

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No 1004-0137
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.5. Lease Serial No.
NM-054290

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
RKI EXPLORATION & PRODUCTION, LLC.3a. Address
P. O. BOX 370
CARLSBAD, NM 882203b. Phone No. (include area code)
575-361-4078 (BARRY HUNT)8. Well Name and No
NORTH BRUSHY DRAW FED 35-1H9. API Well No.
30-015-397534. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 330 FNL & 1980 FEL SECTION 35, T 25 S., R 29 E
BHL: 330 FSL & 1650 FEL10. Field and Pool or Exploratory Area
CORRAL CANYON BONE SPRING11. Country or Parish, State
EDDY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>FRAC PIT</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

RKI EXPLORATION & PRODUCTION, LLC. PROPOSES TO CONSTRUCT A 300 X 300 FT. FRESH WATER FRAC PIT WITH A 50 FT. BUFFER FOR SPOIL PILES OR A TOTAL OF A 350 X 350 FT. PIT. THERE WILL BE A 470.2 X 30 FT. CALICHE ACCESS ROAD REQUIRED TO ACCESS THE PIT FROM THE NORTH BRUSHY DRAW FEDERAL 35-1H WELL PAD.

THE CENTER OF THE PROPOSED PIT WILL BE ABOUT 1320 FEL & 330 FNL (N1/2NE1/4). THE PIT IS CENTERED EVENLY BETWEEN THE NORTH BRUSHY DRAW FEDERAL 35-1H & THE NORTH BRUSHY DRAW FEDERAL 35-2H WELLS. THE PIT WILL SERVE THE #1H WELL, THE #2H WELL AND THE #3H WELL. (SEE ATTACHED MAP)

BOONE ARCHAEOLOGICAL SERVICES (BECKY HILL) WILL SUBMIT A CULTURAL REPORT ON THE PIT AND ACCESS ROAD TO THE CARLSBAD FIELD OFFICE.

UPON COMPLETION OF THE WELLS, THE PIT WILL BE RECLAIMED BY REMOVING THE LINER, FILL IN PIT, SPREAD TOPSOIL OVER THE TOP OF THE PIT AREA AND RESEEDING ACCORDING TO THE BLM SEED MIXTURE STIPULATED BY BLM.

RANDY RUST (BLM) AND BECKY HILL (BAS) WERE CONSULTED ON THE PLACEMENT OF THE FRAC PIT.

**Accepted for record
NMOCD**

(PLEASE CALL BARRY HUNT (575) 361-4078 WHEN APPROVED FOR PICK UP INSTEAD OF MAILING PERMIT OUT).

RR Date 02/22/2012

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

BARRY W. HUNT

Title PERMIT AGENT FOR RKI EXPLORATION & PRODUCTION, LLC.

