

OCD-ARTESIA

Form 3160-3
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

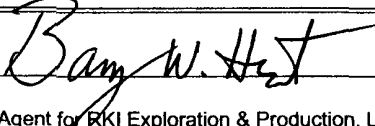
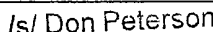
EA 250

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-20965	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator RKI EXPLORATION & PRODUCTION, LLC.		7. If Unit or CA Agreement, Name and No.	
3a. Address 3817 NW Expressway, Suite 950 Oklahoma City, Oklahoma 73112		8. Lease Name and Well No. RDX Federal 17-14 [39027]	
3b. Phone No. (include area code) 405-996-5750 (Bill Aubrey)		9. API Well No. 30-015-35845	
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 990 FSL & 1650 FWL At proposed prod. zone Same		10. Field and Pool, or Exploratory Brushy Draw Delaware East [8090]	
14. Distance in miles and direction from nearest town or post office* Approximately 12 miles southeast of Malaga, NM		11. Sec., T. R. M. or Blk. and Survey or Area Section 17, T. 26 S., R. 30 E.	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 990 ft.		12. County or Parish Eddy	
16. No. of acres in lease 520		13. State NM	
17. Spacing Unit dedicated to this well 40			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1320 ft. 460' SE Pioneer Fed 5		20. BLM/BIA Bond No. on file NLM-NMB-000460	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3097' GL		22. Approximate date work will start*	
		23. Estimated duration 30 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) BARRY W. HUNT	Date 10/28/11
Title Permit Agent for RKI Exploration & Production, LLC.		
Approved by (Signature) 	Name (Printed/Typed)	DATE 13 2012
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

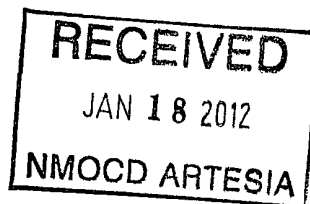
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

*(Instructions on page 2)



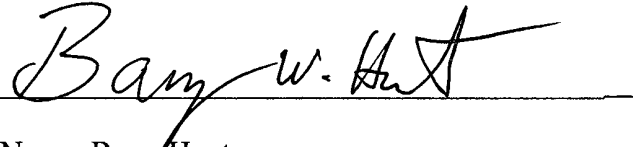
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or RKI Exploration and Production, LLC am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U. S. C. 1001 for the filing of false statements. Executed this 28th day of October 2011.

Signed: _____



Printed Name: Barry Hunt

Position: Agent for RKI Exploration & Production, LLC.

Address: 1403 Springs Farm Place, Carlsbad, NM 88220

Telephone: (575) 361-4078

E-mail: specialtpermitting@gmail.com

Field Representative: Gene Simer

Address: P. O. Box 370, Carlsbad, NM 88221

Telephone: Office: (575) 885-1313, Cell: (575) 706-3225

RKI Exploration & Production LLC

P.O. Box 370, Carlsbad, NM 88221
Office 505-885-1313 Fax 505-885-3509

July 17, 2009

To Whom It May Concern:

Mr. Barry Hunt is employed by RKI Exploration & Production to sign as their agent for APD's and Right of Ways in the states of New Mexico and Texas.

If you have any questions, please contact me at my office at 575-885-1313.

Sincerely,

RKI Exploration & Production, LLC

A handwritten signature in black ink, appearing to read "Gene Simer". The signature is fluid and cursive, with the first name "Gene" and last name "Simer" clearly distinguishable.

Gene Simer
Production Superintendent

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 16, 2010

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-39845	Pool Code 8090	Pool Name BRUSHY DRAW DELAWARE EAST
Property Code 39027	Property Name RDX FEDERAL "17"	Well Number 14
OGRID No. 246289	Operator Name RKI EXPLORATION & PRODUCTION LLC	Elevation 3097'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	17	26 S	30 E		990	SOUTH	1650	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 40	Joint or Infill	Consolidation Code	Order No.
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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

	<p>OPERATOR CERTIFICATION</p> <p>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 a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Barry W. Hunt</i> 10/28/11 Signature Date</p> <p><i>Barry W. Hunt</i> Printed Name</p> <p>_____ Email Address</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p><i>GARY L. JONES</i> Date Surveyed</p> <p><i>GARY L. JONES</i> Signature & Seal of Professional Surveyor</p> <p><i>GARY L. JONES</i> W. No. 25492</p>
	<p>SURFACE LOCATION</p> <p>Lat - N 32°02'16.61" Long - W 103°54'24.16" NMSPCE - N 377804.772 E 673530.975 (NAD-83)</p> <p>Lat - N 32°02'16.16" Long - W 103°54'22.44" NMSPCE - N 377747.287 E 632345.003 (NAD-27)</p>
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 25492</p>

RKI EXPLORATION & PRODUCTION, LLC.

