

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NMNM21502

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
HOLLY FEDERAL 1

2. Name of Operator Contact: JODY NOERDLINGER
RKI EXPLORATION AND PRODUCTION Mail: JNOERDLINGER@RKIXP.COM

9. API Well No.
30-015-24195

3a. Address
210 PARK AVE. SUITE 900
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)
Ph: 405-996-0577

10. Field and Pool, or Exploratory
BRUSHY DRAW; DELAWARE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 26 T26S R30E Mer NMP SESE 460FSL 660FEL

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 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 checked="" 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 type="checkbox"/> Other	
	<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 checked="" 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 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 and Production reports water disposal, according to Onshore Order #7, for the subject well, and all other wells on the lease:

Holly Federal 1 30-015-24195
Avg. daily water: 30 BBLS since RKI recorded production on 11/29/2012
Formation: Cherry Canyon
Stored: not stored on lease

Holly Federal 2 30-015-24840
Avg. daily water: 39 BBLS since RKI recorded production on 11/29/2012
Formation: Brushy Canyon
Stored: not stored on lease

NM OIL CONSERVATION
ARTESIA DISTRICT

JAN 09 2015

RECEIVED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APD 2/10/15
Accepted for record
NMOCD

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #256064 verified by the BLM Well Information System
For RKI EXPLORATION AND PRODUCTION, sent to the Carlsbad
Committed to AFMSS for processing by LINDA DENNISTON on 12/02/2014 ()

Name (Printed/Typed) JODY NOERDLINGER

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 08/06/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved By

Title

JAN - 6 2015 Date

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

JAMES A. AMOS

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.

Additional data for EC transaction #256064 that would not fit on the form

32. Additional remarks, continued

Disposal water from the wells on this lease is transported by line to any of these permitted disposal wells:
Red Bluff 7-3W UIC permit #000072703 S7-T1N-BLK56, Loving County, TX
Red Bluff 8-1 UIC permit #000100957 S8-T1N-BLK56, Loving County, TX
Damsite Unit-1D UIC permit #000102256 S9-T1N-BLK56, Loving County, TX

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Disposal of Produced Water From Federal Wells
Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

7/10/14