

RESUBMITTAL

A75-11-719

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

DWA 11-78

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-102036
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator RKI EXPLORATION & PRODUCTION, LLC.		7. If Unit or CA Agreement, Name and No.
3a. Address 3817 NW Expressway, Suite 950 Oklahoma City, Ok. 73112	3b. Phone No. (include area code) 405-996-5748	8. Lease Name and Well No. RDX Federal 15-3
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2310 FSL & 2310 FEL At proposed prod. zone SAME		9. API Well No. 30-015-36637
10. Field and Pool, or Exploratory Undesignated Bone Spring		11. Sec., T. R. M. or Blk. and Survey or Area Section 15, T. 26 S., R. 30 E.
12. County or Parish Eddy		13. State NM
14. Distance in miles and direction from nearest town or post office* Approximately 14 miles southeast of Malaga, NM	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330 ft.	16. No. of acres in lease 320
17. Spacing Unit dedicated to this well 40	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1320 ft.	19. Proposed Depth 7500 ft.
20. BLM/BIA Bond No. on file NLM-NMB-000460	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3128' GL	22. Approximate date work will start* 23. Estimated duration 28 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature <i>Barry W. Hunt</i>	Name (Printed/Typed) BARRY W. HUNT	Date 10/18/10
Title PERMIT AGENT FOR RKI EXPLORATION & PRODUCTION, LLC.		
Approved by (Signature) <i>/s/ James Stovall</i>	Name (Printed/Typed)	Date FEB - 4 2011
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

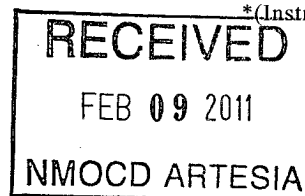
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

Carlsbad Controlled Water Basin
ResubmittalSEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

RKI EXPLORATION & PRODUCTION, LLC.

RDX 15-3
2310' FSL & 2310' FEL
15-26S-30E
Eddy County, NM

1. The elevation of the unprepared ground is 3,128 feet above sea level.
2. The geologic name of the surface formation is Quaternary – Aeolian Deposits.
3. A rotary rig will be utilized to drill the well to 7,500' and run casing. This equipment will then be rigged down and the well will be completed with a workover rig.
4. Proposed total depth is 7,500'.
5. Estimated tops of important geologic markers:

Quaternary - Alluvium	Surface
Rustler	718'
Salado	1,059'
Castile	1,564'
Lamar Lime	3,403'
Base of Lime	3,586'
Delaware Top	3,621'
Bell Canyon Sand	3,621'
Cherry Canyon Sand	4,703'
Brushy Canyon Sand	5,760'
Bone Spring Lime	7,423'
TD	7,500'

6. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Bell Canyon	Oil	3,621'
Cherry Canyon	Oil	4,703'
Brushy Canyon	Oil	5,760'
Bone Spring	Oil	7,423'

7. The proposed casing program is as follows: New casing per operator RBH 10/20/10

Surface: 13-3/8" 54.5# J-55 ST&C casing set from 0' - 800'
Tension SF 2.0, Collapse SF 1.125, Burst SF 1.8.

Intermediate: 9-5/8" 40# J-55 ST&C casing set from 0' - 3,450'
Tension SF 2.0, Collapse SF 1.125, Burst SF 1.8.

Production: 5-1/2" 17# N-80 LT&C casing set from 0' - 7,500'

Tension SF 2.0, Collapse SF 1.125, Burst SF 1.8.

