Form 3160-5 (August 2007)

Approved By

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease

which would entitle the applicant to conduct operations thereon

UNITED STATES

FORM APPROVED

2014 Date

BUREAU OF LAND MANAGEMENT

OMB NO. 1004-0135 DEPARTMENT OF THE INTERIOR Expires: July 31, 2010 BUREAU OF LAND MANAGEMENT 5. Lease Serial No. OCD Artesia SUNDRY NOTICES AND REPORTS ON WELLS NMNM11042 Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name abandoned well. Use form 3160-3 (APD) for such proposals. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side. NMNM71027X 1. Type of Well Well Name and No ROSS DRAW UNIT 61 Oil Well Gas Well Other Name of Operator CHARLES KAHN API Well No. Contact: RKI EXPLORATION & PRODUCTION E-Mail: cahn@rkixp.com 30-015-41980 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 3a. Address ROSS DRAW; DELAWARE, EAST 210 PARK AVENUE, SUITE 900 Ph: 405-996-5771 OKLAHOMA CITY, OK 73102 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, and State Sec 27 T26S R30E Mer NMP SESE 990FSL 710FEL EDDY COUNTY, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION ☐ Acidize Deepen □ Production (Start/Resume) ■ Water Shut-Off Notice of Intent ■ Alter Casing Fracture Treat ☐ Reclamation ■ Well Integrity ☐ Subsequent Report Casing Repair ■ New Construction ☐ Recomplete Other Drilling Operations ☐ Final Abandonment Notice Change Plans □ Plug and Abandon ☐ Temporarily Abandon ■ Convert to Injection □ Plug Back ■ Water Disposal 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) RKI Exploration & Production, LLC requests authorization to change the production casing hole size from 8-3/4 inch to 7-7/8 inch. A revised drilling program is attached for reference. NM OIL CONSERVATION ARTESIA DISTRICT DEC 3 0 2014 RECEIVED thue and correct. Electronic Submission #254047 verified by the BLM Well Information System For RKI EXPLORATION & PRODUCTION, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH HAM on 12/18/2014 () Name(Printed/Typed) CHARLES KAHN Title HS&E/REGULATORY (Electronic Submission) Date 07/22/2014 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false figitings or fraudulant states any false.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Title

RKI Exploration & Production, LLC

Well

RDU 61

Location

990 FSL 990 FSL 710 FEL 710 FEL Surface Bottom Hole

Section 27-26S-30E

County State Eddy

New Mexico

1) The elevation of the unprepared ground is

3,002 feet above sea level.

- 2) The geologic name of the surface formation is Quaternary Alluvium.
- 3) A rotary rig will be utilized to drill the well to 7,500 feet and run casing. This equipment will then be rigged down and the well will be completed with a workover rig.

4) Proposed depth is

7,500 feet

5) Estimated tops:

	MD	TVD ·	
Rustler	798	798	
Salado	1,140	1,140	
Castile	· 1,589	1,589	
KOP	2,844	2,844	
Lamar Lime	3,361	3,361	•
Base of Lime	3,548	3,548	
Delaware Top	3,578	3,578	
Bell Canyon Sand	3,578	3,578 Oil	1,549 psi
Cherry Canyon Sand	4,654	4,654 Oil	2,015 psi
Brushy Canyon Sand	5,710	5,710 Oil	2,472 psi
Bone Spring	7,466	7,466	
TD	7 500	7 500	146 degree

The Bone Spring will be penetrated as rathole to enable the entire Brushy Canyon to be logged.

6) Casing program:

Hole Size	Top	Bottom	OD Csg	Wt/Grade	Connection	Collapse Design Factor	Burst Design Factor	Tension Design Factor
17 1/2"	0	900	13 3/8"	54.5#/J-55	ST&C	2.90	5.89	10.48
12 1/4"	0	3,540	9 5/8"	40#/J-55	LT&C	1.32	5.24	3.67
7 7/8"	0	7,500	5 1/2"	17#/N-80	LT&C	1.93	1.55	2.73

7) Cement program:

•			
Surface	17 1/2" hole		
Pipe OD	13 3/8"		
Setting Depth	900 ft		
Annular Volume	0.69462 cf/ft		
Excess	1		

.

