Form 3160-5 (August 2007)

UNITED STATI DEPARTMENT OF THE

orm 3160-5 August 2007)	UNITED STATES DEPARTMENT OF THE IN BUREAU OF LAND MANAG	TERIOR .		FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010 5. Lease Serial No.		
SUNDR Do not use abandoned t	6. If Indian, Allottee or Tribe Name					
SUBMIT IN T	7. If Unit or CA/Agreement, Name and/or No.					
1. Type of Well Gas Well 🖸	8. Well Name and No. ROSS DRAW FEDERAL 9					
2. Name of Operator RKI EXPLORATION & PRO	9. API Well No. 30-015-23224					
3a. Address 210 PARK AVE. SUITE 900 OKLAHOMA CITY, OK 73102 3b. Phone No. (include area code) Ph: 405-996-5774				10. Field and Pool, or Exploratory UNDESIGNATED		
4. Location of Well (Footage, Sec	11. County or Parish, and State					
12. CHECK AI	PROPRIATE BOX(ES) TO	INDICATE NATURE OF	NOTICE, R	EPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION		TYPE O	F ACTION			
Notice of Intent Subsequent Report ■	☐ Acidize ☐ Alter Casing ☐ Casing Repair	☐ Deepen ☐ Fracture Treat ☐ New Construction	☐ Production (Start/Resume) ☐ Reclamation ☐ Recomplete		☐ Water Shut-Off ☐ Well Integrity ☐ Other	
☐ Final Abandonment Notice	Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon		- Outer	
5	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal			
If the proposal is to deepen direct Attach the Bond under which the following completion of the invol- testing has been completed. Fina determined that the site is ready f		give subsurface locations and meas the Bond No. on file with BLM/BL ults in a multiple completion or rec donly after all requirements, inclu	ured and true v A. Required su ompletion in a ding reclamation	ertical depths of all pertir absequent reports shall be new interval, a Form 316 on, have been completed,	nent markers and zones. filed within 30 days i0-4 shall be filed once and the operator has	
RKI Exploration and Produ	ction seeks approval to plug	the subject well, with the dis	posal format	OFF ALLACH	LU FOR	

RKI Exploration and Production seeks approval to plu in the Delaware from 4,432 feet to 5,969 feet. CONDITIONS OF APPROVAL

Proposed procedures:

Proposed procedures.

Pump 80 sacks Class C cement from 6,850 feet to 6,950 feet. Set CIBP at 4,440 feet. Circulate wellbore with 300 BBLS heavy mud. Pump 25 sacks Class C cement on top of CIBP and flush with heavy

Cut off casing 25 feet above estimated free point of 3,375 feet.

Pump 100 sacks Class C cement through tubing at a minimum of 50 feet in and 50 feet out of casing stub. Tag plug at 50 feet above casing cut-off point.

POH with tubing to 2,500 feet. Pump 80 sacks Class C cement. Flush with heavy mud. Tag estimated TOC plug at 2,400 feet.

See Changes

RECLAMATION PROCEDURE ATTACHED

			6/11/19					
14. I hereby certify t	NIM OIL CONSERVATION ARTESIA DISTRICT JUN 0 2 2014							
Name (Printed/Ty	ped) JODY NOERDLINGER	Title	REGULATORY ANALYST	0011 1/2 2014				
Signature	(Electronic Submission)	Date	05/12/2014	RECEIVED				
THIS SPACE FOR FEDERAL OR STATE OFFICE USE								
Approved By	James A. ama	Title	SEPS	5.28-14 Date				
certify that the applican	I, if any, are attached. Approval of this notice does not warrant or nt holds legal or equitable title to those rights in the subject lease applicant to conduct operations thereon.	Offic	e CFD	,				

Tile 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.

Additional data for EC transaction #245299 that would not fit on the form

32. Additional remarks, continued

POH with tubing to 950 feet. Pump 60 sacks Class C cement. Flush with heavy mud. Tag estimated TOC plug at 850 feet.
POH with tubing to 70 feet. Pump 50 sacks of Class C cement and circulate to surface.
From top of casing to minimum 4 feet above ground level, set 4 inch identifying marker, and clean up surface location.

See attached procedure, as well as current and proposed wellbore diagrams for the subject well, scheduled to P&A on approximately 6/15/2014.

RKI Exploration & Production 210 Park Ave. Suite 900 Oklahoma City, OK 73102

RE:

NMNM0554774; Ross Draw Federal 9

Sec. 34, NENW, T26S-R30E Eddy County, New Mexico

Approval subject to the following changes:

Spot Class C cement from 7100'-6930'. WOC tag.

Spot Class C cement from 6128'-5968'. WOC tag.

Set CIBP @ 4400' and cap with 25 sack Class C cement.

Perforate@ 3479' and squeeze cement to 3349'. WOC tag.

Cut & pull casing as specified, spot plug 50' inside and 50' outside. WOC tag.

Spot plug from 1000'-850'. WOC tag.

Spot plug from 70'-surface.

If any questions, contact Jim Amos @ 575-234-5909.

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

- 6. <u>Dry Hole Marker</u>: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).
- 7. <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**
- 8. <u>Trash:</u> All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its predisturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of
 Operations must include adequate measures for stabilization and reclamation of disturbed lands.
 Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD
 process as per Onshore Oil and Gas Order No. 1.
- 2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
- 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos Supervisory Petroleum Engineering Tech 575-234-5909, 575-361-2648 (Cell)

Solomon Hughes Natural Resource Specialist 575-234-5951

Jeffery Robertson Natural Resource Specialist 575-234-2230

Duncan Whitlock Environmental Protection Specialist 575-234-5926

Jennifer Van Curen Environmental Protection Specialist 575-234-5905

Linda Denniston Environmental Protection Specialist 575-234-5974 Cody Layton Natural Resource Specialist 575-234-5959

Trishia Bad Bear Natural Resource Specialist 575-393-3612

Amanda Lynch Natural Resource Specialist 575-234-5922

Jessie Rice Natural Resource Specialist 575-234-5913

Indra Dahal Natural Resource Specialist 575-234-5996