

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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-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 & Production, LLC.

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

3b. Phone No. (include area code)
405-996-5750

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

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

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

11. Country or Parish, State
Eddy

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

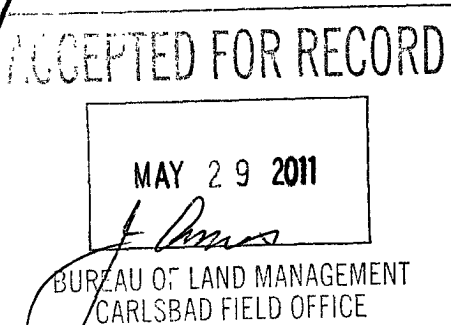
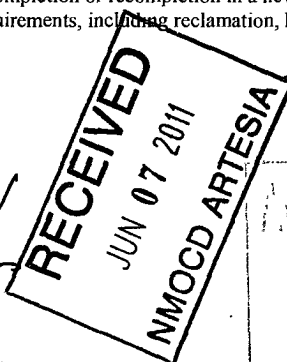
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 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

Provide Date Work Completed
Submit 3160-4 Recompletion

At zone Abandonment/Plugging
Spot additional 35 (D.Bail) or
25 SX Plug.



Accepted for record - NMOC
D22 6-20-11

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

BARRY W. HUNT

Title Permit Agent for RKI Exploration & Production, LLC.

Signature

Date

5/25/11.

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

(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: 9885'

KB: 21' above GL

CASING RECORD:

- 13 ³/₈" 48# H-40 8rd ST&C casing set at 677'. Cemented with 550 sx. Circulated to surface.
- 9 ⁵/₈" 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 ¹/₂" 13.5# S-95 8rd LT&C set at 11741'. Cemented with 300 sx. Liner top at 9350'

PROCEDURE:

1. MIRU workover rig. NU BOP, TOH with tubing.
2. Set CIBP at 10215', dump 1 sack cement on plug. Test plug to 1500 psi.
3. TIH with workstring and packer. Set packer at 9345'. Test CIBP to 5200 psi.
4. Perforate Penn Shale, 9916 – 10024'. Broke down perfs with 1500 gal MCA.
5. Attempt to frac, screened out with 100 mesh on perfs.
6. Added additional perfs, 9914 – 10024'.
7. Frac with 8844 bbls water and 76700 lbs 100 mesh, 58900 lbs 40/70 Premium White, 26500 lbs 40/70 CRC Resin Coated. Release packer and TOH.
8. Set frac plug at 9904', Perforate Penn Shale 9761 – 9898'. Bottom perfs appear to be communicated with first frac. Set second frac plug at 9885'.
9. TIH with workstring and packer. Set packer at 9299'. TOH and lay down workstring, wait on frac date. Run 2 3/8" tubing in well.
10. MIRU workover rig. NU BOP, TOH with tubing.
11. TIH with workstring and packer. Set packer at 9344'.
12. Frac 9761 – 9882' perfs with 6036 bbls water and 90000 lbs 100 mesh, 64250 lbs 40/70 Premium White, 30000 lbs 40/70 CRC Resin Coated.
13. Release packer and TOH laying down workstring.
14. Drill out frac plugs.
15. Place well on production.

During the recompletion the "COA" was not communicated with the consultant doing the work. A CIBP was set above the existing Morrow perfs and 1 sack of cement dumped on top. The plug was pressure tested to 5200 psi.

Within the permit "COA" it was required to spot 210' of cement 10770' to 10980', plus a CIBP, plus 35' of cement on the CIBP.

We would like to request dumping an additional 35' of cement on top of the existing CIBP. At the time the well is plugged the cement and CIBP could be drilled out and a cement plug spotted across the entire Atoka/Morrow interval.

Existing perfs before Penn Shale workovers:

10561 – 10568'

CIBP at 11350'

11411 – 11418'

11430 – 11437'

11586 – 11591'