8. Casing setting depth and cementing program: *See COA*
- 13 3/8" surface casing set at 800' in 17-1/2" hole. Circulate cement to surface with 822 sx Halcem with 2% Calcium Chloride mixed at 14.8 ppg (1.35 cf/sk).
 - 9 5/8" intermediate casing set at 3,450' in 12 1/4" hole. Cement will be circulated to surface with 893 sx Econocem with 5% Salt, .25 pps Pheno Seal mixed at 12.4 ppg (2.12 cf/sk) followed by 200 sx Halcem mixed 14.8 ppg (1.33 cf/sk).
 - 5-1/2" production casing set at 7'500' in 8 3/4" hole. Hole will be callipered to determine cement volume to bring TOC to 2925' from surface. The well will be cemented in two stages as follows: **Stage 1:** 650 sx Versacem with .5% LAP-1, .25 pps D-Air 3000, .4% CFR-3, 3 pps Salt mixed at 13.2 ppg (1.64 cf/sk). **Stage 2:** 850 sx Econocem mixed at 12.4 ppg (2.01 cf/sk) followed by 100 sx Halcem mixed at 14.8 ppg (1.33 cf/sk). DV tool at approximately 5000'.

9. Pressure Control Equipment

The blowout preventor equipment (BOP) will consist of a 5000 psi double ram type preventor, a ~~1500~~³⁰⁰⁰ psi bag-type (Hydril) preventor, and rotating head. Both units will be hydraulically operated and the ram type preventor will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. A 5M BOP will be installed on the 13-3/8" surface casing and utilized continuously until total depth is reached. After setting the 13-3/8" casing all BOP's and associated equipment will be tested to rated pressure and before drilling out the 13-3/8" casing shoe the casing will be tested to ~~1000~~ psi. After setting the 9-5/8" casing all BOP's and associated equipment will be tested to rated pressure and before drilling out the 9-5/8" casing shoe the casing will be tested to ~~1000~~ psi.

Test per Onshore Order 2,

Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily drillers log. A 2" kill line and 3" choke line will be incorporated in the drilling spool below the ram-type BOP. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 5000 psi rating.

10. Mud Program:

0' - 800'	Bentonite/Lime mud. Paper for losses and seepage. 8.5 to 9.0 ppg, 32 to 34 vis, PV 3 to 5, YP 5 to 7, WL NC.
260' - 3,450'	Brine. As needed LCM for losses and seepage. 10.0 to 10.2 ppg, 28 to 29 vis, PV 1, YP 1, WL NC.
3,450' - 5,800'	Drill out with fresh water. 8.4 to 8.6 ppg, 28 to 29 vis, PV 1, YP 1, WL NC.
5,800' - 7,500'	Cut brine. 9.0 to 9.2 ppg, 36 to 38 vis, PV 6 to 10, YP 8 to 12, WL 18 to 25.

11. Testing, Logging and Coring Program:

See COH
Testing program: No drillstem tests are anticipated.
Electric logging program: CNL/CAL/GR, DLL/CAL/GR.
Coring program: None.

12. Potential Hazards:

No abnormal pressures or temperatures are expected. There is no known presence of H₂S in this area. If H₂S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 3500 psi and estimated BHT 135

13. Anticipated Starting Date and Duration of Operations:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be soon after BLM approval and as soon as a rig will be available, Move in operations and drilling is expected to take 25 days. If production casing is then an additional 30 days will be needed to complete the well and to construct surface facilities and/or lay flow lines in order to place well on production.

EXHIBIT 'A'