RDX 17-14

990' FSL & 1,650' FWL

Section 17-26S-30E

Eddy County, TX

1. The elevation of the unprepared ground is 3,097' feet above sea level.
2. The geologic name of the surface formation is Quaternary - Alluvium.
3. A rotary rig will be utilized to drill the well to 7,200' and run casing. This equipment will then be rigged down and the well will be completed with a workover rig.
4. Proposed total depth is 7,200'.
5. Estimated tops of important geologic markers:

Quaternary - Alluvium	Surface
Rustler	927'
Salado	1,276'
Castile	1,756'
Lamar Lime	3,297'
Base of Lime	3,494'
Delaware Top	3,530'
Bell Canyon Sand	3,530'
Cherry Canyon Sand	4,596'
Brushy Canyon Sand	5,654'
TD	7,200'

6. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Bell Canyon	Oil	3,530' (1,528 psi)
Cherry Canyon	Oil	4,596' (1,990 psi)
Brushy Canyon	Oil	5,654' (2,448 psi)
TD	Oil	7,200' (3096 psi)

7. The proposed casing program is as follows:

Surface: 13-3/8" 54.5# J-55 ST&C new casing set from 0' – 950'
Tension SF 2.0, Collapse SF 1.125, Burst SF 1.8.

Intermediate: 9-5/8" 40# J-55 LT&C new casing set from 0' – 3,450'

Tension SF 2.0, Collapse SF 1.125, Burst SF 1.8.

Production: 5 1/2" 17# N-80 LT&C new casing set from 0' – 7,200'
Tension SF 2.0, Collapse SF 1.125, Burst SF 1.8.

8. Casing setting depth and cementing program:

- a. 13-3/8" surface casing set at 950' in 17-1/2" hole. Circulate cement to surface with 655 sx cement with 4% D20, 1% S1, .2% D46, .125 pps D130 mixed at 12.9 ppg (1.96 cf/sk) followed by 200 sx with .125 pps D130 mixed at 14.8 ppg (1.33 cf/sk), excess – 100%.
- b. 9-5/8" intermediate casing set at 3,450' in 12 1/4" hole. Circulate cement surface with 1,100 sx cement with 5% D44, 28 pps D132, 6% D20, .2% D46, .125 pps D130, 2 pps D42, .3% D201 mixed at 12.6 ppg (2.06 cf/sk) followed by 180 sx cement with .2% D201, .125 pps D130 mixed 14.8 ppg (1.33 cf/sk), excess – 25%.
- c. 5-1/2" production casing set at 7,200' in 8 3/4" hole. Cement will be calculated to bring TOC to 3,000'. The well will be cemented in two stages as follows:
Stage 1: 550 sx cement with 2% D174, .2% D46, .3% D112, .4% D201 mixed at 13.0 ppg (1.42 cf/sk).
Stage 2: 235 sx cement with 5% D44, 28 pps D132, 6% D20, .2% D46, 2 pps D42 mixed at 12.6 ppg (2.05 cf/sk) followed by 100 sx cement with .3% D201 mixed at 14.8 ppg (1.33 cf/sk), excess – 25%. DV tool at approximately 5,000'

9. Pressure Control Equipment

After setting the 13 3/8" casing a 3,000 psi casing head will be installed and 5,000 psi BOP equipment will be utilized. The 13 3/8" casing will be tested to 1,500 psi before drilling out. The BOP equipment will be tested to 250/3,000 psi and the Hydril will be tested to 1,500 psi. After setting 9 5/8" casing a 5,000 psi casing head will be installed and 5,000 psi BOP equipment will be utilized. The 9 5/8" casing will be tested to 1,500 psi before drilling out. The BOP equipment will be tested to 250/5,000 psi and the Hydril will be tested to 1,500 psi. The BOP equipment will consist of the following: ~~3000~~

- Annular preventers
- Double ram with blind rams and pipe rams
- Drilling spool, or blowout preventer with 2 side outlets (choke side shall be a 3-inch minimum diameter, kill side shall be at least 2-inch diameter)
- Kill line (2 inch minimum)
- A minimum of 2 choke line valves (3 inch minimum)
- 3 inch diameter choke line
- 2 kill line valves, one of which shall be a check valve (2 inch minimum)
- 2 chokes
- Pressure gauge on choke manifold
- Upper kelly cock valve with handle available

- Safety valve and subs to fit all drill string connections in use
- All BOPE connections subjected to well pressure shall be flanged, welded, or clamped
- Fill-up line above the uppermost preventer.

10. Mud Program:

0' – 950'	Bentonite/Lime mud. Paper for losses and seepage. 8.6 to 8.9 ppg, PV 1 to 6, YP 1 to 6, WL NC.
950' - 3,450'	Brine. As needed LCM for losses and seepage. 10.0 to 10.1 ppg, PV 1 to 3, YP 1 to 3, WL NC.
3,450' – 7,200'	Drill out fresh water/cut brine. MW 8.8 to 9.1 ppg, PV 1 to 3, YP 1 to 3, WL NC.

