

RECEIVED <b>05-24-247</b>	REVIEWER <b>LEL</b>	TYPE <b>NSL</b>	APP NO <b>PLEL1715044624</b>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



**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

**Applicant:** RKI Exploration and Production **OGRID Number:** 246289  
**Well Name:** RDX 17 Federal Well No 45H **API:** 30-015-pending  
**Pool:** Purple Sage, Wozflood (GAS) **Pool Code:** 98220

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

**NSL-7542**

**1) TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

**2) NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders  
 B. ☐ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☐ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

**FOR OCD ONLY**

<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

**3) 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**

Jordan Kessler

Print or Type Name

May 26, 2017

Date

\_\_\_\_\_  
 Phone Number

see Application  
 Signature

\_\_\_\_\_  
 e-mail Address

**HOLLAND & HART**



Mr. David Catanach  
Oil Conservation Division  
May 26, 2017  
Page 2

encroaches on the spacing and proration units to the Northeast, East, and Southeast of the proposed spacing unit.

**Exhibit B** is a plat showing an outline of the subject acreage and the surrounding sections.

**Exhibit C** shows the variance in ownership between the W/2 and the W/2 E/2 of Section 17. EOG owns a higher percent in the W/2 E/2 than the W/2

**Exhibit D** contains a list of the parties affected by the encroachment and their area of ownership. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application. A courtesy copy of this application has also been provided to the Bureau of Land Management-Carlsbad.

**Exhibit E** is an affidavit from a petroleum engineer reviewing RKI's drilling plans in the subject area.

Your attention to this matter is appreciated.

Sincerely,

Jordan L. Kessler  
ATTORNEY FOR RKI EXPLORATION AND  
PRODUCTION, LLC

cc: Bureau of Land Management  
620 E. Green Street  
Carlsbad, NM 88220

**District I**  
1625 N French Dr., Hobbs NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
811 S First St., Artesia NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

**District III**  
1000 Rio Brazos Road, Aztec NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

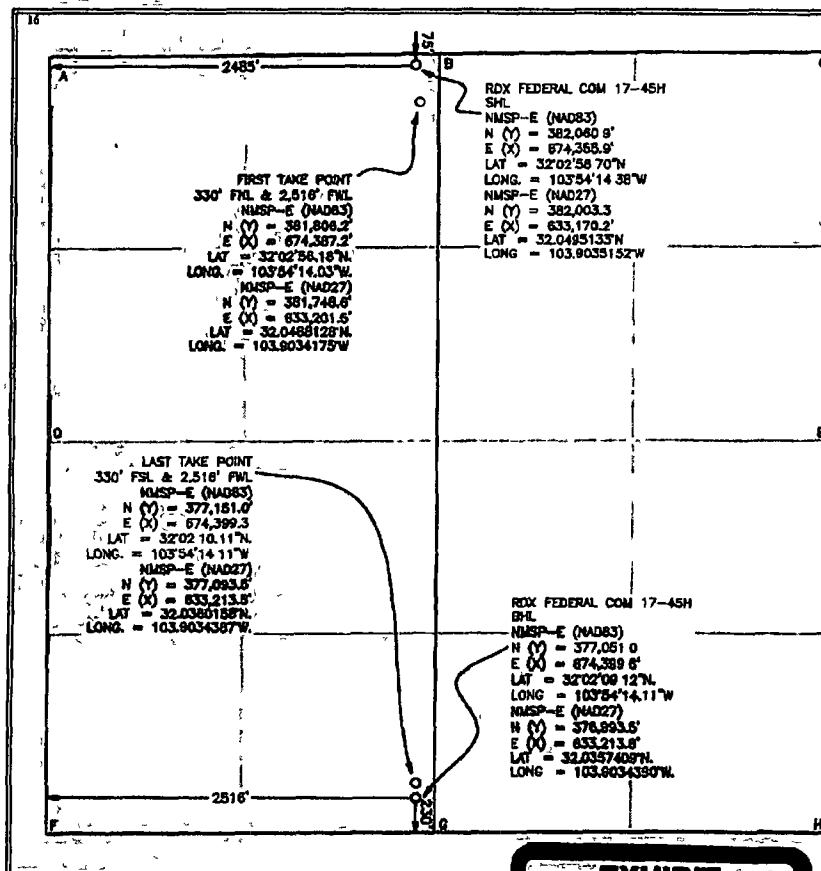
Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE WOLFCAMP GAS POOL					
<sup>4</sup> Property Code		<sup>5</sup> Property Name RDX FEDERAL COM 17						<sup>6</sup> Well Number 45H	
<sup>7</sup> OGRID No 246289		<sup>8</sup> Operator Name RKI EXPLORATION & PRODUCTION, LLC						<sup>9</sup> Elevation 3076'	
<sup>10</sup> Surface Location									
UL or lot no C	Section 17	Township 26 S	Range 30 E	Lot Idn	Feet from the 75	North/South line NORTH	Feet from the 2485	East/West line WEST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no N	Section 17	Township 26 S	Range 30 E	Lot Idn	Feet from the 230	North/South line SOUTH	Feet from the 2516	East/West line WEST	County EDDY
<sup>12</sup> Dedicated Acres 320.0		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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



**17 OPERATOR CERTIFICATION**  
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 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.

