

DATE IN 9/15/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 9/16/08	TYPE SWD	APP NO. PKUR0826031898
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



06RID 246284 - 129 wally
 RKI
 SOS

ADMINISTRATIVE APPLICATION CHECKLIST SWD-1145

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 _____

2008 SEP 15 PM 2 40
 RECEIVED

- [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.

Pat McCollom
 Print or Type Name


Signature

Drilling & Operations Mgr. 8/14/08
 Title Date

pmccollom@rkxp.com
 e-mail Address
neostone_consultant@excite.com (agent)

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: **Salt Water Disposal** and the application **qualifies** for administrative approval.
- II. OPERATOR: **RKI Exploration & Production, LLC**
ADDRESS: **3817 NW Expressway, Suite 950, Oklahoma City, OK 73112**
- CONTACT PARTY: **Pat McCollom (405) 949-2221**
Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850
- III. WELL DATA: All well data and wellbore diagrams are attached hereto.
- IV. **This is not an expansion of an existing project.**
- V. **A map is attached** 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. **A tabulation is attached** of data on all wells of public record within the area of review which penetrate the proposed injection zone. **The data includes** 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. **The following data is attached** 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. **Appropriate geologic data on the injection zone is attached** 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. **No stimulation program is proposed at this time.**
- *X. **There is no applicable logging and test data on the well however, any previous well logs have been filed with the Division and they need not be resubmitted.**
- *XI. **There are no fresh water wells within one mile the proposed salt water disposal well.**
- XII. **An affirmative statement is attached that available geologic and engineering data has been examined and no evidence was found** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. **"Proof of Notice" section on the next page of this form has been completed.**
There are no offset operators within ½ mile. The leaseholder, Lobos Energy Partners, LLC is a subsidiary of RKI.
- 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: **Pat McCollom**  TITLE: **Drilling and Operations Manager, RKI Exploration & Production**

SIGNATURE: _____ DATE: **9-10-08**

E-MAIL ADDRESS: **pmccollom@rkixp.com - Agent: SOS Consulting, LLC: neostone_consultant@excite.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:

Copy
with
Original Signatures

III. WELL DATA – *The following information and data is included:*

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 *pursuant to the following criteria is attached.*

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.

C-108 APPLICATION OVERVIEW STATEMENT

Pursuant to the application submission guidelines of the New Mexico Oil Conservation Division engineering and legal staff, I hereby certify that the following conditions are true to the best of my knowledge.


- 1) RKI Exploration & Production is in full compliance with OCD Rule 40 concerning inactive wells.
- 2) The C-108 "Application for Authority to Inject" and pending approval of such is commensurate with OCD's mission to prevent waste of oil and gas resources, protect correlative rights and preserve the quality of underground sources of drinking water.
- 3) The proposed SWD will dispose of produced water from the Delaware and Bone Spring formations into the Delaware formation from approximately 4830 to 5403 feet (TVD). The maximum injection pressure will be 966 psi at a maximum rate of 4500 barrels per day.
- 4) Any required rights-of-way will be obtained prior to commencing injecting operations.
- 5) SOS Consulting, LLC prepared this application and is available if additional information is required. SOS has no further involvement other than in a consulting / agent capacity for this application.



Pat McCollom, Drilling and Operations Manager
RKI Exploration & Production

C-108 ITEM XII – GEOLOGIC AFFIRMATION

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.



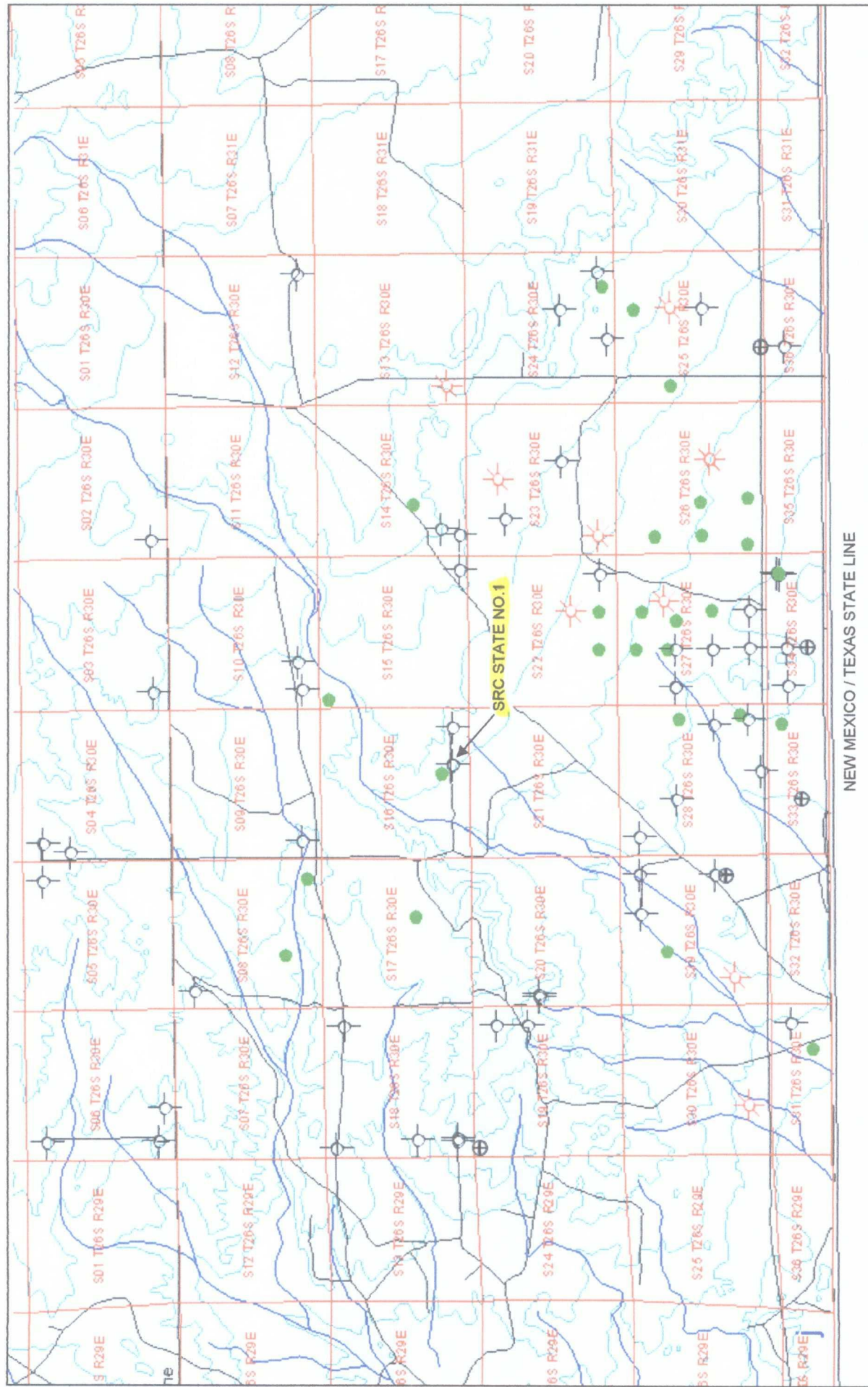
Pat McCollom, Drilling and Operations Manager
RKI Exploration & Production

C-108 ITEM VII.4 – SOURCE AND ANALYSIS OF SUBJECT WATERS

Produced water will be gathered from adjacent RKI Exploration & Production wells producing from the Delaware and Bone Spring formations. These waters will be disposed into the Delaware formation in the proposed SWD.

Water analyses from regional wells are attached. One analysis is from the Ross Draw State Line System and is representative of Delaware waters in the area. The other analysis is of Bone Spring produced water and indicates that these waters are also reasonably compatible.

