

HOLLAND & HART



Jordan L. Kessler
Associate
Phone (505) 988-4421
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November 7, 2016

VIA HAND DELIVERY

David Catanach
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 for administrative approval of an unorthodox well location for its East Pecos Federal 22 No. 14H Well in the E/2 of Section 22, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dear Mr. Catanach:

RKI Exploration & Production (OGRID No. 246289) seeks administrative approval of an unorthodox well location ("NSL") for its **East Pecos Federal 22 No. 14H Well** (API No. 30-015-43586) to be completed within the Brushy Draw (Gas) Pool (Pool Code 72897) underlying the E/2 of Section 22, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This well was drilled from a surface location 310 feet from the South line and 1,285 feet from the East line (Unit P). The upper most perforation is located 329 feet from the South line and 705 feet from the East line (Unit P) and the lower most perforation is located 330 feet from the North line and 677 feet from the East line (Unit A) of Section 22.

Since this acreage is governed by the Division Rule 19.15.15.10.B which provides for wells in defined gas pools in Eddy County to be spaced on 320 acres and located no closer than 660 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is closer than 660 feet to the northern, northeastern, southern, and southeastern boundaries of the project area. Approval of the unorthodox completed interval will allow for efficient well spacing and prevent waste of a productive reservoir.

Exhibit A is an as-drilled Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **East Pecos Federal 22 No. 14H Well** encroaches on the spacing and proration units to the North, Northeast, South, and Southeast of the proposed spacing unit.

Exhibit B is a Midland map showing an outline of the subject acreage and the surrounding sections.

Holland & Hart LLP

Phone (505) 988-4421 Fax (505) 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. O



Exhibit C contains a list of the parties affected by the encroachment and their area of ownership. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application. A courtesy a copy of this application has also been provided to the Bureau of Land Management-Carlsbad.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Jordan L. Kessler".

Jordan L. Kessler
ATTORNEY FOR RKI EXPLORATION AND
PRODUCTION

cc: Bureau of Land Management
620 E. Green Street
Carlsbad, NM 88220

DISTRICT I
1425 N. French Dr., Santa Fe, NM 87505
Phone: (505) 388-4444 Fax: (505) 383-4728

DISTRICT II
611 S. First St., Santa Fe, NM 87505
Phone: (505) 388-4444 Fax: (505) 383-4728

DISTRICT III
1040 N. Santa Fe, Santa Fe, NM 87505
Phone: (505) 388-4444 Fax: (505) 383-4728

DISTRICT IV
1230 E. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3400 Fax: (505) 476-3402

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT AS DRILLED PLAT

API Number 30-015-43586	Pool Code 72897	Brushy Draw (Gas)
Property Code 39386	Property Name EAST PECOS FEDERAL 22	Well Number 14H
OGRID No. 246289	Operator Name RKI EXPLORATION & PRODUCTION	Elevation 2882'

