



30-015-42290
United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



IN REPLY REFER TO:
NMNM138466
3105.2 (P0220)

10/03/2018

Reference:
Communitization Agreement
North Brushy Draw Fed. Com 35 #4H
Section 35: W2
T. 25 S., R. 29 E., N.M.P.M.
Eddy County, NM

RKI Exploration & Production
3500 One Williams Center
Tulsa, OK 74172

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138466 involving 160 acres of Federal land in lease NMNM54290, and 160 acres of Federal land in lease NMNM 119756, Eddy County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the W2, Sec. 35, T. 25 S., R. 29 E., NMPM, Eddy County, NM, and is effective November 24, 2014. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

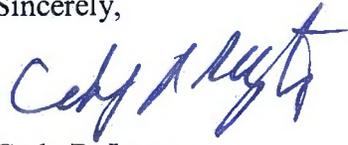
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234, Deborah Ham at (575) 234-5965 or Margie Dupre.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

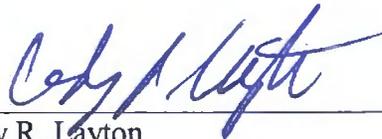
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

- B. Approve the attached Communitization Agreement covering the W2 of sec. 35, T. 25 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: 10/03/2018



Cody R. Layton
Assistant Field Manager
Lands and Minerals

Effective: November 24, 2014

Contract No.: Com. Agr. NMNM138466



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
NM138466
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM138466

| | |
|--|--|
| Date of Completion: | 01/28/2015 |
| Date of First Production: | 01/28/2015 |
| Field: | Purple Sage |
| Operator, Well Name & No, API Number: | RKI Exploration; North Brushy Draw Fed 35 4H; 30-015-42290 |
| Surface Location: | sec. 35, SESW, T.25 S., R.29 E. |
| Bottom Location: | sec. 35, NENW, T.25 S., R.29 E. |
| Total Depth: | 14,736 MD; 10,430 TVD |
| Surface Elevation: | 2,997 GL |
| Producing Formation: | Wolfcamp (10,712 – 14,584) |
| Well Capable of Production in Paying Quantities: | Yes |
| Initial Daily Production: | Oil 377 BBL; Gas 1455 MCF; Water 1211 BBL |
| Current Status: | Producing Gas Well |
| Remarks: | CA NM138466, effective 11/24/2014, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec. Sec. 35, W2, T. 25 S., R. 29 E., NMPM, and comprises 160 acres of Federal land in lease NMNM54290 and 160 acres of Federal land in lease NMNM119756 for a 320 acre well spacing unit. Lease NMNM54290 is held by actual production and Lease NMNM119756 is held by allocated production. |

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham

10/03/2018

cc:

ONRR-MS 63230B

First Production File

LLNM (P0220, File Room)