Map of Subject Area – Southeast of Loving, NM (~10 miles)

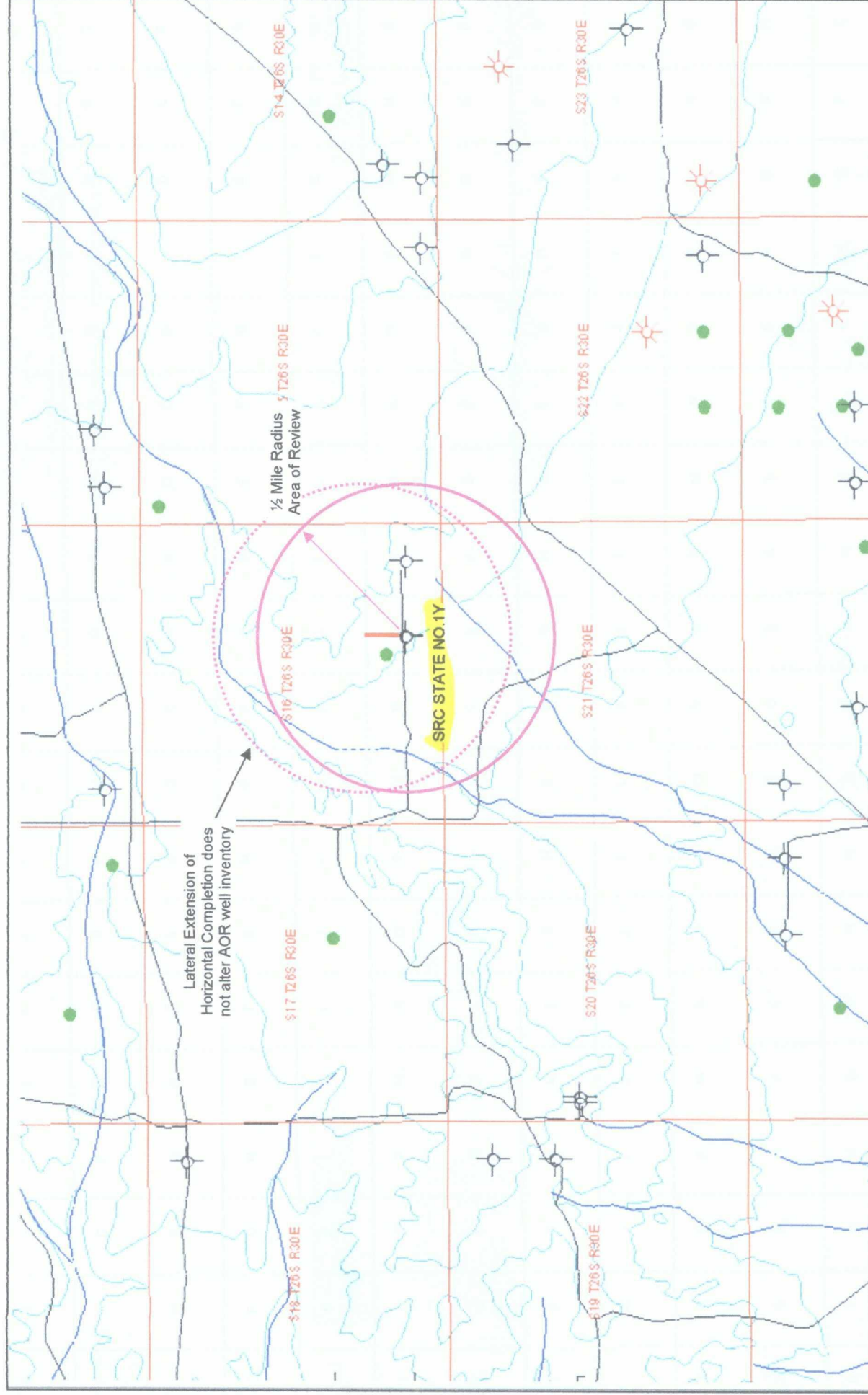


GIS Map by Sylvan Ascent
 Drawn 7/31/2008
 by Ben Stone, SOS Consulting, LLC
 For RKI Exploration & Production

SOS Consulting, LLC

Well spots generated from
 RBDMS database with most
 current recordset provided by
 NMT Octane AllWells.mdb

SRC State No.1Y – Area of Review



GIS Map by Sylvan Ascent
 Drawn 7/31/2008
 by Ben Stone, SOS Consulting, LLC
 For RKI Exploration & Production

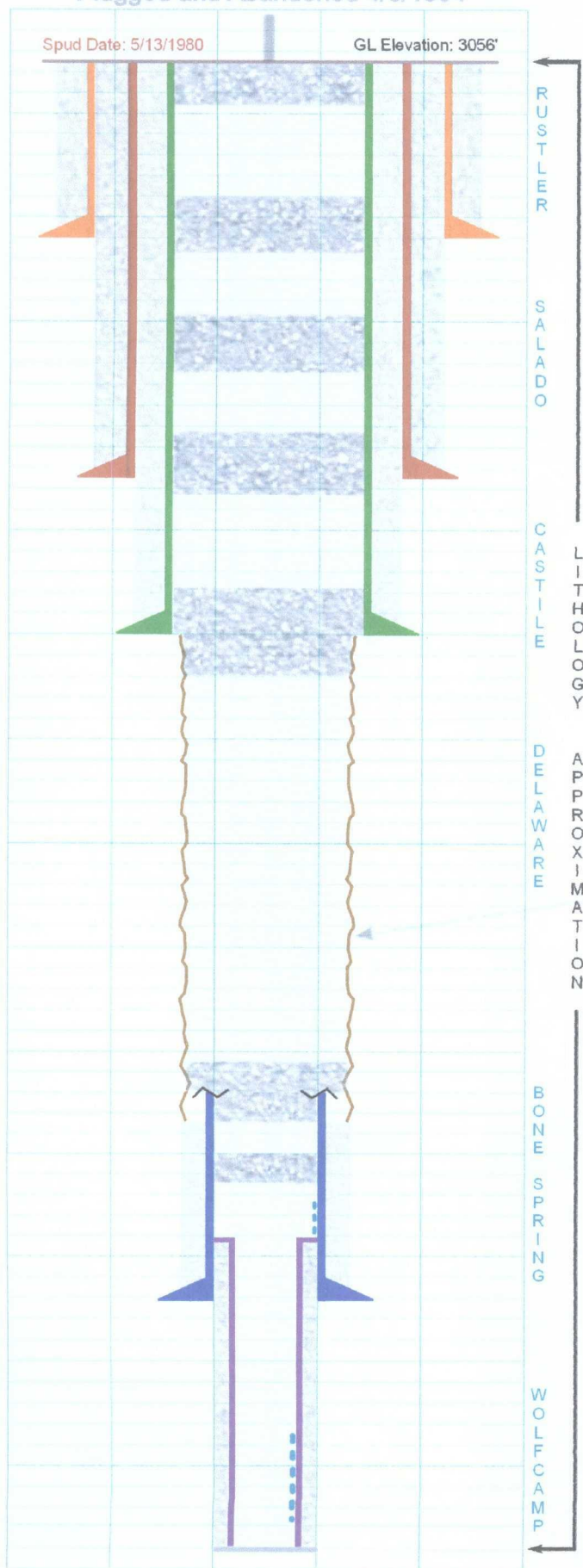


Well spots generated from
 RBDMS database with most
 current recordset provided by
 NMT Octane AllWells.mdb

RKI Exploration

CURRENT WELL CONFIGURATION

Plugged and Abandoned 4/8/1994



SOS Consulting, LLC

SRC State No. 1-Y

API No. 30-015-23314

Location: 660' FSL & 1990' FEL

Section 16, Twp 26, Rng 30E, NMPM

Latitude: 32.037093 Longitude: -103.884198

Eddy County, New Mexico

SWD; Delaware (Pool No. 96100)

Cement Plug from 30' to 0'

Surface: 20.0" 106# @ 299' (Borehole 26.0")

Cement: 500 Sacks Class C from 299' to 0' (Circulated)

Cement Plug from 350' to 250'

Cement Plug from 938' to 838'

Intermediate: 13.375" 54.5# @ 3400' (Borehole 17.5")

Cement: 3000 Sacks Class C from 3400' to 0' (Circulated)

Cement Plug from 3583' to 3150'

Intermediate: 9.625" 47# @ 4020' (Borehole 12.25")

Cement: 1200 Sacks Class C from 4020' to 0' (Circulated)

Cement Plug from 4070' to 3915'

Production: 7.625" 39# @ 11,816' (Borehole 8.75")

Cement: 250 Sacks Type HLW & H from 11,816' to 9668'

7.625" Cut and pulled from 7208' at plugging.

