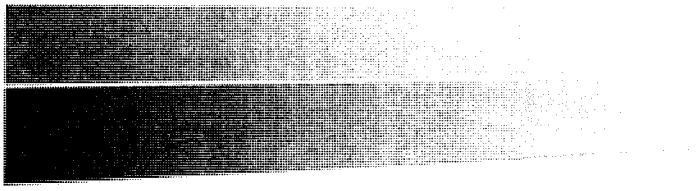
Could not locate addresses for the following parties; therefore, noticed publication in Artesia Daily Press.

Heirs of Elizabeth P. Hitson

No known address

Heirs of Jewett Purdy

No known address



FORM C-102

- Form C-102 for Wolfcamp Pool
- Form C-102 for Bone Spring Pool

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 30-015-42381		² Pool Code		³ Pool Name BONE SPRING	
⁴ Property Code		⁵ Property Name SMEDLEY FEE		⁶ Well Number 1	
⁷ OGRID No. 246289		⁸ Operator Name RKI EXPLORATION & PRODUCTION, LLC		⁹ Elevation 3084'	

¹⁰ Surface Location

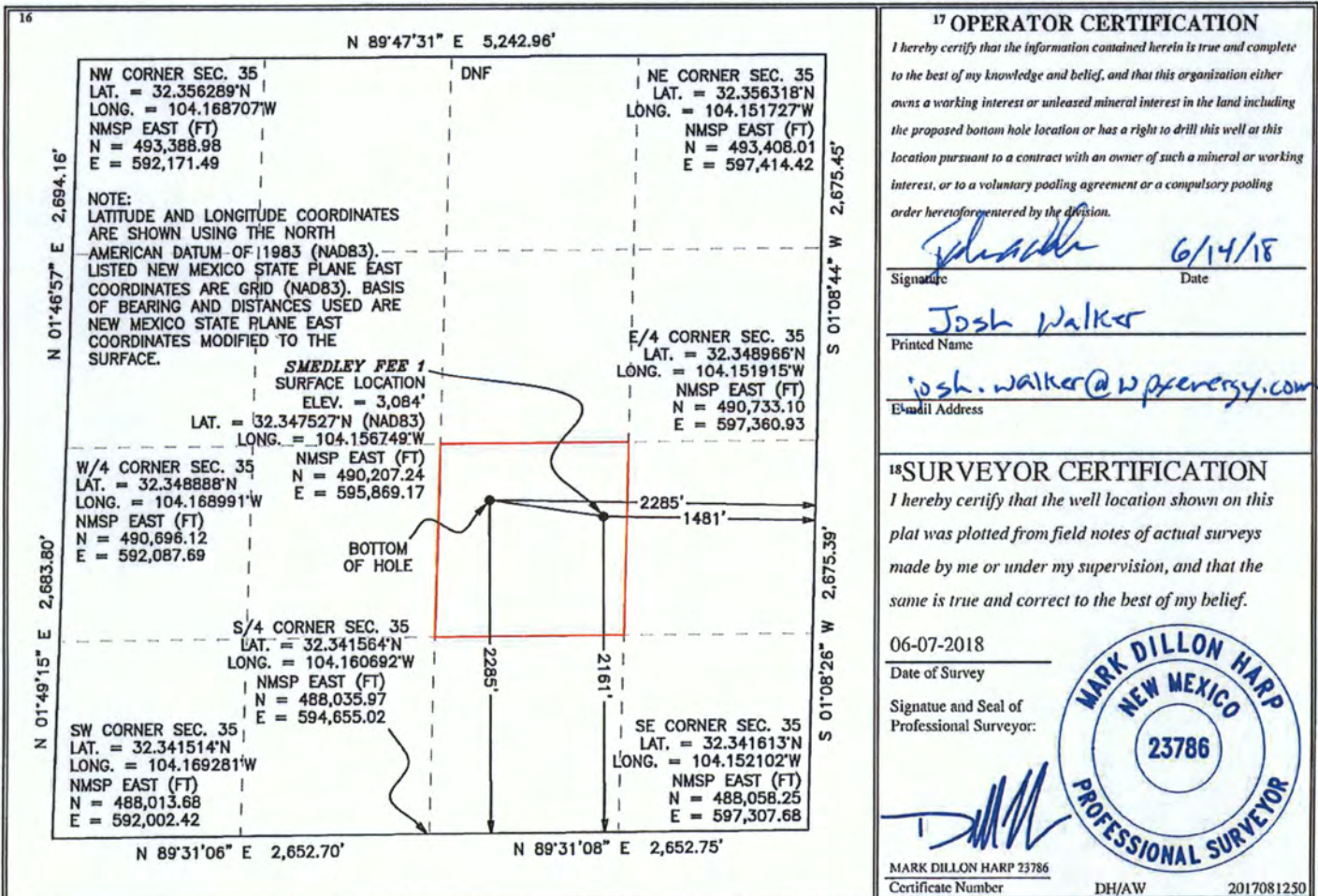
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	35	22 S	27 E		2,161	SOUTH	1,481	EAST	EDDY

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
J	35	22 S	27 E		2,285	SOUTH	2,285	EAST	EDDY

¹² Dedicated Acres 40 AC. NW/SE	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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811 S. First St., Artesia, NM 88210
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1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

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1220 S. St. Francis Dr., Santa Fe, NM 87505
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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 30-015-42381		² Pool Code 98220		³ Pool Name PURPLE SAGE WOLFCAMP GAS POOL	
⁴ Property Code 313253		⁵ Property Name SMEDLEY FEE			⁶ Well Number 1
⁷ OGRID No. 246289		⁸ Operator Name RKI EXPLORATION & PRODUCTION, LLC			⁹ Elevation 3084'