11. Testing, Logging and Coring Program: *see COA*

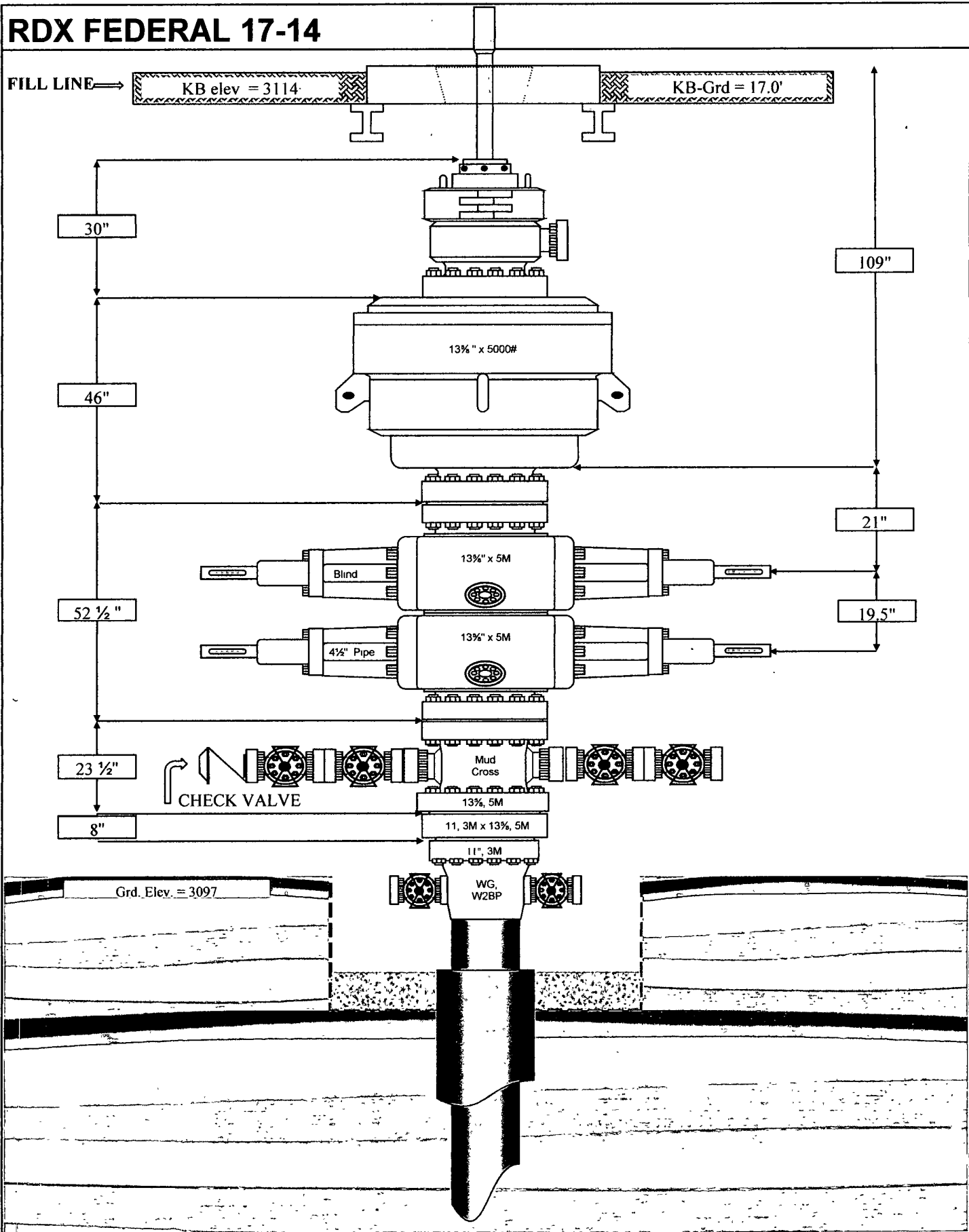
Testing program: No drillstem tests are anticipated.

Electric logging program: CNL/CAL/GR, DLL/CAL/GR. From 9 5/8" casing to TD.

Coring program: None.

