

ABOVE THIS LINE FOR DIVISION USE ONLY

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



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**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 \_\_\_\_\_

NSL  
 - RKI EXPLORATION  
 246289  
WELL  
 - ROSS DRAW UNIT #55  
 30-015-pending  
POOL  
 - ROSS DRAW, Delaware, East

- [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

52795

[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.

David Catanach Print or Type Name	<u>David Catanach</u> Signature	Agent for RKI Exploration & Production, LLC Title
	<u>1/30/14</u> Date	<u>drcatanach@netscape.com</u> E-Mail Address

January 30, 2014

**Hand Delivered**

New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG  
Division Director

Re: Application for Unorthodox Well Location  
Ross Draw Unit No. 58  
API-No. (Not Assigned Yet)  
840' FSL & 230' FWL (Unit M)  
Section 27, T-26 South, R-30 East, NMPM,  
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, RKI Exploration & Production, LLC ("RKI") respectfully requests administrative approval of an unorthodox oil well location for its proposed Ross Draw Unit No. 58. This well will be drilled as a development oil well in the East Ross Draw-Delaware Pool (52795).

The proposed Ross Draw Unit No. 58 will be dedicated to a standard 40-acre oil spacing and proration unit in the East Ross Draw-Delaware Pool comprising the SW/4 SW/4 of Section 27. There are currently no other wells on this tract producing from the Delaware formation.

The East Ross Draw-Delaware Pool is currently governed by Division Rule 19.19.15.9 which requires standard 40-acre oil spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit.

The Ross Draw Unit No. 58 was moved 150 feet south and 100 feet west from a standard well location within the SW/4 SW/4 of Section 27 in order to avoid an archaeologic site.

The affected offset tract is the SE/4 SE/4 of Section 28, Township 26 South, Range 30 East, NMPM. This tract is currently being developed in the West Ross Draw-Delaware Pool by RKI's Abby Federal No. 5 (API No. 30-015-29308). Please note that the working interest ownership between the SW/4 SW/4 of Section 27 (drill tract) and the SE/4 SE/4 of Section 28 is not common. Consequently, notice of this application is being

provided to the working interest owners in the SE/4 SE/4 of Section 28 in accordance with Division rules (see **attached notice list**).

Attached is a Form C-102 showing the proposed well and spacing unit. Also attached is a map showing the affected offset acreage, a site map, notice letter and notice list.

In summary, approval of the application will provide RKI the opportunity to recover additional oil and gas reserves from the East Ross Draw-Delaware Pool underlying the SW/4 SW/4 of Section 27 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach, Agent  
RKI Exploration & Production, LLC  
210 Park Avenue, Suite 900  
Oklahoma City, Oklahoma 73102

Xc: OCD-Artesia

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
**District II**  
 1301 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 & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-102  
 Revised July 16, 2010  
 Submit one copy to appropriate  
 District Office  
 AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>N/A</b>	Pool Code <b>52795</b>	Pool Name <b>East Ross Draw-Delaware Pool</b>
Property Code <b>312431</b>	Property Name <b>Ross Draw Unit</b>	Well Number <b>58</b>
OGRID No. <b>246289</b>	Operator Name <b>RKI Exploration &amp; Production, LLC</b>	Elevation <b>3005'</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>27</b>	<b>26 South</b>	<b>30 East</b>		<b>840</b>	<b>South</b>	<b>230</b>	<b>West</b>	<b>Eddy</b>

**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

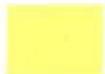
Dedicated Acres <b>40</b>	Joint or Infill	Consolidate Code	Order No.
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No Allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the Division

<p><b>Ross Draw Unit No. 58</b></p>	<b>OPERATOR CERTIFICATION</b>			
	<p><i>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 unleased mineral interest in the land including the proposed bottomhole 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 a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</i></p>			
	Signature _____		Date _____	
Printed Name _____				
E-mail Address _____				
<b>SURVEYOR CERTIFICATION</b>				
<p><i>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.</i></p>				
Date of Survey _____				
Signature and Seal of Professional Surveyor: _____				
Certificate Number _____				