¹⁰ Surface Location

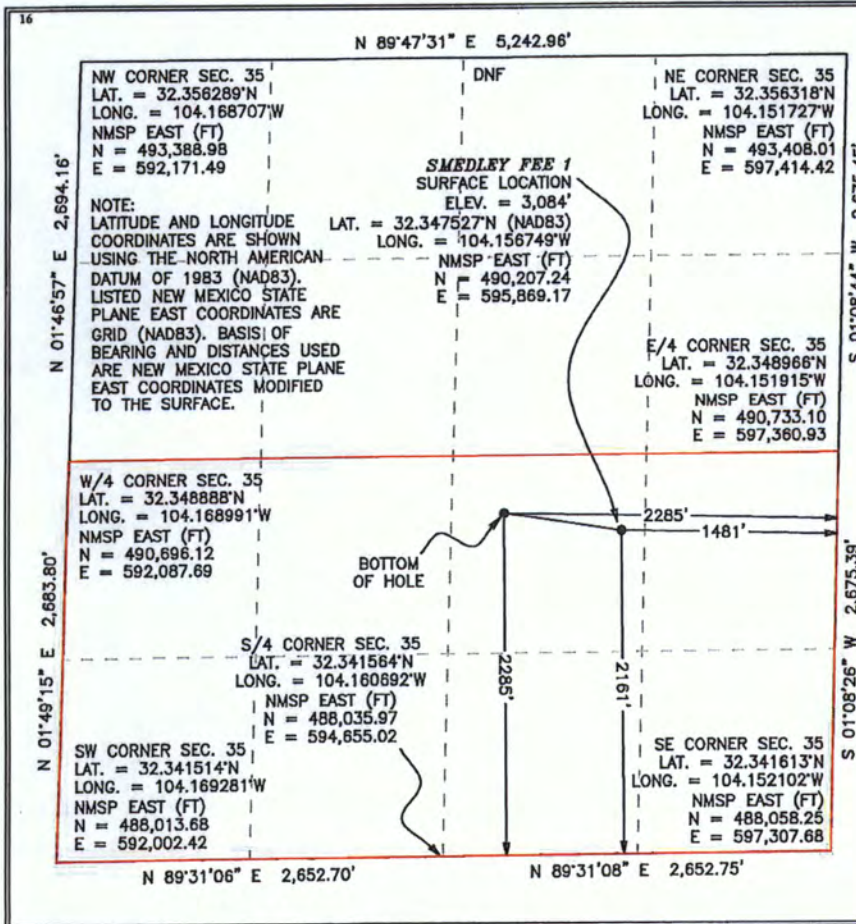
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	35	22 S	27 E		2,161	SOUTH	1,481	EAST	EDDY

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
J	35	22 S	27 E		2,285	SOUTH	2,285	EAST	EDDY

¹² Dedicated Acres 320 AC. S/2	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: 7/25/18
Printed Name: Josh Walker
Email 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.

07-25-2018
Date of Survey

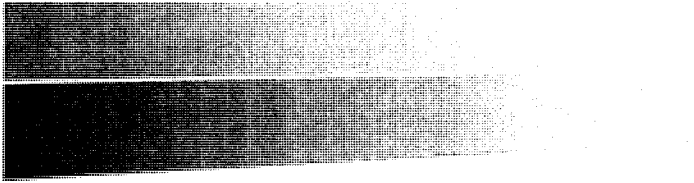
Signature and Seal of Professional Surveyor:

Mark Dillon Harp



MARK DILLON HARP 23786
Certificate Number

DH/AW 2017081250



GAS CAPTURE PLAN

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 6/14/2018

Original Operator & OGRID No.: RKI Exploration & Production, LLC
246289
 Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location	Footages	Expected MCF/D	Flared or Vented	Comments
Smedley Fee #1	30-015-42381	35-22S-27E	2161' FSL 1481' FEL	300	0% flared	
Old Cavern Fee #1	30-015-42355	32-22S-27E	1650' FSL 2160' FWL	300	0% flared	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to N/A and will be connected to DCP Midstream, LP low/high pressure gathering system located in Eddy County, New Mexico. It will require 0' of pipeline to connect the facility to low/high pressure gathering system. WPX Energy Permian, LLC provides (periodically) to DCP Midstream, LP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, WPX Energy Permian, LLC and DCP Midstream, LP have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP Midstream, LP Processing Plant located: **See Below**. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on DCP Midstream, LP system at that time. Based on current information, it is WPX Energy Permian, LLC belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

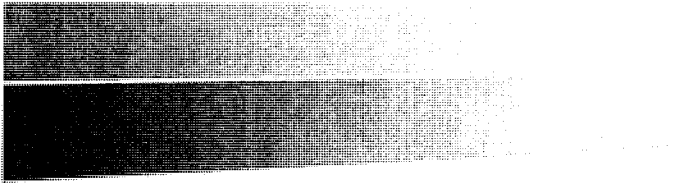
- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

WPX Energy Permian, LLC:

Gas Capture Plan: DCP Midstream, LP Processing Plant Information

WPX Energy Permian, LLC has the ability to deliver to the below listed Gas Processing Plants.

Zia II – Sec. 19 T19S R32E Lea Co., NM



COMPLETION/COMMINGLE PROCEDURE

WPXENERGY

Smedley FEE 1 Completion Procedure

Eddy County, New Mexico
API # 30-015-42381

KBE: 3102.5'
GLE: 3085'
KB-GL 17.5'
TD: 9585' (MD):
PBTD:
BHT: 155°F

CASING SUMMARY:

Safety Factor of 90%

Size	Depth (ft)	Weight (#/ft)	Grade psi	Capacity (bbls/ft)	ID (in)	Drift (in)	Burst (psi)	Collapse (psi)	Tension (lbs)
13-3/8"	421'	48	H-40	0.1571	12.715	12.559	1,557	665	486,900
9-5/8"	2049'	36	J-55	0.0773	8.921	8.765	3,168	1,818	507,600
7"	9585'	26	HCP-110	0.0382	6.276	6.151	8,955	7,020	747,000

WELLHEAD:

7 1/16" 10M Tubing Head

PROCEDURE:

- 1) NU dry hole tree, NU and test 10K fracstack encompassing (bottom to top):
 - a. 7-1/16" 10M manual master valve
 - b. 7-1/16" 10M manual working valve
 - c. 1 Flowback wing with 2 4-1/16" 10K manual valves with 2" 1502 looking out
 - d. 10M frac goat-head
 - e. 10M 7-1/16" Manual valve with 10M WLA
- 2) Test all valves to 9000psi
- 3) MIRU Wireline unit and RIH with gauge ring and junk basket to PBTD
- 4) MIRU pump truck and pressure test lines to 10000psi,
- 5) RIH with RBL at 2000psi from TD to 500ft above TOC

- 6) Upon approval from engineer, perform a soft casing pressure test to 1000psi for 5min followed by a high pressure test to 7800psi and chart for 30min
- 7) RIH with Gamma and 4" guns loaded 2spf with 22.7 gram charges 180 deg phasing on wireline, correlate to SLB OH log dated 01/16/2015 and perforate stage-1 as per the perf table below. POOH LD perf tools and lubricator and verify that all shots fired
- 8) Establish injection at 2bpm until formation breaks down, increase rate to 5bpm and pump 1000gal of 7.5% NEFE, displace acid at 6500 psi max, over displace 50bbl and shut down. Record ISIP, 5,10,15.
- 9)
- 10)RU 5K lubricator on top of upper manual valve and test to 250 psi low and 8,000 psi high. RIH with 3 1/8" guns loaded with 22.7 gram Hunting/Titan EXP 3323-301T charges, 0.40 EHD, 35.60" pen and 90° phasing on wireline and perforate Stage #1 perforations as listed on following page. POOH, ensure all shots fired.
- 11)MIRU frac equipment, pressure test lines to 9000psi
- 12)Frac stage-1 per attached pump schedule
- 13)RIH on wireline, plug & perf stage-2 per perf table below
- 14)Repeat steps 12 and 13 until all 5 stages are complete
- 15)RDMO frac and wireline equipment
- 16)MIRU CT Unit. RIH with drillout BHA, drill plugs out and clean wellbore to PBTD
- 17)RDMO CT unit
- 18)MIRU WO unit,
- 19)Install tubing and AL per production department AL design
- 20)Install production tree,
- 21)Turn well over to production dpt

Perf table:

Stage#	Plug Depth	Top MD	Btm MD	Feet	SPF	Shots	Phasing
1		9275	9278	3	2	6	180°
		9096	9101	5	2	10	180°
		9049	9053	4	2	8	180°
2	9010	8929	8933	4	2	8	180°
		8810	8812	2	2	4	180°
		8703	8708	5	2	10	180°
3	8690	8619	8621	2	2	4	180°
		8488	8493	5	2	10	180°
		8330	8335	5	2	10	180°
4	8300	7292	7297	5	2	10	180°
		7197	7202	5	2	10	180°
5	7180	6833	6836	3	2	6	180°
		6770	6775	5	2	10	180°
		6625	6628	3	2	6	180°

Pump Schedule: Stages 1 to 5

Stage Name	Pump Rate	Stage Fluid				Proppant				Stage Time
		Fluid Type	Stage Volume	Stage Volume	Total Vol	WellHead Prop Conc.	Stage Prop	Percent Total Prop	Cum Prop	
	(bbl/min)		(gal)	bbls	(%)	(PPG)	(LBS)	(%)	(LBS)	(min.)
Injection	10	Slick Water	1,000	24	0%		0			2.4
Acidize	10	7.5% HCl	1,000	24	0%		0		0	2.4
Displace	50	Slick Water	27,600	657	11%		0		0	13.1
ISIP	0			0			0		0	2.0
Pad	50	Slick Water	10,000	238	4%		0			4.8
100 Mesh	50	Slick Water	10,000	238	4%	0.25	2,500	1%	2500	4.8
100 Mesh	50	Slick Water	15,000	357	6%	0.50	7,500	3%	10000	7.3
100 Mesh	50	Slick Water	15,000	357	6%	0.75	11,250	4%	21250	7.4
100 Mesh	50	Slick Water	15,000	357	6%	1.00	15,000	5%	36250	7.5
100 Mesh	50	Slick Water	20,000	476	8%	1.25	25,000	8%	61250	10.1
100 Mesh	50	Slick Water	25,000	595	10%	1.50	37,500	13%	98750	12.7
100 Mesh	50	Slick Water	25,000	595	10%	1.75	43,750	15%	142500	12.9
100 Mesh	50	Slick Water	25,000	595	10%	2.00	50,000	17%	192500	13.0
100 Mesh	50	Slick Water	25,000	595	10%	2.25	56,250	19%	248750	13.1
100 Mesh	50	Slick Water	20,500	488	8%	2.50	51,250	17%	300000	10.9
Flush *	50	Slick Water	22,731	541	9%		0	0%	300000	10.8
		Total Volume	257,831	6,139			300,000			2.25 hrs.
		Acid Volume	1000							
		Volume minus Acid	256,831				300,000	Total Prop		Stg Total
		Water Loading		1065		6.3 loads	300,000	100 Mesh	100%	Well Totals
		Sand Loading		1244		.0 loads	-	40/70 Sand	0%	
		avg PPG		1.17		.0 loads	-	30/50 Sand	0%	

Emergency Contacts – New Mexico:

Hospital: Carlsbad Medical Center
(575) 887-4100
2430 W. Pierce St., Carlsbad, NM 88220

Sheriff's Office: Lea County Sheriff Dept
(575) 396-3611

Eddy County Sheriff Dept
(575) 887-7551

Emergency Contacts – Texas:

Hospital: Reeves County Hospital
(432) 447-3551
2323 Texas St, Pecos TX 79772

Sheriff's Office: Reeves County Sheriff Dept
(432) 445-4901
Loving County Sheriff Dept
(432) 377-2411

APPLICATION PROTESTED

Applicant: RK I Exploration & Production LLC

Application Type: DH L

Well Name: Smobley Rec #1 API: 30-0 B-42381

Protestant: Milton ~~Fuller~~

Date Protest Received: ~~7-31-2018~~ 8-16-2018

Notification of Applicant: 8-17-2018

Resolution: _____

Copy to Case Handler:

August 15, 2018

Sent via email and U.S. Mail
State of New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Smedley Fee 1 (API 30-015-42381) – Down Hole Commingling Application

Dear Mr. McMillan,
Please consider this letter as my objection to the referenced application by RKI Exploration & Production LLC. The allocation methodology proposed by RKI is based on production testing of the Derrick Fee 1 (API 30-015-40817) that was performed almost two years after the initial completion of the well and after the Bone Spring and Wolfcamp formations were perforated and fracked together (see attached Form C-103's). This methodology may have been acceptable as an after the fact solution on a well where the interest ownership between the zones to be commingled was common but it should not be utilized in any case where the ownership is not common.