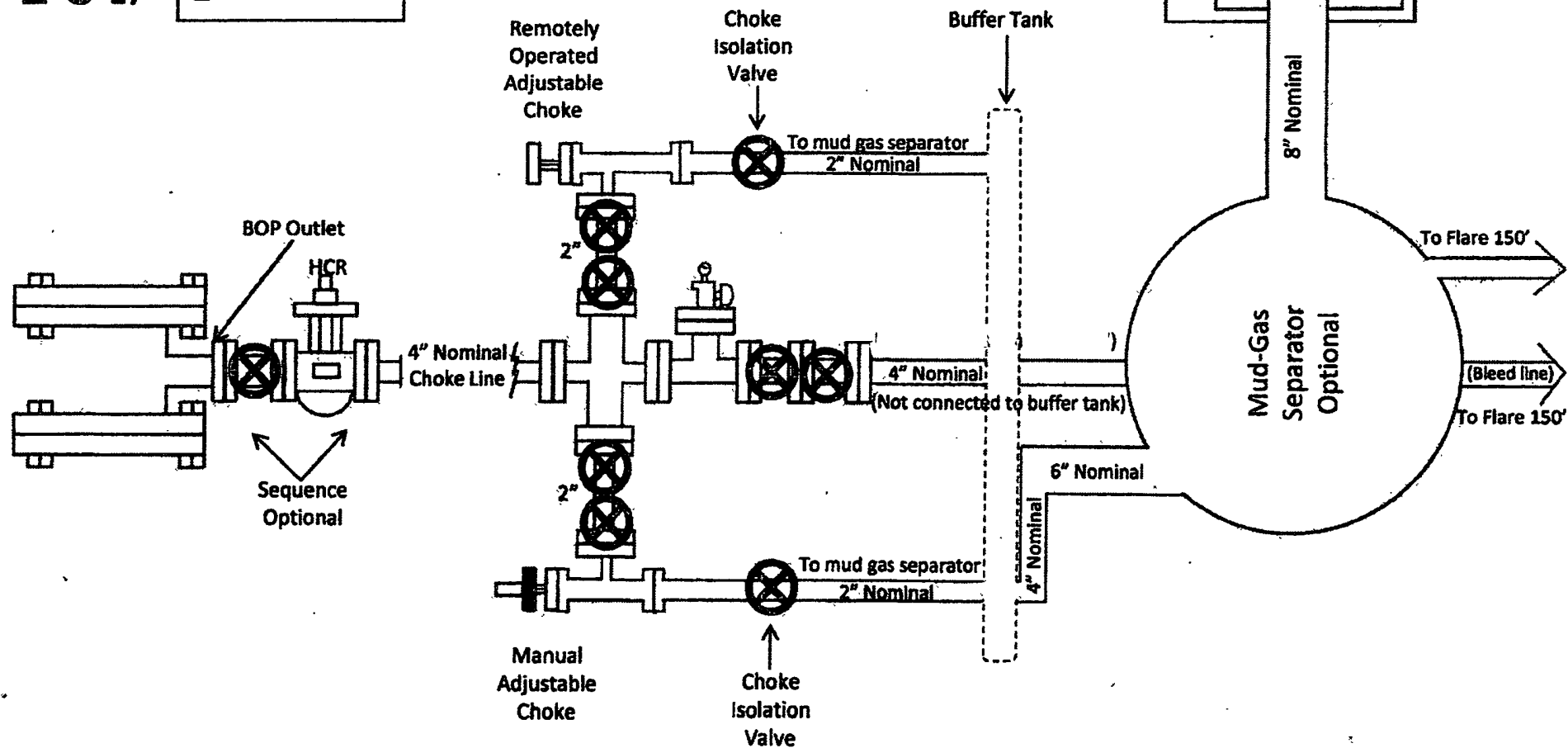
12. No abnormal conditions or hazards are expected. There is no known presence of H₂S in this area. If H₂S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 3096 psi and estimated BHT 145 degree F.

