

4/28/11

DATE IN 3.17.11	SUSPENSE	ENGINEER WJ	LOGGED IN 3.17.11	TYPE SWD	APP NO 1107656121
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PTG-W

4/12/11

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



RKI

Sweezyen Well #1

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-23816

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.


Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Ben Stone		Agent for RKI E&P	2/26/11
Print or Type Name	Signature	Title	Date
		ben@sosconsulting.us	
		e-mail Address	

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: **Salt Water Disposal** and the application *qualifies* for administrative approval.
- II. OPERATOR: **RKI Exploration & Production, LLC**
ADDRESS: **3817 NW Expressway, Suite 950, Oklahoma City, OK 73112**
- CONTACT PARTY: **Bill Aubrey (405) 996-5750**
Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850
- III. WELL DATA: **All well data and applicable wellbore diagrams are attached hereto.**
- IV. **This is not an expansion of an existing project.**
- V. **A map is attached** that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- *VI. **A tabulation is attached** of data on all wells of public record within the area of review which penetrate the proposed injection zone. **The data includes** a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. **The following data is attached** on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. **Appropriate geologic data on the injection zone is attached** including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. **No stimulation program is proposed at this time.**
- *X. **There is no applicable logging and test data on the well however, any previous well logs have been filed with the Division and they need not be resubmitted.**
- *XI. **There are 4 fresh water wells within one mile the proposed salt water disposal well however, the construction of the SWD will prevent any potential threat to the shallow domestic wells.**
- XII. **An affirmative statement is attached that available geologic and engineering data has been examined and no evidence was found** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. **"Proof of Notice" section on the next page of this form has been completed.**
There are 2 offset operators within ½ mile.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: **Ben Stone** TITLE: **SOS Consulting, LLC agent / consultant for RKI Exploration & Production**

SIGNATURE:  DATE: **2/26/2011**

E-MAIL ADDRESS: **ben@sosconsulting.us**

- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal:

Page 2

III. WELL DATA – *The following information and data is included:*

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE *pursuant to the following criteria is attached.*

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

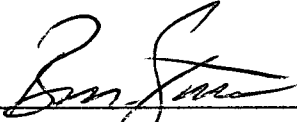
- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108 ITEM XII – GEOLOGIC AFFIRMATION

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.

A handwritten signature in black ink, appearing to read "Ben Stone", is written over a horizontal line.

Ben Stone, Partner
SOS Consulting, LLC

CURRENT CONFIGURATION P&A

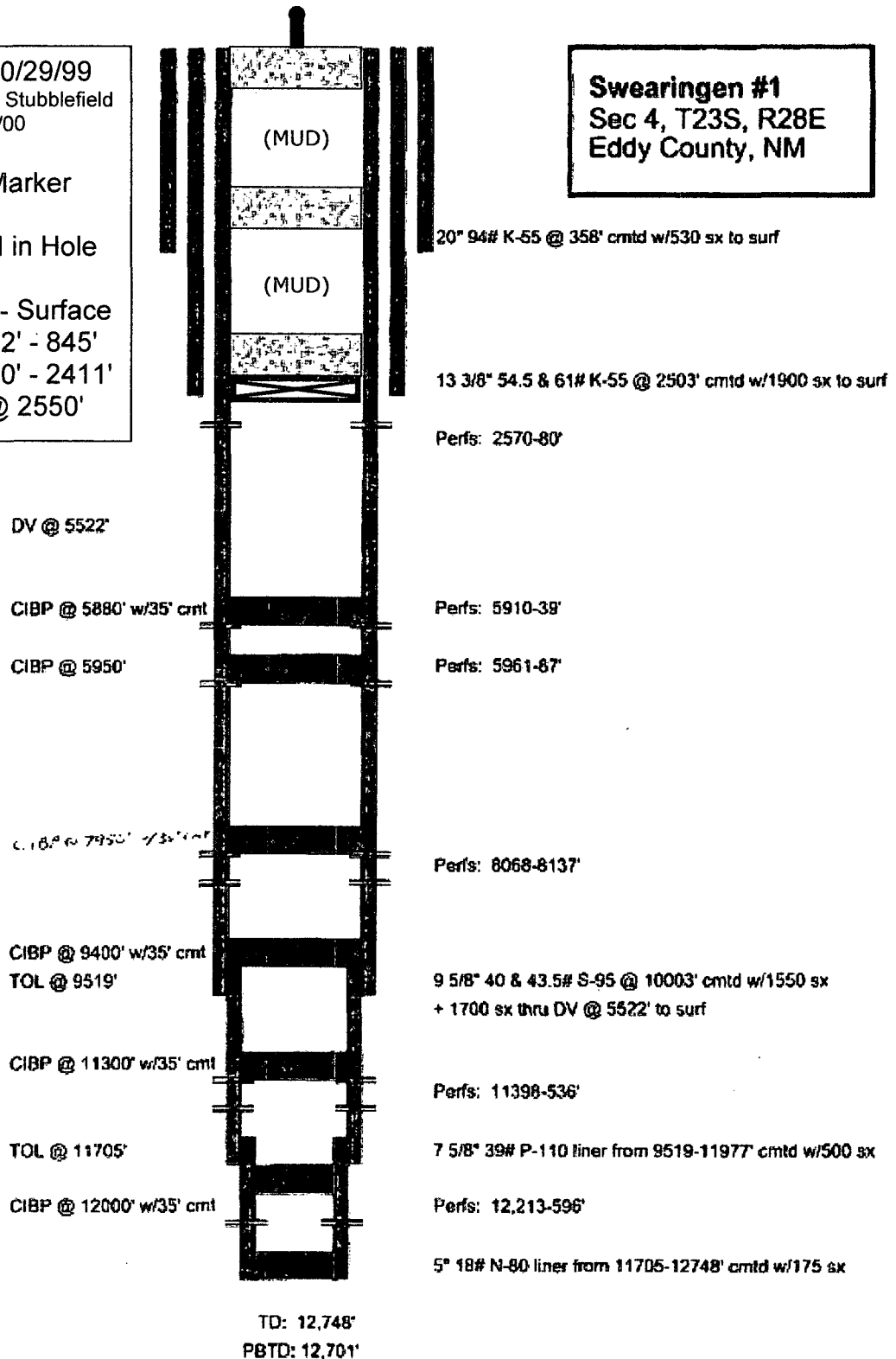
P&A'd 10/29/99
 Apprv'd Mike Stubblefield
 2/4/00

P&A Marker

10# Mud in Hole

15 sx 15' - Surface
 40 sx 942' - 845'
 45 sx 2550' - 2411'
 CIBP @ 2550'