Signature: Josh Walker Date: 3/20/17  
Printed Name: Josh Walker  
E-mail Address: josh.walker@wpxenergy.com

**18 SURVEYOR CERTIFICATION**  
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.

03-17-2017  
Date of Survey  
Signature and Seal of Professional Surveyor: [Signature]  
MARK DILLON HARP 23786  
Certificate Number  
201702214

**EXHIBIT**  
A

## McMillan, Michael, EMNRD

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**From:** Jordan L Kessler <JLKessler@hollandhart.com>  
**Sent:** Wednesday, June 21, 2017 2:33 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** RE: RKI/ RDX Fed Com 17 45H NSL application  
**Attachments:** 0572\_001.pdf

First perf 330 feet from the North line, 2,516 feet from the West line  
Last perf 330 feet from the South line, 2,516 feet from the West line

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**From:** McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]  
**Sent:** Wednesday, June 21, 2017 2:14 PM  
**To:** Jordan L Kessler <JLKessler@hollandhart.com>  
**Subject:** RE: RKI/ RDX Fed Com 17 45H NSL application

Need first perf and last per  
Get return receipt from EOG  
Mike

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**From:** Jordan L Kessler [mailto:JLKessler@hollandhart.com]  
**Sent:** Wednesday, June 21, 2017 1:58 PM  
**To:** McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>  
**Cc:** Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>  
**Subject:** RE: RKI/ RDX Fed Com 17 45H NSL application

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**From:** McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]  
**Sent:** Wednesday, June 21, 2017 1:48 PM  
**To:** Jordan L Kessler <JLKessler@hollandhart.com>  
**Subject:** RE: RKI/ RDX Fed Com 17 45H NSL application

No attachments

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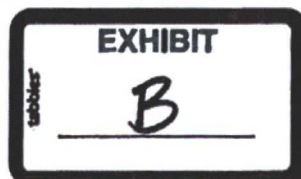
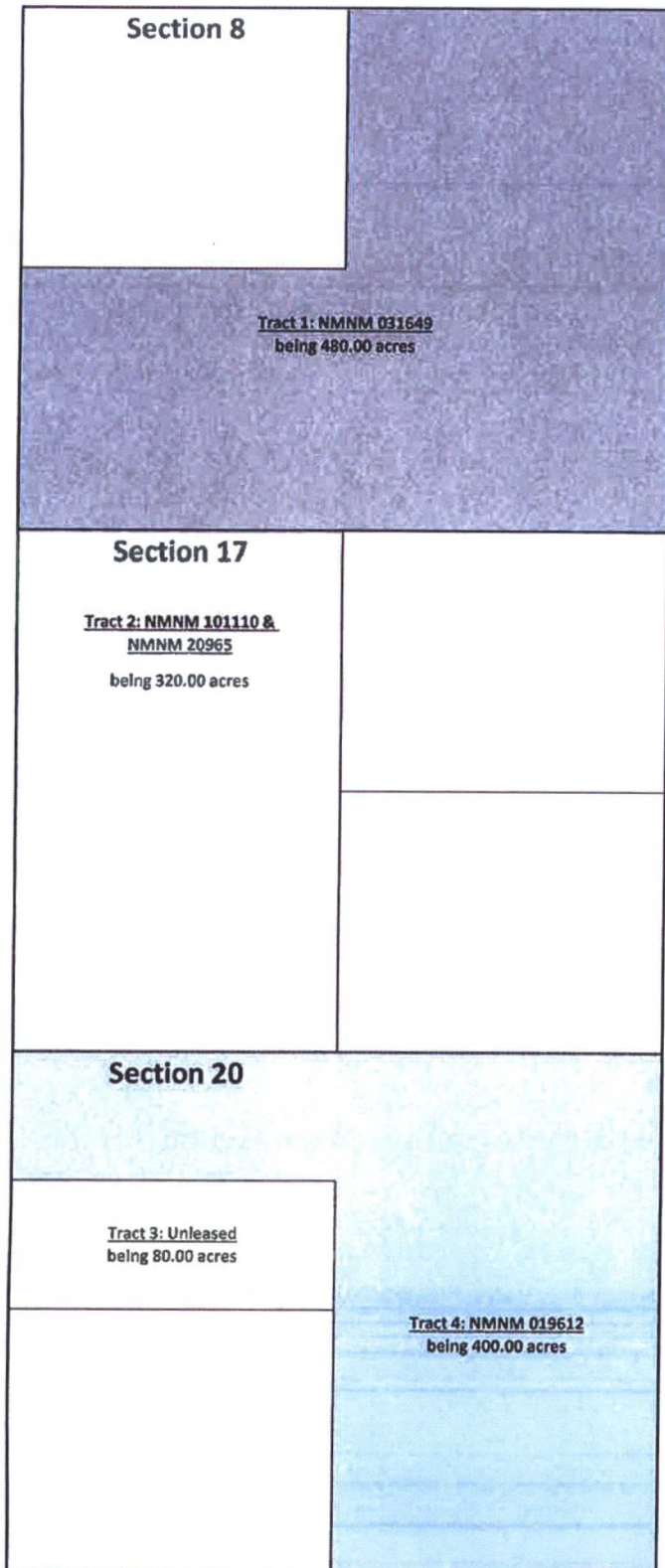
**From:** Jordan L Kessler [mailto:JLKessler@hollandhart.com]  
**Sent:** Wednesday, June 21, 2017 1:45 PM  
**To:** Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>  
**Cc:** McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>  
**Subject:** RE: RKI/ RDX Fed Com 17 45H NSL application

