

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



November 27, 2017

Administrative Order NSP-2079

NON-STANDARD PRORATION UNIT

C/o Jordan L. Kessler, Esq. Holland & Hart, LLP
RKI Exploration & Production, LLC (OGRID 246289)

Tucker Draw 9-4 Fed Com Wells No. 1H, 2H, 3H, 4H, 5H, 6H, 7H

API numbers, surface locations, and bottom hole locations are; "To Be Determined"

Purple Sage; Wolfcamp Gas Pool (Pool Code 98220)

Proposed 480 Acre, Standard Project Area

Consisting of the following lands:

Township 26 South, Range 30 East, Eddy County, New Mexico

Section 4: SE/4 (Non-Standard Gas Spacing Unit)

Section 9: E/2 (Standard Gas Spacing Unit)

#1H - 30-015-44477
#2H - 30-015-44478
#3H - 30-015-44486
#4H - 30-015-44487
#5H - 30-015-44488
#6H - 30-015-44479
#7H - 30-015-44480

Pertinent Rules:

Division Rule 19.15.15.10 B NMAC Gas Well Acreage, 320-acre Spacing.

Division Rule 19.15.15.11 B NMAC Acreage Assignment, Non-Standard Spacing Units.

Division Rule 19.15.4.12 A NMAC Notice Requirements, Non-Standard Spacing Units.

Division Rule 19.15.16.7 H/M NMAC Definitions, Standard and Non-Standard Project Area.

Division Rule 19.15.16.15 E NMAC Horizontal Wells, Formation of Project Areas.

Case 15535, Order R-14262 Purple Sage; Wolfcamp Gas Pool

Reference is made of your application received on November 6, 2017 for administrative approval of the above described non-standard gas spacing unit and the pertinent rules some of which are cited above.

This pool is spaced on standard 320-acre gas spacing units. You propose to form a standard project area consisting of portions of two gas spacing units for purposes of drilling the above mentioned or other horizontal gas wells. The proposed two gas spacing units are oriented in a south to north direction. One of these Units is non-standard as acreage is being excluded from a standard unit. The well is intended to extend into Section 4 and excluded acreage in Section 4.

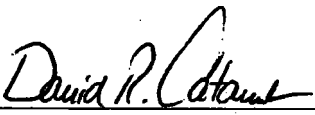
This application qualifies for approval administratively. You have provided notice to affected persons and no protests have been received.

The non-standard spacing unit comprised of the SE/4 of Section 4 is hereby approved and may be combined with the standard gas spacing unit comprised of the E/2 of Section 9 for purposes of drilling the above mentioned proposed wells in the Wolfcamp formation.

Additional or alternately named wells may be drilled and produce from this non-standard gas spacing unit or from this project area.

Any horizontal well wholly completed within this 480-acre project area and not completed in all the spacing units comprising this project area shall be dedicated to only those spacing units in which that well is completed. If the Division redefines this 480-acre project area as one spacing unit, this restriction shall not apply.

These approvals are subject to the operator following all other applicable Division rules. Jurisdiction is retained for the entry of such further orders as the Division may deem necessary.


DAVID R. CATANACH
Director

DRC/wvjj

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