Rig Plat Only
Silver Oak Drilling, LLC
Rig #6, #7 & #9

V-DOOR EAST

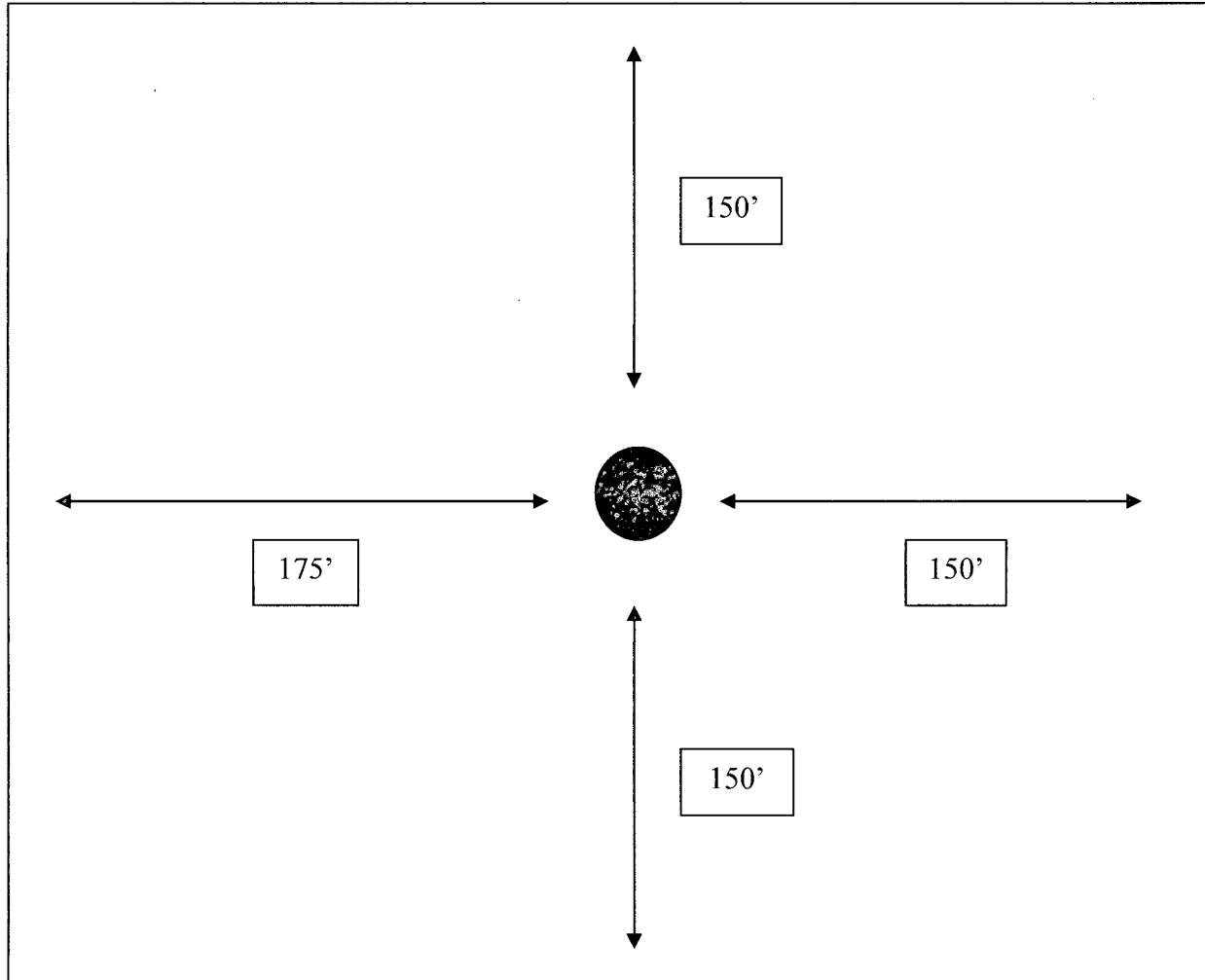
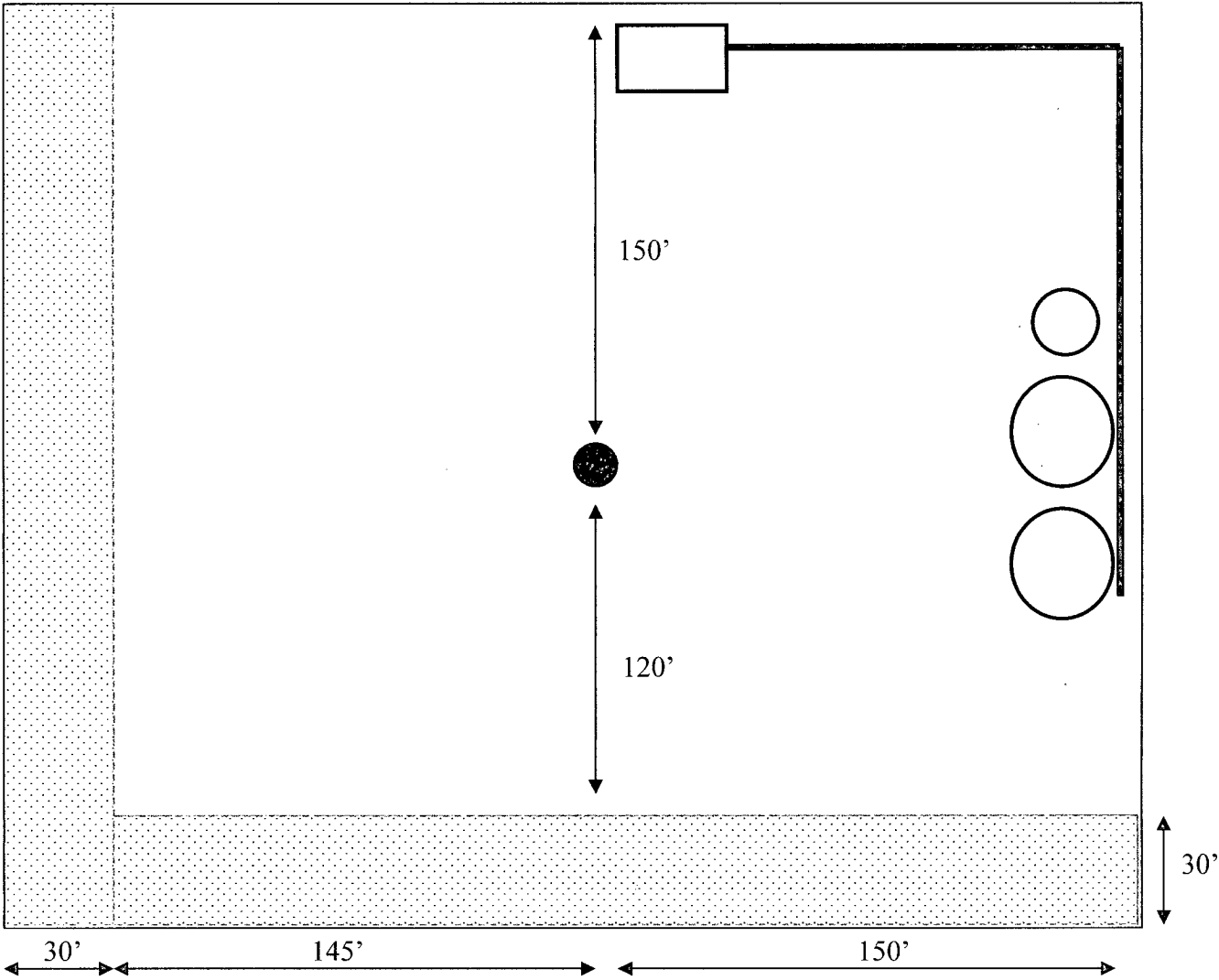