Thank you!

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**From:** Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]  
**Sent:** Wednesday, June 21, 2017 1:12 PM  
**To:** Jordan L Kessler <JLKessler@hollandhart.com>  
**Cc:** McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>  
**Subject:** RE: RKI/ RDX Fed Com 17 45H NSL application

RDX Federal Com 17 #45H  
Non-Standard Location  
Plat of Affected Tracts



**RDX Federal Com 17 #45H**

**Section 17 Ownership**

**Tract A: W/2 of Section 17, subject to Compulsory Pooling  
Order No. R-14204**

Owner	Working Interest
RKI Exploration & Production, LLC	87.50%
EOG Resources, Inc.	12.50%

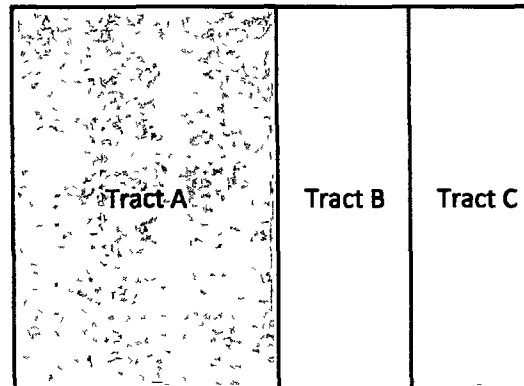
**Tract B: W/2 E/2 of Section 17, subject to Compulsory  
Pooling Order No. R-14016-A**

Owner	Working Interest
RKI Exploration & Production, LLC	75.00%
EOG Resources, Inc	25.00%

**Tract C: E/2 E/2 of Section 17, subject to Compulsory  
Pooling Order No. R-14154**

Owner	Working Interest
RKI Exploration & Production, LLC	75.00%
EOG Resources, Inc	25.00%

**Section 17**



**Exhibit D**

**Tract 1.**

**Legal:** East Half (E/2) and Southwest Quarter (SW/4) of  
Section 8, Township 26 South, Range 30 East  
Eddy County, New Mexico

**Parties:** Chevron USA Holdings Inc  
11111 S. Wilcrest  
Houston, Texas 77099  
7016 0750 0000 3268 0773

EOG A Resources, Inc  
EOG Y Resources, Inc.  
EOG M Resources, Inc  
105 S 4<sup>th</sup> Street Artesia  
New Mexico 88210  
7016 0750 0000 3268 0780

EOG A Resources, Inc  
EOG Y Resources, Inc.  
EOG M Resources, Inc  
5509 Champions Dr  
Midland, Texas 79706  
7016 0750 0000 3268 0797

OXY Y-1 Company  
P O Box 27570  
Houston, Texas 77227  
7016 0750 0000 3268 0803

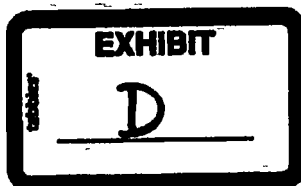
XTO Energy, Inc.  
810 Houston St.  
Fort Worth, Texas 76102  
7016 0750 0000 3268 0810

