

DATE IN 12-13-12	SUSPENSE M/B	ENGINEER DB	LOGGED IN 12-13	TYPE NSL	APP NO. PDKB1234567659
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



RKI
RDX Fed 10 #3

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.

Cody Reid
 Print or Type Name

Signature

Land Manager - Permian
 Title

Date

creid@rkixp.com
 e-mail Address

RECEIVED OOD
 2012 DEC 13 A 9:36

RKI Exploration & Production, LLC

210 Park Avenue, Suite 900, Oklahoma City, OK 73102
405-949-2221 Fax 405-949-2223

December 13, 2012

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Attention: Ms. Jami Bailey, CPG
Division Director

RE: Application for Unorthodox Location
Administrative Approval Request
RDX Federal 10 #3
API No. 30-015-40870
1,090' FSL & 2,310' FEL (Unit O)
Section 10-26S-30E
Eddy County, New Mexico

Dear Ms. Bailey:

RKI Exploration & Production, LLC ("RKI") respectfully requests administrative approval of an unorthodox oil well location for its RDX Federal 10 #3 well at the location described above, which is currently permitted in the Brushy Draw; Delaware, East Pool (8090), which requires standard 40-acre spacing with wells located no closer than 330 feet to the outer boundary of the spacing unit.

The RDX 10 #3 was originally planned to be staked at an orthodox location of 990' FSL & 2,310' FEL but the BLM required the location moved north to its existing location of 1,090' FSL & 2,310' FEL due to topographic issues, specifically to avoid a 100-year flood plain.

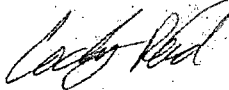
RKI is the operator and sole lessee of all offsetting tracts; therefore notification of this application is not required.

Please find attached a Form C-102 showing the well location and affected offsets along with a topographic plat.

Thank you for your assistance in this matter. Should you have any questions or need any additional information, please do not hesitate to contact me by phone at 405.996.5767 or via email at creid@rkixp.com.

Sincerely,

RKI EXPLORATION & PRODUCTION, LLC



Cody Reid
Land Manager - Permian

DISTRICT I
1925 N. French Dr., Hobbs, NM 88240
DISTRICT II
1901 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 and Natural Resources Department

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-40370	Pool Code 8090	Pool Name Fed E Brushy Draw Pkwy
Property Code 39577	Property Name RDX "10"	Well Number 3
GRID No. 246289	Operator Name RKI EXPLORATION & PRODUCTION	Elevation 3132'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	26 S	30 E		1090	SOUTH	2310	EAST	EDDY

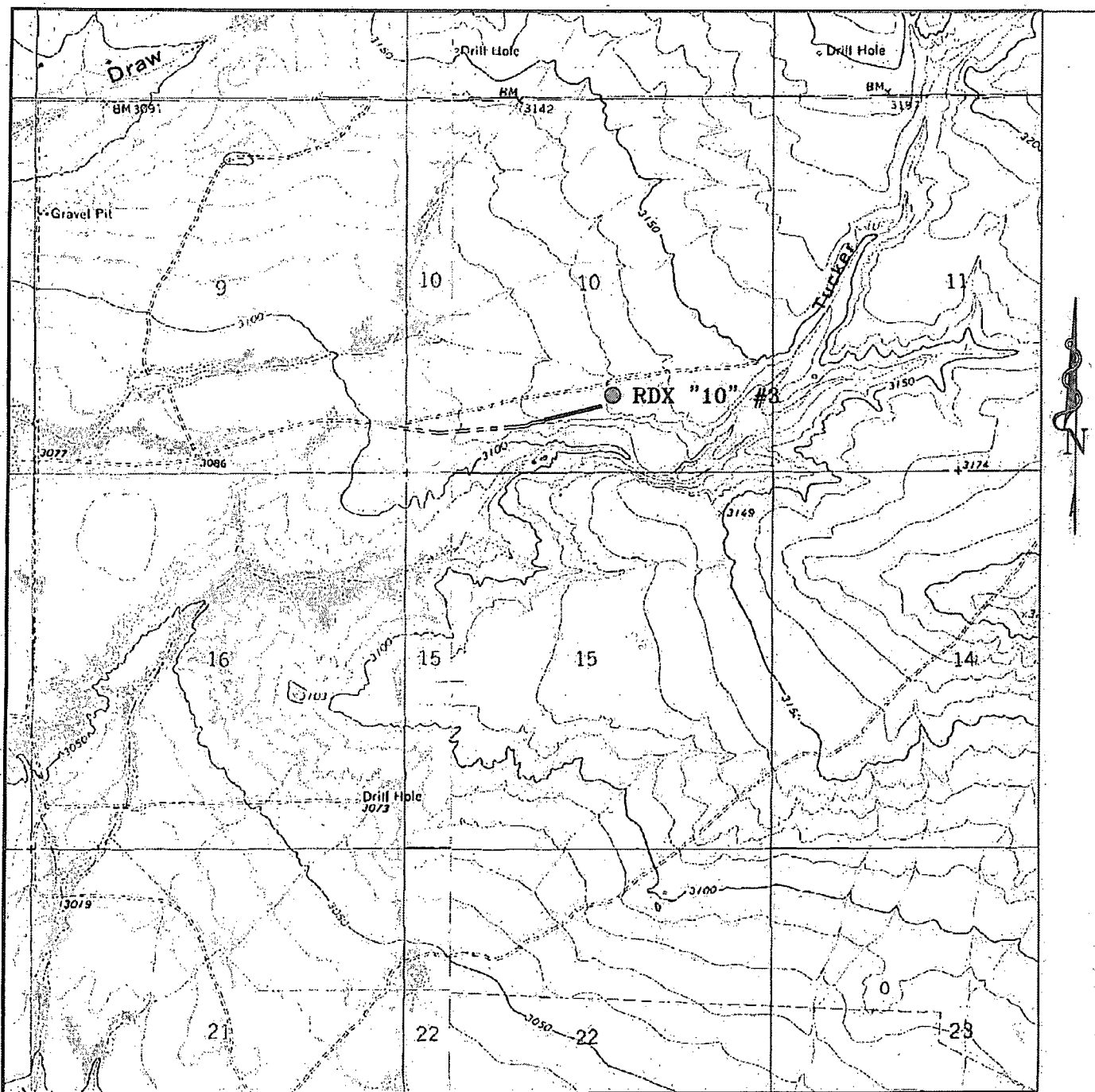
Bottom Hole Location If Different From Surface