Signature

Barry W. Hunt

Date

*11/21/11***THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

/s/ Don Peterson

Title

Date

JAN 13 2012

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

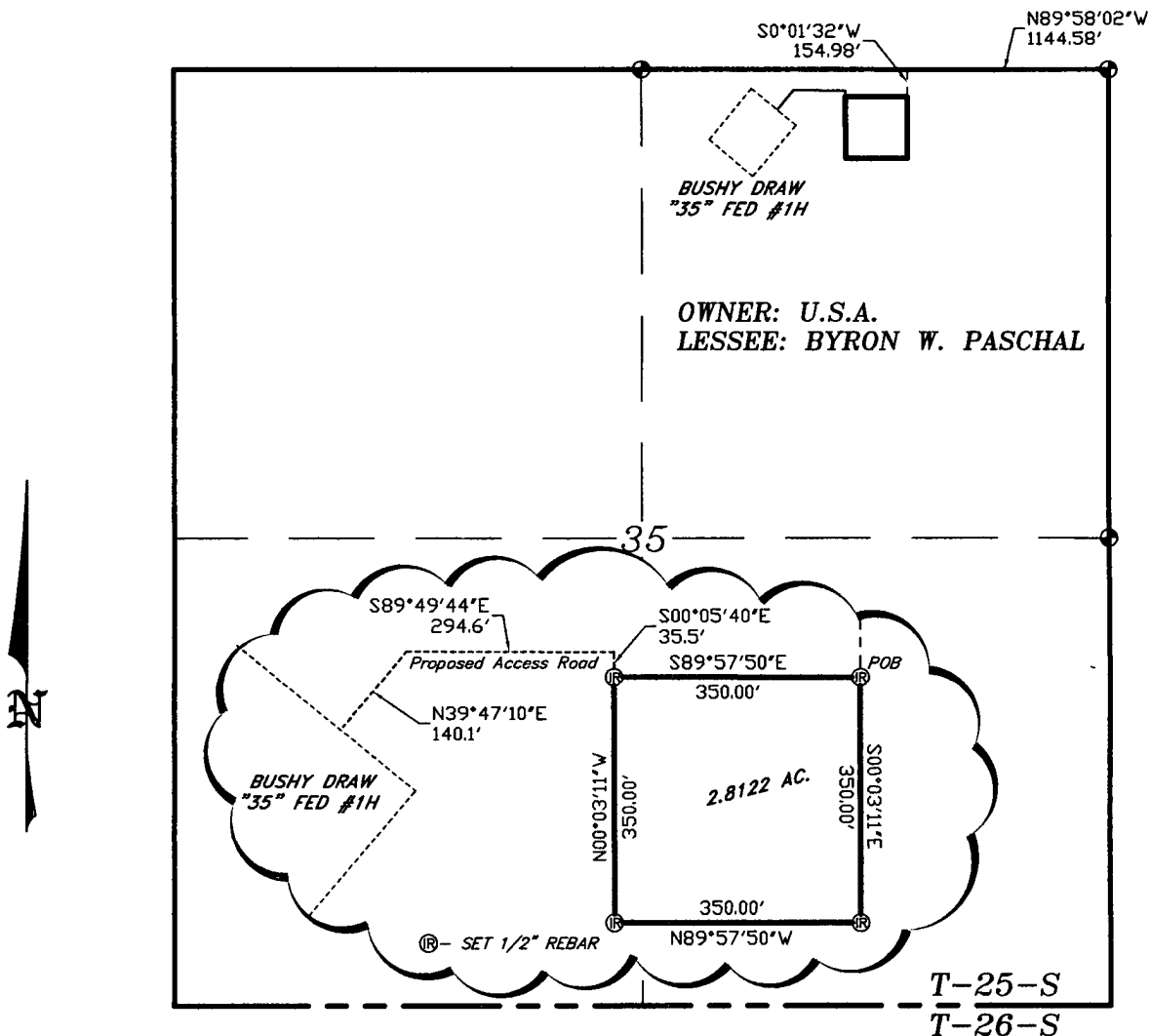
Office

CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**SECTION 35, TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 35, TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT A POINT WHICH LIES N.89°58'02\"W, 1144.58 FEET AND S.00°01'32\"W, 154.98 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 35; THENCE S.00°03'11\"E., 350.00 FEET; THENCE N.89°57'50\"W, 350.00 FEET; THENCE N.00°03'11\"W, 350.00 FEET; THENCE S.89°57'50\"E., 350.00 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINING 2.8122 ACRES, MORE OR LESS.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ORIGINAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES No. 7977
TEXAS P.L.S. No. 5074

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

1000 0 1000 2000 FEET

RKI EXPLORATION

REF: BUSHY DRAW #35 FEDERAL #1H FRAC POND

A TRACT OF LAND LOCATED IN
SECTION 35, TOWNSHIP 25 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 25699 Drawn By: K. GOAD

Date: 11-17-2011 Disk: KJG - 25699TRACT.DWG

Survey Date: 11-16-2011

Sheet 1 of 1 Sheets

DOI-BLM-NM-P020-2012-0280-EA
Lease #: NM-054290
RKI Exploration & Production, LLC.
North Brushy Draw Fed 35-1H Freshwater Pond

FRAC POND CONDITIONS OF APPROVAL

A copy of the Sundry Notice and attachments, including stipulations, survey plat and diagram, will be on location during construction. BLM personnel may request to see a copy of your permit during construction to ensure compliance with all conditions of approval.

Holder agrees to comply with the following conditions of approval to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this permit.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated.
3. Required Standard Conditions of Approval:
 - Contact the Supervisory Environmental Protection Specialist, Jim Amos, at 575-234-5909 at least 24 hours prior to starting construction.
 - The frac pond will only be authorized to contain freshwater and testing of water quality is required. Additives are not allowed without consent of the authorized officer.
 - If at any time the water in the frac pond becomes polluted with salts or other contaminants, use of the frac pond will cease and desist, and all liquids will be removed from the frac pond and disposed of properly.
 - Confine all construction and maintenance activity to the authorized area.
 - Temporary pipelines flowing from the frac pond to the target well will be laid along existing roadways unless an exception has been granted by the authorized officer.
 - Mineral materials extracted during construction of the frac pond will be stored on-location and/or used for constructing the frac pond.
 - The frac pond will be lined.

- The operator shall stockpile topsoil approximately 25 feet outside the bermed perimeter of the pond in a low profile manner, reasonably protected from wind and water erosion
- Topsoil shall not be used for constructing the frac pond. The topsoil will be used for final reclamation purposes only.
- The frac pond shall be fenced on all sides.
- Install earthen erosion-control structures as are suitable for the specific terrain and soil conditions.
- The plastic lining will be removed prior to final abandonment
- Reclamation efforts will commence immediately after the frac pond is no longer needed for the purpose of completing wells.
- Within 3 months of completion of frac operations on associated wells, all earthwork and final reclamation must be completed. This includes reclaiming and/or removal of:

Any roads approved for use with the pond

Surface water lines

Tanks, pumps, fencing etc.

- Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

Requirements for Operations and Final Reclamation:

4. If, during any phase of the construction, operation, maintenance, or termination of the frac pond, any pollutant should be released from the contaminated frac pond, the control and total removal, disposal, and cleaning up of such pollutant, wherever found, shall be the responsibility of holder, regardless of fault.

5. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

6. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

7. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

8. After all disturbed areas have been satisfactorily contoured and prepared for seeding the location needs to be revegetated with the seed mixture provided. Seeding may need to be repeated until revegetation is successful. Operators shall contact Jim Amos, Supervisor, Environmental Protection – (575)234-5909, **prior** to beginning surface reclamation operations.

9. Seeding is required: Use the following seed mix.

Seed mixtures 1 & 3

10. The topsoil to be stripped is approximately 4 inches in depth.

11. Upon failure of holder to control, dispose of, or clean up such discharge, or to repair all damages resulting there-from, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

EA File # 12-280