RDX FEDERAL 17-14

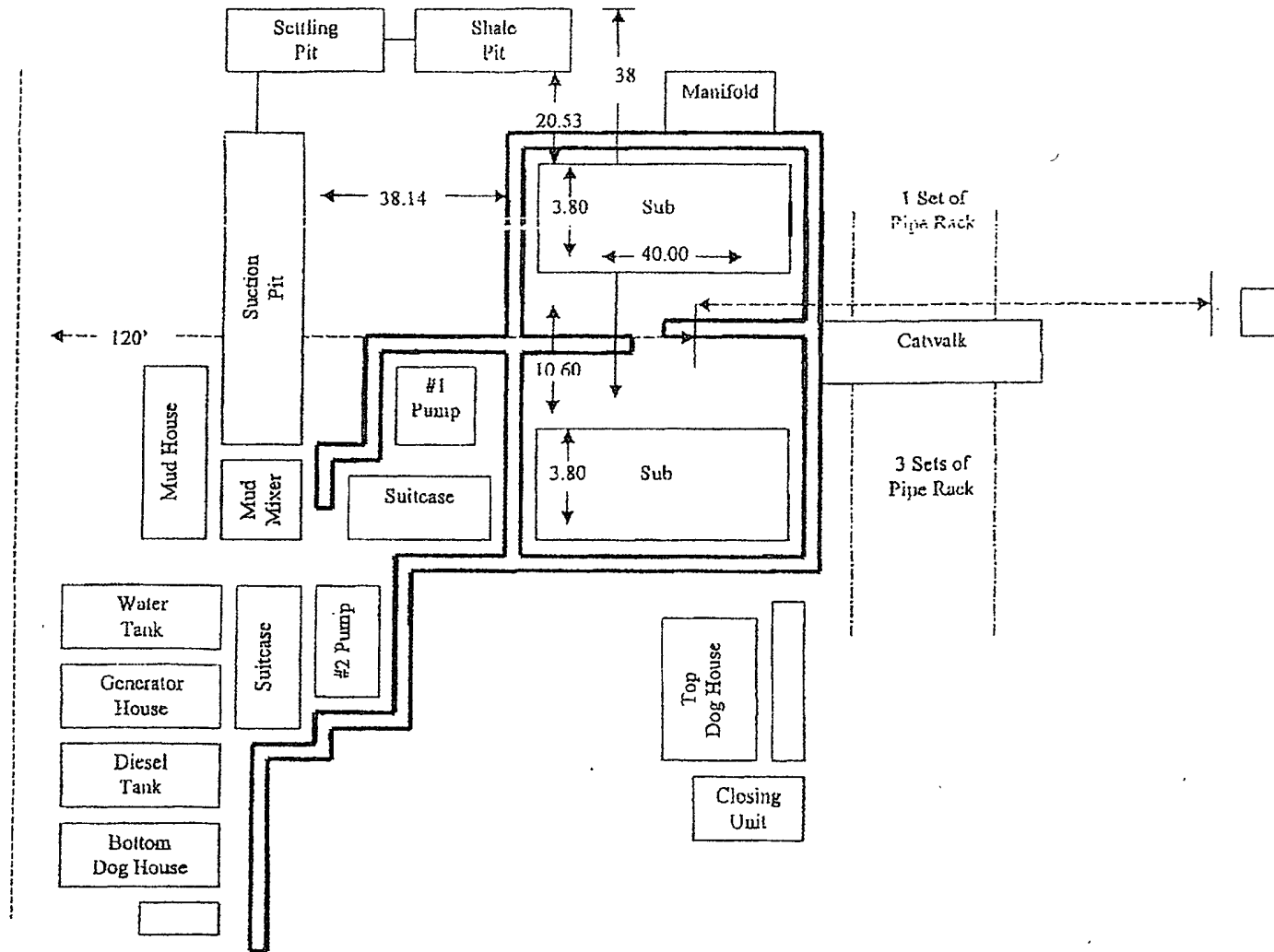


Drilling Operations Choke Manifold 5M Service

Exhibit E-1 -- Choke Manifold Diagram



Plat for Closed Loop System



RKI Exploration & Production
Hydrogen Sulfide Contingency Plan
For Drilling/Workover/Facility

This well and its anticipated facility are not expected to have Hydrogen Sulfide releases. However, there may be Hydrogen Sulfide production in the nearby area. There are no private Residences in the area but a contingency plan has been orchestrated. RKI Exploration and Production will have a Company Representative available to rig personnel through out drilling or production operations. If hydrogen sulfide is detected or suspected, monitoring equipment will be acquired for monitoring and/or testing.

RKI Exploration & Production
Hydrogen Sulfide Contingency Plan
For Drilling/Workover/Facility

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RKI Exploration & Production
Hydrogen Sulfide Contingency Plan
For Drilling/Workover/Facility

General H2S Emergency Actions:

1. All personnel will immediately evacuate to an up-wind and if possible up-hill "safe area".
2. If for any reason a person must enter the hazardous area, they must wear a SCBA (Self Contained Breathing Apparatus).
3. Always use the "buddy system"
4. Isolate the well/problem if possible
5. Account for all personnel
6. Display the proper colors warning all unsuspecting personnel of the danger at hand.
7. Contact the Company personnel as soon as possible if not at the location (use the enclosed call list as instructed)

At this point the company representative will evaluate the situation and coordinate the necessary duties to bring the situation under control, and if necessary, the notification of the emergency response agencies and nearby residents.

EMERGENCY PROCEDURES FOR AN UNCONTROLLABLE RELEASE OF H2S

1. All personnel will don the self contained breathing apparatus
2. Remove all personnel to the "safe area" (always use the buddy system)
3. Contact company personnel if not on location]
4. Set in motion the steps to protect and or remove the general public to and upwind "safe area" Maintain strict security & safety procedures while dealing with the source.
5. No entry to any unauthorized personnel
6. Notify the appropriate agencies: City Police -- City Street(s)
 State Police -- State Rd.
 County Sheriff -- County Rd.
7. Call the NMOCD

RKI Exploration & Production LLC

Hydrogen Sulfide Contingency Plan For Drilling/Workover/Facility

If at this time the supervising person determines the release of H₂S cannot be contained to the site location and the general public is in harms way he will take the necessary steps to protect the workers and the public.