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	Consolidation 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

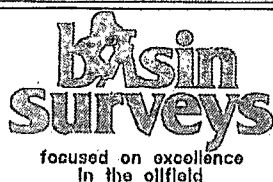
<p>SURFACE LOCATION LAT N.: 32°04'49.50" LONG W.: 103°52'03.92" N.: 383303.796 SPC-E.: 685535.847 (NAD-83)</p> <p>3128.0' 3134.3' 3127.1' 3128.3' 1090' Unit 0</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole 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 heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>2008</p> <p>Date Surveyed _____</p> <p>Signature & Seal of Professional Surveyor _____</p> <p>W.O. No. 19992</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

- Affected Offset Acreage



RDX "10" #3

Located at 1090' FSL AND 2310' FEL
 Section 10, Township 26 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basin-surveys.com

W.O. Number: 19992

Survey Date: 07-25-2008

Scale: 1" = 2000'

Date: 07-28-2008

RKI
**EXPLORATION &
 PRODUCTION**

Davidson, Florene, EMNRD

From: Cody Reid <CReid@rkixp.com>
Sent: Thursday, December 13, 2012 9:10 AM
To: Davidson, Florene, EMNRD
Subject: Administrative NSL Application
Attachments: NSL_Adm_Application_RDX_10-3.pdf

Dear Florene,

Please find attached an administrative NSL application for RKI Exploration & Production's RDX 10 #3 well.

Thank you for your assistance and please let me know of any issues.

Best regards,

Cody Reid
RKI Exploration & Production, LLC
210 Park Avenue, Suite 900
Oklahoma City, OK 73102
Ph: 405.996.5767
Fax: 405.949.2223

PLEASE NOTE THE FOLLOWING ADDRESS CHANGE EFFECTIVE 9/6/2012:

210 Park Avenue, Suite 900
Oklahoma City, OK 73102

From: Cody Reid
Sent: Tuesday, April 17, 2012 11:53 AM
To: florene.davidson@state.nm.us
Subject: Administrative NSL Applications

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, December 13, 2012 4:15 PM
To: 'creid@rkixp.com'
Subject: RDX Federal 10 #3 - NSL Application

Dear Mr. Reid

We have received and logged in the referenced application.

I wanted to clarify the statement in your letter that "RKI is the operator and sole lessee of all offsetting tracts." Does that statement include Unit K (NE/SW of Section 10)? We consider that unit to be an offsetting tract because the proposed non-standard location is closer to the common corner that would be the closed standard location in Unit O.

Please advise.

Sincerely

David K. Brooks

Brooks, David K., EMNRD

From: Cody Reid <CReid@rkixp.com>
Sent: Thursday, December 13, 2012 4:57 PM
To: Brooks, David K., EMNRD
Subject: RE: RDX Federal 10 #3 - NSL Application

Yes, sir, it does. RKI is the operator and sole lessee of Unit K.

Thank you,

Cody Reid

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Thursday, December 13, 2012 5:15 PM
To: Cody Reid
Subject: RDX Federal 10 #3 - NSL Application

Dear Mr. Reid

We have received and logged in the referenced application.

I wanted to clarify the statement in your letter that "RKI is the operator and sole lessee of all offsetting tracts." Does that statement include Unit K (NE/SW of Section 10)? We consider that unit to be an offsetting tract because the proposed non-standard location is closer to the common corner that would be the closed standard location in Unit O.

Please advise.

Sincerely

David K. Brooks