Cement Plug from 7270' to 7106'

Cement Plug from 9710' to 9600'

Perforations: 11,105' to 11,379' (Plugged)

Liner: 5.0" 18.0# @ 12,262' (Borehole 7.875")

Cement: 200 Sacks Type H from 12,262' to 11,573' (Lnr.Top)

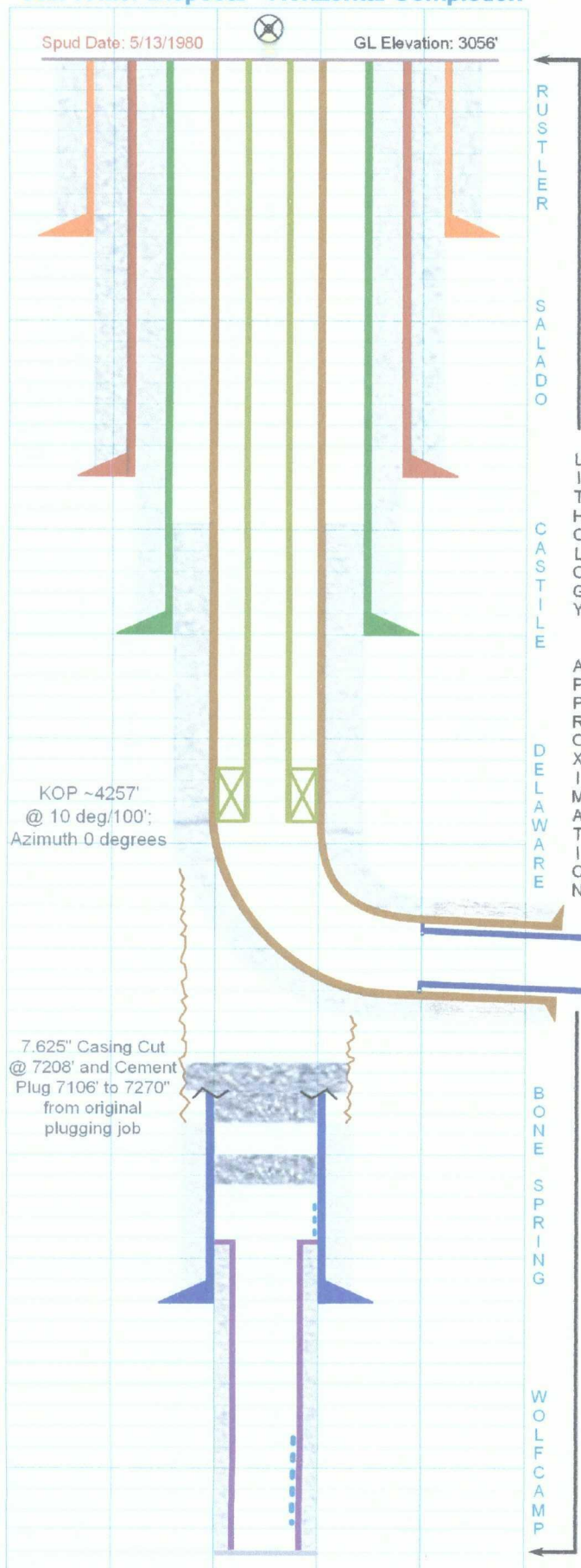
Perforations: 11,944' to 12,158' (Plugged)

DTD: 12,262'

WELLBORE SCHEMATIC

RKI Exploration

PROPOSED WELL CONFIGURATION Salt Water Disposal - Horizontal Completion



SRC State No. 1-Y

API No. 30-015-23314
Location: 660' FSL & 1990' FEL
Section 16, Twp 26, Rng 30E, NMPM
Latitude: 32.037093 Longitude: -103.884198
Eddy County, New Mexico

SWD; Delaware (Pool No. 96100)

Formation: Rustler (Anhydrite/Mix)

Surface: 20.0" 106# @ 299' (Borehole 26.0")

Cement: 500 Sacks Class C from 299' to 0' (Circulated)

Formation: Salado (Top ~888' - Salt/Anhydrite Mix)

Intermediate: 13.375" 54.5# @ 3400' (Borehole 17.5")

Cement: 3000 Sacks Class C from 3400' to 0' (Circulated)

Formation: Castile (Top ~3200' - Anhydrite/Mix)

Intermediate: 9.625" 47# @ 4020' (Borehole 12.25")

Cement: 1200 Sacks Class C from 4020' to 0' (Circulated)

Casing/Tubing Annulus loaded with Packer Fluid.

Formation: Delaware (Top ~3533')

Tubing: 2.875" Plastic Coated @ 4200'

Packer: Options: 7" PKR @ ~4200' or 5.0" PKR @ ~5350'

Horizontal Production: 7.0" 23.0# @ TVD 4830' / MD 5187'
(Borehole 8.25" to 5287')

Cement: 250 Sacks Class C from 5187' to ~3500'

HZ Completion: 5.0" 13.0#, J-55 FJ slotted liner w/ 40 mesh slots
1700' liner (Borehole 6.125") / TVD 5403' / MD 6058'

Formation: Bone Spring (Top ~7328')

Production: 7.625" 39# @ 11,816' (Borehole 8.75")

Cement: 250 Sacks Type HLW & H from 11,816' to 9668' (by CB)

Perforations: 11,105' to 11,379' (Plugged)

Liner: 5.0" 18.0# @ 12,262' (Borehole 7.875")

Cement: 200 Sacks Type H from 12,262' to 11,573' (Lnr.Top)

Formation: Wolfcamp (Top ~10,530')

Perforations: 11,944' to 12,158' (Plugged)

DTD: 12,262'

C-108 – ITEM VIV – PROOF OF PUBLICATION

Affidavit Attached – Next Page.

For publication in the Carlsbad Current-Argus.

Submitted 8/8/2008

Publish one time on earliest possible date.

Contact: Ben Stone, SOS Consulting, LLC,
P.O. Box 300
Como, Texas 75431
(903)488-9850.
Email: neostone@consultant.com

*who owns
the well?*

30 (as per RBDMs)

LEGAL NOTICE

RKI Exploration & Production, 3817 NW Expressway, Suite 950, Oklahoma City, OK 73112 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval for salt water disposal in its SRC State Well No. 1. The well, API No. 30-015-23314 is located 660 FSL & 1990 FEL in Section 16, Township 26 South, Range 30 East in Eddy County, New Mexico. Produced water from the Delaware and Bone Spring formations will be disposed into the Delaware formation utilizing a horizontal completion from approximately 4830 to 5403 feet (true vertical depth) and 5187 to 6058 feet (measured depth) at a maximum injection pressure of 966 psi and a maximum rate of 4500 barrels per day.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from RKI Exploration & Production (405)949-2221 or its agent, SOS Consulting, LLC, (903)488-9850.

Affidavit of Publication

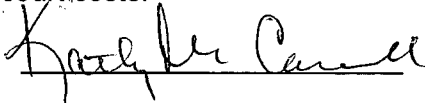
State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn,
on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

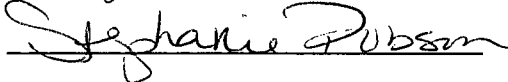
August 13 2008

That the cost of publication is \$ **53.43** that Payment Thereof has been made and will be assessed as court costs.



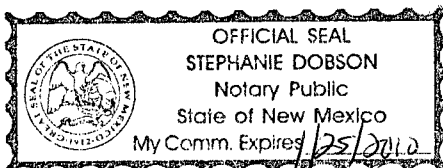
Subscribed and sworn to before me this

14th day of August, 2008



My commission Expires on 1/25/2010

Notary Public



August 13, 2008
RKI Exploration & Production, 3817 NW Expressway, Suite 950, Oklahoma City, OK 73112 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval for salt water disposal in its SRC State Well No. 1Y. The well, API No. 30-015-23314 is located 660 FSL & 1990 FEL in Section 16, Township 26 South, Range 36 East in Eddy County, New Mexico. Produced water from the Delaware and Bone Spring formations will be disposed into the Delaware formation utilizing a horizontal completion from approximately 4830 to 5403 feet (true vertical depth) and 5187 to 6058 feet (measured depth) at a maximum injection pressure of 966 psi and a maximum rate of 4500 barrels per day. Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505) 476-3460 within 15 days of the date of this notice. Additional information may be obtained from RKI Exploration & Production (405) 949-2221 or its agent, SOS Consulting, LLC, (903) 488-9850.

