

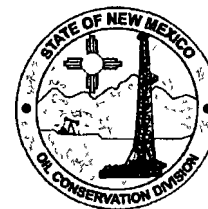
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



June 22, 2017

RKI Exploration & Production, LLC
Attn: Ms. Jordan Kessler

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7542

RKI Exploration & Production, LLC
OGRID 246289
RDX Federal Com. 17 Well No. 45H
API No. 30-015-pending

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	75` FNL & 2485` FWL	C	17	26S	30E	Eddy
Penetration Point	330` FNL & 2516` FWL	C	17	26S	30E	Eddy
Final perforation	330` FSL & 2516` FWL	N	17	26S	30E	Eddy
Terminus	230` FSL & 2516` FWL	N	17	26S	30E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 Section 17	320	Purple Sage, Wolfcamp (Gas)	98220

Reference is made to your application received on May 26, 2017

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by Special Rules for the Purple Sage, Wolfcamp (Gas) pool which provides for 320 acre-units, with wells to be located no closer than 330 feet to the outer boundary, and Rule 19 15 16 14 B (2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15 15 13 NMAC and 19 15 4 12.A (2) NMAC


It is our understanding that the applicant is requesting this non-standard location because nine wells are needed to adequately develop the Wolfcamp in this section, per RKI engineer. As a result, the proposed well's project area is unorthodox.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19 15 4 12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15 13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15 5 9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.


DAVID R. CATANACH
Director

DRC/lrl

cc Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office