EMERGENCY CALL LIST: (Start and continue until ONE of these people has been contacted)

	OFFICE	MOBILE	HOME
RKI E&P	1-800-667-6958		
Gene Simer	575-885-1313	575-706-3225	575-885-6302
Tim Haddican	405-949-2329	405-823-2872	405-348-5515

EMERGENCY RESPONSE NUMBERS:

State Police	Eddy County		575 -748-9718
State Police	Lea County		575-392-5588
Sheriff	Eddy County		575-746-2701
Sheriff	Lea County		
Emergency Medical Service (Ambulance)	Eddy County		911 or 505-746-2701
	Lea County	Eunice	911 or 505-394-3258
Emergency Response	Eddy County SERC		575--476-9620
	Lea County		
Artesia Police Dept			575--746-5001
Artesia Fire Dept			575--746-5001
Carlsbad Police Dept			575-885-2111
Carlsbad Fire Dept			575--885-3125

EMERGENCY CALL LIST (CONT.)

Loco Hills Police Dept		575- 677-2349
Jal Police Dept		575--395-2501
Jal Fire Dept		575--395-2221
Jal Ambulance		575--395-2221
Eunice Police Dept		575- 394-0112
Eunice Fire Dept		575--394-3258
Eunice Ambulance		575--394-3258
Hobbs Police Dept		575- 397-3365
Hobbs Fire Dept		575--397-9308
NMOCD	District 1 (Lea, Roosevelt, Curry)	575- 393-6161
	District 2 (Eddy, Chavez)	575--748-1283
Lea County Information		575--393-8203
Callaway Safety	Eddy/Lea Counties	575--392-2973
BJ Services	Artesia	575--746-3140
	Hobbs	575--392-5556
Halliburton	Artesia	1-800-523-2482
	Hobbs	1-800-523-2482
Wild Well Control	Midland	432-550-6202
	Mobile	432-553-1166

RKI Exploration & Production
Hydrogen Sulfide Contingency Plan
For Drilling/Workover/Facility

PROTECTION OF THE GENERAL PUBLIC (ROE)

- 100 ppm at any public area (any place not associated with this site)
- 500 ppm at any public road (any road with the general public may travel)
- 100 ppm radius of ¼ mile in New Mexico will be assumed if there is insufficient data to do the calculations, and there is a reasonable expectation that H₂S could be present in concentrations greater than 100 ppm in the gas mixture

CALCULATIONS FOR THE 100 PPM (ROE) "PASQUILL-GIFFORD EQUATION"

$X = [(1.589) (\text{mole fraction}) (Q\text{-volume in std cu ft}) \text{ to the power of } (0.6258)]$

CALCULATION FOR THE 500 PPM ROE:

$X = [(.4546) (\text{mole fraction}) (Q - \text{volume in std cu ft}) \text{ to the power of } (0.6258)]$

Example:

If a well/facility has been determined to have 150 / 500 ppm H₂S in the gas mixture and the well/facility is producing at a gas rate of 100 MCFPD then:

150 ppm $X = [(1.589) (.00015) (100,000 \text{ cfd}) \text{ to the power of } (.6258)]$
 $X = 7 \text{ ft.}$

500 ppm $X = [(.4546) (.0005) (100,000 \text{ cfd}) \text{ to the power of } (.6258)]$
 $X = 3.3 \text{ ft.}$

(These calculations will be forwarded to the appropriate District NMOCD office when Applicable)

PUBLIC EVACUATION PLAN:

- Notification of the emergency response agencies of the hazardous condition and implement evacuation procedures.
- A trained person in H₂S safety shall monitor with detection equipment the H₂S concentration, wind and area exposure (ROE). This person will determine the outer perimeter of the hazardous area. The extent of the evacuation area will be determined from the data being collected. Monitoring shall continue until the situation has been resolved. (All monitoring equipment shall be UL approved, for use in class 1 groups A, B, C & D, Division 1, hazardous locations. All monitor will have a minimum capability of measuring H₂S, oxygen and flammable values.)

RKI Exploration & Production
Hydrogen Sulfide Contingency Plan
For Drilling/Workover/Facility

- Law enforcement shall be notified to set up necessary barriers and maintain such for the duration of the situation as well as aid in the evacuation procedure.
- The company supervising personnel shall stay in communication with all agencies through out the duration of the situation and inform such agencies when the situation has been contained and the effected area(s) is safe to enter.

PROCEDURE FOR IGNITING AN UNCONTROLLABLE CONDITION:

1. Human life and/or property are in danger.
2. There is no hope of bringing the situation under control with the prevailing conditions at the site.

INSTRUCTION FOR IGNITION:

1. Two people are required. They must be equipped with positive pressure, self contained breathing apparatus and a "D" ring style full body, OSHA approved safety harness. Non flammable rope will be attached.
2. One of the people will be qualified safety person who will test the atmosphere for H₂S, oxygen and LFL. The other person will be the company supervisor; he is responsible for igniting the well.
3. Ignite up wind from a distance no closer than necessary. Make sure that where you ignite from has the maximum escape avenue available. A 25 mm flare gun shall be used, with a \pm 500 ft. range to ignite the gas.
4. Prior to ignition, make a final check with combustible gases.
5. Following ignition, continue with the emergency actions & procedures as before.

RKI Exploration & Production
Hydrogen Sulfide Contingency Plan
For Drilling/Workover/Facility

REQUIRED EMERGENCY EQUIPMENT:

1. **Breathing apparatus:**
 - Rescue packs (SCBA) – 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
 - Work/Escape packs – 4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity
 - Emergency Escape Packs – 4 packs shall be stored in the doghouse for emergency evacuation.
2. **Signage & Flagging:**
 - One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
 - A colored conditioned flag will be on display, reflecting the condition at the site at the time.
3. **Briefing Area:**
 - Two perpendicular areas will be designated by signs and readily accessible.
4. **Wind Socks:**
 - Two windsocks will be placed in strategic locations, visible from all angles.
5. **H2S Detectors & Alarms:**
 - The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible at 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: (Gas sample tubes will be stored in the safety trailer)
 - Rig Floor
 - Bell Nipple
 - End of flow line or where well bore fluid are being discharged.
6. **Auxiliary Rescue Equipment:**
 - Stretcher
 - Two OSHA full body harness
 - 100 ft. 5/8 inch OSHA approved rope.
 - 1 – 20# class ABC fire extinguisher
 - Communication via cell phones on location and vehicles on location.

RKI Exploration & Production
Hydrogen Sulfide Contingency Plan
For Drilling/Workover/Facility

USING SELF CONTAINED BREATHING AIR EQUIPMENT (SCBA):

- (SCBA) SHOULD BE WORN WHEN ANY OF THE FOLLOWING ARE PERFORMED:
 - Working near the top or on the top of a tank
 - Disconnecting any line where H₂S can reasonably be expected
 - Sampling air in the area to determine if toxic concentration of H₂S can exist.
 - Working in areas where over 10 ppm on H₂S has been detected.
 - At any time there is a doubt as the level of H₂S in the area.
- All personnel shall be trained in the use of SCBA prior to working in a potentially hazardous location.
- Facial hair and standard eyeglasses are not allowed with SCBA.
- Contact lenses are never allowed with SCBA.
- Air quality shall be continuously checked during the entire operation.
- After each use, the SCBA unit shall be cleaned, disinfected, serviced and inspected.
- All SCBA shall be inspected monthly.

RESCUE AND FIRST AID FOR VICTIMS OF HYDROGEN SULFIDE (H₂S) POISONING:

- Do not panic
- Remain calm and think
- Get on the breathing apparatus

RKI Exploration & Production

Hydrogen Sulfide Contingency Plan For Drilling/Workover/Facility

- Remove the victim to the safe breathing area as quickly as possible. Up wind and uphill from source or cross wind to achieve upwind.
- Notify emergency response personnel.
- Provide artificial respiration and or CPR, as necessary.
- Remove all contaminated clothing to avoid further exposure.
- A minimum of two personnel on location shall be trained in CPR and First Aid.

RKI Exploration & Production

Hydrogen Sulfide Contingency Plan For Drilling/Workover/Facility

H₂S is extremely toxic. The acceptable ceiling for eight hours of exposure is 10 ppm, which is .001% by volume. H₂S is approximately 20% heavier than air (Sp. Gr = 1.19) (Air = 1) and colorless. It forms an explosive mixture with air between 4.3% and 46%. By volume hydrogen sulfide is almost as toxic as hydrogen cyanide and is 5-6 times more toxic than carbon monoxide.

COMMON NAME	CHEMICAL ABBREV.	SPECIFIC GRVTY.	THRESHOLD LIMITS	HAZARDOUS LIMITS	LETHAL CONCENTRATIONS
Hydrogen Sulfide	H ₂ S	1.19	10 ppm 15 ppm	100 ppm/hr	600ppm
Hydrogen Cyanide	HCN	0.94	10 ppm	150 ppm/hr	300 ppm
Sulfur Dioxide	SO ₂	2.21	2 ppm	N/A	1000 ppm
Chlorine	Cl ₂	2.45	1 ppm	4 ppm/hr	1000 ppm
Carbon Monoxide	CO	0.97	50 ppm	400 ppm/hr	1000 ppm
Carbon Dioxide	CO ₂	1.52	5000 ppm	5%	10%
Methane	CH ₄	0.55	90,000	Combustible @ 5%	N/A

Threshold Limit: Concentrations at which it is believed that all workers may be repeatedly exposed, day after day without adverse effects.

Hazardous Limit: Concentrations that may cause death.

Concentrations: Concentrations that will cause death with short term exposure.

