

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

**APPLICATION OF RKI EXPLORATION
AND PRODUCTION, LLC TO RE-OPEN
CASE NOS. 15341 AND 15477 TO MODIFY
ORDER NOS. R-14016-A AND R-14154
TO FORM A SINGLE SPACING AND
PRORATION UNIT TO CONFORM WITH
THE PURPLE SAGE-WOLFCAMP GAS POOL,
EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 15341 (re-opened)
and 15477 (re-opened)**

RKI'S PRE-HEARING STATEMENT

RKI Exploration and Production, LLC, the applicant in the above-referenced matter,
submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

RKI Exploration and Production, LLC
3500 One Williams Center, MD 35
Tulsa, OK 74172

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

RKI Exploration and Production ("RKI") seeks to re-open Case Nos. 15341 and 15477 to
modify Order Nos. R-14016-A and R-14154 to form a single 320-acre spacing and proration unit
to conform with the spacing requirements of the Purple Sage-Wolfcamp Gas Pool as set forth in
Order No. R-14262.

The Division issued two compulsory pooling orders within the E/2 of Section 17, Township 26 South, Range 30 East, NMPM, in Eddy County, New Mexico. Order No. R-14016-A pooled all uncommitted interests within the Wolfcamp formation (Brushy Draw; Wolfcamp (Oil) Pool (97136)) underlying the W/2 E/2 of Section 17, Township 26 South, Range 30 East, NMPM, in Eddy County, New Mexico. The order dedicated the 160-acre non-standard spacing unit to RKI's RDX Federal Com 17 Well No. 26H (API No. 30-015-42752). Order No. R-14154 pooled all uncommitted interests within the Wolfcamp formation (Brushy Draw; Wolfcamp (Oil) Pool (97136)) underlying the E/2 E/2 of Section 17, Township 26 South, Range 30 East, NMPM, in Eddy County, New Mexico. The order dedicated the 160-acre non-standard spacing unit to RKI's RDX Federal Com 17 Well No. 41H (API No. 30-015-43634).

Both spacing units are within the boundary of the Purple Sage-Wolfcamp Gas Pool, which is subject to Division Order No. R-14262. This order abolished prior existing Wolfcamp pools within the area. *See* Order No. R-14262. To conform with the Division's standard spacing for the Purple Sage-Wolfcamp Gas Pool, RKI seeks to amend the existing pooling orders to form a single spacing unit comprised of the E/2 of Section 17, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. EOG Resources, Inc. is the sole working interest owner in the E/2 of Section 17. EOG owns a proportional interest in the E/2 E/2 and W/2 E/2 of Section 17. Therefore, the revenue interests of the pooled party will not change. The overriding royalty and royalty owners are identical and own identical interests throughout the E/2 of Section 17.

APPLICANT'S PROPOSED EVIDENCE

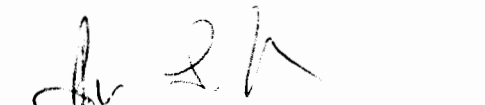
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Aaron Young (Landman)	Approx. 10	Approx. 2

PROCEDURAL MATTERS

If uncontested, this case will be presented by affidavit.

Respectfully submitted,

HOLLAND & HART LLP

Handwritten signatures of Michael H. Feldewert and Jordan L. Kessler, with a horizontal line drawn across them.

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