

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-102917

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
RKI Exploration & Production, LLC.

3a. Address
3817 NW Expressway, Suite 950
Oklahoma City, OK. 73112

3b. Phone No. (include area code)
405-996-5767

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NE1/4NE1/4, Section 21, T. 26 S., R. 30 E.

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
RDX & RDU Frac Pit

9. API Well No.

10. Field and Pool or Exploratory Area
Undesignated & Ross Draw Bone Spring

11. Country or Parish, State
Eddy

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 Frac Pit
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Fresh Water</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>PIT</u>

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. x 6 ft. deep Frac Pit with a 50 ft. buffer for spoil piles for a total of a 350 x 350 ft. staked and archaeologically cleared area.

The location is situated about 600 ft. southwest of the existing RDX 21-14 well and is on the west side of RKI's SWD pipeline and proposed access road to the RDX 21-24 well. (See attached map)

The pit is situated in the middle of the 7 horizontal wells to be drilled. Temporary lines will be laid along existing roadways to the north, to serve the RDX 17-1H, the RDX State 16-1H, the RDU 22-1H. Temporary lines will be laid south, alongside the existing SWD pipeline and then existing roadways to serve the RDX 21-1H, the RDX 28-1H, the RDU 27-1H & 2H wells.

The proposed road from the RDX 21-14, south, on west side of the existing RKI SWD pipeline, to the RDX 21-24, which has not been built yet, will need to be constructed to the pit. The road will be a 900 ft. road with a 14 ft. driving surface. This road has already been approved.

Boone archaeological services will submit a cultural report on the pit to the Carlsbad BLM Field Office.

Upon completion of the wells, the pit will be reclaimed by removing any liner, filling in pit and spreading topsoil over the top and reseeded with the BLM seed mixture stipulated by the BLM.

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

BARRY W. HUNT (575-361-4078)

Title Permitting Agent for RKI Exploration & Production, LLC

Signature

Barry W. Hunt

Date

9/17/10

RECEIVED

NOV 04 2010

NMOC D ARTESIA

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Don Peterson

FIELD MANAGER

OCT 29 2010

Title

Date

Office

CARLSBAD FIELD OFFICE

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.

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)

Lease #: NM-102917
RKI Exploration & Production, LLC.

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.
 - Reclamation efforts will commence immediately after the frac pond is no longer needed for the purpose of completing wells.
 - Confine all construction and maintenance activity to the authorized area.
 - 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 plastic lining will be removed prior to final abandonment

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.

- | | |
|---|--|
| <input type="checkbox"/> seed mixture 1 | <input checked="" type="checkbox"/> seed mixture 3 |
| <input type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input type="checkbox"/> LPC mixture | <input type="checkbox"/> Aplomado Falcon mix |

10. Special Stipulations:

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 # 10-1247