



January 21, 2009

New Mexico State Land Office  
Oil, Gas and Minerals Division  
310 OLD SANTA FE TRAIL  
Santa Fe, New Mexico 87504

Attn: Pete Martinez

*Subject: Application for Pool / Lease Commingling for the RDX Gas Gathering System*

Dear Pete,

RKI Exploration & Production, LLC is making application to the New Mexico Oil Conservation Division to commingle gas production from federal and state leases in the Ross Draw area in Sections 9, 15, 16 and 17, Township 26 South, Range 30 East, Eddy County, New Mexico. Gas production from the East Brushy Draw Delaware, the North Ross Draw Delaware and a Bone Spring Wildcat pools will be commingled through the RDX Gas Gathering System. Federal and state rights-of-way have been obtained and the system is currently under construction.

The RDX Gas Gathering System will make the sales of gas production possible as the wells involved produce only marginal amounts and must therefore be combined to be efficient and economic. The subject wells will be separately metered with calibrations performed periodically. The proposed commingling will not reduce any potential revenue or royalties to the state, BLM or individual interest owners.

The wells include the RDX numbers 15-1, 15-2, 16-1, 16-2, 9-2 and the 17-2. Also included is the Pioneer Federal No.1. Other RDX wells may be added to the system in the future as the area is still being developed.

RKI Exploration & Production is committed to efficient and economical operations and will remain in full compliance with state and federal regulations.

The C-107-B and all supporting data are attached. Interest owners have been notified via certified mail. Please let me know if additional information or data is required.

Thank you for your attention in this matter.

Regards

Ben Stone, SOS Consulting, LLC  
Agent for RKI Exploration & Production

Cc: NMOCD – Santa Fe, BLM – Carlsbad, Application File

2009 JAN 26 AM 8:40  
STATE LAND OFFICE  
SANTA FE, N.M.  
APPROVED ON                       
COMMISSIONER of PUBLIC LANDS  
APPROVED JAN 26 2009  
*Patricia H. Lopez*