Swearingen #1
 Sec 4, T23S, R28E
 Eddy County, NM



JSB 6/15/99

PROPOSED CONFIGURATION

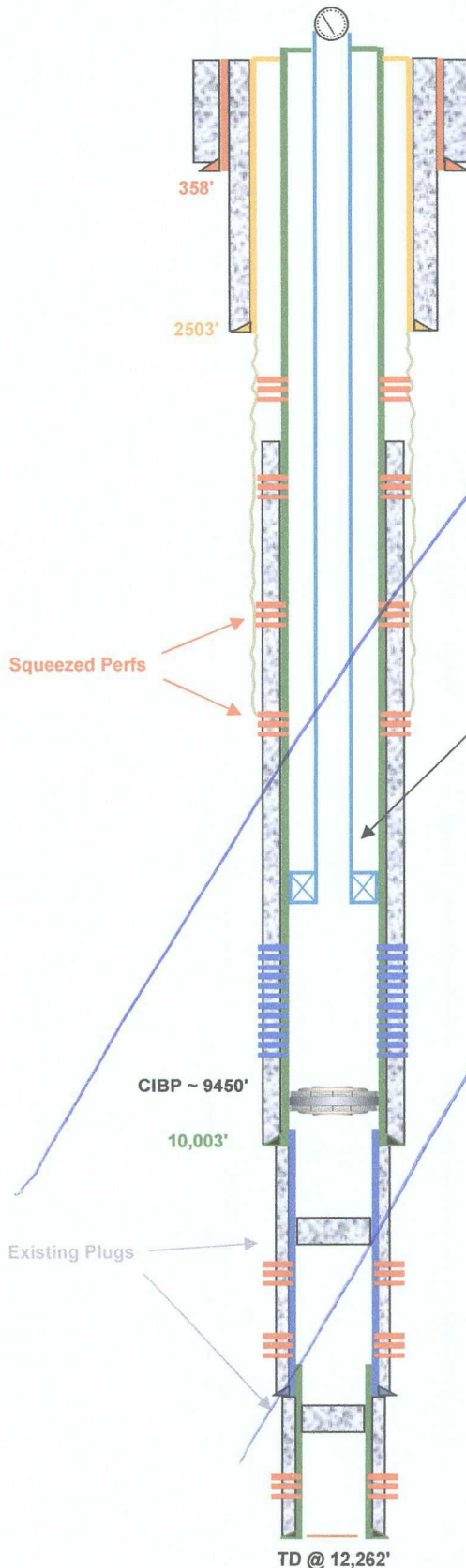


Swearingen No.1

API 30-015-23816
SEC. 4-T23S-R28E
EDDY COUNTY, NEW MEXICO

Spud Date: 5/13/1980

P&A Date: 10/29/1999



Surface Casing: (12/05/1982)

20.0", 95#, K-55 csg.
Cmt w/ 530 sxs cement circulate
to surface.

Intermediate Casing: (12/09/1982)

13.375", J-55
Cmt w/ 1900 sxs cement circulate
to surface.

Injection Tubing: 2-7/8" Plastic Coated

Tubing set approx. 8950' w/ Packer approx. 8955'

BS Perforations 9034' - 9386'

Production Casing: (1/01/1983)

9.625", 29.5# S-95
1st State Cmt w/ 1550 sxs Class 'H' cement
2nd Stage Cmt w/ 1700 sxs Class 'C' cement
TOC @ 3350'

Liner:

7.875" Cmt w/ 1300 sxs Class 'H' cement
9519' - 11,977'

Liner:

5.0" 18# N-80, Cmt w/ 175 sxs
11,705' - 12,748'



