

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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		5. Lease Serial No. NMNM11042
2. Name of Operator RKI EXPLORATION & PROD LLC		6. If Indian, Allottee or Tribe Name
Contact: HEATHER BREHM E-Mail: hbrehm@rkixp.com		7. If Unit or CA/Agreement, Name and/or No. 891013810X
3a. Address 210 PARK AVE SUITE 900 OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-996-5769 Fx: 405-949-2223	8. Well Name and No. ROSS DRAW UNIT 58
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 27 T26S R30E SWSW 840FSL 230FWL 32.008243 N Lat, 103.876426 W Lon		9. API Well No. 30-015-43014-00-X1
		10. Field and Pool, or Exploratory ROSS DRAW
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A PD
	<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 recomplate 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 recomplate 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 RESPECTFULLY REQUESTS TO CHANGE THE PRODUCTION HOLE SIZE FROM 8.75" TO 7.875". REVISED DRILLING PLAN ATTACHED.

NM OIL CONSERVATION
ARTESIA DISTRICT

JAN 19 2016

RECEIVED

*WDD 1/20/16
Accepted for record
NMOCD*

14. I hereby certify that the foregoing is true and correct. Electronic Submission #319786 verified by the BLM Well Information System For RKI EXPLORATION & PROD LLC, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 11/13/2015 (16JAS1131SE)	
Name (Printed/Typed) HEATHER BREHM	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 10/14/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>CHARLES NIMMER</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>01/14/2016</u>
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 <u>Carlsbad</u>

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

RKI Exploration & Production, LLC

Well RDU 58
 Location 840 FSL 230 FWL Surface
 841 FSL 231 FWL Bottom Hole
 Section 28-26S-30E
 County Eddy
 State New Mexico

- 1) The elevation of the unprepared ground is 3,005 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 7,500 feet and run casing. This equipment will then be rigged down and the well will be completed with a workover rig.
- 4) Proposed depth is 7,500 feet

5) Estimated tops:

	MD	TVD		
Rustler	798	798		
Salado	1,140	1,140		
Castile	1,589	1,589		
Lamar Lime	3,361	3,361		
Delaware Top	3,578	3,578		
Bell Canyon Sand	3,578	3,578	Oil	1,549 psi
Cherry Canyon Sand	4,654	4,654	Oil	2,015 psi
Brushy Canyon Sand	5,710	5,710	Oil	2,472 psi
Bone Spring	7,466	7,466		
TD	7,500	7,500		146 degree F

The Bone Spring will be penetrated as rat hole to enable the entire Brushy Canyon to be logged.

6) Casing program:

Hole Size	Top	Bottom	OD Csg	Wt/Grade	Connection	Collapse Design Factor	Burst Design Factor	Tension Design Factor
17 1/2"	0	800	13 3/8"	54.5#/J-55	ST&C	3.26	6.63	11.79
12 1/4"	0	3,400	9 5/8"	40#/J-55	LT&C	1.37	5.45	3.82
7 7/8"	0	7,500	5 1/2"	17#/N-80	LT&C	1.93	1.55	2.73

7) Cement program:

Surface	17 1/2" hole							
Pipe OD	13 3/8"							
Setting Depth	800 ft							
Annular Volume	0.69462 cf/ft							
Excess	1			100 %				
Lead	486 sx			1.74 cf/sk	13.5 ppg		9.137 gal/sk	
Tail	200 sx			1.33 cf/sk	14.8 ppg		6.321 gal/sk	
Lead: "C" + 4% PF20 + 2% PF1 + .125 pps PF29 + .2% PF46								
Tail: "C" + 1% PF1								
Top of cement:		Surface						
Intermediate	12 1/4" hole							
Pipe OD	9 5/8"							
Setting Depth	3,400 ft							
Annular Volume	0.31318 cf/ft			0.3627 cf/ft				
Excess	0.5			50 %				
Lead	649 sx			1.92 cf/sk	12.6 ppg		9.945 gal/sk	
Tail	200 sx			1.33 cf/sk	14.8 ppg		6.307 gal/sk	
Lead: 35/65 Poz "C" + 5% PF44 + 6% PF20 + 3 pps PF42 + .125 pps PF29 + .2% PF46 + 1% PF1								
Tail: "C" + .2% PF13								
Top of cement:		Surface						

Production	7 7/8" hole		
Pipe OD	5 1/2"		
Setting Depth	7,500 ft		
Annular Volume	0.1733 cf/ft	0.26074 cf/ft	300 ft
Excess	0.4	40 %	
DV Tool Depth	5500 ft		

* Additional cement may be required % excess calculates to 10%

Stage 1				
Lead:	328 sx	1.48 cf/sk	13.0 ppg	7.609 gal/sk
	Lead: PVL + 2% PF174 + .3% PF167 + .1% PF65 + .2% PF13 + .25 pps PF46			
	Top of cement: DV tool			
Stage 2				
Lead:	249 sx	1.89 cf/sk	12.9 ppg	10.051 gal/sk
Tail:	100 sx	1.48 cf/sk	13.0 ppg	7.609 gal/sk
	Lead: 35/65 Poz "C" + 5% PF44 + 6% PF20 + 3 pps PF42 + .2% PF13 + .125 pps PF130 + .25 pps PF46			
	Tail: PVL + 2% PF174 + .3% PF167 + .1% PF65 + .2% PF13 + .25 pps PF46			
	Top of cement: 3,100 ft			

8) Pressure control equipment:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram type (3,000 psi WP) preventer, a bag-type annular preventer (3,000 psi WP), and rotating head. Both units will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and pipe rams (sized to accommodate the drill pipe size being utilized) on bottom. A 13 3/8" SOW x 13 5/8" 3M casing head will be installed on the 13 3/8" casing and utilized until total depth is reached. All BOP and associated equipment will be tested to 3,000 psi and the annular will be tested to 1,500 psi after setting the 13 3/8" string. The 13 3/8" and 9 5/8" casing will be tested to .22 psi per ft of casing string length or 1,500 psi whichever is greater, but not to exceed 70% of the minimum yield. The 9 5/8" casing will be hung in the casing head and the stack will not be nipped down at this point. The stack will not be isolated and tested after running the 9 5/8" casing, but will be tested along with the 9 5/8" casing. Pipe rams will be operated and checked each 24 hour period and each time the drill string is out of the hole. These function test will be documented on the daily driller's log. A drilling spool or blowout preventer with 2 side outlets (choke side shall be 3" minimum diameter, kill side shall be at least 2" diameter). 2 kill line valves, one of which will be a check valve. 2 chokes on the manifold along with a pressure gauge. Upper kelly cock valve with handle available. Safety valve and subs to fit all drill string connections in use. All BOP equipment connections subjected to pressure will be flanged, welded, or clamped. Fill up line above the upper most preventer.

9) Mud program:

Top	Bottom	Mud Wt.	Vis	PV	YP	Fluid Loss	Type System
0	800	8.5 to 8.9	32 to 36	6 - 12	2 - 8	NC	Fresh Water
800	3,400	9.8 to 10.0	28 to 30	1 - 6	1 - 6	NC	Brine
3,400	7,500	8.9 to 9.1	28 to 36	1 - 6	1 - 6	NC	Fresh Water

10) Logging, coring, and testing program:

No drill stem test are planned
 Total depth to intermediate: CNL, Caliper, GR, DLL,
 Intermediate to surface: CNL, GR
 No coring is planned

11) Potential hazards:

No abnormal pressure or temperature is expected. No H2S is known to exist in the area.
 Lost circulation can occur in, lost circulation will be on location and readily available if needed.

12) Anticipated Start Date	ASAP
Duration	15 days