30

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST**

SURFACE OWNER

State of New Mexico
New Mexico State Land Office
Oil & Gas Division
P.O. Box 1148
Santa Fe, NM 87504

MINERALS LESSEE

Lobos Energy Partners, LLC
3817 NW Expressway, Suite 950
OKC, OK 73112
(Subsidiary Interest of RKI Exploration & Production)

OFFSET MINERALS LESSEES

OXY USA, Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

POGO Producing Company
P.O. Box 2504
Houston, TX 77252-2504

EOG Resources, Inc.
PO BOX 4362
Houston, TX 77210-4362

Costilla Energy
P.O. Box 10369
Midland, TX 79702

Dominion OK TX Exploration & Production, Inc.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134

ICA Energy, Inc.
P.O. Box 233
Odessa, TX 79760-0233

K P Acquisition Corp.
2040 Murray Holladay
Salt Lake City, UT 84117

Charlotte Williamson
P.O. Box 50410
Austin, TX 78763

J.C. Williamson
P.O. Box 16
Midland, TX 79701

Ralph E. Williamson
P.O. Box 994
Midland, TX 79702

REGULATORY

New Mexico Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210



August 12, 2008

NOTIFICATION TO INTERESTED PARTIES

To Whom It May Concern:

RKI Exploration & Production, Oklahoma City, OK has made application to the New Mexico Oil Conservation Division to convert its SRC State No. 1Y for the purpose of salt water disposal.

Following is the notice as published in the Carlsbad Current Argus, Carlsbad, New Mexico on Wednesday, August 13, 2008.

LEGAL NOTICE

30/
 RKI Exploration & Production, 3817 NW Expressway, Suite 950, Oklahoma City, OK 73112 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval for salt water disposal in its SRC State Well No. 1Y. The well, API No. 30-015-23314 is located 660 FSL & 1990 FEL in Section 16, Township 26 South, Range 36 East in Eddy County, New Mexico. Produced water from the Delaware and Bone Spring formations will be disposed into the Delaware formation utilizing a horizontal completion from approximately 4830 to 5403 feet (true vertical depth) and 5187 to 6058 feet (measured depth) at a maximum injection pressure of 966 psi and a maximum rate of 4500 barrels per day.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from RKI Exploration & Production (405)949-2221 or its agent, SOS Consulting, LLC, (903)488-9850.

Thank you for your attention in this matter.

Regards,

Ben Stone, SOS Consulting, LLC
Agent for RKI Exploration & Production

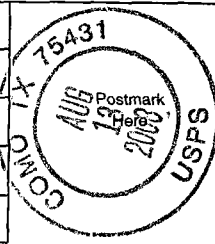
Cc: Application File

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Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 3.12



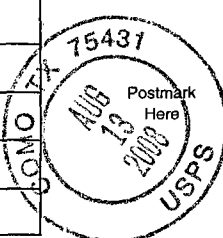
Sent To OXV USA
Street, Apt. No., or PO Box No. 5 Glenway Per #110
City, State, ZIP+4 Houston, TX 77046-0521
PS Form 3800, August 2006 See Reverse for Instructions

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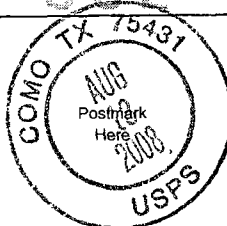
Sent To POG D PRODUCING
Street, Apt. No., or PO Box No. POB 2504
City, State, ZIP+4 Houston, TX 77252-2504
PS Form 3800, August 2006 See Reverse for Instructions

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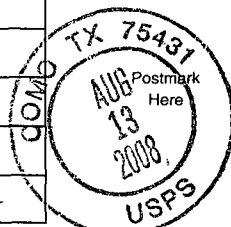
Sent To EOG Resources
Street, Apt. No., or PO Box No. POB 4362
City, State, ZIP+4 Houston, TX 77210-4362
PS Form 3800, August 2006 See Reverse for Instructions

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Total Postage & Fees \$ 3.12



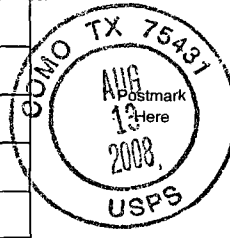
Sent To COSTILLA ENERGY
Street, Apt. No., or PO Box No. POB 10369
City, State, ZIP+4 MIDLAND, TX 79702-0369
PS Form 3800, August 2006 See Reverse for Instructions

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OFFICIAL USE

Postage \$.42
Certified Fee 2.70
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 3.12



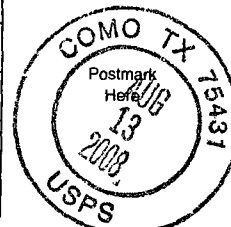
Sent To DOMINION E & P
Street, Apt. No., or PO Box No. 14000 Quail Sp. Hwy #600
City, State, ZIP+4 OKC, OK 73134
PS Form 3800, August 2006 See Reverse for Instructions

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Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 3.12



Sent To ICA ENERGY
Street, Apt. No., or PO Box No. POB 233
City, State, ZIP+4 ODESSA, TX 79760-0233
PS Form 3800, August 2006 See Reverse for Instructions

2225 9E00 4000 0220 2002

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 City, State, ZIP+4 AUSTIN, TX 78763
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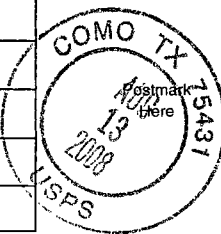
2225 9E00 4000 0220 2002

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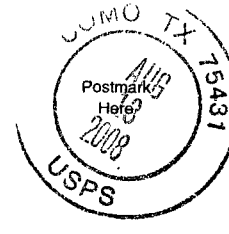
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 PS Form 3800, August 2006 See Reverse for Instructions

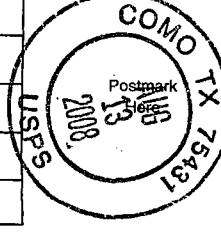
2225 9E00 4000 0220 2002

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 or PO Box No. POB 994
 City, State, ZIP+4 MIDLAND, TX 79702
 PS Form 3800, August 2006 See Reverse for Instructions

9/15/08 DATE IN	SUSPENSE	W Jones ENGINEER	9/16/08 LOGGED IN	SWD TYPE	PKVR682603188 APP NO.
--------------------	----------	---------------------	----------------------	-------------	--------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



copy

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 _____

[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.

Pat McCollom
 Print or Type Name

Signature

Drilling & Operations Mgr. **8/14/08**
 Title Date

pmccollom@rkixp.com
 e-mail Address
neostone_consultant@excite.com (agent)

RECEIVED
 2008 SEP 15 PM 2 40

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: **Salt Water Disposal** and the application *qualifies* for administrative approval.
- II. OPERATOR: **RKI Exploration & Production, LLC**
ADDRESS: **3817 NW Expressway, Suite 950, Oklahoma City, OK 73112**
CONTACT PARTY: **Pat McCollom (405) 949-2221**
Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850
- III. WELL DATA: **All well data and applicable wellbore diagrams are attached hereto.**
- IV. **This is not an expansion of an existing project.**
- V. **A map is attached** 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. **A tabulation is attached** of data on all wells of public record within the area of review which penetrate the proposed injection zone. **The data includes** 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. **The following data is attached** 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. **Appropriate geologic data on the injection zone is attached** 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. **No stimulation program is proposed at this time.**
- *X. **There is no applicable logging and test data on the well however, any previous well logs have been filed with the Division and they need not be resubmitted.**
- *XI. **There are no fresh water wells within one mile the proposed salt water disposal well.**
- XII. **An affirmative statement is attached that available geologic and engineering data has been examined and no evidence was found** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. **"Proof of Notice" section on the next page of this form has been completed.**
There are no offset operators within ½ mile. The leaseholder, Lobos Energy Partners, LLC is a subsidiary of RKI.
- 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: **Pat McCollom** TITLE: **Drilling and Operations Manager, RKI Exploration & Production**

SIGNATURE: _____

DATE: **9-10-08**

E-MAIL ADDRESS: **pmccollom@rkixp.com - Agent: SOS Consulting, LLC: neostone_consultant@excite.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:

Copy
with
Original Signatures

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: **Salt Water Disposal** and the application *qualifies* for administrative approval.
- II. OPERATOR: **RKI Exploration & Production, LLC**
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 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. **Appropriate geologic data on the injection zone is attached** 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. **No stimulation program is proposed at this time.**
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- XIII. **"Proof of Notice" section on the next page of this form has been completed.**
There are no offset operators within ½ mile. The leaseholder, Lobos Energy Partners, LLC is a subsidiary of RKI.
- 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: **Pat McCollom**

TITLE: **Drilling and Operations Manager, RKI Exploration & Production**

SIGNATURE: _____

DATE: _____

E-MAIL ADDRESS: **pmccollom@rkixp.com - Agent: SOS Consulting, LLC: neostone_consultant@excite.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:

Copy
with
Original Signatures

C-108 APPLICATION OVERVIEW STATEMENT

Pursuant to the application submission guidelines of the New Mexico Oil Conservation Division engineering and legal staff, I hereby certify that the following conditions are true to the best of my knowledge.