Lead Tail 566 sx 200 sx 1.74 cf/sk 1.33 cf/sk 100 %

13.5 ppg 14.8 ppg

Lead: "C" + 4% PF20 + 2% PF1 + .125 pps PF29 + .2% PF46

Tail: "C"+ 1% PF1

Top of cement:

Surface

Intermediate

12 1/4" hole

Pipe OD Setting Depth Annular Volume Excess

9 5/8" 3,540 ft 0.31318 cf/ft

0:3627 cf/ft 50 %

Lead

Tail

677 sx 1.92 cf/sk 12.6 ppg 200 sx 1.33 cf/sk 14.8 ppg Lead: 35/65 Poz "C" + 5% PF44 + 6% PF20 + 3 pps PF42 + .125 pps PF29 + .2% PF46 +1% PF1 Tail: "C" + .2% PF13

· Top of cement:

Surface

Production	7 7/8" hole		
Pipe OD	5 1/2"		
Setting Depth	7,500 ft		
Annular Volume	0.1733 cf/ft	0.26074 cf/ft	300 ft
Excess	0.4	40 %	
DV Tool Depth	5500 ft		

Stage 1

Lead: 328 sx 1.48 cf/sk

Lead: PVL + 2% PF174 + .3% PF167 + .1% PF65 + .2% PF13 + .25 pps PF46

Top of cement: DV tool

Stage 2

231 sx 1.89 cf/sk Lead: 12.9 ppg Tail: 100 sx 1.48 cf/sk 13.0 ppg

Lead: 35/65 Poz "C" + 5% PF44 + 6% PF20 + 3 pps PF42 + .2% PF13 + .125 pps PF130 + .25 pps PF46

Tail: PVL + 2% PF174 + .3% PF167 + .1% PF65 + .2% PF13 + .25 pps PF46

Top of cement:

8) Pressure control equipment:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram type (3,000 psi WP) preventer, a bag-type annular preventer (3,000 psi WP), and rotating head. Both units will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and pipe ram: (sized to accommodate the drill pipe size being utilized) on bottom. A 13 3/8" SOW x 13 5/8" 3M casing head will be installed on the 13 3/8" casing and utilized until total depth is reached. All BOP and associated equipment will be tested to 3,000 psi and the annular will be tested to 1,500 psi after setting the 13 3/8" string. The 13 3/8" and 9 5/8" casing will be tested to .22 psi per ft of casing string length or 1,500 psi whichever is greater, but not to exceed 70% of the minimum yield.

The 9 5/8" casing will be hung in the casing head and the stack will not be nippled down at this point. The stack will not be isolated and tested after running the 9 5/8" casing, but will be tested along with the 9 5/8" casing. Pipe rams will be operated and checked each 24 hour period and each time the drill string is out of the hole. These function test will be documented on the daily driller's log.

A drilling spool or blowout preventer with 2 side outlets (choke side shall be 3" minimum diameter, kill side shal -be at least 2" diameter).

2 kill line valves, one of which will be a check valve.

2 chokes on the manifold along with a pressure gauge.

Upper kelly cock valve with handle available.

Safety valve and subs to fit all drill string connections in use.

All BOP equipment connections subjected to pressure will be flanged, welded, or clamped.

Fill up line above the upper most preventer.

9) Mud program:

Тор	Bottom	Mud Wt.	Vis ·	PV	ΥP	Fluid Loss	Type System
0	900	8.5 to 8.9	32 to 36	6 - 12	2 - 8	NC	Fresh Water
900	3,540	9.8 to 10.0	28 to 30	1 - 6	1-6	NC	Brine
3,540	7,500	8.9 to 9.1	28 to 36	1 - 6	1 - 6	NC	Fresh Water

10) Logging, coring, and testing program:

No drill stem test are planned

Total depth to intermediate: CNL, Caliper, GR, DLL,

Intermediate to surface: CNL, GR

No coring is planned

11) Potential hazards:

No abnormal pressure or temperature is expected. No H2S is known to exist in the area. Lost circulation can occur in, lost circulation will be on location and readily available if needed.

12) Anticipated Start Date

ASAP