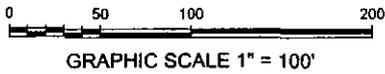
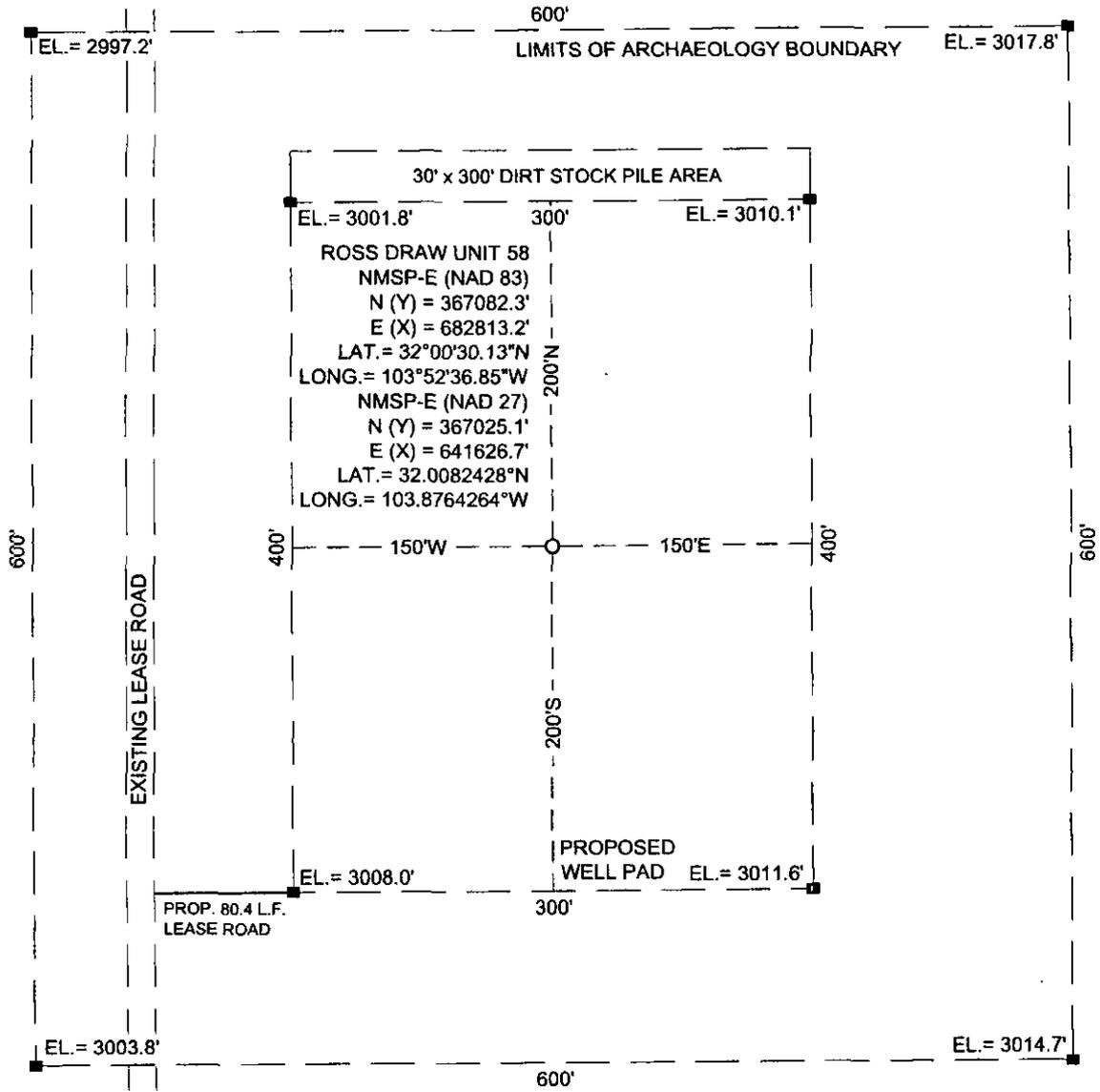
# 30 East



 **Affected Offset Acreage**

**RKI Exploration & Production, LLC**  
**Application for Non-Standard Well Location**  
**Ross Draw Unit No. 58**

# SITE LOCATION



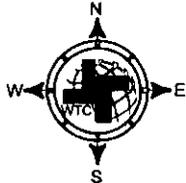
SECTION 27, T 26 S, R 30 E, N.M.P.M.

COUNTY: EDDY STATE: NM

DESCRIPTION: 840' FSL & 230' FWL

OPERATOR: RKI EXPLORATION & PRODUCTION

WELL NAME: ROSS DRAW UNIT 58



**DRIVING DIRECTIONS:**

From the intersection of County Road 1 and Stateline Road, go west on Stateline Road for 9.5 miles and turn right. Go 0.1 mile and location is on the right.