- 1) RKI Exploration & Production is in full compliance with OCD Rule 40 concerning inactive wells.
- 2) The C-108 "Application for Authority to Inject" and pending approval of such is commensurate with OCD's mission to prevent waste of oil and gas resources, protect correlative rights and preserve the quality of underground sources of drinking water.
- 3) The proposed SWD will dispose of produced water from the Delaware and Bone Spring formations into the Delaware formation from approximately 4830 to 5403 feet (TVD). The maximum injection pressure will be 966 psi at a maximum rate of 4500 barrels per day.
- 4) Any required rights-of-way will be obtained prior to commencing injecting operations.
- 5) SOS Consulting, LLC prepared this application and is available if additional information is required. SOS has no further involvement other than in a consulting / agent capacity for this application.



Pat McCollom, Drilling and Operations Manager
RKI Exploration & Production

C-108 ITEM XII – GEOLOGIC AFFIRMATION

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.

Pat McCollom, Drilling and Operations Manager
RKI Exploration & Production

C-108 ITEM VII.4 – SOURCE AND ANALYSIS OF SUBJECT WATERS

Produced water will be gathered from adjacent RKI Exploration & Production wells producing from the Delaware and Bone Spring formations. These waters will be disposed into the Delaware formation in the proposed SWD.

Water analyses from regional wells are attached. One analysis is from the Ross Draw State Line System and is representative of Delaware waters in the area. The other analysis is of Bone Spring produced water and indicates that these waters are also reasonably compatible.



DRESSER TITAN DIVISION, DRESSER INDUSTRIES, INC. P.O. BOX 1407, HOUSTON, TEXAS 77001 713/972-6011

LAB REF. NO. _____

API WATER ANALYSIS REPORT FORM

COMPANY <i>CRW-SWD, Inc.</i>		SAMPLE NO. <i>2</i>		DATE SAMPLED <i>2/21/87</i>	
FIELD <i>Brushy Draw Ross Draw</i>		LEGAL DESCRIPTION <i>T25S, R30E T26S, R30E</i>		COUNTY OR PARISH <i>EDDY</i>	STATE <i>N.M.</i>
LEASE OR UNIT <i>State Line System</i>		WELL	DEPTH	FORMATION <i>DELAWARE</i>	WATER, S/D
TYPE OF WATER (PRODUCED, SUPPLY, ETC.) <i>Produced</i>		SAMPLING POINT <i>At Discharge Tap</i>			SAMPLED BY <i>CB.</i>

DISSOLVED SOLIDS

CATIONS	mg/l	me/l	ppm
Sodium, Na (calc.)	<i>48,577</i>	<i>2112.045</i>	<i>40,650.2</i>
Calcium, Ca	<i>44,400</i>	<i>2220.</i>	<i>37,154.8</i>
Magnesium, Mg	<i>3840</i>	<i>320</i>	<i>3213.39</i>
Barium, Ba	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>
Fe+2	<i>18</i>	<i>.645</i>	<i>15.06</i>

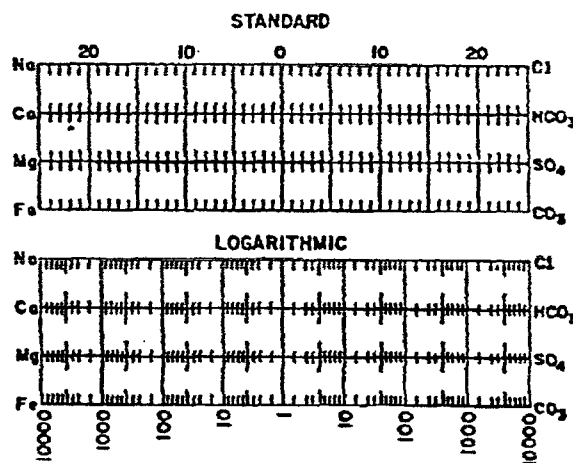
OTHER PROPERTIES

pH	<i>5.6</i>
Specific Gravity, 60/60 F.	<i>1.195</i>
Resistivity (ohm-meters) <i>60° F.</i>	<i>.10</i>

ANIONS

Chloride, Cl	<i>165,000</i>	<i>4647.88</i>	<i>138,075</i>
Sulfate, SO ₄	<i>200</i>	<i>4.17</i>	<i>167.36</i>
Carbonate, CO ₃	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>
Bicarbonate, HCO ₃	<i>39.04</i>	<i>.64</i>	<i>32.67</i>
Total Hardness	<i>127,000</i>		

WATER PATTERNS - me/l



Total Dissolved Solids (calc.)

262,056

Iron, Fe (total)

mil

REMARKS & RECOMMENDATIONS:

CRW-SWD, INC.
ROSS DRAW UNIT #9
EXHIBIT D-1

SAMPLE



HALLIBURTON

CENTRAL OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

COMPANY Marbob

REPORT DATE

W01-112

DISTRICT

November 26, 2001

DISTRICT

Artesia/Hobbs

Bone Spring
Produced Water

SUBMITTED BY

WELL
COUNTY

FORMATION
SOURCE

SAMPLE

Luske 13

Lusk, 19

WRB 1

Sample Temp.

66 °F

WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

66 °F

RESISTIVITY

0.058

0.06

0.058

SPECIFIC GR.

1.135

1.120

1.135

H

6.14

6.19

6.54

CALCIUM

7,600 mpl

8,200 mpl

4,100 mpl

MAGNESIUM

5,160 mpl

6,900 mpl

3,000 mpl

CHLORIDE

134,365 mpl

106,470 mpl

129,285 mpl

SULFATES

Mod mpl

light mpl

Light mpl

BICARBONATES

31 mpl

61 mpl

122 mpl

SOLUBLE IRON

light mpl

light mpl

light mpl

Sodium

mpl

mpl

mpl

TDS

mpl

mpl

mpl

OIL GRAVITY

@

@

@

REMARKS

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management. It may, however, be used in the course of regular business operations by any person in concern and employees thereof receiving such report from Halliburton Co.