Surface Location

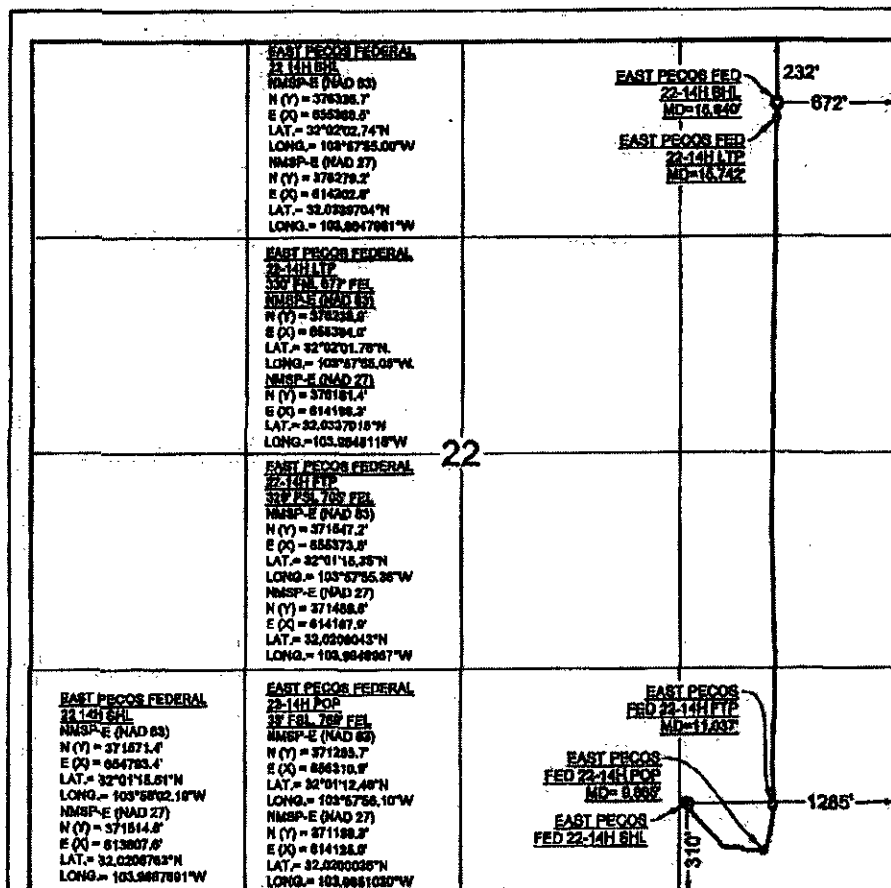
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	26S	29E		310	S	1285	E	EDDY

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
A	22	26S	29E		232	N	672	E	EDDY

Dedicated Acres	Joint or Infill	Consolidated Code	Order No.
320.00			

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 hereby certify that the information submitted 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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

William 10/19/16
Signature Date

Jessica DeMarce
Print Name

Jessica.Demarce@wpxenergy.com
E-Mail Address

SURVEYORS 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.

SEPTEMBER 19, 2016
Date of Survey

Signature and Seal of Professional Surveyor

James E. Tompkins
Signature
JAMES E. TOMPKINS
14729
Professional Surveyor
NEW MEXICO