Sincerely,

Milton L. Fuller
7682 Maple Rd

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

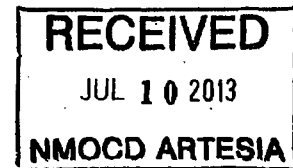
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR, USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-40817
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Mack Energy Corporation		6. State Oil & Gas Lease No. FEE
3. Address of Operator P.O. Box 960 Artesia, NM 88210		7. Lease Name or Unit Agreement Name Derrick Fee
4. Well Location Unit Letter <u>H</u> <u>1675</u> feet from the <u>North</u> line and <u>700</u> feet from the <u>East</u> line Section <u>4</u> Township <u>23S</u> Range <u>27E</u> NMPM County <u>Eddy</u>		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR etc.) 3125' GR		9. OGRID Number 013837
		10. Pool Name or Wildcat Cass Draw; Bone Springs

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIALWORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Completion <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/11/2013 Perforated 8886-9066' w/ 50 holes. (DONE SPRING & WOLF CAMP)
 6/13/2013 Acidize w/ 840 gals 15% HCL. Set packer @ 8500'.
 6/18/2013 Frac w/ 13,305 bbls Slickwater, 15bbls 15% HCL, 20,295# 100 Mesh, 163,847# White Sand 40/70. Set comp. plug @ 8850'. Perforated 8424-8821' w/ 50 holes. Acidized w/ 1000 gals 15% HCL. Frac w/ 24 bbls 15% HCL, 14,496 bbls Slickwater, 21,500# 100 Mesh, 172,613# Whitesand 40/70. Flowing up casing.



Spud Date: 2/27/2013 Rig Release Date: 3/21/2013

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Deana Weaver TITLE Production Clerk DATE 7.9.13

Type or print name Deana Weaver E-mail address: dweaver@mec.com PHONE: (575)748-1288

For State Use Only

APPROVED BY [Signature] TITLE Dist. J. Depewison DATE July 11/2013

Conditions of Approval (if any):

Submit 1 Copy To Appropriate District Office
 District I- (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II- (575) 748-1283
 1301 W. Grand Ave., Artesia, NM 88210
 District III- (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV- (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR, USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-40817
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Mack Energy Corporation		6. State Oil & Gas Lease No. Fee
3. Address of Operator P.O. Box 960 Artesia, NM 88210		7. Lease Name or Unit Agreement Name, Derrick Fee
4. Well Location Unit Letter <u>H</u> <u>1675</u> feet from the <u>North</u> line and <u>700</u> feet from the <u>East</u> line Section <u>4</u> Township <u>23S</u> Range <u>27E</u> NMPM County <u>Eddy, NM</u>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR etc.) 3125' GR		9. OGRID Number 013837
		10. Well Name or Wildcat Cass Draw, Bone Spring & WC-015 G-06 S232704H; Upper Wolfcamp

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIATION WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Isolate Perforations <input checked="" type="checkbox"/>	

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3/17/2015 Set RBP @ 8965' to isolate the Bone Spring.

3/18/2015 RIH w/ 277jts 2 7/8" J-55 tubing, SN @ 8919'. 2 1/2 x 1 1/2 x 20' pump. Leave pumping to battery.

4/13/2015 Tagged plug w/ 279 jts. Released RBP.

4/14/2015 RIH w/ 286jts 2 7/8" J-55 tubing, SN @ 9080'. 2 1/2 x 1 1/2x 24' pump. Leave pumping to battery.

NM OIL CONSERVATION
ARTESIA DISTRICT

MAY 14 2015

RECEIVED

Spud Date:

2/27/2013

Rig Release Date:

3/21/2013

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Deana Weaver TITLE Production Clerk

DATE 5.13.15

Type or print name Deana Weaver

E-mail address: dweaver@mec.com

PHONE: 575-748-1288

For State Use Only

APPROVED BY: [Signature]
 Conditions of Approval (if any):

TITLE Dr. [Signature]

DATE 5/21/15

McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Friday, August 17, 2018 8:16 AM
To: Fechino, Ashlee
Cc: Jones, William V, EMNRD; Lowe, Leonard, EMNRD; Goetze, Phillip, EMNRD; David Lanning
Subject: Protested Application RKI Exploration & Production LLC North Smedley Fee Well No. 1 DHC
Attachments: RKI SmedleyFee1 Fuller DHC.pdf

MS Fechino:

RE: Smedley Fee Well No. 2 (API 30-015-31459; Admin. Appl. No pMAM1821146498) Unit J; Sec 35, T22S, R27E, NMPM, Eddy County

Ms. Fechino:

OCD was notified by Milton Fuller is protesting this application. This party is identified as an affected person for the location being considered for the application. You are being notified that if RKI Exploration & Production wishes for this application to be considered, they must either go to hearing or may be reviewed administratively if the protest is withdrawn as a result of a negotiated resolution with this party. The application will be retained pending resolution of the protest. Please continue to provide OCD with information regarding the standing of this application. Please me call with any questions on this matter.

Contact Information:

Mr. David Fanning
Consultant
4002 S Spring Loop
Roswell, NM 88203
575-365-8308 (phone)
e-mail: dlanning@rocketmail.com

Michael McMillan
1220 South St. Francis
Santa Fe, New Mexico
505-476-3448
Michael.mcmillan@state.nm.us

Michael McMillan
1220 South St. Francis
Santa Fe, New Mexico
505-476-3448
Michael.mcmillan@state.nm.us

August 15, 2018

Sent via email and U.S. Mail
State of New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Smedley Fee 1 (API 30-015-42381) – Down Hole Commingling Application

Dear Mr. McMillan,
Please consider this letter as my objection to the referenced application by RKI Exploration & Production LLC. The allocation methodology proposed by RKI is based on production testing of the Derrick Fee 1 (API 30-015-40817) that was performed almost two years after the initial completion of the well and after the Bone Spring and Wolfcamp formations were perforated and fracked together (see attached Form C-103's). This methodology may have been acceptable as an after the fact solution on a well where the interest ownership between the zones to be commingled was common but it should not be utilized in any case where the ownership is not common.