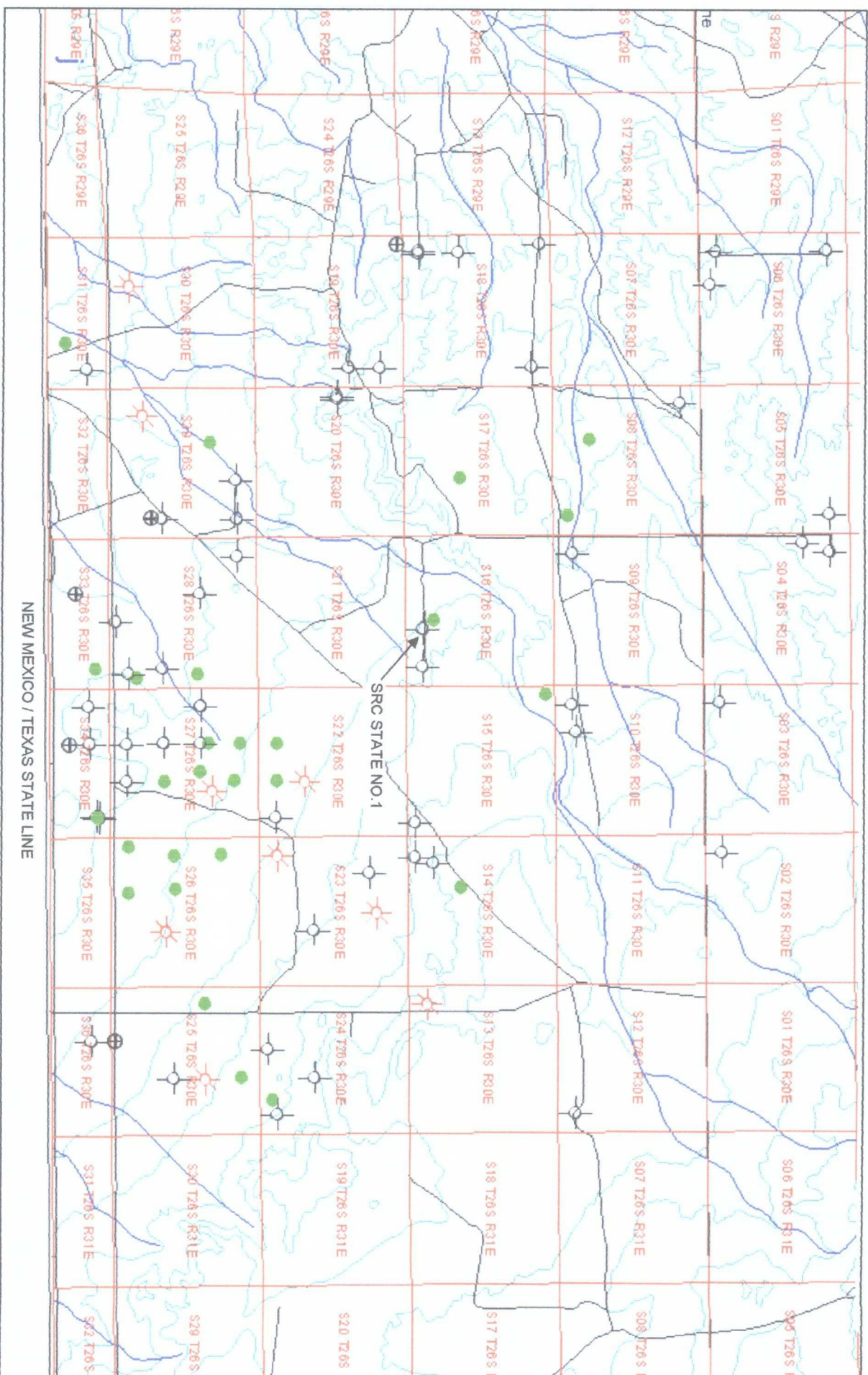
ANALYST

MPL = Milligrams per liter

Resistivity measured in: Ohm/m2/m

John E. Bank

Map of Subject Area – Southeast of Loving, NM (~10 miles)

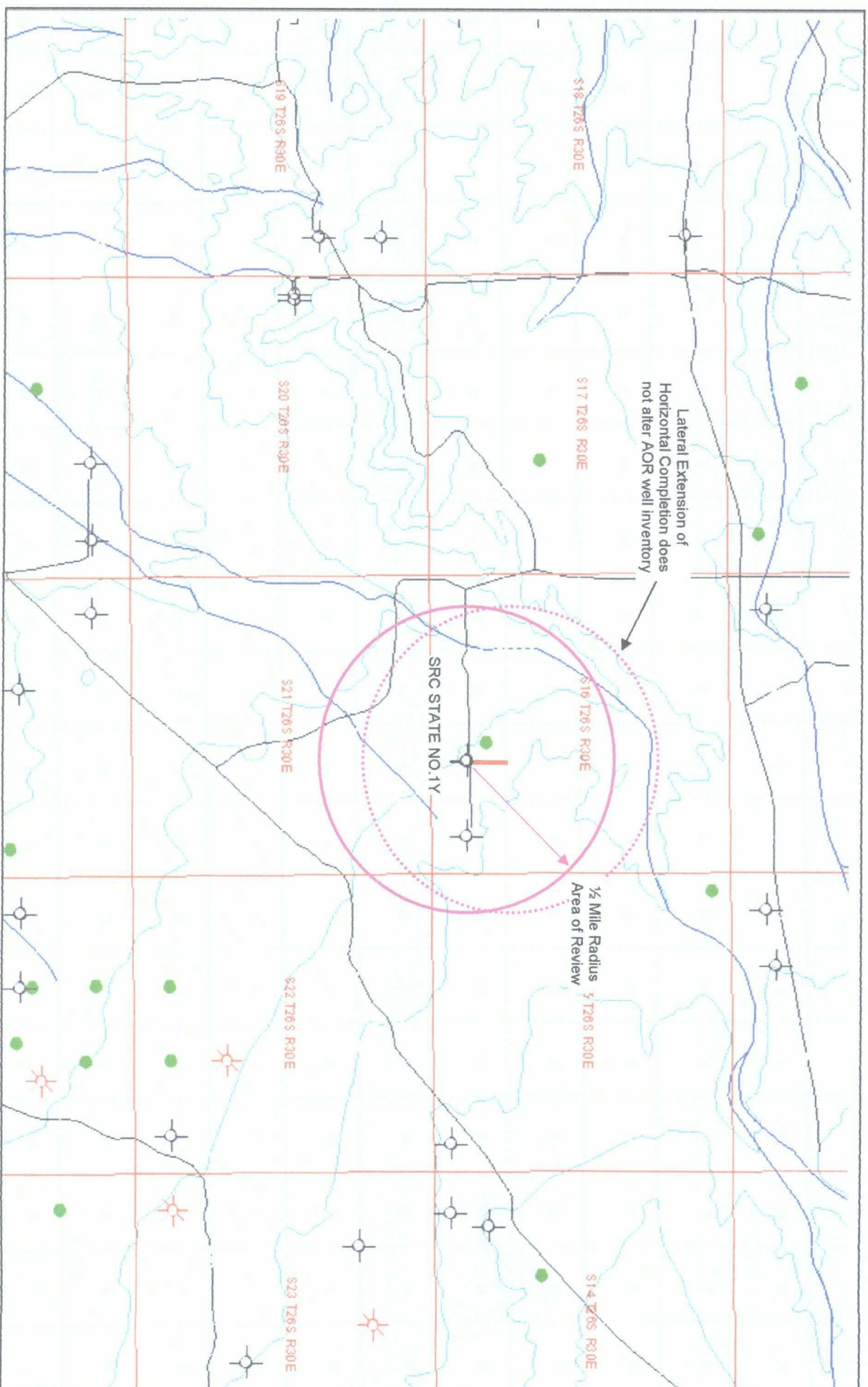


GIS Map by Sylvan Ascent
 Drawn 7/31/2008
 by Ben Stone, SOS Consulting, LLC
 For RKI Exploration & Production

SOS Consulting, LLC

Well spots generated from
 RBDMS database with most
 current recordset provided by
 NMT Octane AllWells.mdb

SRC State No.1Y – Area of Review



C-108 ITEM VI - TABULATION OF WELLS PENETRATING INJECTION ZONE IN AOR

(Note: Tabulation shows all wells in AOR - * Denotes wells actually penetrating zone.)

SRC State No.1Y - Area of Review Well Data

SOS Consulting, LLC

RDX 16 001 No.001

API Number	Well No.	Well Type	Status	Operator	Sec Twp	Rng	Latitude	Longitude
* 30015360040000	001	O	U	RK EXPLORATION & PRO	16	26 S	32.03799780	-103.885233

Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot. of String	Sx Cmt.	Bot. of Cmt.	Top of Cmt.
HOL1	17.5	0	892	75	892	0
SURF	13.375	0	892	75	892	0
HOL2	12.25	0	3519	1503	3519	0
I1	9.625	0	3519	1503	3519	0
HOL3	7.875	0	7580	900	7581	0
PROD	5.5	0	7580	900	7581	0

SRC STATE No.001

API Number	Well No.	Well Type	Status	Operator	Sec Twp	Rng	Latitude	Longitude
30015232220000	001	O	P	PRE-ONGARD WELL OPER	16	26 S	32.03709293	-103.884165

Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot. of String	Sx Cmt.	Bot. of Cmt.	Top of Cmt.
HOL1	26	0	300	450	300	0
SURF	20	0	300	450	300	0
HOL2	17.5	0	3397	2500	1835	0
I1	13.375	1843	3397	2500	1835	0

SRC STATE No. 001Y

API Number	Well No.	Well Type	Status	Operator	Sec Twp	Rng	Latitude	Longitude
30015233140000	001Y	G	P	PRE-ONGARD WELL OPER	16 26 S	30 E	32.03709286	-103.884198

Pipe, Borehole & Cement Data:

SUBJECT WELL

	Diameter	Top of String	Bot. of String	Sx Cmt.	Bot. of Cmt.	Top of Cmt.
HOL1	26	0	299	500	299	0
SURF	20	0	299	500	299	0
HOL2	17.5	29	3400	3000	3400	0
I1	13.375	0	3400	3000	3400	0
HOL3	12.25	3400	4020	1200	4020	0
I2	9.625	0	4020	1200	4020	0
HOL4	8.75	4020	11816	250	11816	9668
PROD	7.625	0	11816	250	11816	9668
HOL5	7.875	11816	12262	200	12262	11573
L1	5	11573	12262	200	12262	11573

STATE OF N.M. No. 001

API Number	Well No.	Well Type	Status	Operator	Sec Twp	Rng	Latitude	Longitude
30015047730000	001	O	P	PRE-ONGARD WELL OPER	16 26 S	30 E	32.037102	-103.879885