Job No. WTC51347

JAMES E. TOMPKINS

Certificate Number

EXHIBIT

A

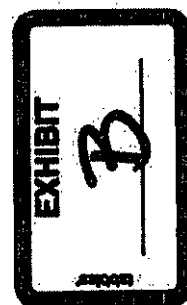
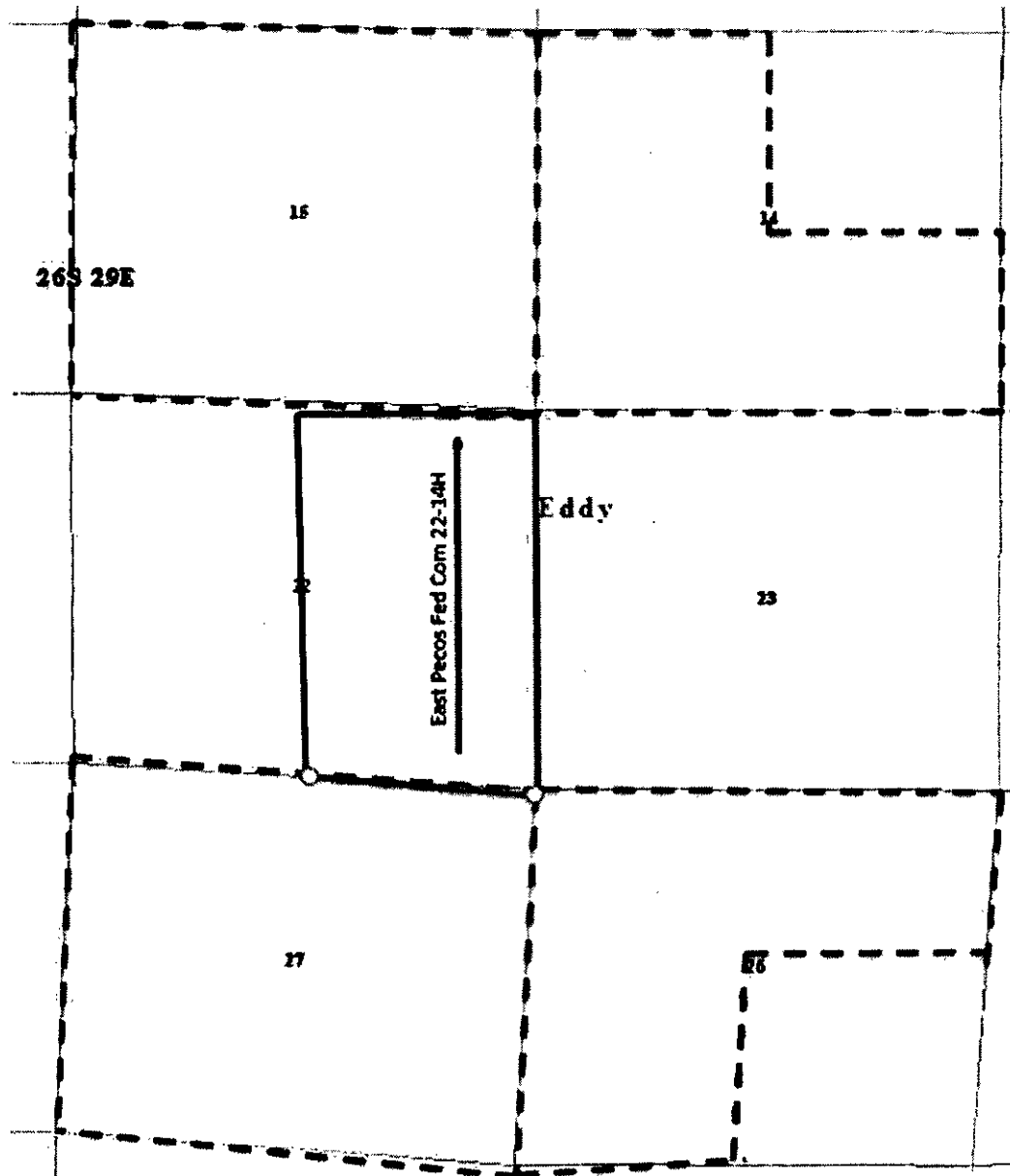


Exhibit C

Sec. 15 - 26S-29E ALL, Sec. 26 - W/2,N/2	EOG Resources, Inc. (ATTN: Paul Boland) P.O. Box 2267 Midland, TX 79702	7016 0340 0000 0203 0901
Sec. 14 - W/2, S/2	Mewbourne Oil Co. (ATTN: Land Department) Fasken Center, 500 W Texas Ave #1020 Midland, TX 79701	7016 0340 0000 0203 0918
Sec. 14 - W/2, S/2, Sec. 26 - W/2, N/2, Sec. 27 - ALL	Khody Land & Minerals (WPX) 3500 One Williams Center Tulsa, OK 74172	7016 0340 0000 0203 0260
Sec. 26 - W/2, N/2	Read & Stevens Inc. (ATTN: Land Department) 400 N. Pennsylvania Ave. #1000 Roswell, NM 88201	7016 0340 0000 0203 0277
Sec. 26 - W/2, N/2	OXY Permian LP ATTN: Land Department 5 East Greenway Plaza #110 Houston, TX 77046	7016 0340 0000 0203 0284

HOLLAND & HART



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
jkessler@hollandhart.com

November 7, 2016

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of RKI Exploration & Production for administrative approval of an unorthodox well location for its East Pecos Federal 22 No. 14H Well in the E/2 of Section 22, Township 26 South, Range 29 East, NMPM, 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 the following:

Chuck Bassett
RKI Exploration and Production
(539) 573-6575
chuck.bassett@wpenergy.com

Sincerely,

Jordan L. Kessler
ATTORNEY FOR RKI EXPLORATION AND
PRODUCTION

Holland & Hart LLP

Phone (505) 988-4421 Fax (505) 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☐

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- 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

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 _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[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.

