



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

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Karen W. Garcia

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



August 24, 2010

Mr. W. Thomas Kellahin
Kellahin & Kellahin
706 Gonzales Rd.
Santa Fe, NM 87501

Administrative Order NSL-6246

**Re: RKI Exploration & Production, LLC
Longview Federal 1 Well No. 44
API No. 30-015-38070
360 feet FSL & 330 feet FEL
Unit P, Section 1-23S-28E
Eddy County, New Mexico**

Dear Mr. Kellahin:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-23552306**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of **RKI Exploration & Production, LLC** [OGRID 246289] (RKI), on August 23, 2010, and

(b) the Division's records pertinent to this request.

RKI has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The S/2 SE/4 of Section 1 will be dedicated to this well in order to form a standard 80-acre spacing unit in the undesignated South Culebra Bluff-Bone Spring Pool (15011). Spacing in this pool is governed by the Special Rules and Regulations for the South Culebra Bluff-Bone Spring Pool, as adopted by Order R-6139 issued on October 12, 1979, which provide for 80-acre units with wells to be located within 150 feet of the center of a quarter/quarter section. This location is more than 150 feet south and east from the center of the SE/4 SE/4 of Section 1.

Oil Conservation Division

1220 South St. Francis Drive • Santa Fe, New Mexico 87505

Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



Your application on behalf of RKI has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that RKI seeks this location for topographic and geological reasons, as described in your application.

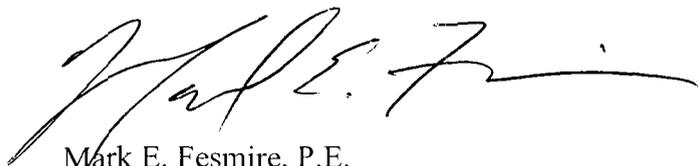
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership as to two offsetting units, and execution of a waiver of objection, filed with your application, by the operator of the remaining offsetting unit.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
United States Bureau of Land Management