**Tract 2:**

**Legal:** West Half (W/2) of  
Section 17, Township 26 South, Range 30 East  
Eddy County, New Mexico

**Parties** EOG Resources, Inc  
105 S. 4<sup>th</sup> Street Artesia  
New Mexico 88210  
Duplicate

EOG Resources, Inc  
5509 Champions Dr  
Midland, Texas 79706  
Duplicate



Tract 3

**Legal.** South Half of Northwest Quarter (S/2 NW/4) of  
Section 20, Township 26 South, Range 30 East  
Eddy County, New Mexico

**Parties** United States of America  
Bureau of Land Management  
620 E Green St  
Carlsbad, New Mexico 88220  
7016 0750 0000 3268 0827

Tract 4:

**Legal:** East Half (E/2) and North Half of North West Quarter (N/2 NW/4) of  
Section 20, Township 26 South, Range 30 East  
Eddy County, New Mexico

**Parties:** Costilla Energy  
P O Box 10369  
Midland, Texas 79702  
7016 0750 0000 3268 0834

Dominion OK TX Expl & Prod, Inc  
14000 Quail Springs Pky #600  
Oklahoma City, Oklahoma 73134  
7016 0750 0000 3268 0841

El Paso Natural Gas Company  
P.O. Box 1492  
El Paso, Texas 79978  
7016 0750 0000 3268 0858

EOG Resources , Inc  
P.O Box 4362  
Houston, Texas 77210  
7016 0750 0000 3268 0865

EXXONMOBIL Corp  
810 Houston St.  
Fort Worth, Texas 76102  
7016 0750 0000 3268 0674

KP Acquisition Corp.  
2040 Murray Holladay  
Salt Lake City, Utah 84117  
7016 0750 0000 3268 0681

KP Acquisition Corp.  
500 W Texas #1450  
Midland, Texas 79701  
7016 0750 0000 3268 0698



**Charlotte Williamson  
Box 50410  
Austin, Texas 78763  
7016 0750 0000 3268 0704**

**J.C. Williamson  
P.O. Box 16  
Midland, Texas 79702  
7016 0750 0000 3268 0711**

**Ralph E. Williamson  
Box 994  
Midland, Texas 79702  
7016 0750 0000 3268 0728**

**XTO Energy, Inc.  
810 Houston St  
Fort Worth, Texas 76102  
7016 0750 0000 3268 0735**



**Jordan L. Kessler**  
**Associate**  
Phone (505) 988-4421  
Fax (505) 983-6043  
jlkessler@hollandhart.com

May 26, 2017

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

**TO AFFECTED PARTIES**

**Re: Application of RKI Exploration & Production for administrative approval of an unorthodox well location for its RDX Federal Com 17 No. 45H in the W/2 of Section 17, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following.

Aaron Young  
RKI Exploration and Production  
(539) 573-3531  
aaron.young@wpenergy.com

Sincerely,

A handwritten signature in black ink, appearing to read "J. L. Kessler".

**Jordan L. Kessler**  
**ATTORNEY FOR RKI EXPLORATION AND**  
**PRODUCTION, LLC**

**Holland & Hart LLP**

Phone (505) 988-4421 Fax (505) 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address PO Box 7208 Santa Fe NM 87504-7208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington DC ☐

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO**

**To: Chevron USA Holdings Inc., and its successors, heirs and/or devisees; EOG A Resources Inc., and its successors, heirs and/or devisees; EOG Y Resources Inc., and its successors, heirs and/or devisees; EOG M Resources Inc., and its successors, heirs and/or devisees; OXY Y-1 Company, and its successors, heirs and/or devisees; XTO Energy, Inc., and its successors, heirs and/or devisees; EOG Resources, Inc., and its successors, heirs and/or devisees; Costilla Energy, and its successors, heirs and/or devisees; Dominion OK TX Expl & Prod., Inc., and its successors, heirs and/or devisees; El Paso Natural Gas Co., and its successors, heirs and/or devisees; ExxonMobil Corp., and its successors, heirs and/or devisees; KP Acquisition Corp., and its successors, heirs and/or devisees; Charlotte Williamson, and her successors, heirs and/or devisees; J.C. Williamson, and its successors, heirs and/or devisees; and, Ralph E. Williamson, and his successors, heirs and/or devisees.**

