

# **RKI Exploration & Production, LLC**

210 Park Avenue, Suite 900, Oklahoma City, OK 73102  
405-949-2221 Fax 405-996-5772

October 16, 2015

VIA CERTIFIED MAIL

OWNERS LIST ATTACHED

Trainer Partners, Ltd.

RE: Well Proposal  
RDX Federal Com 28 9H  
Sections 28/33 T26S-R30E  
Eddy County, NM

Ladies and Gentlemen,

RKI Exploration & Production, LLC ("RKI"), as Operator, hereby proposes the drilling of the following horizontal Wolfcamp well:

Well Name: RDX Federal Com 28 9H  
SHL: 360' FNL & 1,345' FWL  
BHL: 660' FWL & 230' FWL  
Legal: W/2 W/2 Section 28-26S-30E,  
W/2 W/2 Section 33-26S-30E, Eddy County, NM  
Objective: Approximately 10,700' TVD and 17,398' TMD, or a depth sufficient to test the  
Wolfcamp Formation  
AFE CWC: \$7,606,591.00

In the event you elect to participate with your estimated 5.5604982% Working Interest in the subject well, please sign and return one copy of the enclosed AFE to the undersigned. Your estimated percentage of the completed well costs for the proposed operation will be \$422,964.36. A ballot is also included on the next page for convenience, and a JOA will be forwarded for your review in the event that you wish to participate.

As an alternative to participating in the proposed operation, RKI hereby offers to purchase your interest in the lease and any interest you may own in surrounding leases for a purchase price of \$2,500.00 per net leasehold acre on a mutually agreeable form of assignment covering all of your interest in the township of T26S-R30E, Eddy County, NM, subject to RKI management approval. If this option is of interest, please give me a call and we can discuss further.

Please do not hesitate to contact me at 405.987.2226 or via email at [sam.mccurdy@wpenergy.com](mailto:sam.mccurdy@wpenergy.com).

Sincerely,  
RKI EXPLORATION & PRODUCTION, LLC

Sam McCurdy  
Landman

Encl.

BEFORE THE OIL CONVERSION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 4  
Submitted by: RKI EXPLORATION  
Hearing Date: December 3, 2015

\_\_\_\_\_ Elects to **participate** in the drilling and completion of the RDX Federal  
28 9H

\_\_\_\_\_ Elects to **non-consent** the RDX Federal 28 9H:

Company: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Working Interest Owners:

C.W. Trainer and Wife Jackie Trainer  
Attn: Trainer Partners, Ltd.  
PO Box 3788  
Midland, TX 79702  
Phone: 432-687-2505

Randall Trainer  
2802 N. Garfield St.  
Midland, TX 79705

Elwade Corporation  
3520 96th Street  
Lubbock, Texas 79423

Pioneer Natural Resources  
303 W. Wall St.  
Midland, TX 79701

James W. Brock  
c/o Beverly Brock  
2301 Maxwell Dr.  
Midland, TX 79705



WPX  
210 Park Ave Suite #900  
Oklahoma City, OK 73102  
(405) 949-2221

AUTHORIZATION FOR EXPENDITURE								
Wellname:	RDX FEDERAL COM 28-9H (155719)				A/E Status:	1. Assign-Construct		
Operator:	WPX ENERGY				A/E Number:	155719		
A/E Group:	2015 - Permian		A/E Type:	DRILL		A/E Date:	10/7/2015	
Prospect:	Delaware Basin		Well Type:	Oil		Job Start Date:		
Q/Q/Q-S/T/R:	/ / - 28 / 26S / 30E		Depth:	17,398		County, State:	EDDY, NM	
Location:	28-26S-30E		Field:	PHANTOM		Prep. By:	K. Fischer	
Surface Location:	360 ft. from N line 1345 ft. from W line							
	Long.	103° 53'25.74"	Lat.	32°01'10.80"	XLoc:	678586.9	YLoc:	371175.2
Bottom Hole Location:	660 ft. from W line 230 ft. from S line							
	Long.	103°53'33.57"	Lat.	32° 00'02.75"	XLoc:	677940.8	YLoc:	364295.4
Remarks:	TVD: 17,398 TMD: 10,700							

### Justification:

To drill, complete and equip a horizontal Wolfcamp well.

Account #	Cost Breakdown	Drilling	Dry Hole	Completion Cost	Workover	Total
176-100-1020	IDC - CEMENT & EQUIPMENT	\$150,000	\$150,000	\$0	\$0	\$150,000
176-100-1060	IDC - DRILLING CONDUCTOR & RATHOLE	\$20,000	\$20,000	\$0	\$0	\$20,000
176-100-1070	IDC - DRILLING MUD/CHEMICALS	\$100,000	\$100,000	\$0	\$0	\$100,000
176-100-1100	IDC - DRILLING RIG - DAYWORK	\$592,000	\$592,000	\$0	\$0	\$592,000
176-100-1160	IDC - ROAD/LOCATION	\$65,000	\$65,000	\$0	\$0	\$65,000
176-100-1180	(Do Not Use) IDC - DRILLING - MISCELLANEOUS	\$56,348	\$56,348	\$0	\$0	\$56,348
176-100-1190	IDC - DIRECTIONAL COSTS	\$400,000	\$400,000	\$0	\$0	\$400,000
176-100-1200	IDC - BOTTOM HOLE ASSEMBLY	\$238,000	\$238,000	\$0	\$0	\$238,000
176-100-1220	IDC - FUEL/POWER	\$140,000	\$140,000	\$0	\$0	\$140,000
176-100-1240	IDC - OPEN HOLE LOGGING	\$25,000	\$25,000	\$0	\$0	\$25,000
176-100-1250	IDC - LABOR/TRANSPORTATION	\$85,000	\$85,000	\$0	\$0	\$85,000
176-100-1290	IDC - INSPECTION/RE CUTS/REPLACE	\$65,000	\$65,000	\$0	\$0	\$65,000
176-100-1340	IDC - EQUIPMENT RENTAL	\$345,600	\$345,600	\$0	\$0	\$345,600
176-100-1350	IDC - SUPERVISION	\$87,500	\$87,500	\$0	\$0	\$87,500
176-100-1360	IDC - MUD LOGGING	\$102,400	\$102,400	\$0	\$0	\$102,400
176-100-1370	IDC - CASING CREWS	\$50,000	\$50,000	\$0	\$0	\$50,000
176-100-1430	IDC - BITS/REAMERS/STABILIZERS	\$55,000	\$55,000	\$0	\$0	\$55,000
176-100-1510	IDC - WATER/DRILLING MUD DISPOSAL	\$192,500	\$192,500	\$0	\$0	\$192,500
176-100-1570	IDC - REGULATORY	\$7,000	\$7,000	\$0	\$0	\$7,000
176-100-1590	IDC - WELDING	\$28,000	\$28,000	\$0	\$0	\$28,000
176-100-1640	IDC - SURFACE DAMAGES	\$10,000	\$10,000	\$0	\$0	\$10,000
176-100-1670	IDC - SURVEY & PERMITS	\$7,000	\$7,000	\$0	\$0	\$7,000
176-100-1700	IDC - TRUCKING	\$35,000	\$35,000	\$0	\$0	\$35,000
176-100-1730	IDC - WATER	\$84,000	\$84,000	\$0	\$0	\$84,000
176-100-2030	ICC - CASD HOLE LOGS	\$0	\$0	\$25,000	\$0	\$25,000
176-100-2040	ICC - CASING CREW-PRODUCTION CASING	\$0	\$0	\$25,000	\$0	\$25,000
176-100-2050	ICC - CEMENT & CEMENT SERVICES	\$0	\$0	\$65,000	\$0	\$65,000
176-100-2090	ICC - FRAC TANK RENTAL	\$0	\$0	\$32,000	\$0	\$32,000
176-100-2140	ICC - FRAC WATER TRANSFER	\$0	\$0	\$250,000	\$0	\$250,000
176-100-2150	ICC - FRAC WATER	\$0	\$0	\$50,000	\$0	\$50,000
176-100-2170	ICC - DRILLING RIG - DAYWORK	\$0	\$0	\$18,500	\$0	\$18,500
176-100-2270	ICC - PITS/ROAD/LOCATION/DOZER	\$0	\$0	\$15,000	\$0	\$15,000
176-100-2310	ICC - BITS/STABILIZERS/MILLS	\$0	\$0	\$2,500	\$0	\$2,500
176-100-2320	ICC - COIL TUBING/TOOLS	\$0	\$0	\$125,000	\$0	\$125,000

176-100-2360	ICC - PERFORATING	\$0	\$0	\$150,000	\$0	\$150,000
176-100-2370	ICC - BOP, ROTATING HEAD, ETC.	\$0	\$0	\$35,000	\$0	\$35,000
176-100-2380	ICC - PUMP TRUCK	\$0	\$0	\$50,000	\$0	\$50,000
176-100-2390	ICC - RENTAL OF EQUIPMENT	\$0	\$0	\$450,000	\$0	\$450,000
176-100-2430	ICC - TREATMENT (FRACTURING)	\$0	\$0	\$1,500,000	\$0	\$1,500,000
176-100-2440	ICC - TRUCKING	\$0	\$0	\$35,000	\$0	\$35,000
176-100-2450	ICC - FLOWBACK EQUIPMENT	\$0	\$0	\$50,000	\$0	\$50,000
176-100-2470	ICC - ROUSTABOUTS	\$0	\$0	\$75,000	\$0	\$75,000
176-100-2510	ICC - SUPERVISION	\$0	\$0	\$75,000	\$0	\$75,000
176-100-2520	ICC - WATER/DRILLING MUD DISPOSAL	\$0	\$0	\$50,000	\$0	\$50,000
176-100-2530	ICC - COMPLETION RIG	\$0	\$0	\$55,000	\$0	\$55,000
176-100-2590	ICC - WELDING &/OR CONTRACT LABOR	\$0	\$0	\$22,000	\$0	\$22,000
176-100-2630	ICC - MISCELLANEOUS EXPENSE	\$0	\$0	\$50,545	\$0	\$50,545
176-100-6120	IDC FAC-LOCATION/PADS/ROAD	\$0	\$0	\$7,000	\$0	\$7,000
176-100-6140	IDC FAC-RENTAL EQUIPMENT	\$0	\$0	\$9,200	\$0	\$9,200
176-100-6150	IDC FAC-ROW/PAD DAMAGES	\$0	\$0	\$3,500	\$0	\$3,500
176-100-6220	IDC FAC-BACKHOE	\$0	\$0	\$7,500	\$0	\$7,500
176-100-6230	IDC FAC-CRANE	\$0	\$0	\$7,500	\$0	\$7,500
176-100-6250	IDC FAC-GPS AS BUILT	\$0	\$0	\$2,000	\$0	\$2,000
<b>INTANGIBLE DEVELOPMENT</b>		<b>\$2,940,348</b>	<b>\$2,940,348</b>	<b>\$3,242,245</b>	<b>\$0</b>	<b>\$6,182,592</b>
174-100-1890	TDC - CASING HEAD	\$45,000	\$45,000	\$0	\$0	\$45,000
174-100-1900	TDC - SURFACE CASING	\$26,813	\$26,813	\$0	\$0	\$26,813
174-100-1910	TDC - INTERMEDIATE CASING	\$261,576	\$261,576	\$0	\$0	\$261,576
174-100-2690	TCC - DOWNHOLE PUMP (Do Not Use)	\$0	\$0	\$150,000	\$0	\$150,000
174-100-2770	TCC - PRODUCTION CASING - NEW	\$0	\$0	\$347,960	\$0	\$347,960
174-100-2790	TCC - PRODUCTION TUBING - NEW	\$0	\$0	\$69,550	\$0	\$69,550
174-100-2910	TCC - TUBING HEAD & VALVES FOR TREE	\$0	\$0	\$75,000	\$0	\$75,000
174-100-6010	TANG FAC - BUILDING	\$0	\$0	\$1,500	\$0	\$1,500
174-100-6020	TANG FAC-CIRCULATING/TRANSFER PUMPS	\$0	\$0	\$10,000	\$0	\$10,000
174-100-6030	TANG FAC-CHEMICAL TANKS/PUMPS	\$0	\$0	\$5,800	\$0	\$5,800
174-100-6040	TANG FAC- COMBUSTER/FLARE	\$0	\$0	\$6,500	\$0	\$6,500
174-100-6050	TANG FAC-CONTAINMENT/TANK PADS	\$0	\$0	\$50,000	\$0	\$50,000
174-100-6060	TANG FAC-FLOWLINES	\$0	\$0	\$20,000	\$0	\$20,000
174-100-6080	TANG FAC-I&E MATERIAL	\$0	\$0	\$35,000	\$0	\$35,000
174-100-6130	TANG FAC-PIPE/VALVES/FITTINGS	\$0	\$0	\$71,000	\$0	\$71,000
174-100-6180	TANG FAC-TANKS/WALKWAYS	\$0	\$0	\$75,000	\$0	\$75,000
174-100-6200	TANG FAC-MISCELLANEOUS SUPPLIES	\$0	\$0	\$4,000	\$0	\$4,000
174-100-6210	TANG FAC-SUPERVISION	\$0	\$0	\$6,500	\$0	\$6,500
174-100-6220	TANG FAC- HHS SKID PACKAGE	\$0	\$0	\$90,000	\$0	\$90,000
174-100-6240	TANG FAC-ELECTRICIAN/AUTOMATION	\$0	\$0	\$13,000	\$0	\$13,000
174-100-6270	TANG FAC-ROUSTABOUT	\$0	\$0	\$30,000	\$0	\$30,000
174-100-6280	TANG FAC-TANK STRAPPING	\$0	\$0	\$3,000	\$0	\$3,000
174-100-6290	TANG FAC-TRUCKING	\$0	\$0	\$5,000	\$0	\$5,000
174-100-6300	TANG FAC-WELDERS	\$0	\$0	\$8,800	\$0	\$8,800
174-100-6310	TANG FAC-MISCELLANEOUS LABOR	\$0	\$0	\$13,000	\$0	\$13,000
<b>TANGIBLE DEVELOPMENT</b>		<b>\$333,389</b>	<b>\$333,389</b>	<b>\$1,090,610</b>	<b>\$0</b>	<b>\$1,423,999</b>
<b>Totals</b>					<b>\$0</b>	<b>\$7,606,591</b>

Approved by:

VP of Operations:

Brent Umerham

Date:

Non-Operator:

Date:

This AFE is an estimate only and non-operator, by execution of same, commits to pay its proportionate share of actual cost incurred.