Drawn by: Ben Stone, 2/26/2011

PROPOSED CONFIGURATION

Swearingen No.1

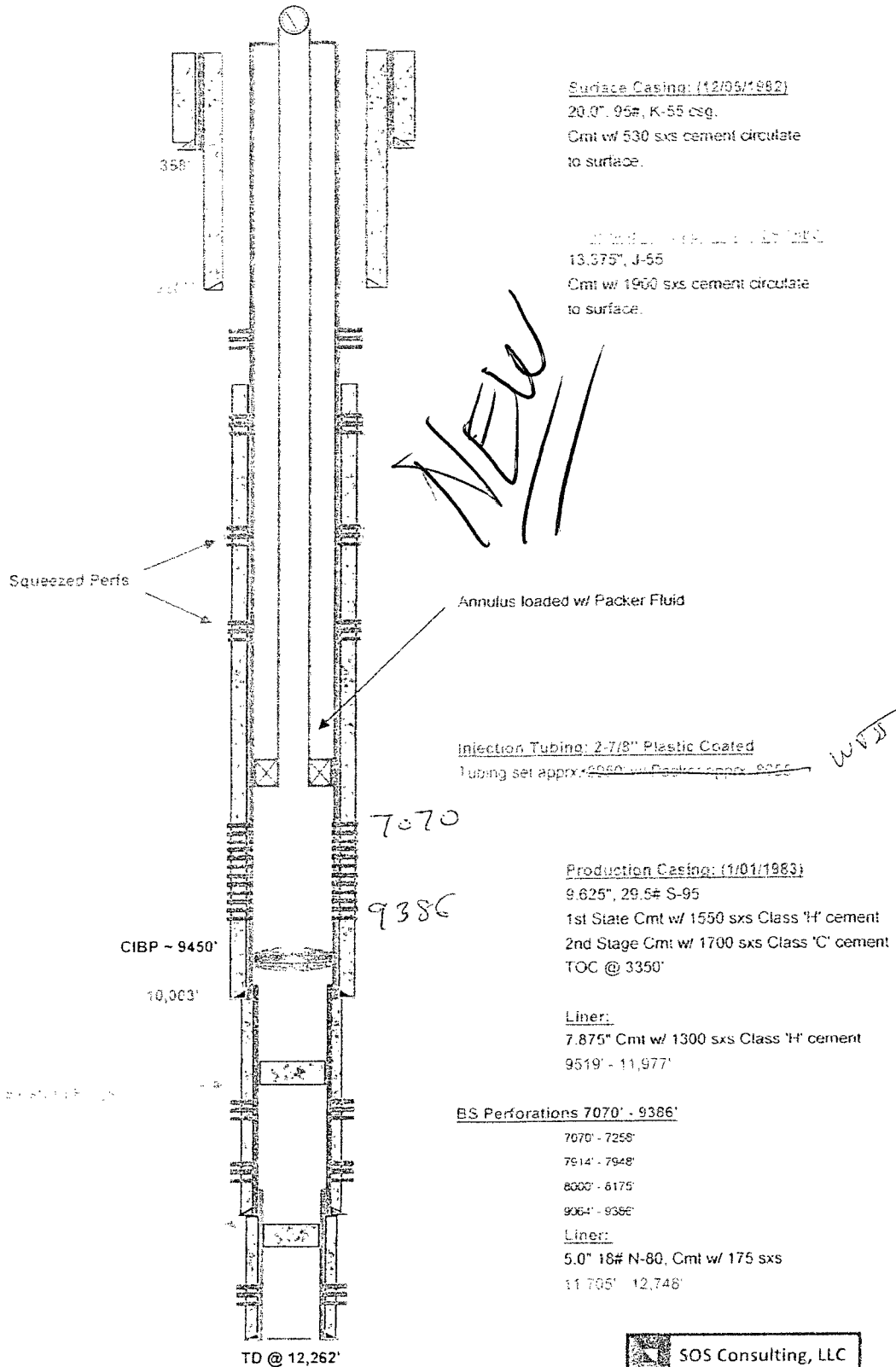
API 30-015-23816

SEC. 4-T23S-R28E

EDDY COUNTY, NEW MEXICO

Spud Date: 5/13/1980

P&A Date: 10/29/1999



SOS Consulting, LLC

Drawn by: Ben Stone, 2/26/2011

Amended: 4/11/2011

C-108 ITEM XI – Water Wells Within One Mile

Wells are shown on AOR map to qtr/qtr section resolution.



New Mexico Office of the State Engineer Point of Diversion by Location (with Owner Information)

(acre ft per annum)							(quarters are 1=NW 2=NE 3=SW 4=SE)					
WR File Nbr	Sub		Owner	County	POD Number	Grant	q q q					
	basin	Use					Source	6416 4	Sec	Tws	Rng	
<u>C 00001</u>		IRR	0 W.H. SWEARINGEN	ED	<u>C 00001</u>		Shallow	2 4	04	23S	28E	
<u>C 00002</u>		IRR	0 W.H. SWEARINGEN	ED	<u>C 00002</u>		Shallow	2 2 3	04	23S	28E	
<u>C 00004</u>		IRR	0 W.H. SWEARINGEN	ED	<u>C 00004</u>			2 2 4	05	23S	28E	
<u>C 00800</u>	C	DOL	0 E.F. ROSSON	ED	<u>C 00800</u>		Shallow	4 2	09	23S	28E	

C-108 ITEM VI – AOR Well Tabulation
(Wells Penetrating Proposed Injection Interval)
< Corrected >

30-015-33282 APOLLO FEE #001 - Active

Location: M-04-23S-28E 660 FSL 660 FWL

Casing														
			Boreholes, Strings and Equipment Specifications			Specifications for Strings and Tubing			Strings Cemented and Intervals			Cement and Plug Description		
String/Hole Type	Taper	Date Set	Diameter	Top	Bottom (Depth)	Grade	Length	Weight	Bot of Cem	Top of Cem	Meth	Class of Cement	Sacks	Pressure Test (Y/N)
Hole 1	1		17.5	0	430		0	0.0	0	0			0	No
Surface Casing	1		13.375	0	430	H-40	0	48.0	430	0	CIR	Class C Cement	355	No
Hole 2	1		12.25	0	6040		0	0.0	0	0			0	No
Intermediate 1 Casing	1		9.625	0	6040	L-80	0	40.0	6040	0	CIR	Class C Cement	2700	No
Hole 3	1		8.75	0	12597		0	0.0	0	0			0	No
Production Casing	1		5.5	0	12597	P-11	0	17.0	12597	6500	CBL	Class C Cement	1160	No

Monif ATO KA

30-015-24333 LOVING FEDERAL COM #001 - Active

Location: F-04-23S-28E 1980 FNL 2235 FWL

Casing														
			Boreholes, Strings and Equipment Specifications			Specifications for Strings and Tubing			Strings Cemented and Intervals			Cement and Plug Description		
String/Hole Type	Taper	Date Set	Diameter	Top	Bottom (Depth)	Grade	Length	Weight	Bot of Cem	Top of Cem	Meth	Class of Cement	Sacks	Pressure Test (Y/N)
Hole 1	1		26.0	0	402		0	0.0	0	0			0	No
Surface Casing	1		20.0	0	402	K-55	0	95.0	402	0	CIR	Class C Cement	800	Yes
Hole 2	1		13.5	0	2700		0	0.0	0	0			0	No
Intermediate 1 Casing	1		10.75	0	2700	J-55	0	45.5	2700	0	CIR	Class C Cement	1400	Yes
Hole 3	1		9.5	0	12716		0	0.0	0	0			0	No
Production Casing	1		7.625	0	10500	S-95	0	29.5	10500	3350	Temp	S1 - Cls H S2 - Cls C	1300 1000	Yes
Liner or Add. Csg.	1		5.5	9983	12716	S-95	0	18.0	12597	9983	CIR to Lnr	Class H Cement	475	Yes

ATO KA
DVE 3982
5000' - 3350 + 950' H' = 1300
no Pattern
BUT Calc OK
1100' OK

CMD
OG59BC2

ONGARD
VIEW LAND BY ULSTR

04/07/11 17:06:55
OGJOWVJ -TQE4
PAGE NO: 1

Sec : 4 Twp : 23S Rng : 28E Cnty1 : Eddy
Cnty2 :
Cnty3 :

U Lot/ Qtr	ACREAGE	OWNET	LEASE #	Bene	REMARKS
------------	---------	-------	---------	------	---------

A 1	40.23	FD	FD		
B 2	40.22	FD	FD		
C 3	40.21	FD	FD		
D 4	40.20	FD	FD		
E SW4NW4	40.00	FD	FD		
F SE4NW4	40.00	FD	FD		
G SW4NE4	40.00	FD	FD		
H SE4NE4	40.00	FD	FD		
I NE4SE4	40.00	FE	FE		
J NW4SE4	40.00	FE	FE		
K NE4SW4	40.00	FE	FE		

PF01 HELP	PF02 PREV	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD
CG5SEC2

ONGARD
VIEW LAND BY ULSTR

04/07/11 17:07.16
OGOMVJ -TQE4
PAGE NO: 2

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Cnty2 : Cnty3 :

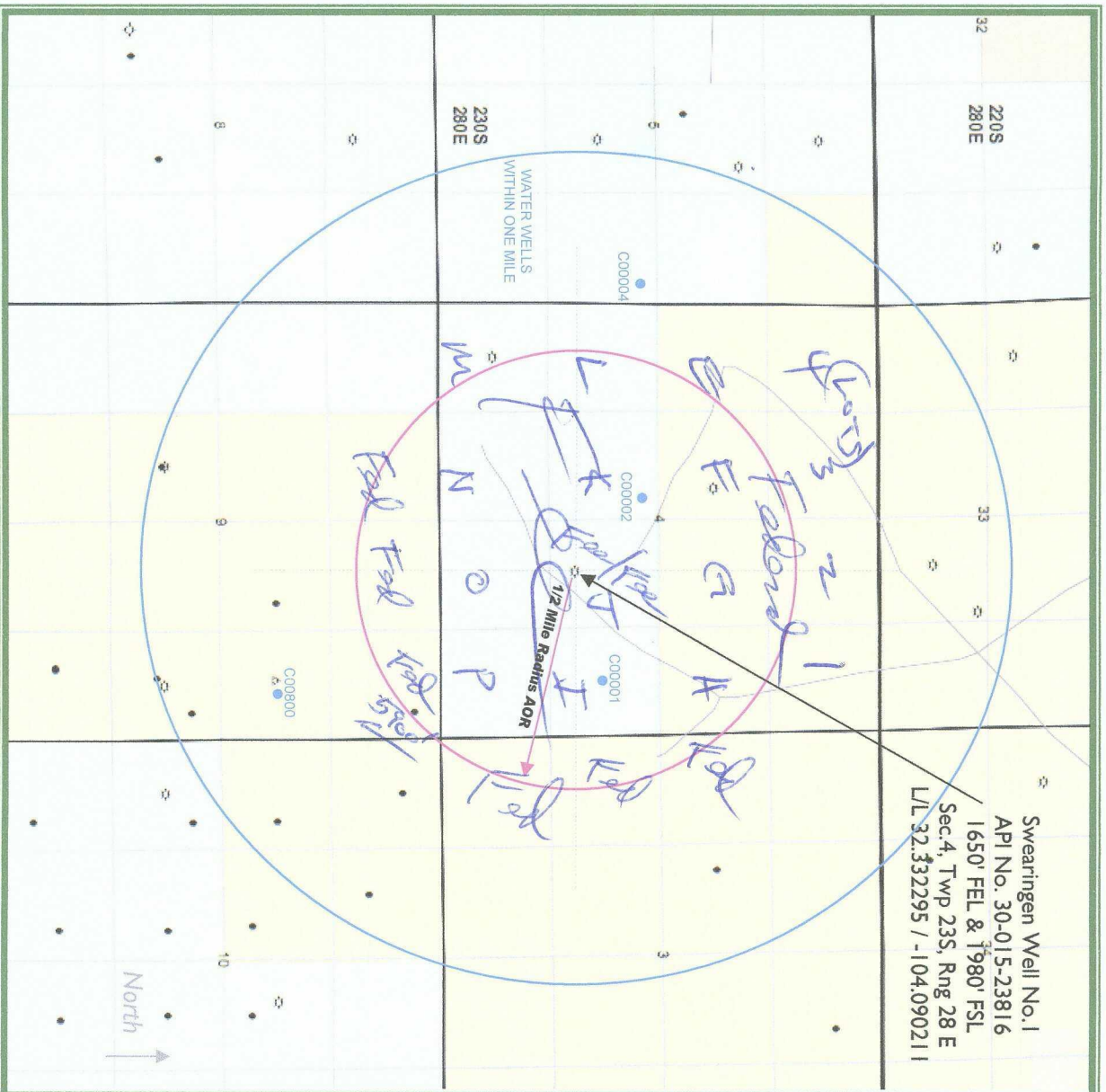
U Lot/ Qtr	SRF SUB	ACTIVE	Bene	REMARKS
L Tract Qtr	ACREAGE	OWNER	LEASE #	(may show restrictions codes)
L	NW4SW4	40.00	FE FE	
M	SW4SW4	40.00	FE FE	
N	SE4SW4	40.00	FE FE	
O	SW4SE4	40.00	FE FE	
P	SE4SE4	40.00	FE FE	

M0001: This is the last page

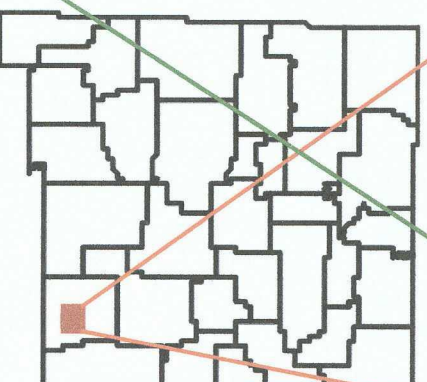
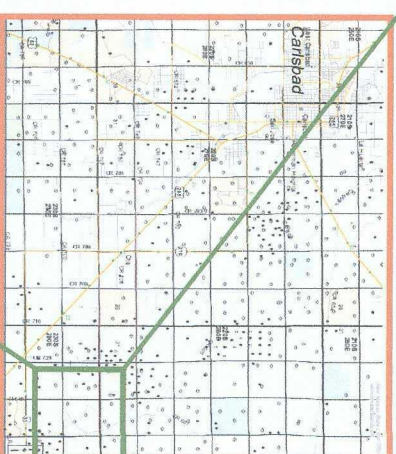
PF01 HELP	PF02 PREV	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

Swearingen Well No.1 - Area of Review / Overview Map

(For inclusion with NMOCDD Form C-108, Application for Authority to Inject)



7 miles SE of Carlsbad, NM



**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST**

OFFSET SURFACE OWNER

U.S. DEPARTMENT OF INTERIOR (FedEx'ed copy)
Bureau of Land Management
Oil & Gas Division
2909 W. Second Street
Roswell, NM 88201-2019

SURFACE OWNER

ADDIE P. SWEARINGEN (Certified Mail)
P.O. Box 1231
Portales, NM 88130-1231

Bobby J. ?
ANN BOYLES

OFFSET MINERALS LESSEES

OXY USA (Certified Mail) ✓
5 Greenway Plaza, Ste. 110
Houston, TX 77046

LATIGO PETROLEUM, INC. (Certified Mail) ✓
P.O. Box 10340
Midland, TX 79702-7340

NADLE AND GUSSMAN PERMIAN, LLC (Certified Mail) ✓
601 N. Marienfeld, Suite 508
Midland, TX 79701

REGULATORY

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy)
1220 S. St. Francis Dr.
Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed copy)
1301 W. Grand Ave.
Arteisa, NM 88210

U.S. DEPARTMENT OF INTERIOR (FedEx'ed copy)
Bureau of Land Management
Oil & Gas Division
620 E. Greene Street
Carlsbad, NM 88220

ADDITIONAL NOTICE REQUESTS (Certified Mail) ✓

DEVON ENERGY PRODUCTION CO., LP
20 N. Broadway, #1500
Oklahoma City, OK 73102

✓
CHESAPEAKE OPERATING, INC.
P.O. Box 18496
Oklahoma City, OK 73154-0496

For publication in the Artesia Daily Press.

Submitted 4/08/2011 (Published on Tuesday, April 12, 2011 - Affidavit forthcoming.)

Publish one time on earliest possible date.

Contact: Ben Stone, SOS Consulting, LLC,
P.O. Box 300
Como, Texas 75431
(903)488-9850.
Email: ben@sosconsulting.us

Please notify ASAP of cost and date to be published.

LEGAL NOTICE

RKI Exploration & Production, 3817 NW Expressway, Suite 950, Oklahoma City, OK 73112 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval for salt water disposal in its Swearingen Well No.1. The well, API No.30-015-23816 is located 1650 FSL & 1980 FEL in Section 4, Township 23 South, Range 28 East in Eddy County, New Mexico. Produced water from the Delaware and Bone Spring formations will be disposed into the Bone Spring formation through perforations from 7070 feet to 9386 feet (measured depth). Maximum injection pressure will be 1414 psi with a maximum rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from RKI Exploration & Production, Bill Aubrey (405)996-5750 or its agent, SOS Consulting, LLC, (903)488-9850.

C-108 ITEM XIII – Proof of Notification

Certified Mail Receipts for Interested Parties

7008 1830 0002 3822 8680

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 44
Certified Fee	280
Return Receipt Fee (Endorsement Required)	230
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 554

Sent To
Street, Apt. or PO Box
City, State, ZIP+4®
LATIGO PETROLEUM, INC.
P.O. Box 10340
Midland, TX 79702-7340

PS Form 3822, June 2008
Postmark Here
COMO TX 75431
2
2011
USPS

7008 1830 0002 3822 8678

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
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Postage	\$ 44
Certified Fee	280
Return Receipt Fee (Endorsement Required)	230
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 554

Sent To
Street, Apt. or PO Box
City, State, ZIP+4®
OXY USA
5 Greenway Plaza, Ste. 110
Houston, TX 77046

PS Form 3822, June 2008
Postmark Here
COMO TX 75431
2
2011
USPS

C-108 ITEM XIII – Proof of Notification

Certified Mail Receipts for Interested Parties

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 44
Certified Fee	280
Return Receipt Fee (Endorsement Required)	230
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 554

Postmark Here
 TX 75431
 APR 13 2011
 USPS

Sent To
 Street, Apt. or PO Box
 City, State

DEVON ENERGY PRODUCTION CO.
 20 N. Broadway, #1500
 Oklahoma City, OK 73102

PS Form 3800

Return Receipt Fee (Endorsement Required)	230
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 554

Postmark Here
 TX 75431
 APR 13 2011
 USPS

Sent To
 Street, Apt. or PO Box
 City, State

CHESAPEAKE OPERATING, INC.
 PO Box 18496
 Oklahoma City, OK 73154-0496

PS Form 3800

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 554

Postmark Here
 TX 75431
 APR 13 2011
 USPS

Sent To
 Street, Apt. or PO Box
 City, State

NADLE AND GUSSMAN PERMIAN, LLC
 601 N. Marienfeld, Suite 508
 Midland, TX 79701

PS Form 3800

Return Receipt Fee (Endorsement Required)	230
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 571

Postmark Here
 TX 79701
 APR 13 2011
 USPS

Sent To
 Street, Apt. or PO Box
 City, State

BOBBY J. & ANN BOYLES
 P.O. BOX 3351
 Roswell, NM 88202

PS Form 3800

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$.61
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here
 CO MO TX 75431
 APR 11 2011
 USPS

Sent To
 Street, Apt. or PO Box
 City, State

ADDIE P. SWEARINGEN
 P.O. Box 1231
 Portales, NM 88130-1231

PS Form 3800

OFFICIAL USE

Postage	\$.61
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.71

Postmark Here
 CO MO TX 75431
 APR 11 2011
 USPS

Sent To
 Street, Apt. or PO Box
 City, State

DELAWARE RANCH INC
 1304 W Riverside Drive
 Carlsbad, NM 88220

PS Form 3800

OFFICIAL USE

Postage	\$.61
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.71

Postmark Here
 CO MO TX 75431
 APR 11 2011
 USPS

Sent To
 Street, Apt. or PO Box
 City, State

ROBERT EMMONS
 P.O. BOX 1836
 Carlsbad, NM 88221

PS Form 3800

PROPOSED CONFIGURATION



Swearingen No.1

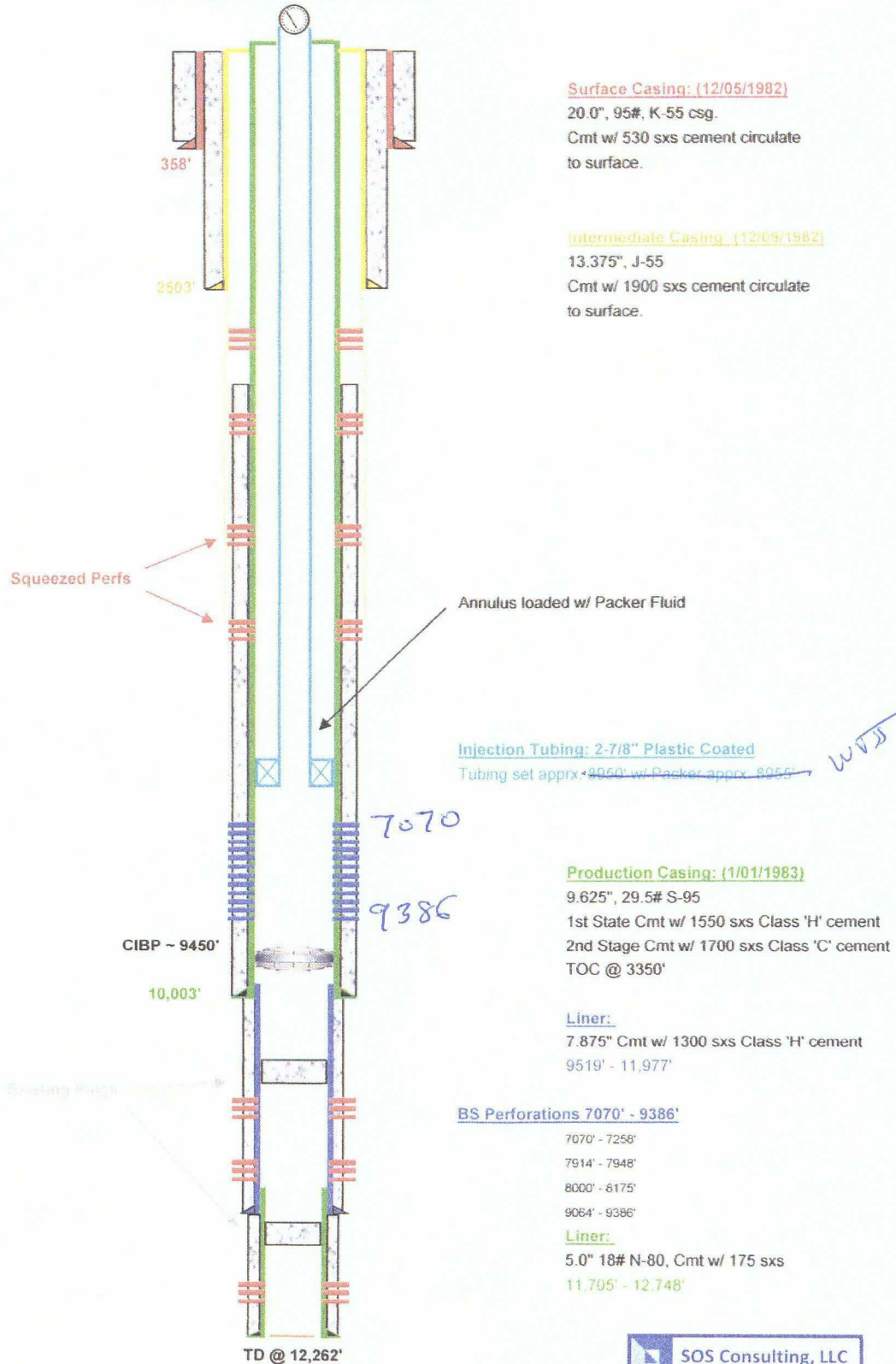
API 30-015-23816

SEC. 4-T23S-R28E

EDDY COUNTY, NEW MEXICO

Spud Date: 5/13/1980

P&A Date: 10/29/1999



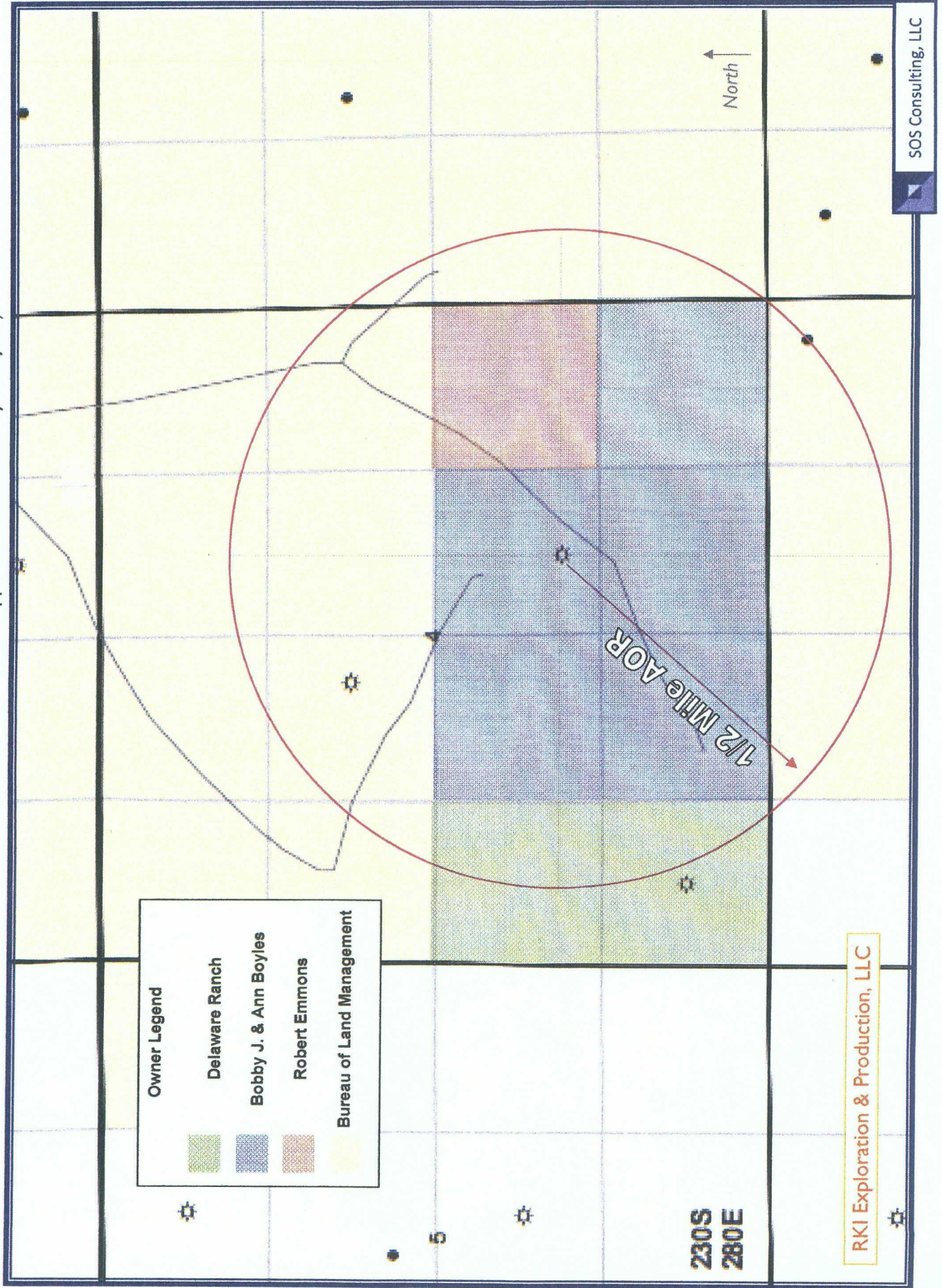
SOS Consulting, LLC

Drawn by: Ben Stone 2/26/2011

Amended 4/11/2011

Swearingen Well No.1 - Surface Owner Map

(For inclusion with NMOCD Form C-108, Application for Authority to Inject.)



Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

RECEIVED OCD

2011 MAR 17 A 11:49

Kathy McCarroll, being first duly sworn,
on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

March 3 2011

That the cost of publication is **\$52.20** and that payment thereof has been made and will be assessed as court costs.

Kathy McCarroll

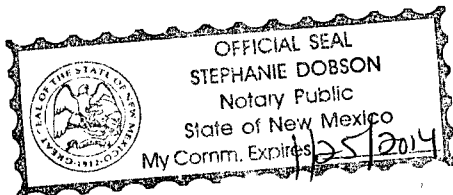
Subscribed and sworn to before me this

8th day of March, 2011

Stephanie Dobson

My commission Expires on 1/25/2014

Notary Public



March 3, 2011

LEGAL NOTICE

RKI Exploration & Production, 3817 NW Expressway, Suite 950, Oklahoma City, OK 73112 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval for salt water disposal in its Swearingen Well No.1. The well, API No.30-015-23816 is located 1650 FSL & 1980 FEL in Section 4, Township 23 South, Range 28 East in Eddy County, New Mexico. Produced water from the Delaware and Bone Spring formations will be disposed into the Bone Spring and Bone Spring formations through perforations from 9064 feet to 9386 feet (measured depth) at a maximum injection pressure of 1812 psi and a maximum rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from RKI Exploration & Production, Bill Aubrey (405)996-5750 or its agent, SOS Consulting, LLC, (903)488-9850.

