

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

APPLICATION OF RKI EXPLORATION & PRODUCTION FOR COMPULSORY
POOLING AND APPROVAL OF AN UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO

CASE NO. 15518

RKI'S PRE-HEARING STATEMENT

RKI Exploration and Production, 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
210 Park Avenue
Suite 700
Oklahoma City, OK 73102

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

RKI Exploration and Production ("RKI") seeks an order (1) pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 17, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) approving an unorthodox well location for the proposed well. Said unit is to be dedicated to applicant's proposed **RDX Federal 17 No. 35H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) to a non-standard bottom hole location in in the SW/4 SW/4 (Unit M) of Section 17.

The completed interval for this well will commence 330 feet from the North line and 330 feet from the West line (Unit D) to a location 330 feet from the South line and 330 feet from the

West line (Unit M) of Section 17. This acreage is subject to the statewide rules for defined gas pools in Eddy County which requires 320-acre spacing and wells to be located no closer than 660 feet to the outer boundary of the quarter section. The proposed **RDX Federal 17 No. 35H Well** will be unorthodox because the completed interval for this well will be closer than 660 feet to the outer boundary as required by Rule 19.15.15.10.B(1). Specifically, it encroaches on the spacing and proration units to the North, Northwest, West, Southwest, and South of Section 17.

APPLICANT'S PROPOSED EVIDENCE

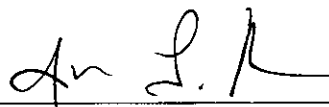
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Chuck Bassett (Landman)	Approx. 10	Approx. 5
Sam Shiverick (Geologist)	Approx. 10	Approx. 5

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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