EXHIBIT 'B'

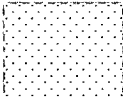
Interim Reclamation & Production Facilities



LEGEND



Well Bore



Interim Reclamation

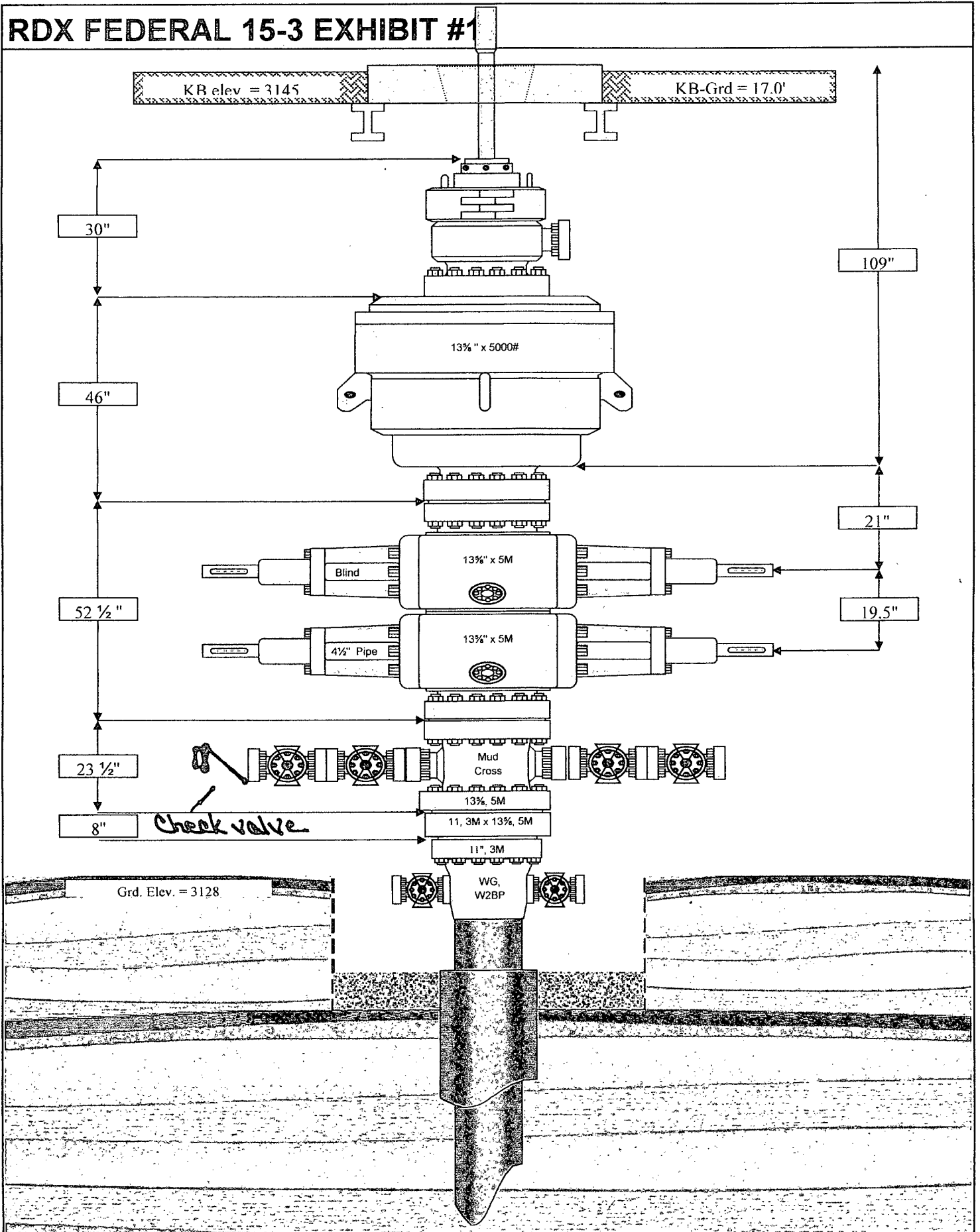


Production Facilities



NORTH

RDX FEDERAL 15-3 EXHIBIT #1



