## Examiner Hearing – October 27, 2016 Docket No. 43-16 Page 6 of 9

applicant's **RDX Federal Com. 4-9 No. 3H Well,** which will be drilled horizontally from the NE/4 SE/4 (Unit 1) of Section 4 to a non-standard bottom hole location in in the SE/4 SE/4 (Unit P) of Section 9. The completed interval for this well will commence 2310 feet from the South line and 330 feet from the East line (Unit I) of Section 4 to a location 330 feet from the South line and 330 feet from the East line (Unit P) of Section 9, thereby encroaching on the spacing and proration units to the North, Northeast, East, Southeast, and South of the proposed project area. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of RKI Exploration & Production as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southeast of Malaga, New Mexico.

24. <u>Case No. 15576</u>: Application of RKI Exploration and Production for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 9 and the W/2 W/2 of Section 16, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation (Brushy Draw; Wolfcamp (Oil) Pool (97136)) underlying this acreage. Said non-standard unit is to be dedicated to the applicant's proposed **RDX Federal Com 9-16 1H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 9 to a standard bottom hole location in in the SW/4 SW/4 (Unit M) of Section 16. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of RKI Exploration and Production as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southeast of Malaga, New Mexico.

25. <u>Case No. 15577</u>: Application of RKI Exploration and Production for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 9 and the E/2 W/2 of Section 16, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation (Brushy Draw; Wolfcamp (Oil) Pool (97136)) underlying this acreage. Said non-standard unit is to be dedicated to the applicant's proposed RDX Federal Com 9-16 2H Well, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 9 to a standard bottom hole location in in the SE/4 SW/4 (Unit N) of Section 16. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of RKI Exploration and Production as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southeast of Malaga, New Mexico.

26. <u>Case No. 15578</u>: Application of RKI Exploration & Production for a non-standard spacing unit, compulsory pooling, and approval of an unorthodox well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks an (1) creating a 640-acre, more or less, non-standard spacing and proration unit comprised of the W/2 of Section 9 and the W/2 of Section 16, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico; (2) pooling all uncommitted interest owners in the Wolfcamp formation (Brushy Draw; Wolfcamp (Gas) Pool (Pool Code 72897)) underlying the proposed unit; and (3) approving an unorthodox location for the proposed horizontal well. This 640-acre spacing unit is to be dedicated to applicant's **RDX Federal Com. 9-16 No. 3H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 9 to a non-standard bottom hole location in in the SE/4 SW/4 (Unit N) of Section 16. The completed interval for this well will commence 330 feet from the North line and 2310 feet from the West line (Unit C) of Section 9 to a location 330 feet from the South line and 2310 feet from the West line (Unit N) of Section 16, thereby encroaching on the spacing and proration units to the North, Northeast, East, Southeast, and South of the proposed project area. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of RKI Exploration & Production as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southeast of Malaga, New Mexico.

27. <u>Case No.15579</u>: Application of RKI Exploration and Production for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 19 and the W/2 W/2 of Section 30, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation (Brushy Draw; Wolfcamp (Oil) Pool (97136)) underlying this acreage. Said non-standard unit is to be dedicated to the applicant's proposed RDX Federal Com 19-30 No. 1H Well, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 19 to a standard bottom hole location in in the SW/4 SW/4 (Unit M) of Section 30. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of RKI Exploration and Production as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southeast of Malaga, New Mexico.

28. <u>Case No. 15580</u>: Application of RKI Exploration and Production for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 320acre, more or less, non-standard spacing and proration unit comprised of the E/2 W/2 of Section 19 and the E/2 W/2 of Section 30, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico Said non-standard unit is to be dedicated to the applicant's