Sincerely,

Milton L. Fuller

Milton L. Fuller
7682 Maple Rd

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

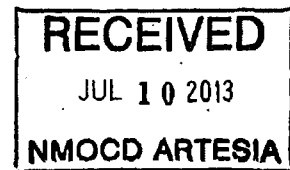
SUNDY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR, USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-40817
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2. Name of Operator Mack Energy Corporation		6. State Oil & Gas Lease No. FEE
3. Address of Operator P.O. Box 960 Artesia, NM 88210		7. Lease Name or Unit Agreement Name Derrick Fee
4. Well Location Unit Letter <u>H</u> <u>1675</u> feet from the <u>North</u> line and <u>700</u> feet from the <u>East</u> line Section <u>4</u> Township <u>23S</u> Range <u>27E</u> NMPM County <u>Eddy</u>		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR etc.) 3125' GR		9. OGRID Number 013837
		10. Pool Name or Wildcat Cass Draw; Bone Springs

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIALWORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Completion <input checked="" type="checkbox"/>	

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Spud Date: 2/27/2013 Rig Release Date: 3/21/2013

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Deana Weaver TITLE: Production Clerk DATE: 7.9.13

Type or print name Deana Weaver E-mail address: dweaver@mec.com PHONE: (575)748-1288

APPROVED BY: [Signature] TITLE: Dist. II Supervisor DATE: July 11/2013
 Conditions of Approval (if any):

Submit 1 Copy To Appropriate District Office
 District I- (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II- (575) 748-1283
 1301 W. Grand Ave., Artesia, NM 88210
 District III- (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV- (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR, USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-40817
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		10. Bone Spring Wildcat WC-015 G-06 S232704H; Upper Wolfcamp

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

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 4/14/2015 RIH w/ 286jts 2 7/8" J-55 tubing, SN @ 9080'. 2 1/2 x 1 1/2x 24' pump. Leave pumping to battery.

NM OIL CONSERVATION
 ARTESIA DISTRICT

MAY 14 2015

RECEIVED

Spud Date: 2/27/2013 Rig Release Date: 3/21/2013

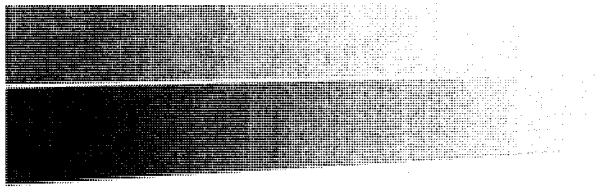
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Deana Weaver TITLE Production Clerk DATE 5.13.15

Type or print name Deana Weaver E-mail address: dweaver@mec.com PHONE: 575-748-1288

APPROVED BY: [Signature] TITLE Dr. [Signature] DATE 5/21/15

Conditions of Approval (if any):



CURRENT WELLBORE DIAGRAM



WPXENERGY™

PROPOSED WELLBORE DIAGRAM

Procedure

Version Date: 9/10/2018

Well:	Smedley Fee #1	State:	New Mexico
Area-Field-Zone:	Rustler Breaks - Bone Springs/Upper Wolfcamp	County:	Eddy
API Number:	30-015-42381	Location:	Sec. 35 - T22S - R27E
WPX EU Number:	62459723	AFE Number:	--

Primary Objective
Run production log on recently completed vertical well.

Contact Information	Office	Cell	Email	
Prod. Engineer	Bailey Nett	539-573-2547	505-386-8974	bailey.nett@wpxenergy.com
Prod. Foreman	Kipper Folmar	575-644-2008	575-703-1233	kipper.folmar@wpxenergy.com
Prod. Eng. Lead	Steve Bernhardt	539-573-3548	918-520-2087	Steve.Bernhardt@wpxenergy.com
Permian Supt.	Justin Warren	575-885-1312	701-421-7324	justin.warren@wpxenergy.com
Ops Manager	Bobby Goodwin	539-573-3496	918-645-3688	Robert.GoodwinIII@wpxenergy.com

Well Data	GL: 3,085' KB: 3,103' (17.5' KB) TD: 9,585' (MD)
Casing	13-3/8" 40# J-55 STC @ 421' 9-5/8" 36# J-55 STC @ 2,049' 7" 26# L-80 & HCP110 LTC @ 9,585'
Tubing	TBD

Perforations	Status	Top	Bottom	Gross Ft	Net Ft	Holes	Comments
Stage #5	proposed	6,625	6,836	211'	11.0'	22	
Stage #4	proposed	7,197	7,297	100'	10.0'	20	
Stage #3	proposed	8,330	8,621	291'	12.0'	24	
Stage #2	proposed	8,703	8,933	230'	11.0'	22	
Stage #1	proposed	9,049	9,278	229'	12.0'	24	
Total:				1,061'	56'		
(Gross Open Perf Interval: 2.653 ft)							

Casing & Tubing Data	ID	Drift	Burst (100%)	Burst (80%)	Tensile (100%)	Tensile (80%)	bbbls/ft
13-3/8" 48# H-40 STC casing	12.715	12.559	1,730	1,384	541,000	432,800	0.15704
9-5/8" 36# J-55 STC casing	8.921	8.7650	3,520	2,816	564,000	451,200	0.07730
7" 26# HCP-110 LTC casing	6.276	6.1510	9,950	7,960	830,000	664,000	0.03826

* For mixed strings or connections, specs for the weakest link were used.

Hold pre job safety meeting and discuss current well conditions such as duration of shut in time, predicted/current pressures, and any non-routine operational change of scope.