Choke Manifold

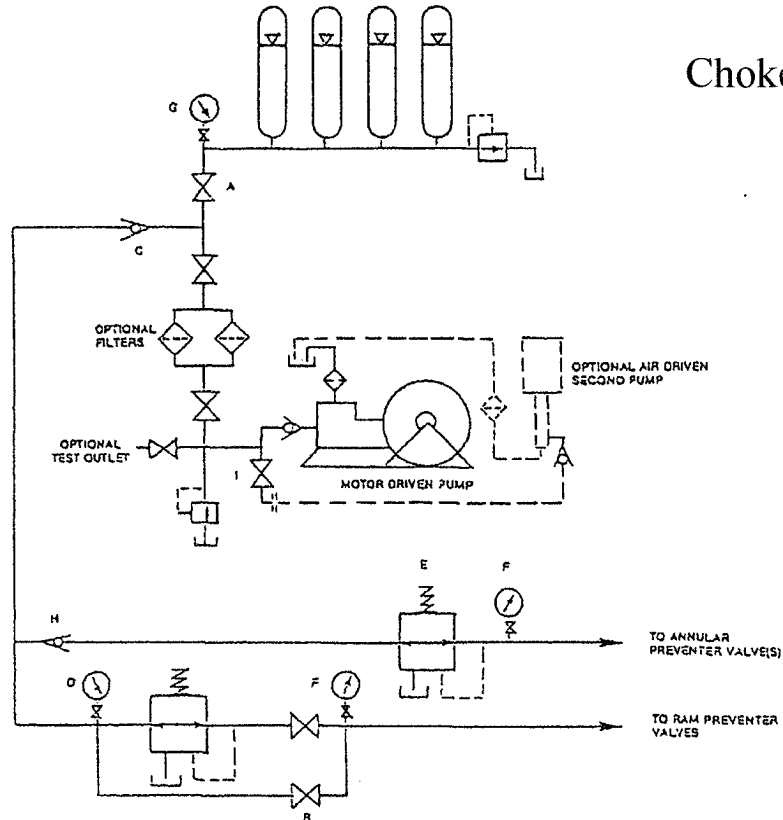


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

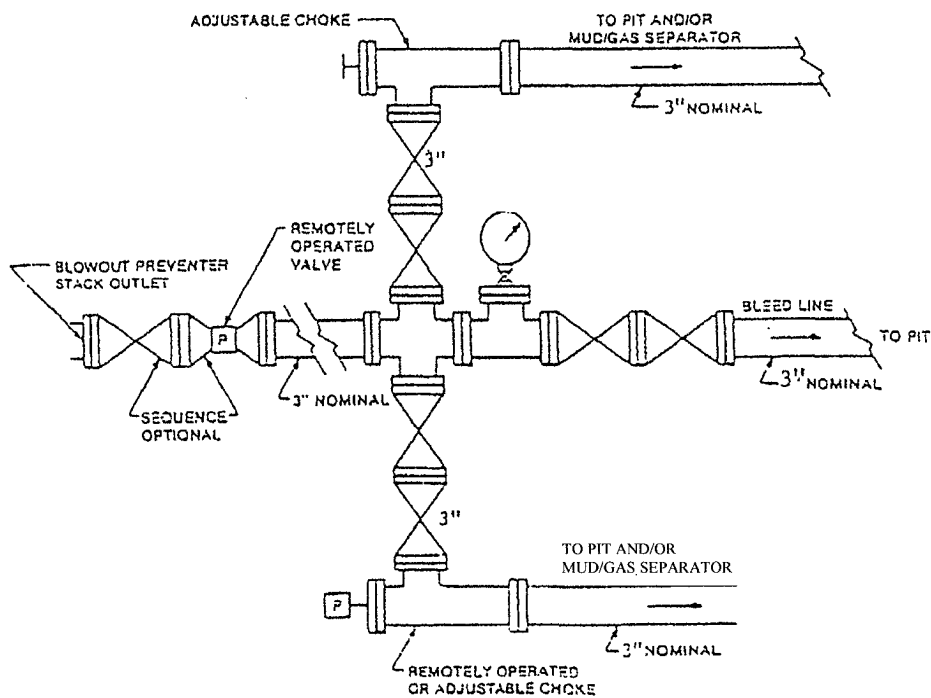


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service - surface installation.

