

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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WELL API NO. 30-015-36217
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Pinnacle State
8. Well Number 23
9. OGRID Number 246289
10. Pool name or Wildcat Herradura Bend (Delaware)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐ JUN 23 2008

2. Name of Operator
RKI Exploration and Production, LLC. OCD-ARTESIA

3. Address of Operator
3817 NW Expressway, Suite 950, Oklahoma City, OK. 73112

4. Well Location
Unit Letter O : 965 feet from the South line and 1685 feet from the East line
Section 36 Township 22S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,110' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☒ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Surface and production casings ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Moved in and rigged up Permian Rig 1. Spudded well at 10:30 am on 5-15-08. Drilled 12-1/4" hole to 458'. Ran 9-5/8", 36#, J-55 ST&C casing to 458'. Cemented with 340 sacks of Class C Tail cement with 2% SI and 0.125 pps D-130 mixed at 14.8 ppg (yield = 1.34). Circulated 75 sacks of cement to surface. Waited on cement. Installed and tested BOPE. Picked up drilling BHA. Drilled out shoe 26 hours after cement was in place. Drilled 7-7/8" hole to 7,007'. Unable to get openhole logs. Ran 5-1/2", 15.5#, K-55 LT&C production casing to 7,006' (float collar at 6,964'; DV tool at 3,713'). Cemented first stage with 451 sacks Lead 35:65 Poz:Class C + 6% D20 + 4 pps D24 + 0.125 pps D130 + 3% S1 mixed 12.7 ppg. (yield = 1.94) followed by Tail 200 sx. TXI Lightweight + 0.3% D167 + 0.2% D13 mixed 13.0 ppg. (yield = 1.39). Opened DV tool and circulated 1/2 bbl. of cement to surface. Cemented second stage with 866 sacks Lead 50:50 Poz:Class C + 0.125 pps D130 + 0.2% D167 + 10% D20 mixed 11.9 ppg. (yield = 2.32) followed by Tail 200 sx. Class C neat mixed 14.8 ppg. (yield = 1.32). Circulated 130 sacks of cement to surface.

Rigged down and released rig. Well pending completion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Gene Simer TITLE PRODUCTION SUPERINTENDENT DATE 6/19/08

Type or print name Gene Simer E-mail address: gsimer@rkixp.com Telephone No. 505-885-1313
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Accepted for record - NMOCD