**WEST TEXAS CONSULTANTS, INC.**  
 ENGINEERS PLANNERS SURVEYORS  
 405 S.W. 1st. STREET  
 ANDREWS, TEXAS 79714  
 (432) 523-2181

**RKI EXPLORATION & PRODUCTION**

JOB No.: WTC48878

2: Project 2018 & 2019 Surveying, Engineering & Production Services for the 250 Well, Eddy County, NM, Section 27, T26S, R30E, N.M.P.M.

January 30, 2014

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: (See Attached Notice List)

Re: RKI Exploration & Production, LLC  
Unorthodox Oil Well Location  
Ross Draw Unit No. 58 (API No. Not Yet Assigned)  
840' FSL & 230' FWL (Unit M)  
Section 27, T-26 South, R-30 East, NMPM,  
East Ross Draw-Delaware Pool  
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by RKI Exploration & Production, LLC for authorization to drill it's Ross Draw Unit No. 58 at an unorthodox oil well location in the East Ross Draw-Delaware Pool 840 feet from the South line and 230 feet from the West line (Unit M) of Section 27, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. The well will be dedicated to a standard 40-acre oil spacing and proration unit in the East Ross Draw-Delaware Pool comprising the SW/4 SW/4 of Section 27. There are currently no other wells on this tract producing from the Delaware formation. The unorthodox location is necessary in order to avoid an archaeological site.

As the owner of an interest that may be affected by the proposed unorthodox oil well location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach  
Agent-RKI Exploration & Production, LLC  
210 Park Avenue, Suite 900  
Oklahoma City, Oklahoma 73102

Enclosure

RKI Exploration & Production, LLC  
Application for Unorthodox Well Location  
Ross Draw Unit No. 58  
Section 27, T-26 South, R-30 East, NMPM,  
Eddy County, New Mexico

Offset WI Owner Notification List

Khody Land & Minerals Co.  
210 Park Avenue, Suite 900  
Oklahoma City, Oklahoma 73102

Dee Ann Carlisle  
2616 Noel Avenue  
Midland, Texas 79705

Kaiser-Francis Oil Company  
6733 South Yale  
Tulsa, Oklahoma 74121

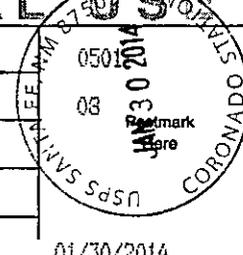
K.P. Acquisition Corporation  
c/o Margaret Ryan, CPA  
P.O. Box 9460  
Midland, Texas 79708-9460

7012 0470 0001 5936 2462

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OKLAHOMA CITY OK 73102

Postage	\$ 1.19	
Certified Fee	\$3.30	
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
<b>Total F</b>	<b>\$7.19</b>	01/30/2014

Sent To: **Kaiser-Francis Oil Company**  
 Street, or PO B: **6733 South Yale**  
 City, St: **Tulsa, Oklahoma 74121**

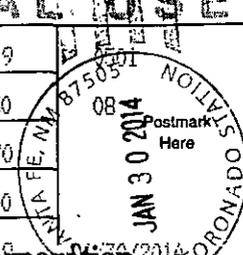
PS Form 3800, August 2000 See Reverse for Instructions

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MIDLAND TX 79708

Postage	\$ 1.19	
Certified Fee	\$3.30	
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
<b>Total F</b>	<b>\$7.19</b>	01/30/2014

To: **K.P. Acquisition Corporation**  
 Sent: **c/o Margaret Ryan, CPA**  
 Street, or PO B: **P.O. Box 9460**  
 City, St: **Midland, Texas 79708-9460**

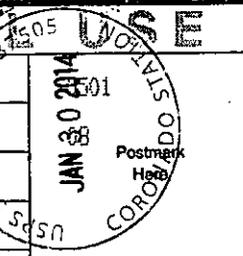
PS Form 3800, August 2000 See Reverse for Instructions

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<b>Total F</b>	<b>\$7.19</b>	01/30/2014

Sent To: **Khody Land & Minerals Co.**  
 Street, or PO B: **210 Park Avenue, Suite 900**  
 City, St: **Oklahoma City, OK 73102**

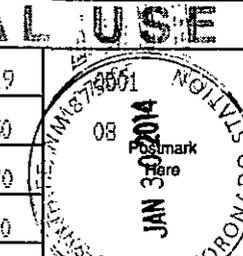
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MIDLAND TX 79705

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
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Sent To: **Dee Ann Carlisle**  
 Street, or PO B: **2616 Noel Avenue**  
 City, St: **Midland, Texas 79705**

PS Form 3800, August 2000 See Reverse for Instructions