**Application of RKI Exploration & Production for administrative approval of an unorthodox well location for its RDX Federal Com 17 No. 45H in the W/2 of Section 17, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. Applicant seeks administrative approval of an unorthodox well location ("NSL") for its RDX Federal Com 17 No. 45H Well (API No. Pending) to be completed within the Purple Sage Wolfcamp Gas Pool (Pool Code 98220) underlying the W/2 of Section 17, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. This well was drilled from a surface location 75 feet from the North line and 2,485 feet from the West line (Unit C). The upper most perforation is located 330 feet from the North line and 2,516 feet from the West line (Unit C) and the lower most perforation is located 330 feet from the South line and 2,516 feet from the West line (Unit N) of Section 17.**

**Pursuant to Division Order R-14262, this acreage is governed by the Special Rules for the Purple Sage-Wolfcamp Gas Pool which provide for wells in the Wolfcamp formation located in Eddy County to be spaced on 320 acres and located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for this well will be unorthodox because it is closer than 330 feet to the eastern, northeastern, and southeastern boundaries of the project area.**

**Any objection to this application must be filed in writing within twenty days from date of publication with the applicant and the New Mexico Oil Conservation Division, 1220 South St Francis Drive, Santa Fe, New**

Mexico, 87505 If no objection is received within this twenty-day period, this application may be approved administratively by the Division. If you have any questions about this application, please contact Aaron Young at (539) 573-3531 or [Aaron.Young@wpxenergy.com](mailto:Aaron.Young@wpxenergy.com)

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

Administrative Application for RKI's RDX Federal Com 17 No. 45H Well

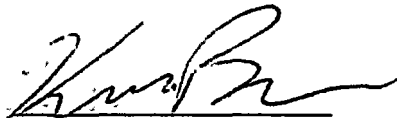
AFFIDAVIT OF KEEVIN BARNES

STATE OF OKLAHOMA                     )  
  ) ss  
COUNTY OF TULSA                     )

Keevin Barnes, being first duly sworn on oath, states as follows

1. My name is Keevin Barnes and I am employed by RKI Exploration & Production, LLC ("RKI") in Tulsa, Oklahoma, as a petroleum engineer
2. I received my Bachelors of Science from Texas A&M University in 1995
3. I was hired by RKI in 2015 I have been employed as a reservoir engineer for approximately 20 years.
4. For the past two and half years, I have worked exclusively in the Permian Basin
5. I am familiar with the reservoir in Section 17, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico, and have reviewed the administrative application for an unorthodox location filed by my attorney in connection with the RDX Federal Com 17 No. 45H Well
6. To effectively develop the Upper Wolfcamp in this area, RKI will drill nine horizontal wells in the same lateral target
7. In order to drill all nine wells, some wells, including the RDX Federal Com 17 No. 45H Well will be drilled at unorthodox locations
8. Failure to drill the nine wells in this target in this particular area will result in reserves being left in the ground, which constitutes waste.

FURTHER AFFIANT SAYETH NOT.

  
Keevin Barnes

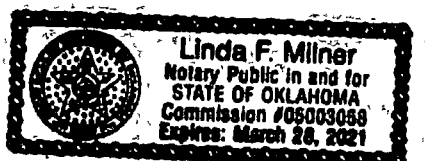
SUBSCRIBED AND SWORN before me on this 15th day of May, 2017.

  
Notary Public

My Commission Expires

3/28/2021

AFFIDAVIT -- PAGE 1 of 1



7016 0750 0000 3268 0865

**U.S. Postal Service**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit **USPS.com**

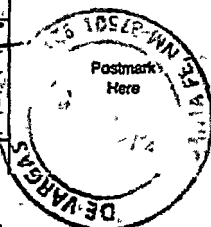
**OFFICE** RKI/RDX Fed Com 17  
 No. 45H Well/JLK

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
 Total Postage \$

Sent To **EOG Resources, Inc.**  
**P O Box 4362**  
 Street and **Houston, Texas 77210**  
 City, State, ZIP+4®

PS Form 3811, July 2015 PSN 7530-02-000-9053 See Reverse for Instructions



**SENDER: COMPLETE THIS SECTION**

1. Complete items 1, 2, and 3.  
 Print your name and address on the reverse so that we can return the card to you.  
 Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to  
**EOG Resources, Inc**  
**P O Box 4362**  
**Houston, Texas 77210**

2. **7016 0750 0000 3268 0865**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature **X** **M. Crites** ☐ Agent ☐ Addressee

B. Received by (Printed Name) **M. Crites** C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below

3. Service Type  
☐ Adult Signature ☐ Priority Mail Express®  
☐ Adult Signature Restricted Delivery ☐ Registered Mail™  
☐ Certified Mail® ☐ Registered Mail Restricted Delivery  
☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise  
☐ Collect on Delivery ☐ Signature Confirmation™  
☐ Restricted Delivery ☐ Signature Confirmation Restricted Delivery

(over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt