

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM100558
2. Name of Operator RKI EXPLORATION & PROD LLC		6. If Indian, Allottee or Tribe Name
Contact CHARLES K AHN E-Mail: cahn@rkixp.com		7. If Unit or CA/Agreement, Name and/or No
3a. Address 3817 NW EXPRESSWAY SUITE 950 OKLAHOMA CITY, OK 73112	3b. Phone No (include area code) Ph: 405-996-5771 Fx: 405-949-2223	8. Well Name and No. RDX 15 9
4. Location of Well (Footage, Sec, T, R, M, or Survey Description) Sec 15 T26S R30E NENW 480FNL 1800FWL 32.048610 N Lat, 103 871868 W Lon		9. API Well No 30-015-36825-00-X1
		10. Field and Pool, or Exploratory WILDCAT
		11. County or Parish, and State EDDY COUNTY, NM

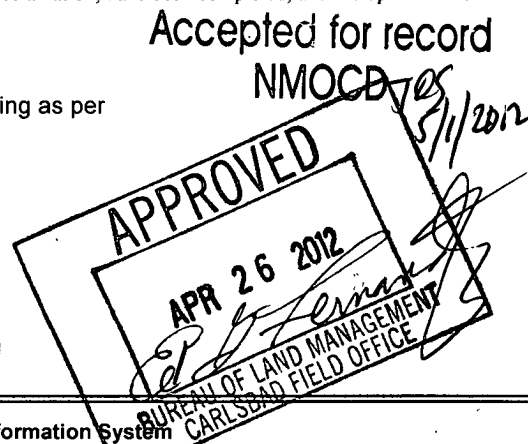
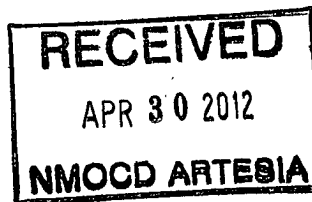
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 recompleat 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 is requesting the following casing changes for the RDX 15-9 well:

11 inch hole to 12.25 inch hole from 0 feet to 3412 feet. Run and cement 9.625 inch casing as per attachment

7.875 inch hole to TD
Run and cement 5.5 inch casing as per attachment**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #136294 verified by the BLM Well Information System For RKI EXPLORATION & PROD LLC, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/25/2012 (12BLM1017SE)	
Name (Printed/Typed) CHARLES K AHN	Title EH&S/REGULATORY MANAGER
Signature (Electronic Submission)	Date 04/24/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ	Title PETROLEUM ENGINEER	Date 04/26/2012
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.		Office Carlsbad

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

Well RDX 15-9
 Location 480 FNL 1,800 FWL
 Section 15-26S-30E
 County Eddy
 State New Mexico

Casing program:

Hole Size	Top	Bottom	OD Csg	Wt/Grade	Connection	Collapse Design Factor	Burst Design Factor	Tension Design Factor
17 1/2"	0	824	13 3/8"	54.5#/J-55	ST&C	3.17	6.44	11 45
12 1/2"	0	3,412	9 5/8"	40#/J-55	LT&C	1.37	5.44	3 81
7 7/8"	0	7,612	5 1/2"	17#/N-80	LT&C	1.91	1.55	2 69

Intermediate 12 1/2" hole
 Pipe OD 9 5/8"
 Setting Depth 3,412 ft
 Annular Volume 0.31318 cf/ft 0.3627 cf/ft
 Excess 1 100 %

Lead 943 sx 2.07 cf/sk 12.6 ppg
 Tail 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 7,612 ft
 Annular Volume 0.1733 cf/ft 0.26074 cf/ft 300 ft
 Excess 0.35 35 %
 DV Tool Depth 5000 ft

Stage 1

Lead: 430 sx 1.42 cf/sk 13.0 ppg

Lead: PVL + 1.3% PF44 + 5% PF174 + .5% PF606 + .1% PF153 + 2% PF13

Top of cement: DV tool

Stage 2

Lead: 162 sx 2.04 cf/sk 12.6 ppg

Tail: 100 sx 1.47 cf/sk 13.0 ppg

Lead: 35/65 Poz "C" + 5% PF44 + 6% PF20 + .2% PF13 + .125 pps PF29 + .25% PF46

Tail: PVL + 1.3% PF44 + 5% PF174 + .5% PF606 + .1% PF153 + .2% PF13

Top of cement: 3,112 ft

SEE ATTACHED FOR
 CONDITIONS OF APPROVAL

Conditions Of Approval - Sundry date 4/24/2012

OPERATOR'S NAME:	RKI EXPLORATION
LEASE NO.:	NM100558
WELL NAME & NO.:	RDX 15 #9 (30-015-36825)
SURFACE HOLE FOOTAGE:	380' FNL & 1800' FWL
LOCATION:	Section 15, T. 26 S., R. 30 E., NMPM
COUNTY:	Eddy County, New Mexico

I. DRILLING

A. Original COS still applies with the following changes:

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. **DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE.** Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Medium cave/karst.

Lost circulation in Redbeds, evaporites to base of Castile Group, Delaware and Bone Spring formations.

1. The 13-3/8 inch surface casing shall be set at approximately **824** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

- b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Formation below the 13-3/8" shoe to be tested according to Onshore Order

2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

- ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above. **Casing to be set into the Lamar Limestone at approximately 3412'. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.**

Formation below the 8-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

If 75% or greater lost circulation occurs while drilling the intermediate casing hole, the cement on the production casing must come to surface.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

- a. First stage to DV tool, cement shall:
 - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
- b. Second stage above DV tool, cement shall:
 - ☒ Cement should tie-back at least 300 feet into previous casing string. Operator shall provide method of verification.

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