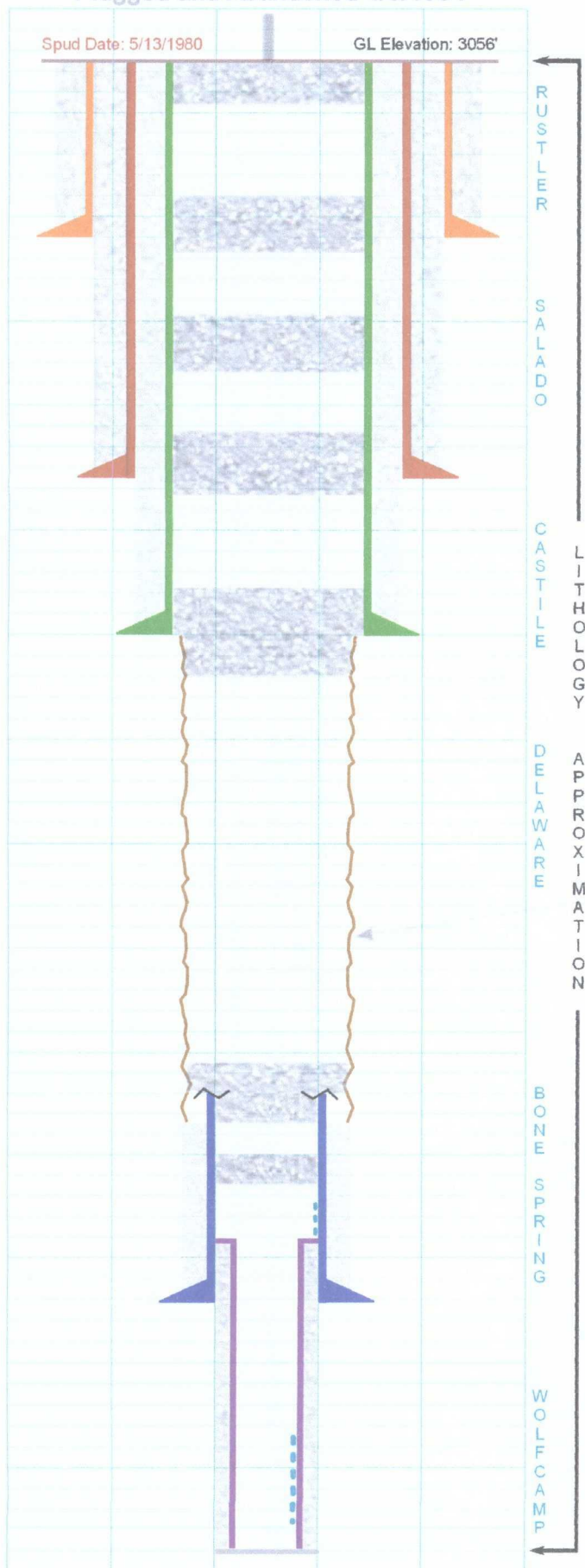
Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot. of String	Sx Cmt.	Bot. of Cmt.	Top of Cmt.
HOL1	17.5	0	330	300	330	0
SURF	13.375	0	330	300	330	0
PLG4	13.375	1	40	20	40	0
PLG3	13.375	280	320	20	320	280
PLG2	8.625	1950	1987	20	1987	1950
PLG1	7.875	3507	3570	20	3570	3507

RKI Exploration

CURRENT WELL CONFIGURATION

Plugged and Abandoned 4/8/1994



SOS Consulting, LLC

SRC State No. 1-Y

API No. 30-015-23314

Location: 660' FSL & 1990' FEL

Section 16, Twp 26, Rng 30E, NMPM

Latitude: 32.037093 Longitude: -103.884198

Eddy County, New Mexico

SWD; Delaware (Pool No. 96100)

Cement Plug from 30' to 0'

Surface: 20.0" 106# @ 299' (Borehole 26.0")

Cement: 500 Sacks Class C from 299' to 0' (Circulated)

Cement Plug from 350' to 250'

Cement Plug from 938' to 838'

Intermediate: 13.375" 54.5# @ 3400' (Borehole 17.5")

Cement: 3000 Sacks Class C from 3400' to 0' (Circulated)

Cement Plug from 3583' to 3150'

Intermediate: 9.625" 47# @ 4020' (Borehole 12.25")

Cement: 1200 Sacks Class C from 4020' to 0' (Circulated)

Cement Plug from 4070' to 3915'

Mud Between Plugs.

Production: 7.625" 39# @ 11,816' (Borehole 8.75")

Cement: 250 Sacks Type HLW & H from 11,816' to 9668'

7.625" Cut and pulled from 7208' at plugging.

Cement Plug from 7270' to 7106'

Cement Plug from 9710' to 9600'

Perforations: 11,105' to 11,379' (Plugged)

Liner: 5.0" 18.0# @ 12,262' (Borehole 7.875")

Cement: 200 Sacks Type H from 12,262' to 11,573' (Lnr.Top)

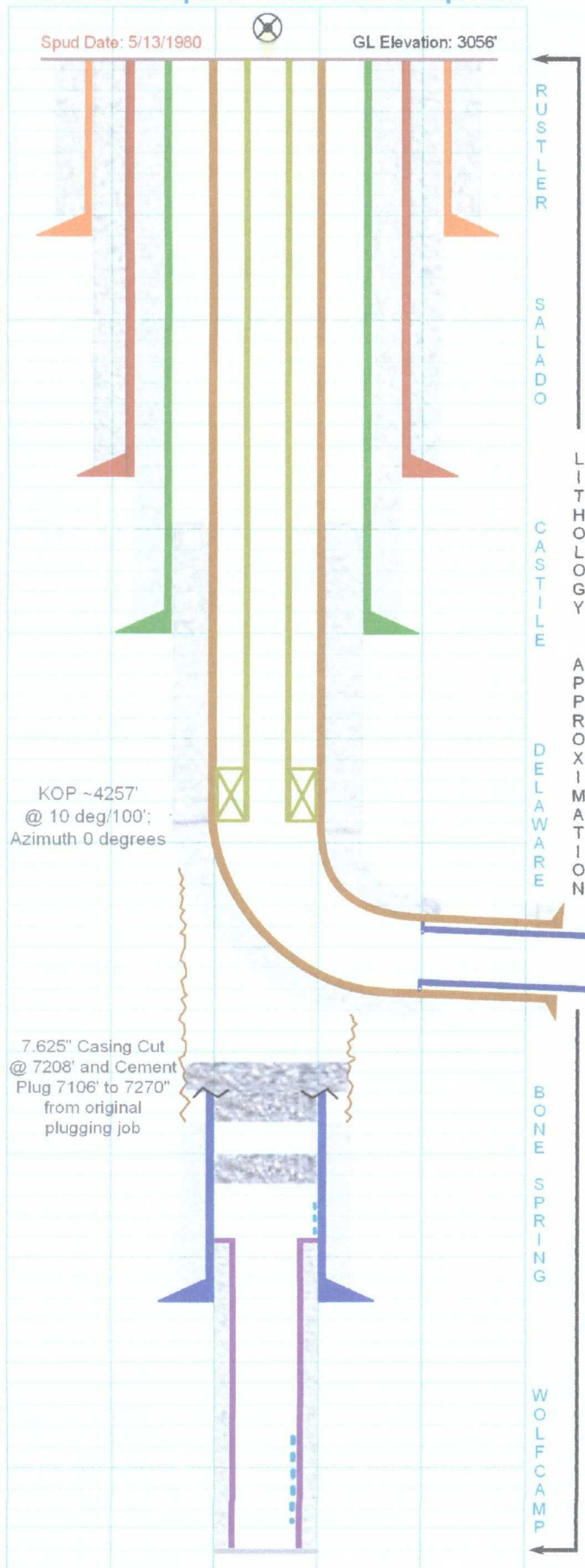
Perforations: 11,944' to 12,158' (Plugged)

DTD: 12,262'

WELLBORE SCHEMATIC

RKI Exploration

PROPOSED WELL CONFIGURATION Salt Water Disposal - Horizontal Completion



SRC State No. 1-Y

API No. 30-015-23314
Location: 660' FSL & 1990' FEL
Section 16, Twp 26, Rng 30E, NMPM
Latitude: 32.037093 Longitude: -103.884198
Eddy County, New Mexico

SWD; Delaware (Pool No. 96100)

Formation: Rustler (Anhydrite/Mix)

Surface: 20.0" 106# @ 299' (Borehole 26.0")

Cement: 500 Sacks Class C from 299' to 0' (Circulated)

Formation: Salado (Top ~888' - Salt/Anhydrite Mix)

Intermediate: 13.375" 54.5# @ 3400' (Borehole 17.5")

Cement: 3000 Sacks Class C from 3400' to 0' (Circulated)

Formation: Castile (Top ~3200' - Anhydrite/Mix)

Intermediate: 9.625" 47# @ 4020' (Borehole 12.25")

Cement: 1200 Sacks Class C from 4020' to 0' (Circulated)

Casing/Tubing Annulus loaded with Packer Fluid.