Jordan L. Kessler
 Print or Type Name

Signature

Attorney

Title

jlkessler@hollandhart.com

e-mail Address

Date

11/7/16

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☐ Return Receipt (electronic)

☐ Certified Mail Restricted Delivery

☐ Adult Signature Required

☐ Adult Signature Restricted Delivery

Postmark Here
NOV 7 2016
SS SANTA FE, NM

EOG Resources, Inc.
ATTN: Paul Boland
P.O. Box 2267
Midland, TX 79702

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

7016 0340 0000 0203 0901

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SS SANTA FE, NM

Mewbourne Oil Co.
ATTN: Land Department
Fasken Center
500 W Texas Ave #1020
Midland, TX 79701

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

7016 0340 0000 0203 0910

COMPLETE THIS SECTION

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

EOG Resources, Inc.
ATTN: Paul Boland
P.O. Box 2267
Midland, TX 79702

9590 9401 0129 5225 0123 05

2. Article Number (Transfer from service label)

7016 0340 0000 0203 0901

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Robert Force ☐ Agent ☐ Addressee

B. Received by (Printed Name) R. Force C. Date of Delivery 11-15-16

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

☐ Adult Signature ☐ Priority Mail Express®

☐ Adult Signature Restricted Delivery ☒ Registered Mail™

☒ Certified Mail® ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation™

☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

☐ Insured Mail ☐ Mail Restricted Delivery

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1. Article Addressed to:

Mewbourne Oil Co.
ATTN: Land Department
Fasken Center
500 W Texas Ave #1020
Midland, TX 79701

9590 9401 0129 5225 0123 12

2. Article Number (Transfer from service label)

7016 0340 0000 0203 0916

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Alexander Kirksey ☐ Agent ☐ Addressee

B. Received by (Printed Name) Alexander Kirksey C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

☐ Adult Signature ☐ Priority Mail Express®

☐ Adult Signature Restricted Delivery ☒ Registered Mail™

☒ Certified Mail® ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation™

☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

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☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

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Khody Land & Minerals
3500 One Williams Center
Tulsa, OK 74172

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7016 0340 0000 0203 0277

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☐ Adult Signature Restricted Delivery \$

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NOV 7 2016

Read & Stevens Inc.
ATTN: Land Department
400 N. Pennsylvania Ave., #1000
Roswell, NM 88201

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Khody Land & Minerals
3500 One Williams Center
Tulsa, OK 74172

9590 9401 0129 5225 0123 29

2. Article Number (Transfer from service label)

7016 0340 0000 0203 0260

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [Signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name)
Bishopley

C. Date of Delivery
11/01/16

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

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☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery

☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

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1. Article Addressed to:

Read & Stevens Inc.
ATTN: Land Department
400 N. Pennsylvania Ave., #1000
Roswell, NM 88201

9590 9402 1838 6104 7860 62

2. Article Number (Transfer from service label)

7016 0340 0000 0203 0277

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [Signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name)
ROSEMARY

C. Date of Delivery
NOV 14 2016

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

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☐ Certified Mail Restricted Delivery
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☐ Collect on Delivery Restricted Delivery

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☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

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OXY Permian LP
ATTN: Land Department
5 East Greenway Plaza #110
Houston, TX 77046

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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1. Article Addressed to:

OXY Permian LP
ATTN: Land Department
5 East Greenway Plaza #110
Houston, TX 77046

9590 9402 1838 6104 7860 48

2. Article Number (Transfer from service label)

7016 0340 0000 0203 0284

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent
☒ Addressee

B. Received by (Printed Name)

Suter, Betsy

C. Date of Delivery

11/4/16

- D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
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☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Mail Restricted Delivery
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☐ Registered Mail™
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Bureau of Land Management
620 E. Green Street
Carlsbad, NM 88220

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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1. Article Addressed to:

Bureau of Land Management
620 E. Green Street
Carlsbad, NM 88220

9590 9401 0129 5225 0122 99

2. Article Number (Transfer from service label)

7016 1370 0000 0803 8374

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent
☒ Addressee

B. Received by (Printed Name)

Suter, Betsy

C. Date of Delivery

11/10/16

- D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
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☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
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