McMillan, Michael, EMNRD

From: Fechino, Ashlee <Ashlee.Fechino@wpxenergy.com>
Sent: Monday, September 10, 2018 1:44 PM
To: David Lanning
Cc: Nett, Bailey
Subject: Re: Smedley Fee 1 Down Hole Commingling Application
Attachments: Smedley Fee #1 WBD.xlsx

Hi David,

Please find additional information you requested attached.

We can be available via phone if you have more questions after you review the information provided.

Thank you,

Ashlee Fechino

W: 539.573.0212 | C: 970.404.5031

From: Nett, Bailey

Sent: Monday, September 10, 2018 2:36 PM

To: Fechino, Ashlee <Ashlee.Fechino@wpxenergy.com>

Subject: RE: [EXTERNAL] Re: Smedley Fee 1 Down Hole Commingling Application

Ashlee –

The completion procedure will be the same. Following the completion, within the first 45 days of production, we will run a production log that will quantify the 3-phase production from each zone. We will allocate production to the Bone Springs and Wolfcamp formations based on the results of that log.

A procedure is attached. I went ahead and attached a ProTechnics Completion Profiler brochure. This tool (or an equivalent) will be utilized to run the production log.

Please let me know if you have any questions or need any additional information for Mr. Lanning.

Thanks,

Bailey Nett

WPX Energy

Production Engineer - Permian Basin

Cell: 505-386-8974 | Direct: 539-573-2547

Bailey.Nett@wpxenergy.com

From: David Lanning <dlanning@rocketmail.com>

Sent: Friday, September 07, 2018 9:43 AM

To: Fechino, Ashlee <Ashlee.Fechino@wpxenergy.com>

Subject: Re: [EXTERNAL] Re: Smedley Fee 1 Down Hole Commingling Application

Ashley

Could you have your engineer send me their proposed completion/testing procedure.
Thank you.

David Lanning

ProTechnics



COMPLETION[®] PROFILER

COMPLETION PROFILER[®] is the industry's premier production profiling service, designed to perform in post-stimulation environments, providing the most accurate analysis of completion performance.

COMPLETION PROFILER is extremely effective in:

- Quantifying Multi-Phase Production Down to the Perforation Cluster
- Identifying Near-Wellbore Skin Damage, Fracture Conductivity Reduction
- Correlating Production Performance to Completion Effectiveness and Reservoir Rock Quality
- Evaluating Completion Mechanics, Design, and Execution
- Measure the Effects of Horizontal Wellbore Placement, Lateral Length and Inclination
- Determining the Effects of Liquid Loading (Water Hold-Up) and Flow Regime in Vertical and Horizontal Wellbores
- Identifying Re-Completion Opportunities

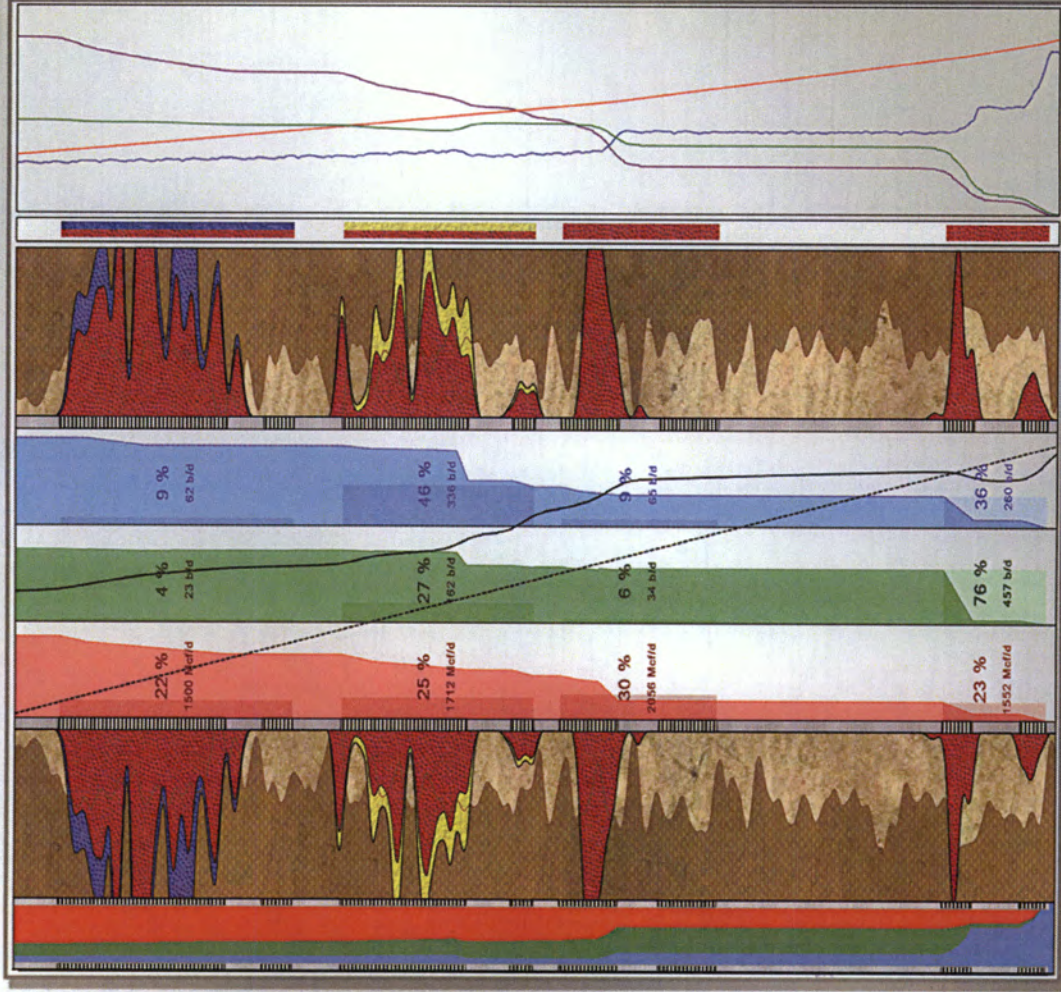
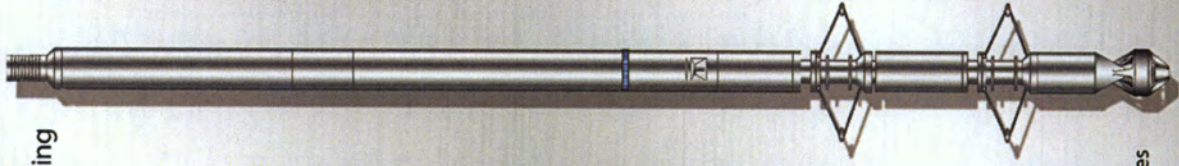
COMPLETION PROFILER is comprised of multiple memory based sensors that are used to measure producing fluid properties and velocities. These data are then sent to our Houston Technology Center where, mathematical modeling software and proprietary algorithms along with dedicated analysts with more than 90 years combined experience produce the industry's most accurate quantitative profile.