OLD
FILE

Affidavit of Publication

NO.

21618

STATE OF NEW MEXICO

County of Eddy:

Tim Menicutch

being duly sworn, says that he is the

Editor

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive weeks/days on the same day as follows:

First Publication

April 12, 2011

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

12th day of April 2011



OFFICIAL SEAL
Danny Scott
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 3/18/2014

Danny Scott
Danny Scott
Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

RKI Exploration & Production, 3817 NW Expressway, Suite 950, Oklahoma City, OK 73112 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval for salt water disposal in its Swearingen Well No.1. The well, API No.30-015-23816 is located 1650 FSL & 1980 FEL in Section 4, Township 23 South, Range 28 East in Eddy County, New Mexico. Produced water from the Delaware and Bone Spring formations will be disposed into the Bone Spring formation through perforations from 7070 feet to 9386 feet (measured depth). Maximum injection pressure will be 1414 psi with a maximum rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from RKI Exploration & Production, Bill Aubrey (405)996-5750 or its agent, SOS Consulting, LLC, (903)488-9850.

Published in the Artesia Daily Press, Artesia, N.M. April 12 2011. Legal No. 21618

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, April 07, 2011 5:36 PM
To: 'Ben Stone'
Cc: Ezeanyim, Richard, EMNRD; Reeves, Jacqueta, EMNRD; Dade, Randy, EMNRD; Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD; 'Wesley_Ingram@blm.gov'
Subject: Disposal application from RKI Exploration & Production, LLC: Swearingen#1 30-015-23816 J/4/23S/28E Bone Spring interval

Hello Ben or Bill Aubrey:

Just reviewed this application.

- a. There is a different proposed top depth on your wellbore diagram and on the application – let me know whether 9034 or 9064 is the top.
- b. The NM Database ONGARD shows spot J of Sec 4 as being “Fee” surface and minerals, yet the application says the BLM is the surface owner.
Please have your Landman divide the circular AOR into identically owned tracts, identify each tract on a map, and list on a separate paper the mineral owners within each tract, then if additional notice is required, please send.
- c. The inactive well check shows 5 wells inactive while RKI operates 172 wells. This is still OK for release of SWD permits, but I must check it again after any other concerns are addressed. If one additional well falls into inactive status, it would delay the permit, per Rule 5.9.
- d. The well file shows many logs were initially run on this well in 1980, but the OCD imaging system shows none. The logs run: PDC, DILL, MICK, SONL, FOCL, CNL/FDC. Please send copies of any logs you inherited on this well, including any CBLs, to the Hobbs district office for scanning.
- e. Please obtain a new Fresh Water sample in this area from a water well and send a copy of a new water analysis to me here for this application.
- f. If you can find out the Top of the Wolfcamp in this area, let me know.

Thank You,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



Jones, William V., EMNRD

From: Ben Stone [ben@sosconsulting.us]
Sent: Wednesday, April 13, 2011 2:08 PM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from RKI Exploration & Production, LLC: Swearingen#1 30-015-23816 J/4/23S/28E Bone Spring interval
Attachments: C-108AmdSwearingenSWD20110412.pdf

Will,

Per your request, please find an attached pdf file with the following documents:

- 1) Updated wellbore schematic showing correct (and extended) Bone Spring perforated interval.
- 2) Copies of Certified Mail receipts to 7 additional 'Interested Parties'.
- 3) Updated "List of Interested Parties" as provided by RKI's in-house landman, Cody Reid.
- 4) Copy of text for new Legal Notice which ran in the Artesia Daily Press on Tuesday, April 12, 2011.

I will forward the affidavit of publication as soon as I receive it AND, RKI did have some raster format logs on the subject well. We are in the process of getting these converted to TIFF and will forward them to Paul Kautz in the Hobbs office just as soon as that takes place.

I appreciate your efforts in processing a good application. I hope that with this amended information, the processing can again continue and an order can be issued swiftly.

My client is in serious need of this SWD asset and thanks you for your speedy processing.

Best,

Ben Stone, Partner
SOS Consulting, LLC

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Friday, April 08, 2011 9:00 AM
To: Ben Stone
Subject: RE: Disposal application from RKI Exploration & Production, LLC: Swearingen#1 30-015-23816 J/4/23S/28E Bone Spring interval

Awesome Mr. Ben, Thank You,

And Thanks for the brief on the DHC history yesterday.

The AOR split into "tracts" is something the David Brooks implemented here. David is an attorney/Landman and has done title opinions in private practice. The reasoning as I understand it, is that instead of just getting a list of parties notified and a statement that all affected persons have been noticed, we ask for more details including an outline within the AOR of "leases" or identically owned "tracts" and the owners of each of those tracts. In your application, if you noticed someone, you should know where that "party" owns acreage – David wants us to gather that info in the applications. Another reason for this, is that if this info is in the record, other Landman's can quickly see if they agree or if their company was left out. You're not the only one that is surprised to see us asking for this.

From: Ben Stone [mailto:ben@sosconsulting.us]
Sent: Thursday, April 07, 2011 7:49 PM
To: Jones, William V., EMNRD

Subject: RE: Disposal application from RKI Exploration & Production, LLC: Swearingen#1 30-015-23816 J/4/23S/28E Bone Spring interval

Will,

a. The top perf was a typo, it was 9064 however, RKI has since determined that they'd like to open more interval in the Bone Spring.

I will send a new wellbore schematic and republish and notice for the new interval.

b. The information I have available also indicated it to be on private land. I believe in putting the application together, the template I use for 'Interested Parties' was not properly adjusted before the application went out. ***I will send a corrected 'List of Interested Parties'.***

I don't even know what you're talking about by dividing the AOR into identically owned tracts. The map shows what the rules ask for and ***all parties either owning minerals or leasing mineral rights have been noticed.***

c. ***I will advise RKI of their current inactive well inventory.***

d. I'll see if they have a log but am amazed that in 31 years of this well being in New Mexico earth, it would fall to my client for someone else's oversight - this is after all, a re-entry of a plugged well and this type of acquisition frequently involves no transfer of well documents including logs. I would have had my client download a copy of any available logs from OCD's imaging system.

e. ***We will sample and test water from the nearest water well and submit the analysis to you.***

f. The Wolfcamp top is approximately 9400'. However please consider that the transition from the Bone Spring sand to the Wolfcamp enters distinctly more shaley formation thereby enhancing segregation. More importantly however is that the offset wells are completed in the Atoka or deeper (one well did have a Morrow completion but that zone was abandoned some time ago.)

