

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. STATELINE FEDERAL 1
2. Name of Operator RKI EXPLORATION AND PRODUCTION		9. API Well No. 30-015-24479
3a. Address 210 PARK AVE. SUITE 900 OKLAHOMA CITY, OK 73102		10. Field and Pool, or Exploratory BRUSHY DRAW; DELAWARE
3b. Phone No. (include area code) Ph: 405-996-0577		11. County or Parish, and State EDDY COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 35 T26S R29E Mer NMP NWNW 740FNL 330FWL		

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 type="checkbox"/> Other
	<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 checked="" 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 and Production reports water disposal, according to Onshore Order #7, for the subject well and all other wells on the lease:

Stateline Federal 1 30-015-24479
Avg. daily water: 5 BBLS since first production on 11/29/2012
Formation: Delaware
Stored: not stored on lease, transported by line

Stateline Federal 2 30-015-25820
Avg. daily water: 177 BBLS since first production on 11/29/2012
Formation: Delaware

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

NM OIL CONSERVATION
ARTESIA DISTRICT

JAN 09 2015

RECEIVED

AD 2/10/15
Accepted for record
NMOCD

14. I hereby certify that the foregoing is true and correct. Electronic Submission #256076 verified by the BLM Well Information System For RKI EXPLORATION AND PRODUCTION, sent to the Carlsbad Committed to AFMSS for processing by LINDA DENNISTON on 12/02/2014 ()	
Name (Printed/Typed) JODY NOERDLINGER	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 08/06/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>APPROVED</p> <p>JAN - 6 2015</p> <p>JAMES A. AMOS</p> </div>
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 _____	

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.

Additional data for EC transaction #256076 that would not fit on the form

32. Additional remarks, continued

Stored: not stored on lease, transported by line

Disposal water from the wells on this lease is transported by line to these wells:
Red Bluff 7-3W UIC permit #000072703 S7-T1N-BLK56, Loving County, TX
Red Bluff 8-1 UIC permit #000100957 S8-T1N-BLK56, Loving County, TX
Damsite Unit-1D UIC permit #000102256 S9-T1N-BLK56, Loving County, TX

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Disposal of Produced Water From Federal Wells
Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

7/10/14