Formation: Delaware (Top ~3533')

Tubing: 2.875" Plastic Coated @ 4200'

Packer: Options: 7" PKR @ ~4200' or 5.0" PKR @ ~5350'

Horizontal Production: 7.0" 23.0# @ TVD 4830' / MD 5187'
(Borehole 8.25" to 5287')

Cement: 250 Sacks Class C from 5187' to ~3500'

HZ Completion: 5.0" 13.0#, J-55 FJ slotted liner w/ 40 mesh slots
1700' liner (Borehole 6.125") / TVD 5403' / MD 6058'

Formation: Bone Spring (Top ~7328')

Production: 7.625" 39# @ 11,816' (Borehole 8.75")

Cement: 250 Sacks Type HLW & H from 11,816' to 9668' (by CB)

Perforations: 11,105' to 11,379' (Plugged)

Liner: 5.0" 18.0# @ 12,262' (Borehole 7.875")

Cement: 200 Sacks Type H from 12,262' to 11,573' (Lnr.Top)

Formation: Wolfcamp (Top ~10,530')

Perforations: 11,944' to 12,158' (Plugged)

DTD: 12,262'

C-108 – ITEM VIV – PROOF OF PUBLICATION

Affidavit Attached – Next Page.

For publication in the Carlsbad Current-Argus.

Submitted 8/8/2008

Publish one time on earliest possible date.

Contact: Ben Stone, SOS Consulting, LLC,
P.O. Box 300
Como, Texas 75431
(903)488-9850.
Email: neostone@consultant.com

LEGAL NOTICE

RKI Exploration & Production, 3817 NW Expressway, Suite 950, Oklahoma City, OK 73112 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval for salt water disposal in its SRC State Well No.1. The well, API No.30-015-23314 is located 660 FSL & 1990 FEL in Section 16, Township 26 South, Range 36 East in Eddy County, New Mexico. Produced water from the Delaware and Bone Spring formations will be disposed into the Delaware formation utilizing a horizontal completion from approximately 4830 to 5403 feet (true vertical depth) and 5187 to 6058 feet (measured depth) at a maximum injection pressure of 966 psi and a maximum rate of 4500 barrels per day.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from RKI Exploration & Production (405)949-2221 or its agent, SOS Consulting, LLC, (903)488-9850.

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn,
on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

August 13

2008

That the cost of publication is \$ **53.43** that Payment Thereof has been made and will be assessed as court costs.

Kathy McCarroll

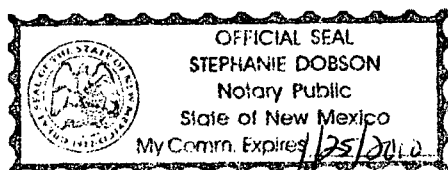
Subscribed and sworn to before me this

14th day of August, 2008

Stephanie Dobson

My commission Expires on 1/25/2010

Notary Public



August 13, 2008
RKI Exploration & Production, 3817 NW Expressway, Suite 950, Oklahoma City, OK 73112 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval for salt water disposal in its SRC State Well No. 11. The well, API No. 30-015-23314 is located 660 FSL & 1990 FEL in Section 16, Township 26 South, Range 36 East in Eddy County, New Mexico. Produced water from the Delaware and Bone Spring formations will be disposed into the Delaware formation utilizing a horizontal completion from approximately 4830 to 5403 feet (true vertical depth) and 5187 to 6058 feet (measured depth) at a maximum injection pressure of 966 psi and a maximum rate of 4500 barrels per day. Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505) 476-3460 within 15 days of the date of this notice. Additional information may be obtained from RKI Exploration & Production (405) 949-2221 or its agent, SOS Consulting, LLC, (903) 488-9850.

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST**

SURFACE OWNER

State of New Mexico
New Mexico State Land Office
Oil & Gas Division
P.O. Box 1148
Santa Fe, NM 87504

MINERALS LESSEE

Lobos Energy Partners, LLC
3817 NW Expressway, Suite 950
OKC, OK 73112
(Subsidiary Interest of RKI Exploration & Production)

OFFSET MINERALS LESSEES

OXY USA, Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

POGO Producing Company
P.O. Box 2504
Houston, TX 77252-2504

EOG Resources, Inc.
PO BOX 4362
Houston, TX 77210-4362

Costilla Energy
P.O. Box 10369
Midland, TX 79702

Dominion OK TX Exploration & Production, Inc.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134

ICA Energy, Inc.
P.O. Box 233
Odessa, TX 79760-0233

K P Acquisition Corp.
2040 Murray Holladay
Salt Lake City, UT 84117

Charlotte Williamson
P.O. Box 50410
Austin, TX 78763

J.C. Williamson
P.O. Box 16
Midland, TX 79701

Ralph E. Williamson
P.O. Box 994
Midland, TX 79702

REGULATORY

New Mexico Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210



August 12, 2008

NOTIFICATION TO INTERESTED PARTIES

To Whom It May Concern:

RKI Exploration & Production, Oklahoma City, OK has made application to the New Mexico Oil Conservation Division to convert its SRC State No.1Y for the purpose of salt water disposal.

Following is the notice as published in the Carlsbad Current Argus, Carlsbad, New Mexico on Wednesday, August 13, 2008.

LEGAL NOTICE

RKI Exploration & Production, 3817 NW Expressway, Suite 950, Oklahoma City, OK 73112 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval for salt water disposal in its SRC State Well No.1Y. The well, API No.30-015-23314 is located 660 FSL & 1990 FEL in Section 16, Township 26 South, Range 36 East in Eddy County, New Mexico. Produced water from the Delaware and Bone Spring formations will be disposed into the Delaware formation utilizing a horizontal completion from approximately 4830 to 5403 feet (true vertical depth) and 5187 to 6058 feet (measured depth) at a maximum injection pressure of 966 psi and a maximum rate of 4500 barrels per day.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from RKI Exploration & Production (405)949-2221 or its agent, SOS Consulting, LLC, (903)488-9850.

Thank you for your attention in this matter.

Regards,

Ben Stone, SOS Consulting, LLC
Agent for RKI Exploration & Production

Cc: Application File

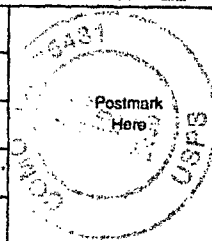
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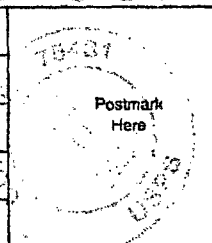
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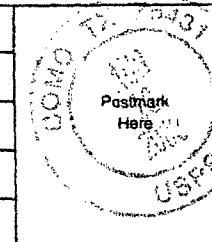
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 or PO Box No. POB 2504
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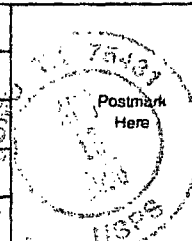
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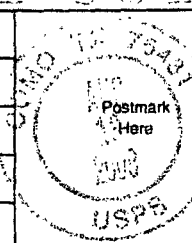
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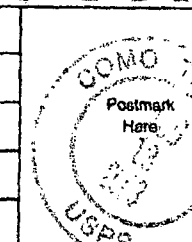
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7007 0220 0004 0036 5246

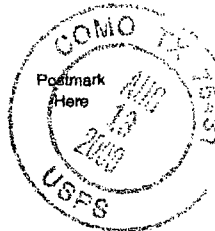
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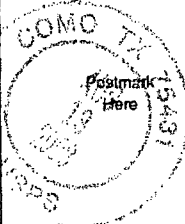
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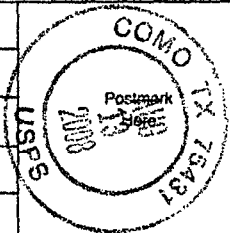
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