

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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-27994A

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 &amp; Production, LLC. ✓

## 3a. Address

3817 NW Expressway, Suite 950  
Oklahoma City, Ok. 73112

## 3b. Phone No. (include area code)

405-996-5750

## 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

990 FNL &amp; 660 FWL, Section 17, T. 23 S., R. 26 E.

UL D ✓

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

## 8. Well Name and No.

Saragossa Fed Com 17 #1

## 9. API Well No.

30-015-31529

## 10. Field and Pool or Exploratory Area

Carlsbad Morrow South

## 11. Country or Parish, State

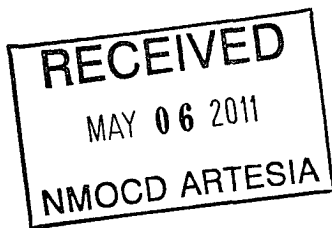
Eddy

## 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 Plug back & recomplete well. to upper penn shale
	<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 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 recomplete 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 recompletion 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.)

See attached procedure

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

BARRY W. HUNT

Title Permit Agent for RKI Exploration &amp; Production, LLC.

Signature

Date

3/7/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

APPROVED

MAY 2 2011

/s/ Chris Walls

BUREAU OF LAND MANAGEMENT

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)

## RKI Exploration and Production, LLC

**LEASE:** Saragossa  
**WELL:** 17 Fed Com 1  
**LOCATION:** Section 17-23S-26E  
**COUNTY/STATE:** Eddy County, New Mexico

**TOTAL DEPTH:** 11741'

**PBTD:** 11350'

**KB:** 21' above GL

### CASING RECORD:

- 13 <sup>3</sup>/<sub>8</sub>" 48# H-40 8rd ST&C casing set at 677'. Cemented with 550 sx. Circulated to surface.
- 9 <sup>5</sup>/<sub>8</sub>" 36# J-55 8rd ST&C casing set at 2773'. Cemented with 825 sx. Circulated to surface.
- 7" 23# and 26# Grade Unknown, set at 9664'. Cemented with 500 sx. TOC at 2320'
- 4 <sup>1</sup>/<sub>2</sub>" 13.5# S-95 8rd LT&C set at 11741'. Cemented with 300 sx. Liner top at 9350'

### PROCEDURE:

1. MIRU workover rig. NU BOPE. TOH with tubing and tally.
2. RU wireline and RIH with GR/JB to approximately 10200'. Set CIBP and dump 10' of cement on top. *at 10500'* *35'*
3. TIH with 7" packer on 3 <sup>1</sup>/<sub>2</sub>" 9.3# P-110 tubing and set at approximately 9300' (just above liner top). Load back side with 10 ppg brine and test plug to 8500 psi.
4. Perforate Lower Penn Shale as follows:

9916 - 9918'	2'	1 shots per 1 ft	4 holes
9920 - 9923'	3'	1 shots per 1 ft	3 holes
9950 - 9952'	2'	2 shots per 1 ft	4 holes
9971 - 9981'	10'	1 shots per 1 ft	10 holes
9999 - 10002'	3'	1 shots per 1 ft	3 holes
10016 - 10017'	1'	3 shots per 1 ft	3 holes
10022 - 10024'	2'	2 shots per 1 ft	4 holes

5. Frac as follows:

2500 gal 15% HCL diverting with 62 bioballs  
40000 gal Slick Water  
30000 gal Slick Water with .25 ppg 100 Mesh  
30000 gal Slick Water with .50 ppg 100 Mesh  
30000 gal Slick Water with .75 ppg 100 Mesh  
15000 gal Slick Water with 1.00 ppg 100 Mesh  
15000 gal Slick Water with 2.00 ppg 100 Mesh  
25000 gal Water Frac G - R (11)  
15000 gal Water Frac G - R (11) with .75 ppg 40/70 Premium White Sand  
15000 gal Water Frac G - R (11) with 1.00 ppg 40/70 Premium White Sand  
15000 gal Water Frac G - R (11) with 1.50 ppg 40/70 Premium White Sand  
12000 gal Water Frac G - R (11) with 2.00 ppg 40/70 Premium White Sand  
10000 gal Water Frac G - R (11) with 3.00 ppg CRC 40/70  
Flush with 10 ppg brine

6. Release packer and TOH. TIH with 4 ½" frac plug and set at approximately 9904'. TIH with 3 ½" 9.3# P-110 tubing and 7" packer. Set packer at approximately 9300' (just above liner top). Load backside with 10 ppg brine and test plug to 8500 psi.

7. Perforate Upper Penn Shale as follows:

9767 - 9769'	2'	2 shots per 1 ft	4 holes
9785 - 9787'	2'	2 shots per 1 ft	4 holes
9801 - 9804'	3'	1 shots per 1 ft	3 holes
9845 - 9849'	4'	1 shots per 1 ft	4 holes
9855 - 9858'	3'	1 shots per 1 ft	3 holes
9866 - 9867'	1'	3 shots per 1 ft	3 holes
9871 - 9872'	1'	3 shots per 1 ft	3 holes
9880 - 9882'	2'	1 shots per 1 ft	2 holes
9894 - 9898'	4'	1 shots per 1 ft	4 holes

8. Frac as follows:

2500 gal 15% HCL diverting with 60 bioballs  
40000 gal Slick Water  
30000 gal Slick Water with .25 ppg 100 Mesh  
30000 gal Slick Water with .50 ppg 100 Mesh  
30000 gal Slick Water with .75 ppg 100 Mesh  
15000 gal Slick Water with 1.00 ppg 100 Mesh  
15000 gal Slick Water with 2.00 ppg 100 Mesh  
25000 gal Water Frac G - R (11)  
15000 gal Water Frac G - R (11) with .75 ppg 40/70 Premium White Sand  
15000 gal Water Frac G - R (11) with 1.00 ppg 40/70 Premium White Sand  
15000 gal Water Frac G - R (11) with 1.50 ppg 40/70 Premium White Sand  
12000 gal Water Frac G - R (11) with 2.00 ppg 40/70 Premium White Sand  
10000 gal Water Frac G - R (11) with 3.00 ppg CRC 40/70  
Flush

9. Flow back and test.

10. Release packer and TOH laying down frac string. TIH with production equipment and place well on production. (submersible pump or possible gas lift depending on compression needs and production volume).