

DATE IN Y302014	SUSPENSE	ENGINEER MAM	LOGGED IN V30/2014	TYPE NSL	APP NO. PMAM/403042930
--------------------	----------	-----------------	-----------------------	-------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED OOD

2014 JAN 30 A 9:53

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

NSL
- RKI EXPLORATION
246289
WELL
- ROSS DRAW UNIT #5
30-015-pending
POOL
- ROSS DRAW, Delaware,
East

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply 52795
[A] ☒ Working, Royalty or Overriding Royalty Interest Owners
[B] ☐ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

David Catanach
Print or Type Name

Signature

Date

David Catanach

1/30/14

Agent for RKI Exploration & Production, LLC
Title

drcatanach@netscape.com
E-Mail Address

January 30, 2014

Hand Delivered

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

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Application for Unorthodox Well Location
Ross Draw Unit No. 58
API-No. (Not Assigned Yet)
840' FSL & 230' FWL (Unit M)
Section 27, T-26 South, R-30 East, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, RKI Exploration & Production, LLC ("RKI") respectfully requests administrative approval of an unorthodox oil well location for its proposed Ross Draw Unit No. 58. This well will be drilled as a development oil well in the East Ross Draw-Delaware Pool (52795).

The proposed Ross Draw Unit No. 58 will be dedicated to a standard 40-acre oil spacing and proration unit in the East Ross Draw-Delaware Pool comprising the SW/4 SW/4 of Section 27. There are currently no other wells on this tract producing from the Delaware formation.

The East Ross Draw-Delaware Pool is currently governed by Division Rule 19.19.15.9 which requires standard 40-acre oil spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit.

The Ross Draw Unit No. 58 was moved 150 feet south and 100 feet west from a standard well location within the SW/4 SW/4 of Section 27 in order to avoid an archaeologic site.

The affected offset tract is the SE/4 SE/4 of Section 28, Township 26 South, Range 30 East, NMPM. This tract is currently being developed in the West Ross Draw-Delaware Pool by RKI's Abby Federal No. 5 (API No. 30-015-29308). Please note that the working interest ownership between the SW/4 SW/4 of Section 27 (drill tract) and the SE/4 SE/4 of Section 28 is not common. Consequently, notice of this application is being

provided to the working interest owners in the SE/4 SE/4 of Section 28 in accordance with Division rules (see **attached notice list**).

Attached is a Form C-102 showing the proposed well and spacing unit. Also attached is a map showing the affected offset acreage, a site map, notice letter and notice list.

In summary, approval of the application will provide RKI the opportunity to recover additional oil and gas reserves from the East Ross Draw-Delaware Pool underlying the SW/4 SW/4 of Section 27 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach, Agent
RKI Exploration & Production, LLC
210 Park Avenue, Suite 900
Oklahoma City, Oklahoma 73102

Xc: OCD-Artesia

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number N/A		Pool Code 52795	Pool Name East Ross Draw-Delaware Pool
Property Code 312431	Property Name Ross Draw Unit		Well Number 58
OGRID No. 246289	Operator Name RKI Exploration & Production, LLC		Elevation 3005'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	27	26 South	30 East		840	South	230	West	Eddy

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
Dedicated Acres 40		Joint or Infill		Consolidate Code		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

					OPERATOR CERTIFICATION <i>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 bottomhole 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 heretofor entered by the Division.</i>			
					Signature _____		Date _____	
					Printed Name _____			
					E-mail Address _____			
					SURVEYOR CERTIFICATION <i>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.</i>			
					Date of Survey _____			
					Signature and Seal of Professional Surveyor: _____			
					Certificate Number _____			

30 East

28

27

26 South

Affected Offset
Tract
Operator: RKI
Exp. & Prod., LLC

●
Ross Draw Unit
Well No. 58
(Proposed Well)

33

34



Affected Offset Acreage

**RKI Exploration & Production, LLC
Application for Non-Standard Well Location
Ross Draw Unit No. 58**

EL. = 2997.2' 600' LIMITS OF ARCHAEOLOGY BOUNDARY EL. = 3017.8'

30' x 300' DIRT STOCK PILE AREA

EL. = 3001.8' 300' EL. = 3010.1'

ROSS DRAW UNIT 58
 NMSP-E (NAD 83)
 N (Y) = 367082.3'
 E (X) = 682813.2'
 LAT. = 32°00'30.13"N
 LONG. = 103°52'36.85"W

NMSP-E (NAD 27)
 N (Y) = 367025.1'
 E (X) = 641626.7'
 LAT. = 32.0082428°N
 LONG. = 103.8764264°W

200'N

400' 150'W 150'E 400'

200'S

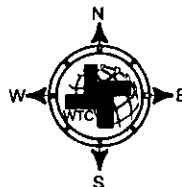
PROPOSED WELL PAD EL. = 3011.6'

EL. = 3008.0' 300'

EXISTING LEASE ROAD

PROP. 80.4 L.F. LEASE ROAD

EL. = 3003.8' 600' EL. = 3014.7'



From the intersection of County Road 1 and Stateline Road, go west on Stateline Road for 9.5 miles and turn right. Go 0.1 mile and location is on the right.



WEST TEXAS CONSULTANTS, INC.
ENGINEERS PLANNERS SURVEYORS
405 S.W. 1st. STREET
ANDREWS, TEXAS 79714
(432) 523-2181

RKI EXPLORATION & PRODUCTION

JOB No.: WTC48878

Project: On & Off Survey \P01 Exploration & Production \9117-9117 Exploration, Renome de Resol de l'ine PDU Wells. Eddy Co. Drawings \9117- PDU 35 dwg

January 30, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: (See Attached Notice List)

Re: RKI Exploration & Production, LLC
Unorthodox Oil Well Location
Ross Draw Unit No. 58 (API No. Not Yet Assigned)
840' FSL & 230' FWL (Unit M)
Section 27, T-26 South, R-30 East, NMPM,
East Ross Draw-Delaware Pool
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by RKI Exploration & Production, LLC for authorization to drill it's Ross Draw Unit No. 58 at an unorthodox oil well location in the East Ross Draw-Delaware Pool 840 feet from the South line and 230 feet from the West line (Unit M) of Section 27, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. The well will be dedicated to a standard 40-acre oil spacing and proration unit in the East Ross Draw-Delaware Pool comprising the SW/4 SW/4 of Section 27. There are currently no other wells on this tract producing from the Delaware formation. The unorthodox location is necessary in order to avoid an archaeologic site.

As the owner of an interest that may be affected by the proposed unorthodox oil well location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach
Agent-RKI Exploration & Production, LLC
210 Park Avenue, Suite 900
Oklahoma City, Oklahoma 73102

Enclosure

RKI Exploration & Production, LLC
Application for Unorthodox Well Location
Ross Draw Unit No. 58
Section 27, T-26 South, R-30 East, NMPM,
Eddy County, New Mexico

Offset WI Owner Notification List

Khody Land & Minerals Co.
210 Park Avenue, Suite 900
Oklahoma City, Oklahoma 73102

Dee Ann Carlisle
2616 Noel Avenue
Midland, Texas 79705

Kaiser-Francis Oil Company
6733 South Yale
Tulsa, Oklahoma 74121

K.P. Acquisition Corporation
c/o Margaret Ryan, CPA
P.O. Box 9460
Midland, Texas 79708-9460

7012 0470 0001 5936 2465

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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

OKLAHOMA CITY OK 73102

Postage	\$	\$1.19	0501
Certified Fee		\$3.30	08
Return Receipt Fee (Endorsement Required)		\$2.70	
Restricted Delivery Fee (Endorsement Required)		\$0.00	
Total F		\$7.19	01/30/2014

Sent To **Kaiser-Francis Oil Company**
6733 South Yale
Tulsa, Oklahoma 74121

PS Form 3800, August 2000 See Reverse for Instructions

7012 0470 0001 5936 2465

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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

MIDLAND TX 79708

Postage	\$	\$1.19	0501
Certified Fee		\$3.30	08
Return Receipt Fee (Endorsement Required)		\$2.70	
Restricted Delivery Fee (Endorsement Required)		\$0.00	
Total F		\$7.19	01/30/2014

To: **K.P. Acquisition Corporation**
c/o Margaret Ryan, CPA
P.O. Box 9460
Midland, Texas 79708-9460

PS Form 3800, August 2000 See Reverse for Instructions

7012 0470 0001 5936 2465

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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

OKLAHOMA CITY OK 73102

Postage	\$	\$1.19	0501
Certified Fee		\$3.30	08
Return Receipt Fee (Endorsement Required)		\$2.70	
Restricted Delivery Fee (Endorsement Required)		\$0.00	
Total F		\$7.19	01/30/2014

Sent To **Khody Land & Minerals Co.**
210 Park Avenue, Suite 900
Oklahoma City, OK 73102

PS Form 3800, August 2000 See Reverse for Instructions

7012 0470 0001 5936 2465

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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

MIDLAND TX 79705

Postage	\$	\$1.19	0501
Certified Fee		\$3.30	08
Return Receipt Fee (Endorsement Required)		\$2.70	
Restricted Delivery Fee (Endorsement Required)		\$0.00	
Total F		\$7.19	01/30/2014

Sent To **Dee Ann Carlisle**
2616 Noel Avenue
Midland, Texas 79705

PS Form 3800, August 2000 See Reverse for Instructions