COMPLETION PROFILER provides unique benefits:

- Multi-Phase Analysis (Gas, Oil and Water)
- Proprietary Spinner Design for Adverse Conditions
 - Post-Stimulation High Sand/Debris Environments
 - Low Velocity Flow Conditions
- Mass Flow Rate (Temperature) Profile Analysis
 - Improves Accuracy Resolved to the Perforation/Cluster Level
 - Quantifiable Water Profile in Low Flow Rate Conditions
 - Evaluate Near-Wellbore Skin Damage Effects

To provide a more comprehensive evaluation of post-fracture production performance, COMPLETION PROFILER is commonly run in combination with the SPECTRASCAN[®] service to validate stimulation effectiveness. SPECTRACHEM[®] tracer service is also utilized to correlate zonal flowback efficiency to the measured production profile.

COMPLETION PROFILER's rugged design ensures reliable operation in temperatures up to 350°F (176°C) and operates in pressures up to 20,000 psi (137,896 Kpa).



WELLBORE DIAGRAM (PROPOSED)

WELL: Smedley Fee #1	EU NUMBER: 62459723	SPUD DATE: 1/4/2015
COUNTY: Eddy	OPERATOR: WPX Energy	TD: 9,585' MD (KB)
STATE: New Mexico	WT: 100%	TVD: -- TVD (KB)
API: 30-015-42381	NRI: 75%	PBD: MD (KB)
LOCATION: Sec. 35 - T22S - R27E		KB ELEVATION: 3,102.5' (17.5' KB)
FIELD / AREA: Rustler Breaks		GL ELEVATION: 3,085.0'
FORMATION: Bone Springs/Upper Wolfcamp		SURFACE LAT/LONG:

13-3/8" @ 421' (MD)

CASING RECORD

SURFACE CASING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	BIT SZ.	SX CMT.	TOP CMT.	FC (top)	FS (top)
13-3/8"	48.00#	J-55	ST&C	0'	421'	10	17-1/2"	375	0'	-	-

*Circ 90sx to surface

INTERMEDIATE CASING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	BIT SZ.	SX CMT.	TOP CMT.	FC (top)	FS (top)
9-5/8"	36.00#	J-55	ST&C	0'	2,049'	48	12-1/4"	650	0'	-	-

*Circ 50sx to surface

PRODUCTION CASING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	BIT SZ.	SX CMT.	TOP CMT.	FC (top)	FS (top)
7"	26.00#	L-80 & HCP-110	LT&C	0'	9,585'	226	8-3/4"	1,410	-	-	-

*Stage 1 - Circ 53sx
*Stage 2 - Circ 142sx

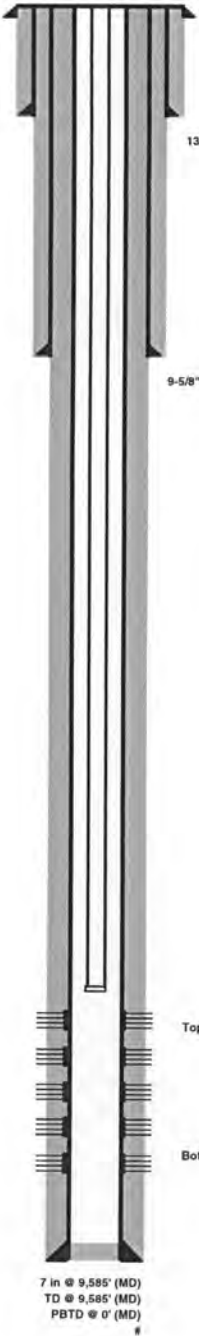
PERFORATION RECORD - PROPOSED

ZONE - Stage	TOP	BOTTOM	Gross Perfs	Net Perfs	Shots (180')
Stage #5	6,625	6,836	211'	11'	22
Stage #4	7,197	7,297	100'	10'	20
Stage #3	8,330	8,621	291'	12'	24
Stage #2	8,703	8,933	230'	11'	22
Stage #1	9,049	9,278	229'	12'	24

TUBING DETAIL

Tubing and Packer detail	No. Jts	Length (ft)	Top Depth (ft)
KB		17.00'	0'
2-7/8" 6.5# L-80 8rd EUE tbg	203	6,536.60'	17.00'
SN		1.00'	6,553.60'
2-7/8" L-80 tbg sub		4.10'	6,554.60'
WLEG or Notched Collar		0.50'	6,558.70'
Tubing footages based at 32.2'			
		EOT @	6,559.20'

* Projected depths as a guide, actuals will vary.



7 in @ 9,585' (MD)
TD @ 9,585' (MD)
PBD @ 0' (MD)

Top Perf (Stage 5): 6,625' MD

Bottom Perf (Stage 1): 9,278' MD

Date: 7/26/2018
Updated: BN
PROPOSED



Art

January 19, 2015

Mack Energy Corporation
PO Box 960
Artesia, NM 88211-0960

RE: Smedley Fee #1
2445' FSL & 2370' FEL
Sec. 34, T22S, R27E
Eddy County, New Mexico

Dear Sir,

The attached is the Deviation Survey for the above captioned well.

Very truly yours,

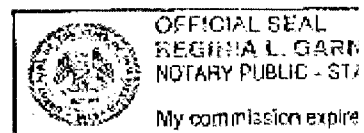
A handwritten signature in cursive script, appearing to read "Chris Graham".

Chris Graham
Drilling Superintendent

State of New Mexico }
County of Eddy }

The foregoing was acknowledged before me this 19th day of January, 2015.

A handwritten signature in cursive script, appearing to read "Regina L. Garm".

Notary Public

Smedley Fee #1

Date	Depth	Deviation	Direction
1/5/2015	180	0.80	0.00
1/5/2015	361	0.50	0.00
1/7/2015	433	0.60	356.20
1/7/2015	617	0.60	50.90
1/7/2015	677	0.70	131.30
1/7/2015	865	0.50	118.70
1/7/2015	1052	0.90	52.10
1/7/2015	1240	0.40	8.20
1/7/2015	1428	1.30	95.30
1/8/2015	1615	0.80	96.70
1/8/2015	1804	2.50	94.10
1/8/2015	2014	2.10	107.20
1/9/2015	2080	2.40	112.00
1/9/2015	2267	7.20	266.90
1/10/2015	2387	11.30	283.50
1/10/2015	2575	20.80	285.00
1/10/2015	2764	25.20	282.70
1/10/2015	2952	25.80	277.50
1/10/2015	3142	24.80	275.60
1/10/2015	3330	25.60	276.70
1/10/2015	3517	26.50	278.00
1/10/2015	3704	24.70	274.90
1/10/2015	3892	25.50	276.80
1/10/2015	4079	23.70	276.70
1/10/2015	4269	15.80	276.50
1/11/2015	4457	7.70	274.50
1/11/2015	4646	1.10	244.70
1/11/2015	4835	0.90	227.10
1/11/2015	5023	1.00	272.90
1/11/2015	5212	0.70	269.30
1/11/2015	5400	0.50	123.50
1/11/2015	5589	0.70	148.10
1/11/2015	5777	1.40	157.20
1/11/2015	5964	0.70	128.80
1/11/2015	6153	1.00	27.00
1/12/2015	6342	0.80	28.00
1/12/2015	6531	1.10	328.70

1/12/2015	6721	1.20	284.10
1/12/2015	6908	2.50	260.30
1/12/2015	7097	1.40	203.70
1/12/2015	7285	1.30	197.10
1/13/2015	7473	0.80	191.70
1/13/2015	7662	0.70	145.40

Page 1 of 2

Date	Depth	Deviation	Direction
1/13/2015	7851	0.20	28.50
1/13/2015	8038	1.80	354.70
1/13/2015	8226	2.00	321.80
1/13/2015	8414	1.00	315.30
1/13/2015	8602	1.90	291.60
1/14/2015	8789	1.80	306.40
1/14/2015	8977	1.60	0.00
1/15/2015	9164	2.70	67.80
1/15/2015	9352	1.60	56.40
1/15/2015	9540	1.50	33.60

EOF

McMillan, Michael, EMNRD

From: David Lanning <dlanning@rocketmail.com>
Sent: Tuesday, September 18, 2018 9:38 AM
To: McMillan, Michael, EMNRD
Cc: Ashlee Fechino; Larry Fuller
Subject: Fw: Smedley Fee 1 Down Hole Commingling Application

Michael,

Please see the emails below indicating Mr. Fuller's acceptance of the proposed production logging procedure to allocate production on the referenced well operated by WPX/RKI.

Regards,

David Lanning
Oil & Gas Consulting
Roswell, NM
575-365-8308

----- Forwarded Message -----

From: David Lanning <dlanning@rocketmail.com>
To: "Fechino, Ashlee" <Ashlee.Fechino@wpxenergy.com>
Cc: "Nett, Bailey" <Bailey.Nett@wpxenergy.com>; Larry Fuller <mlfuller@esimple.com>
Sent: Monday, September 17, 2018 5:09 PM
Subject: Re: Smedley Fee 1 Down Hole Commingling Application

Ashlee

I have spoken to Mr. Fuller and we will accept your proposed production log for the production allocation. We do request that you send me a copy of the completion report, production log and the analysis. Thank you.

David Lanning
4002 S Spring Loop
Roswell, NM 88203
575-365-8308

From: "Fechino, Ashlee" <Ashlee.Fechino@wpxenergy.com>
To: David Lanning <dlanning@rocketmail.com>
Cc: "Nett, Bailey" <Bailey.Nett@wpxenergy.com>
Sent: Monday, September 10, 2018 1:44 PM
Subject: Re: Smedley Fee 1 Down Hole Commingling Application

Hi David,

Please find additional information you requested attached.

We can be available via phone if you have more questions after you review the information provided.

Thank you,

Ashlee Fechino

W: 539.573.0212 | C: 970.404.5031

From: Nett, Bailey

Sent: Monday, September 10, 2018 2:36 PM

To: Fechino, Ashlee <Ashlee.Fechino@wpenergy.com>

Subject: RE: [EXTERNAL] Re: Smedley Fee 1 Down Hole Commingling Application

Ashlee –

The completion procedure will be the same. Following the completion, within the first 45 days of production, we will run a production log that will quantify the 3-phase production from each zone. We will allocate production to the Bone Springs and Wolfcamp formations based on the results of that log.

A procedure is attached. I went ahead and attached a ProTechnics Completion Profiler brochure. This tool (or an equivalent) will be utilized to run the production log.

Please let me know if you have any questions or need any additional information for Mr. Lanning.

Thanks,

Bailey Nett

WPX Energy

Production Engineer - Permian Basin

Cell: 505-386-8974 | Direct: 539-573-2547

Bailey.Nett@wpenergy.com

From: David Lanning <dlanning@rocketmail.com>

Sent: Friday, September 07, 2018 9:43 AM

To: Fechino, Ashlee <Ashlee.Fechino@wpenergy.com>

Subject: Re: [EXTERNAL] Re: Smedley Fee 1 Down Hole Commingling Application

Ashley

Could you have your engineer send me their proposed completion/testing procedure.
Thank you.

David Lanning