I will send the abovementioned documents, updates or amendments, republish and renote and check to see if RKI has any logs. I'll send the water analysis ASAP.

Assuming that RKI keeps their inactive well inventory in check, ***will there be anything else?***

Thanks,

Ben Stone, Partner
SOS Consulting, LLC
(903) 488-9850

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]

Sent: Thursday, April 07, 2011 6:36 PM

To: Ben Stone

Cc: Ezeanyim, Richard, EMNRD; Reeves, Jacqueta, EMNRD; Dade, Randy, EMNRD; Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD; Wesley_Ingram@blm.gov

Subject: Disposal application from RKI Exploration & Production, LLC: Swearingen#1 30-015-23816 J/4/23S/28E Bone Spring interval

Hello Ben or Bill Aubrey:

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- f. If you can find out the Top of the Wolfcamp in this area, let me know.

Thank You,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



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Email scanned by PC Tools - No viruses or spyware found.
(Email Guard: 7.0.0.21, Virus/Spyware Database: 6.17260)
<http://www.pctools.com>

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Email scanned by PC Tools - No viruses or spyware found.
(Email Guard: 7.0.0.21, Virus/Spyware Database: 6.17270)
<http://www.pctools.com>

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Jones, William V., EMNRD

From: Ben Stone [ben@sosconsulting.us]
Sent: Tuesday, May 03, 2011 1:49 PM
To: Jones, William V., EMNRD
Subject: RE: Swearingen SWD - Surface Owner Map...

Sorry Will - I thought we had that straightened out.

My first application had a map that I created from an existing one and inadvertently left the BLM coverage. IT IS INVALID.

Me first redo included Addie P. Swearingen as a surface owner which I got from the Eddy County Clerk's office. Apparently, it was in error and that notification came back as "Undeliverable".

The map I just sent is the result of RKI landman's (certified) recent research in response to your request. IT IS ACCURATE.

I didn't recall your request saying anything except "who owns the tracts"?

The lessees have all been notified on the last mailing of which I sent you the copies of the certified receipts.

Oxy is the leaseholder over all the tracts within the AOR. Nadle and Gussman operate the Apollo Fee No.1. Beyond the AOR in non-adjacent tracts there is also Devon and Chesapeake and ALL of them have been notified.

Sorry for the confusion. NO, please don't send it over to Terry or David!!!!!! I just want to get it done.

Let me know - I'm about to lose RKI as a client.

Thanks,

Ben

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Tuesday, May 03, 2011 2:31 PM
To: Ben Stone
Cc: Brooks, David K., EMNRD; Warnell, Terry G, EMNRD
Subject: RE: Swearingen SWD - Surface Owner Map...

Mr. Ben,

Sounds like Landman issues. I worked with company Landmen for many years, they always call their goto guy at the courthouse for the true takeoff information.

You colored the map fine, but why did you send a "surface owners" map? We asked for a map showing the Bone Spring tracts or leases and who owned each of those leases...

NEVER MIND that....

Just tell me who the correct surface owner is.

The first application you sent says the BLM was the surface owner,
The last C-108 item XIII you sent shows Addie P. Swearingen is the surface owner.
The surface map you just sent shows Bobby J. and Ann Boyles is the surface owner.

If you are tired of this application and want to talk with someone else besides me, call Terry Warnell or David Brooks?

Injection Permit Checklist (07/9/2010)

WFX

PMX

(SWD -1280)

Permit Date

5/3/11

UIC Qtr

(A (M A))

Wells

1

Well Name(s): SWEARINGEN #1

API Num: 30-0 15-23816

Spud Date: 5/13/80

New/Old: 0 (UIC primacy March 7, 1982)

Footages 1650 FSL/1980 FEL Unit J Sec 4 Tsp 23S Rge 28E County EDDY

General Location: West of WIPP, Near Peace River, Just N. of LOVING.

Operator: RKI EXPLORATION & PRODUCTION, LLC Contact BILL AUBREY/B. STONE

OGRID: 154625A RULE 5.9 Compliance (Wells) 5/112 (Finan Assur) OK IS 5.9 OK? ~~NO~~Well File Reviewed ☒ Current Status: P&A 10/29/99

GRAB/SPCT/POC

Planned Work to Well:

DILL/MILL/SOIL/FOOT/CNTRPC

Diagrams: Before Conversion ☒ After Conversion ☒ Elogs in Imaging File:

No well logs in file

Well Details:

Well Details:	Sizes		Setting Depths	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
	Hole.....	Pipe				
New __ Existing <input checked="" type="checkbox"/> Surface	26	20"	358	—	5305X	CIRC
New __ Existing <input checked="" type="checkbox"/> Interm	17 1/2	13 3/8	2503	—	19005X	CIRC
New __ Existing <input checked="" type="checkbox"/> LongSt	12 1/2	9 5/8	10,003	5522'	(1550+1700)	3350' TO S.
New __ Existing <input checked="" type="checkbox"/> Liner	8 1/2	7 5/8	9519'-11,977'	—	500	
New __ Existing <input checked="" type="checkbox"/> Live <input checked="" type="checkbox"/> Open Hole	6 1/8	5	11705'-12748'	1215'	175	

Depths/Formations:

	Depths, Ft.	Formation	Tops?
Formation(s) Above	6073	Bone Spring	<input checked="" type="checkbox"/>
Injection TOP: 7070	(MP) 9386	Bone Spring	Max. PSI 1414
Injection BOTTOM: 9386	(9386)		Open Hole <input checked="" type="checkbox"/> Perfs <input checked="" type="checkbox"/>
			Tubing Size 2 1/8 Packer Depth 8955
Formation(s) Below			

Capitan Reef? (Potash? Noticed?) WIPP? Noticed? Salado Top/Bot (436-1910) Our House?

Fresh Water: Depths: Formation Wells? yes Analysis? Affirmative Statement ☒

Disposal Fluid Analysis? Sources: Del/Bone Spring

Disposal Interval: Analysis? Production Potential/Testing:

Notice: Newspaper Date 4/12/11 Surface Owner BCM - R. M. L. Mineral Owner(s)

RULE 26.7(A) Affected Persons: OXY/Latigo

AOR: Map? ☒ Well List? ☒ Active Wells 2 Producing in Interval? Repairs 0 Which Wells? —.....P&A Wells ☒ Diagrams? — Repairs — Which Wells? —

Questions: TEST PWG Below P&A

Request Sent

Reply: