

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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 _____

*RKI
 Pinnacle State SWD - 38
 AP - Ending
 New / Davidson*

[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.

David Catanach
 Print or Type Name

David Catanach
 Signature

Agent-RKI Exploration & Production, LLC
 Title

4/10/14
 Date

drcatanach@netscape.com
 E-Mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance Disposal _____ Storage
Application qualifies for administrative approval? Yes _____ No
- II. OPERATOR: RKI Exploration & Production, LLC (246289)
ADDRESS: 210 Park Avenue, Suite 900 Oklahoma City, Oklahoma 73102
CONTACT PARTY: David Catanach-Agent PHONE: (505) 690-9453
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map 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. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include 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. Attach data 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. Attach appropriate geologic data on the injection zone 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. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- 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: David Catanach TITLE: Agent-RKI Exploration & Production, LLC
SIGNATURE:  DATE: 4/10/14
E-MAIL ADDRESS: drcatanach@netscape.com
- * 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: _____

III. WELL DATA

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

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.

April 10, 2014

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Form C-108
RKI Exploration & Production, LLC
Pinnacle State SWD No. 38
API No. (Not Yet Assigned)
2330' FNL & 480' FWL, (Unit E)
Section 36, T-22S, R-28E, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey,

Enclosed please find a Division Form C-108 (Application for Authorization to Inject) for the RKI Exploration & Production, LLC ("RKI") Pinnacle State SWD No. 38. RKI proposes to drill and utilize this well as a produced water disposal well, injection to occur into the Devonian/ Ellenburger formation through the open-hole interval from approximately 14,200 feet to 15,044 feet. Produced water from the Delaware, Bone Spring, Wolfcamp and Morrow formations originating from RKI operated wells in this area will be injected into the well.

I believe that all the information necessary to approve the application is enclosed. If additional information is needed, please contact me at (505) 690-9453.

Sincerely,



David Catanach-Agent
RKI Exploration & Production, LLC
210 Park Avenue, Suite 900
Oklahoma City, Oklahoma 73102

Xc: OCD-Artesia

C-108 Application
RKI Exploration & Production, LLC
Pinnacle State SWD No. 38
2330' FNL & 480' FWL (Unit E)
Section 36, T-22S, R-28E, NMPM
Eddy County, New Mexico

- I. The purpose of the application is to request approval to utilize the proposed Pinnacle State SWD No. 38 as a produced water disposal well. This is a new well to be drilled for injection.
- II. RKI Exploration & Production, LLC (“RKI”)
210 Park Avenue, Suite 900
Oklahoma City, Oklahoma 73102
Contact Party: David Catanach (505) 690-9453
- III. Injection well data sheet and wellbore schematic diagram showing the proposed wellbore configuration are attached.
- IV. This is not an expansion of an existing project.
- V. Attached is a map that identifies all wells/leases within a 2-mile radius of the proposed water disposal well and a map that identifies the ½ mile “Area of Review” (“AOR”).
- VI. A listing of all wells within the AOR, including API No., operator, well name & number, well type and status, well location and total depth are attached. Please note that no well within the AOR penetrates the proposed injection interval. Consequently well construction data and/or plugging diagrams are not required.
- VII.
 1. The average injection rate is anticipated to be approximately 45,000 BWPD. The maximum rate will be approximately 50,000 BWPD. If the average or maximum rates increase in the future, the Division will be notified.
 2. This will be a closed system.
 3. RKI will initially inject water into the subject well at or below a surface injection pressure that is in compliance with the Division’s limit of 0.2 psi/ft., or approximately 2,840 psi. If a surface injection pressure above 2,840 psi is necessary, RKI will conduct a step rate injection test to determine the fracture pressure of the Devonian/Ellenburger formation in this area.

4. Produced water from the Delaware, Bone Spring, Wolfcamp and Morrow formations originating from RKI operated wells in this area will be injected into the subject well. Attached are Delaware, Bone Spring, Wolfcamp and Morrow formation produced water analysis. RKI anticipates no scaling or compatibility issues associated with mixing these fluids.
5. The Devonian/Ellenburger formation is not productive within one mile the proposed Pinnacle State SWD No. 38. Literature indicates that native formation water in the Devonian/Ellenburger formations in Southeast New Mexico is generally very saline.

VIII. Geologic Formation: Devonian/Ellenburger
Estimated Top: 14,169'
Thickness: 875'
Lithology: Dolostone and Limestone

USDW's: According to data obtained from the New Mexico State Engineer, there are no fresh water wells located within one mile of the Pinnacle State SWD No. 38. If fresh water is present in this area, it will generally be sporadic Alluvial and found at depths between the surface and 300 feet.

- IX. If necessary, the well will be stimulated with 10,000 gallons of 15% HCl
- X. Logs will be filed subsequent to the completion of drilling operations.
- XI. There are no fresh water well located within one mile of the Pinnacle State SWD Well No. 38.
- XII. Affirmative statement is enclosed.
- XIII. Proof of Notice is enclosed.

INJECTION WELL DATA SHEET

Tubing Size: 5 1/2" 17# N-80 Lining Material: Internally Plastic Coated

Type of Packer: Arrowset IX Packer or Similar Type Injection Packer

Packer Setting Depth: 14,100' or within 100' of the open-hole injection interval

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection: X Yes No

If no, for what purpose was the well originally drilled:

2. Name of the Injection Formation: Devonian/Ellenburger

3. Name of Field or Pool (if applicable): There are no OCD designated Devonian/Ellenburger pools in Section 36.

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

None

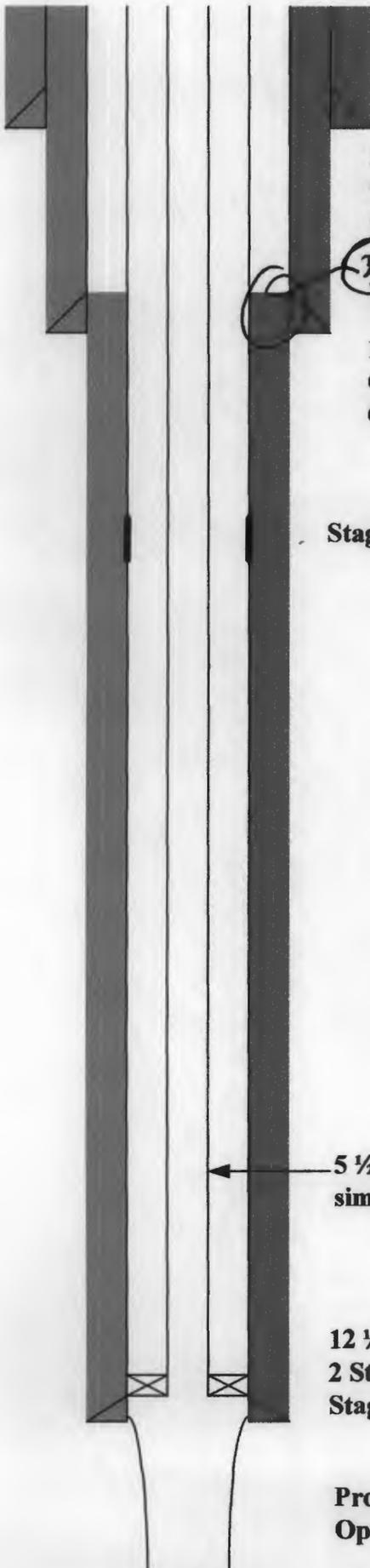
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

East Herradura Bend-Delaware Pool is present in Section 36 at a depth of approximately 2,700'-6,200'.

South Culebra Bluff-Bone Spring Pool is also present in Section 36 at a depth of approximately 6,400'.

Proposed Wellbore Configuration

RKI Exploration & Production, LLC
Pinnacle State SWD No. 38
API No. N/A
2330' FNL & 480' FWL (Unit E)
Section 36, T-22 South, R-28 East, NMPM
Eddy County, New Mexico



26" Hole; Set 20" 94# J-55 Csg @ 1,000'
Cement w/1767 Sx.
Circulate cement to surface.

300'
TOC @ 3,200'

17 1/2" Hole; Set 13 3/8" 68# J-55 Csg @ 3,500'
Cement w/2108 Sx.
Circulate cement to surface.

Stage Tool @ 5,500' ✓

5 1/2" 17# N-80 IPC tubing to be set in an Arrowset IX or similar type injection packer @ 14,100'

12 1/4" Hole; Set 9 5/8" 53.5# HCP-110 Csg. @ 14,200'
2 Stage cement job. 1st Stage: 1,485 Sx. 2nd Stage: 544 Sx.
Stage Tool @ 5,500'. Proposed TOC @ 3,200' *CBV*

Proposed Devonian/Ellenburger
Open-Hole Injection Interval: 14,200'-15,044'

TD: 15,044'

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 746-1263 Fax: (575) 746-9720

DISTRICT III
1900 Rio Brazos Rd., Artesia, NM 87410
Phone: (505) 334-6174 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-4400 Fax: (505) 476-3402

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name PINNACLE STATE SWD		Well Number 38
OGRID No. 246289	Operator Name RKI EXPLORATION & PRODUCTION		Elevation 3119'

Surface Location

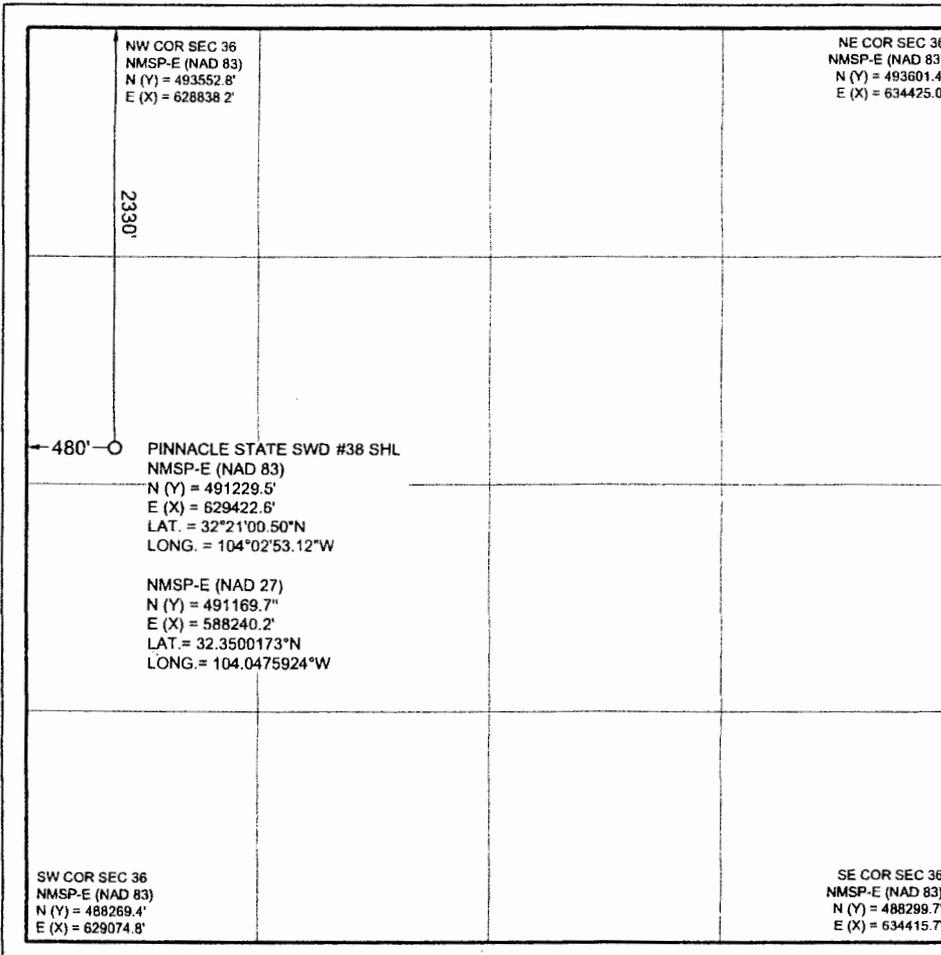
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	36	22 S	28 E		2330	NORTH	480	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidated Code	Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

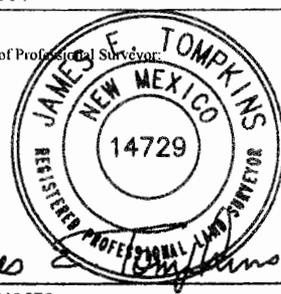
Print Name _____

E-mail Address _____

SURVEYORS CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

January 10, 2014
Date of Survey

Signature and Seal of Professional Surveyor



Job No.: WTC49578
JAMES E. TOMPKINS 14729
Certificate Number _____

LOCATION VERIFICATION MAP



0 1000 2000 4000

GRAPHIC SCALE 1" = 2000'

SECTION 36, T 22 S, R 28 E, N.M.P.M.

COUNTY: EDDY STATE: NM

DESCRIPTION: 2330' FNL & 480' FWL

OPERATOR: RKI EXPLORATION & PRODUCTION

WELL NAME: PINNACLE STATE SWD #38

DRIVING DIRECTIONS:

FROM STATE HIGHWAY 31 AND COUNTY ROAD 605, GO NORTHWEST 2.3 MILES. TURN LEFT ON LEASE ROAD AND GO NORTHEAST 0.9 MILE. GO SOUTHEAST 0.1 MILE THEN 0.1 MILE NORTH TO PINNACLE STATE #19. LOCATION IS 365 FEET NORTHWEST.



WEST TEXAS CONSULTANTS, INC.
ENGINEERS PLANNERS SURVEYORS
405 S.W. 1st STREET
ANDREWS, TEXAS 79714
(432) 523-2181

RKI EXPLORATION & PRODUCTION

JOB No.: WTC49578

28E

26

25

There are 26 active, PA'd or proposed wells within the Area-of-Review of the Pinnacle State SWD No. 38 (See attached well table.) However, none of these Area-of-Review wells penetrate the proposed injection interval, and consequently, these wells are not shown on this map.

22S

35

36

Pinnacle State
SWD No. 38

● —————▶ ½ Mile

Form C-108

RKI Exploration & Production, LLC

Pinnacle State SWD No. 38

½-Mile Area of Review Map

RKI EXPLORATION & PRODUCTION, LLC
AREA OF REVIEW WELL LIST
PINNACLE STATE SWD NO. 38

														TOTAL DEPTH OF WELL REMAINS									
WELL NO.	OWNER	LEASE NAME	NO.	TYPE	STATUS	NO.	DIR.	NO.	DIR.	NO.	DIR.	NO.	DIR.	NO.	DIR.	NO.	DIR.	NO.	DIR.				
30-015-02479	Richard R. Morrison	Gulf State	1	Dry	PA	660'	S	660'	W	M	36	22S	28E	2,893'									
30-015-27050	RKI Exploration & Prod., LLC	Pinnacle State	1	P	Active	1980'	S	330'	W	L	36	22S	28E	6,450'									
30-015-27071	RKI Exploration & Prod., LLC	Pinnacle State	2	P	Active	1650'	N	330'	W	E	36	22S	28E	6,400'									
30-015-27072	RKI Exploration & Prod., LLC	Pinnacle State	3	P	Active	1980'	S	1650'	W	K	36	22S	28E	6,411'									
30-015-27093	RKI Exploration & Prod., LLC	Pinnacle State	4	P	Active	1980'	N	1650'	W	F	36	22S	28E	6,390'									
30-015-27141	RKI Exploration & Prod., LLC	Pinnacle State	6	P	Active	1980'	N	2310'	E	G	36	22S	28E	6,420'									
30-015-27142	RKI Exploration & Prod., LLC	Pinnacle State	7	P	Active	660'	N	330'	W	D	36	22S	28E	6,440'									
30-015-27143	RKI Exploration & Prod., LLC	Pinnacle State	8	P	Active	467'	N	1650'	W	C	36	22S	28E	6,430'									
30-015-27143	RKI Exploration & Prod., LLC	Pinnacle State	11	P	Active	990'	S	400'	W	M	36	22S	28E	6,373'									
30-015-27254	RKI Exploration & Prod., LLC	Pinnacle State	17	P	Active	990'	N	2310'	W	C	36	22S	28E	6,672'									
30-015-35864	RKI Exploration & Prod., LLC	Pinnacle State	19	P	Active	2470'	N	820'	W	E	36	22S	28E	6,650'									
30-015-36065	RKI Exploration & Prod., LLC	Pinnacle State	20	P	Active	2630'	N	2335'	W	F	36	22S	28E	6,595'									
30-015-36124	RKI Exploration & Prod., LLC	Pinnacle State	22	P	Active	995'	N	1086'	W	D	36	22S	28E	6,670'									
30-015-36216	RKI Exploration & Prod., LLC	Pinnacle State	25	P	Active	330'	S	800'	W	M	36	22S	28E	7,735'									
30-015-36333	RKI Exploration & Prod., LLC	Pinnacle State	21	P	Active	1330'	S	1145'	W	L	36	22S	28E	5,248'									
30-015-36381	RKI Exploration & Prod., LLC	Pinnacle State	30H	P	NYD	250'	N	785'	W	D	36	22S	28E	Well not yet drilled. Proposed MD: 13,004' Proposed TVD: 8,500'									
30-015-40852	RKI Exploration & Prod., LLC	Pinnacle State 36			BHL	330'	S	395'	W	M	36	22S	28E										
30-015-41223	RKI Exploration & Prod., LLC	Pinnacle State	33H	P	NYD	300'	N	2310'	W	C	36	22S	28E	Well not yet drilled. Proposed MD: 12,054' Proposed TVD: 7,500'									
					BHL	330'	S	2245'	W	N	36	22S	28E										
30-015-41587	RKI Exploration & Prod., LLC	Pinnacle State 36	32H	P	Active	150'	N	1700'	W	C	36	22S	28E	MD: 12,895' TVD: 8,347'									
					BHL	361'	S	1696'	W	N	36	22S	28E										
30-015-25590	RKI Exploration & Prod., LLC	Santa Fe Federal	1	P	Active	2080'	N	2080'	E	G	35	22S	28E	3,836'									
30-015-27026	RKI Exploration & Prod., LLC	Santa Fe Federal	3	P	Active	1946'	S	626'	E	I	35	22S	28E	6,360'									
30-015-27029	RKI Exploration & Prod., LLC	Santa Fe Federal	2	P	Active	2080'	S	1980'	E	J	35	22S	28E	6,350'									
30-015-27030	RKI Exploration & Prod., LLC	Santa Fe Federal	4	P	Active	1730'	N	910'	E	H	35	22S	28E	6,370'									
30-015-27118	RKI Exploration & Prod., LLC	Santa Fe Federal	7	P	Active	990'	S	330'	E	P	35	22S	28E	6380'									
30-015-27126	RKI Exploration & Prod., LLC	Santa Fe Federal	8	SWD	Active	760'	N	460'	E	A	35	22S	28E	6,350'									
30-015-31629	Ray Westall	Santa Fe Federal	9	P	ND	2310'	N	640'	E	H	35	22S	28E	Well never drilled. APD cancelled									
30-015-31630	Ray Westall	Santa Fe Federal	11	P	ND	2160'	N	1650'	E	G	35	22S	28E	Well never drilled. APD cancelled									
30-015-32524	Ray Westall	Santa Fe Federal	9Q	P	ND	2310'	N	640'	E	H	35	22S	28E	Well never drilled. APD cancelled									
30-015-32525	Ray Westall	Santa Fe Federal	10Q	P	ND	1650'	S	850'	E	I	35	22S	28E	Well never drilled. APD cancelled									
30-015-32526	RKI Exploration & Prod., LLC	Santa Fe Federal	11	P	Active	2160'	N	1650'	E	G	35	22S	28E	6,400'									
30-015-37277	RKI Exploration & Prod., LLC	Santa Fe Federal 35	24	P	ND	2310'	N	330'	E	H	35	22S	28E	Well never drilled. APD cancelled									
30-015-37917	RKI Exploration & Prod., LLC	Santa Fe Federal Deep 35	1	P	Active	690'	N	1310'	E	A	35	22S	28E	13,050'									
30-015-31612	Ray Westall	Santa Fe Federal	10	P	ND	1650'	S	850'	E	I	35	22S	28E	Well never drilled. APD cancelled									



New Mexico Office of the State Engineer
Water Column/Average Depth to Water

No records found.

PLSS Search:

Section(s): 25, 26, 36, 36 Township: 22S Range: 28E

**RKI Exploration & Prod., LLC
C-108: Pinnacle State SWD No. 38
Fresh Water Well Data**

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



New Mexico Office of the State Engineer
Water Column/Average Depth to Water

No records found.

PLSS Search:

Section(s): 1, 2

Township: 23S

Range: 28E

**RKI Exploration & Prod., LLC
C-108: Pinnacle State SWD No. 38
Fresh Water Well Data**

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

2/27/14 1:14 PM

Page 1 of 1

**WATER COLUMN/ AVERAGE
DEPTH TO WATER**

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: **WadeCo Specialties, LLC**

Well Number:	Longview Deep Fed 31-31	Sample Temp:	70
Lease:	RKI	Date Sampled:	3/30/2014
Location:	WC20907	Sampled by:	Wade Havens
Date Run:	4/8/2014	Employee #:	
Lab Ref #:	14-apr-h14274	Analyzed by:	GR

K=516.70 ppm

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H2S)	5.00 ✓	16.00	.31
Carbon Dioxide	(CO2)	300.00	22.00	13.64
Dissolved Oxygen	(O2)	NOT ANALYZED		

Cations

Calcium	(Ca++)	5,427.00	20.10	270.00
Magnesium	(Mg++)	1,127.28	12.20	92.40
Sodium	(Na+)	35,916.64	23.00	1,561.59
Barium	(Ba++)	NOT ANALYZED		
Manganese	(Mn+)	3.59	27.50	.13
Strontium	(Sr++)	NOT ANALYZED		

Anions

Hydroxyl	(OH-)	.00	17.00	.00
Carbonate	(CO3=)	.00	30.00	.00
BiCarbonate	(HCO3-)	1,026.48	61.10	16.80
Sulfate	(SO4=)	88.00	48.80	1.80
Chloride	(Cl-)	67,273.92	35.50	1,895.04
Total Iron	(Fe)	58.7	18.60	3.16
Total Dissolved Solids		111,226.61 ✓		
Total Hardness as CaCO3		18,189.35		
Conductivity MICROMHOS/CM		152,700		

pH 6.890 Specific Gravity 60/60 F. 1.077

CaSO4 Solubility @ 80 F. 36.35MEq/L, CaSO4 scale is unlikely

CaCO3 Scale Index

70.0	.949	100.0	1.249	130.0	1.839
80.0	1.039	110.0	1.519	140.0	1.839
90.0	1.249	120.0	1.519	150.0	2.179

Form C-108
Affirmative Statement
RKI Exploration & Production, LLC
Pinnacle State SWD No. 38
Section 36, T-22 South, R-28 East, NMPM,
Eddy County, New Mexico

Available geologic and engineering data has been examined and no evidence of open faults or hydrological connection between the injection zone and any underground sources of drinking water has been found.



David Catanach
Agent for RKI Exploration & Production, LLC



Date

April 10, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: (SEE ATTACHED OWNERSHIP/NOTICE LIST)

Re: RKI Exploration & Production, LLC
Form C-108 (Application for Authorization to Inject)
Pinnacle State SWD No. 38
API No. N/A
2330' FNL & 480' FWL, Unit E, Section 36, T-22S, R-28E, NMPM,
Eddy County, New Mexico

Ladies & Gentlemen:

Enclosed please find a copy of Oil Conservation Division Form C-108 (Application for Authorization to Inject) for the RKI Exploration & Production, LLC Pinnacle State SWD No. 38. You are being provided a copy of the application as an offset operator/leaseholder, offset interest owner or the owner of the land on which the well is located. RKI Exploration & Production, LLC proposes to drill the Pinnacle State SWD No. 38 and utilize the well as a produced water disposal well, injection to occur into the Devonian/Ellenburger formation through the open-hole interval from approximately 14,200 feet to 15,044 feet.

Objections must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

If you should have any questions, please contact Mr. Cody Reid, Landman, RKI Exploration & Production, LLC at (405) 996-5767 or myself at (505) 690-9453.

Sincerely,



David Catanach-Agent
RKI Exploration & Production, LLC
210 Park Avenue, Suite 900
Oklahoma City, Oklahoma 73102

Enclosure

28E

26

25

Tract 4

Tract 3

22S

35

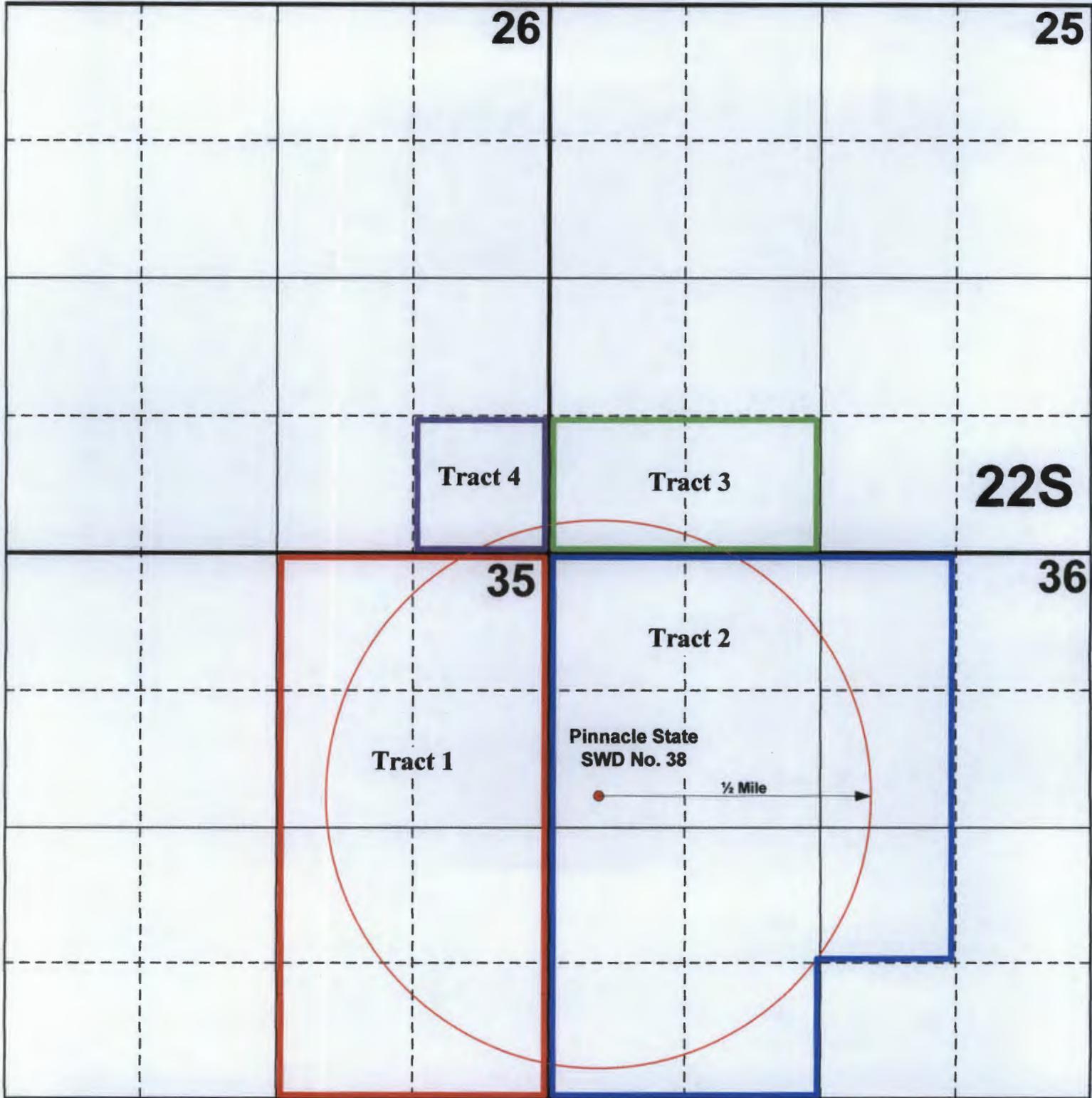
36

Tract 2

Tract 1

**Pinnacle State
SWD No. 38**

½ Mile



Form C-108

RKI Exploration & Production, LLC

Pinnacle State SWD No. 38

½-Mile Notice Area/Tract Identification

**RKI Exploration & Prod., LLC
Pinnacle State SWD No. 38
Tract 1 Ownership
Section 35: E/2**

**ExxonMobil Oil Corp.
P.O. Box 4358
Houston, TX 77210**

**Tract 2 Ownership
Section 36: W/2, W/2 NE/4 &
NW/4 SE/4**

**Khody Land & Minerals Co.
210 Park Ave Suite 900
Oklahoma City, OK 73102**

**Fortson Oil Company
301 Commerce Street, Suite 3301
Fort Worth, TX 76102**

**Tract 3 Ownership
Section 25: S/2 SW/4**

**Thru Line O&G NM, LLC
201 Main Street, Suite 2700
Fort Worth, Texas 76102**

**32 Mineral O&G NM, LLC
201 Main Street Suite 2700
Fort Worth, Texas 76102**

**CTV O&G NM, LLC
201 Main Street Suite 2700
Fort Worth, Texas 76102**

**ACB O&G NM, LLC
201 Main Street Suite 2700
Fort Worth, Texas 76102**

**Capital Part. II O&G NM, LLC
201 Main Street Suite 2700
Fort Worth, Texas 76102**

**CMB O&G NM, LLC
201 Main Street Suite 2700
Fort Worth, Texas 76102**

**MLB O&G NM, LLC
201 Main Street Suite 2700
Fort Worth, Texas 76102**

**TRB O&G NM, LLC
201 Main Street Suite 2700
Fort Worth, Texas 76102**

**SRBI O&G NM, LLC
201 Main Street Suite 2700
Fort Worth, Texas 76102**

**LMBI O&G NM, LLC
201 Main Street Suite 2700
Fort Worth, Texas 76102**

**Rubie Crosby Bell Family Limited
Partnership # 1
1331 Third Street
New Orleans, LA 70130**

**Martha Champeau
3422 Clearwell Street
Amarillo, TX 79109**

**Keystone O&G NM, LLC
201 Main Street Suite 2700
Fort Worth, Texas 76102**

**Louis Dreyfus Natural Gas Corp
1400 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134**

**RKI Exploration & Prod., LLC
Pinnacle State SWD No. 38
Tract 4 Ownership
Section 26: SE/4 SE/4**

**BK Exploration Corporation
810 S. Cincinnati
Suite 208
Tulsa, OK 74119**

**Explorers Petroleum Corporation
P. O. Box 1933
Roswell, NM 88202**

**COG Operating LLC
550 W Texas Avenue, Suite 100
Midland, TX 79701**

**Colkelan NV Corporation
5836 South Pecos Road
Las Vegas, Nevada 89120**

**Harvey E. Yates Company
P.O. Box 1933
Roswell, NM 88202**

**Concho Oil & Gas LLC
550 W Texas Avenue, Suite 100
Midland, TX 79701**

**Pitch Energy Corporation
P.O. Box 227
Artesia, NM 88211**

**Marbob Energy Corporation
P.O. Box 227
Artesia, NM 88211**

**Robert H. Forrest, Jr.
609 Elora Drive
Carlsbad, NM 88220**

**Nadel and Gussman Captain, LLC
15 East 5th Street, Suite 3200
Tulsa, OK 74103**

**Joel R. Miller
P.O. Box 3003
Midland, TX 79702**

**Jay E. Floyd
P.O. Box 2577
Midland, TX 79702**

**Spiral, Inc.
P.O. Box 1933
Roswell, NM 88201**

**Santa Fe Energy Operating Partners,
L.P.
1616 South Voss Road,
Houston, TX 77057**

**Coquina Oil Corporation
200 Building of the southwest
Midland TX 79701**

**Heyco Employees, LTD.
P.O. Box 1933
Roswell, NM 88202**

**Surface Ownership
at the Wellsite of the
Pinnacle State SWD No. 38**

**Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148**

Form C-108
RKI Exploration & Production, LLC
Pinnacle State SWD No. 38
Section 36, T-22 South, R-28 East, NMPM,
Eddy County, New Mexico

The following-described legal notice will be published in the:

Artesia Daily Press
503 W. Main Street
Artesia, New Mexico 88210-2067

The Affidavit of Publication will be forwarded to the Division upon receipt by RKI Exploration & Production, LLC

LEGAL NOTICE

RKI Exploration & Production, LLC, 210 Park Avenue, Suite 900, Oklahoma City, Oklahoma 73102 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division (“Division”) seeking administrative approval to utilize its Pinnacle State SWD No. 38 (API No. N/A) to be drilled 2330 feet from the North line and 480 feet from the West line (Unit E) of Section 36, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico as a produced water disposal well in the Devonian/Ellenburger formation. Injection is to occur through the open-hole interval from approximately 14,200 feet to 15,044 feet.

Produced water from the Delaware, Bone Spring, Wolfcamp and Morrow formations originating from RKI Exploration & Production, LLC operated wells in this area will be injected into the Pinnacle State SWD No. 38 at average and maximum rates of 45,000 and 50,000 barrels of water per day, respectively. The initial surface injection pressure for the well is anticipated to be at or below 2,840 psi, which is in compliance with Division regulations. The maximum surface injection pressure will be determined by a step rate injection test.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication.

Additional information can be obtained by contacting Mr. David Catanach Agent-RKI Exploration & Production, LLC at (505) 690-9453.

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Po	\$7.82	

Sent To: **MLB O&G NM, LLC**
 201 Main Street Suite 2700
 Fort Worth, Texas 76102

PS Form 3800, August 2006 See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total F	\$7.82	

Sent To: **TRB O&G NM, LLC**
 201 Main Street Suite 2700
 Fort Worth, Texas 76102

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Sent To: **ACB O&G NM, LLC**
 201 Main Street Suite 2700
 Fort Worth, Texas 76102

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 Fort Worth, Texas 76102

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$7.82	

Sent To: **Fortson Oil Company**
 301 Commerce Street, Suite 3301
 Fort Worth, TX 76102

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
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 Fort Worth, Texas 76102

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 Fort Worth, Texas 76102

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.82

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Sent To **Pitch Energy Corporation**
 P.O. Box 227
 Artesia, NM 88211

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 1331 Third Street
 New Orleans, LA 70130

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Sent To **Martha Champeau**
 3422 Clearwell Street
 Amarillo, TX 79109

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 201 Main Street Suite 2700
 Fort Worth, Texas 76102

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Restricted Delivery Fee (Endorsement Required)	\$0.00
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Sent To **LMBI O&G NM, LLC**
 201 Main Street Suite 2700
 Fort Worth, Texas 76102

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Total P		\$7.82



Sent To Colkelan NV Corporation
Street, A or PO Box 5836 South Pecos Road
City, State Las Vegas, Nevada 89120

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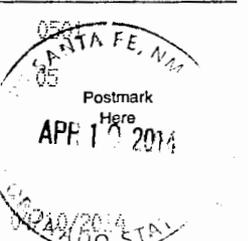
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Total P		\$7.82



Sent To Harvey E. Yates Company
Street, A or PO Box P.O. Box 1933
City, State Roswell, NM 88202

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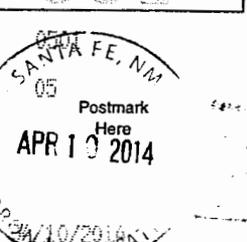
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Total F		\$7.82



Sent To Explorers Petroleum Corporation
Street, A or PO Box P. O. Box 1933
City, State Roswell, NM 88202

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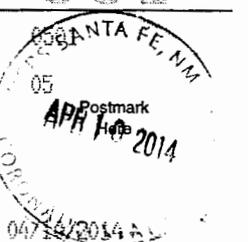
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Restricted Delivery Fee (Endorsement Required)		\$0.00
Total F		\$7.82



Sent To COG Operating LLC
Street, A or PO Box 550 W Texas Avenue, Suite 100
City, State Midland, TX 79701

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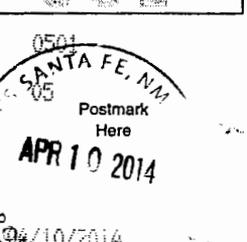
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Restricted Delivery Fee (Endorsement Required)		\$0.00
Total P		\$8.68



Sent To Louis Dreyfus Natural Gas Corp
Street, A or PO Box 1400 Quail Springs Parkway Suite 600
City, State Oklahoma City, OK 73134

PS Form 3800, August 2006 See Reverse for Instructions

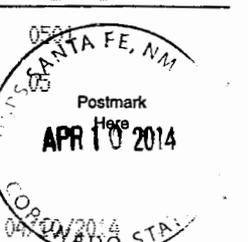
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TULSA OK 74119 **OFFICIAL USE**

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Restricted Delivery Fee (Endorsement Required)		\$0.00
Total P		\$7.82



Sent To BK Exploration Corporation
Street, A or PO Box 810 S. Cincinnati Suite 208
City, State Tulsa, OK 74119

PS Form 3800, August 2006 See Reverse for Instructions

7012 0470 0001 5964 7971

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TULSA, OK 74103
OFFICIAL USE

Postage	\$ 1.82
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.82

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SANTA FE, NM
05
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COLORADO ST

Sent To **Nadel and Gussman Captain, LLC**
15 East 5th Street, Suite 3200
Tulsa, OK 74103

PS Form 3800, August 2006 See Reverse for Instructions

7012 0470 0001 5964 7957

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MIDLAND, TX 79702
OFFICIAL USE

Postage	\$ 1.82
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.82

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05
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04/10/2014
COLORADO ST

Sent To **Jay E. Floyd**
P.O. Box 2577
Midland, TX 79702

PS Form 3800, August 2006 See Reverse for Instructions

7012 0470 0001 5964 7988

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CARLSBAD, NM 88220
OFFICIAL USE

Postage	\$ 1.82
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.82

0501
SANTA FE, NM
05
Postmark Here
APR 10 2014
04/10/2014
COLORADO ST

Sent To **Robert H. Forrest, Jr.**
609 Elora Drive
Carlsbad, NM 88220

PS Form 3800, August 2006 See Reverse for Instructions

7012 0470 0001 5964 7964

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MIDLAND, TX 79702
OFFICIAL USE

Postage	\$ 1.82
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.82

0501
SANTA FE, NM
05
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APR 10 2014
04/10/2014
COLORADO ST

Sent To **Joel R. Miller**
P.O. Box 3003
Midland, TX 79702

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.82

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04/10/2014
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Sent To **Concho Oil & Gas LLC**
550 W Texas Avenue, Suite 100
Midland, TX 79701

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ARTESIA, NM 88211
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Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.82

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Sent To **Marbob Energy Corporation**
P.O. Box 227
Artesia, NM 88211

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Sent To: **32 Mineral O&G NM, LLC**
 Street, Apt or PO Box: **201 Main Street Suite 2700**
 City, State: **Fort Worth, Texas 76102**

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Return Receipt Fee (Endorsement Required)	\$ 2.70	
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total F	\$ 7.82	

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Sent To: **CTV O & G NM, LLC**
 Street, Apt or PO Box: **201 Main Street Suite 2700**
 City, State: **Fort Worth, Texas 76102**

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Certified Fee	\$ 3.30	
Return Receipt Fee (Endorsement Required)	\$ 2.70	
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total	\$ 7.82	

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Sent To: **Santa Fe Energy Operating Partners**
 Street, Apt or PO Box: **1616 South Voss Road,**
 City, State: **Houston, TX 77057**

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Return Receipt Fee (Endorsement Required)	\$ 2.70	
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total	\$ 7.82	

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Sent To: **Coquina Oil Corporation**
 Street, Apt or PO Box: **200 Building of the southwest**
 City, State: **Midland TX 79701**

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Certified Fee	\$ 3.30	
Return Receipt Fee (Endorsement Required)	\$ 2.70	
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Pr	\$ 7.82	

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Sent To: **Spiral, Inc.**
 Street, Apt or PO Box: **P.O. Box 1933**
 City, State: **Roswell, NM 88201**

PS Form 3800, August 2006 See Reverse for Instructions

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Certified Fee	\$ 3.30	
Return Receipt Fee (Endorsement Required)	\$ 2.70	
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Pr	\$ 7.82	

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 APR 10 2014

Sent To: **Commissioner of Public Lands**
 Street, Apt or PO Box: **P.O. Box 1148**
 City, State: **Santa Fe, New Mexico 87504-1148**

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Certified Fee	\$3.30	
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$7.82	

Sent To: **ExxonMobil Oil Corp.**
 Street or PO: **Box 4358**
 City: **Houston, TX 77210**

PS Form 3800, August 2006 See Reverse for Instructions

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OKLAHOMA CITY OK 73102 OFFICIAL USE

Postage	\$ 1.82	0501 SANTA FE, NM Postmark Here APR 10 2014 CORONADO STATION 04/10/2014
Certified Fee	\$3.30	
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$7.82	

Sent To: **Khody Land & Minerals Co.**
 Street or PO: **210 Park Ave Suite 900**
 City: **Oklahoma City, OK 73102**

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FORT WORTH TX 76102 OFFICIAL USE

Postage	\$ 1.82	0501 SANTA FE, NM Postmark Here APR 10 2014 CORONADO STATION 04/10/2014
Certified Fee	\$3.30	
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$7.82	

Sent To: **Capital Part. II O&G NM, LLC**
 Street or PO: **201 Main Street Suite 2700**
 City, S: **Fort Worth, Texas 76102**

PS Form 3800, August 2006 See Reverse for Instructions

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ROSWELL NM 88202 OFFICIAL USE

Postage	\$ 1.82	0501 SANTA FE, NM Postmark Here APR 10 2014 CORONADO STATION 04/10/2014
Certified Fee	\$3.30	
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$7.82	

Sent To: **Heyco Employees, LTD.**
 Street or PO: **P.O. Box 1933**
 City: **Roswell, NM 88202**

PS Form 3800, August 2006 See Reverse for Instructions



C-108 Review Checklist: Received 04/10/14 Add. Request: — Reply Date: — Suspended: — [Ver 13]

* Waiting on Inactive Well Court

PERMIT TYPE: WFX / PMX / SWD Number: 1495 Permit Date: 08/20/14 Legacy Permits/Orders: NA

Well No. 38 Well Name(s): Pinnacle State SWD

[PRG141005496]

API: 30-0 15-Pending Spud Date: TBD New or Old: New (UIC Class II Primacy 03/07/1982)

Footages 2330 FNL / 480 FWL Lot - or Unit E Sec 36 Tsp 22S Rge 28E County Eddy

General Location: East of Culebra Bluff; 3.5 mi NE of Loving Pool: NA [Devonian-Silurian top of Ellenburger] Pool No: —

BLM 100K Map: Carlsbad Operator: RKI Exploration & Prod. LLC OGRID: 246289 Contact: David Catornael Agent

* COMPLIANCE RULE 5.9 [Total Wells: 377 Inactive: 5] Fincl Assur: OK Compl. Order? No IS 5.9 OK? Yes Date: 08/20/14

WELL FILE REVIEWED Current Status: No APD filed / no API number as of review

WELL DIAGRAMS: NEW: Proposed or RE-ENTER: Before Conv. After Conv. Logs in Imaging: TBD

Planned Rehab Work to Well: New well [Devonian top - 10625 SS STD → est. 3119 + (-10625) = 13744 Ellenburger 15869]

Well Construction Details:	Sizes (in)		Setting Depths (ft)		Cement Sx or Cf	Cement Top and Determination Method
	Borehole / Pipe					
Planned <input checked="" type="checkbox"/> or Existing <u>Surface</u>	<u>26 / 20</u>		<u>0 to 1000'</u>	Stage Tool	<u>1767</u>	<u>Circulate to Surface</u>
Planned <input checked="" type="checkbox"/> or Existing <u>Interm Prod</u>	<u>17 1/2 / 13 3/8</u>		<u>0 to 3500</u>	<u>None</u>	<u>2108</u>	<u>Circulate to surface</u>
Planned <input checked="" type="checkbox"/> or Existing <u>Interm Prod</u>	<u>12 1/4 / 9 5/8</u>		<u>0 to 14200</u>	<u>DJ tool at 3500</u>	<u>1485 / 544</u>	<u>(OBL) 3200</u>
Planned <input type="checkbox"/> or Existing <u>Prod/Liner</u>	<u>—</u>		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Planned <input type="checkbox"/> or Existing <u>Liner</u>	<u>—</u>		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Planned <input checked="" type="checkbox"/> or Existing <u>OH/PERF</u>	<u>No. 05 1/8 / 12 1/4 casing Bore</u>		<u>14200 to 15044</u>	Inj Length <u>844</u>		

Injection Stratigraphic Units:	Depths (ft)	Injection or Confining Units	EstOps	Completion/Operation Details:	
Adjacent Unit: Litho. Struc. Por.				Drilled TD <u>—</u>	PBTD <u>—</u>
Confining Unit: <u>Litho.</u> Struc. <u>Por.</u>		<u>Mississippian</u>		NEW TD <u>15044</u>	NEW PBTD <u>—</u>
Proposed Inj Interval TOP:	<u>14200</u>	<u>Devonian to top * 13744</u>		NEW Open Hole <input checked="" type="checkbox"/> or NEW Perfs <input type="checkbox"/>	
Proposed Inj Interval BOTTOM:	<u>15044</u>	<u>Ellenburger</u>		Tubing Size <u>5 1/2</u> in. Inter Coated? <u>Yes</u>	
Confining Unit: Litho. Struc. <u>Por.</u>	<u>[± 100']</u>	<u>Ellenburger</u>	<u>(15044)</u>	Proposed Packer Depth <u>14100</u> ft	
Adjacent Unit: Litho. Struc. Por.		<u>pe wash / pe</u>	<u>RA</u>	Min. Packer Depth <u>14100</u> (100-ft limit)	
AOR: Hydrologic and Geologic Information				Proposed Max. Surface Press. <u>2840</u> psi	Admin. Inj. Press. <u>2840</u> (0.2 psi per ft)

POTASH: R-111-P Noticed? No BLM Sec Ord Yes WIPP Noticed? NA SALT/SALADO T: — B: — CLIFF HOUSE NA

FRESH WATER: Aquifer Shallow alluvium / Pecos Max Depth 350' HYDRO AFFIRM STATEMENT By Qualified Person

NMOSE Basin: Carlsbad CAPITAN REEF: thru adj NA No. Wells within 1-Mile Radius? 0 FW Analysis NA

Disposal Fluid: Formation Source(s) Mottau / WC / BS / Delaware Analysis? Yes On Lease Operator Only or Commercial

Disposal Int: Inject Rate (Avg/Max BWPD): 45000/50000 Protectable Waters: Low Probability System: Closed or Open

HC Potential: Producing Interval? No Formerly Producing? No Method: Logs/DST/P&A/Other (mudlog) 2-Mile Radius Pool Map

AOR Wells: 1/2-M Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 0 Horizontals? 0

Penetrating Wells: No. Active Wells 0 Num Repairs? — on which well(s)? — Diagrams? NA

Penetrating Wells: No. P&A Wells 0 Num Repairs? — on which well(s)? — Diagrams? NA

NOTICE: Newspaper Date 04/11/2014 Mineral Owner: SLO Surface Owner: SLO N. Date: 04/10/2014

RULE 26.7(A): Identified Tracts? Yes Affected Persons: 33 parties + SLO N. Date: 04/10/2014

Permit Conditions: Issues: Farm picks / Limit top of Ellenburger / salinity calc. / mudlog / injection interval < 1000

Add Permit Cond: Request Picks, mudlog, salinity, top of Ellenburger limited

Inactive Well List
 Total Well Count: 377 Inactive Well Count: 5
 Printed On: Wednesday, August 20 2014

FA OK

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-30854	DIVERSE 23 FEDERAL #001	O-23-26S-29E	O	246289	RKI EXPLORATION & PRODUCTION, LLC	F	O	06/2001	DELAWARE		
2	30-015-23017	ROSS DRAW UNIT #008	G-27-26S-30E	G	246289	RKI EXPLORATION & PRODUCTION, LLC	F	G	03/2011			
2	30-015-33083	ROSS DRAW UNIT #026	A-34-26S-30E	A	246289	RKI EXPLORATION & PRODUCTION, LLC	F	O	03/2013	ROSS DRAW DELAWARE		
2	30-015-35865	ROSS DRAW UNIT #028	N-26-26S-30E	N	246289	RKI EXPLORATION & PRODUCTION, LLC	F	O	12/2009	INT TO P&A APVD 11-3-13 / BLM		
2	30-015-21360	TOG FEDERAL #003	J-16-20S-29E	J	246289	RKI EXPLORATION & PRODUCTION, LLC	F	O	08/2011	INT TO P&A APVD 8-25-13 / BLM		

WHERE Ogrid:246289, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period