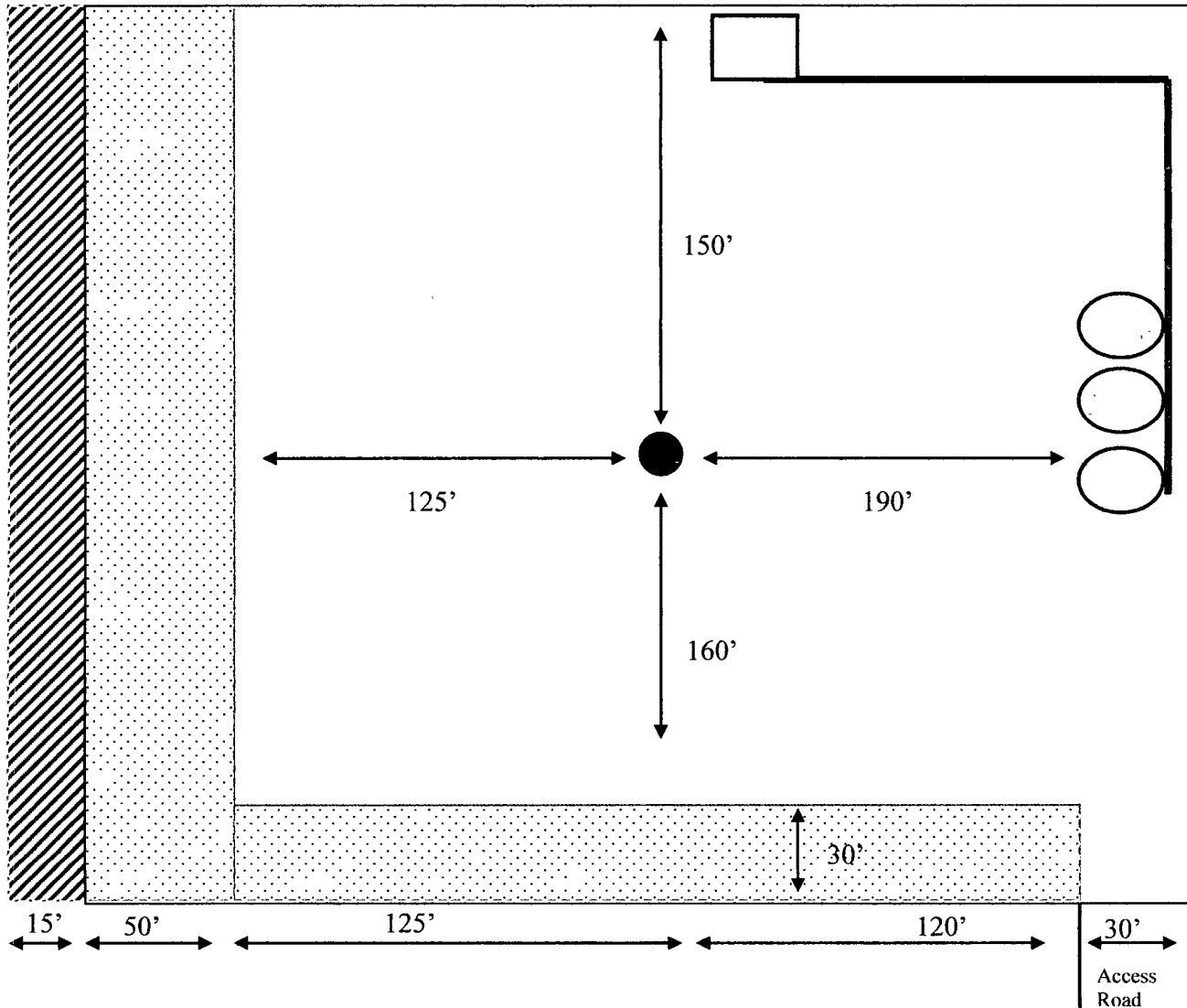
Threshold Limit: NIOSH guide to chemical hazards
(10 ppm)

PHYSICAL EFFECTS OF HYDROGEN SULFIDE:

CONCENTRATION	PHYSICAL EFFECTS
.001% 10 ppm	Obvious and unpleasant odor. Safe for 8 hr. exposure
.005% 50 ppm	Can cause some flu like symptoms and can cause pneumonia.
.01% 100 ppm	Kills the sense of smell in 3-15 minutes. May irritate the eyes and throat.
.02% 200 ppm	Kills the sense of smell rapidly. Severely irritates the eyes and throat. Severe flu-like symptoms after 4 or more hours May cause lung damage and or death.
.06% 600 ppm	Loss of consciousness quickly, death will result if not rescued promptly.

EXHIBIT 'B'

Interim Reclamation & Production Facilities



LEGEND



Well Bore



Interim Reclamation

Production Facilities



Topsoil



NORTH

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	RKI EXPLORATION
LEASE NO.:	NM20965
WELL NAME & NO.:	14 RDX FEDERAL 17
SURFACE HOLE FOOTAGE:	990' FSL & 1650' FWL
BOTTOM HOLE FOOTAGE	
LOCATION:	Section 17, T.26 S., R.30 E., NMPM
COUNTY:	Eddy County, New Mexico

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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