

Form 3160-5
(August 2007)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-61349 (BHL)

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
RKI EXPLORATION & PRODUCTION, LLC.3a. Address
3817 NW EXPRESSWAY, SUITE 950
OKLAHOMA CITY, OK 731123b. Phone No. (include area code)
405-996-5750 (BILL AUBREY)

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

8. Well Name and No.
LONGVIEW DEEP FEDERAL #219. API Well No.
30-015-3796710. Field and Pool or Exploratory Area
UNDESIGNATED MORROW4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 1830 FNL & 200 FEL, SECTION 1, T. 23 S., R. 28 E.
BHL: 1400 FNL & 700 FWL, SECTION 6, T. 23 S., R. 29 E.11. Country or Parish, State
EDDY, NM

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 CHANGE
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	BOTTOM HOLE
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	LOCATION

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. REQUESTS APPROVAL TO CHANGE THE BOTTOM HOLE LOCATION FROM 1400 FNL TO 1650 FNL AND FROM 700 FWL TO 725 FWL, (1650 FNL & 725 FWL) IN SECTION 6, T. 23 S., R. 29 E. SURFACE LOCATION WILL STAY THE SAME.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

FEB 29 2012

NMOCD ARTESIA

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

2/14/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

Date

APPROVED

FEB 21 2012

s/ Chris Walls

BUREAU OF LAND MANAGEMENT
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)

Longview Deep Federal 6-21

SHL: 1,830' FNL & 200' FEL Section 1-23S-28E

BHL: 1,400' FNL & 700' FWL Section 6-23S-29E

Eddy County, New Mexico

Sundry:

7" 26# HCP-110 LT&C casing will be cemented to surface

Intermediate	8.75	inch			
Pipe OD	7	inch			
Setting Depth	11700	ft			
Annular Volume	0.1503	cf/ft	0.1585	cf/ft	2600 ft
Excess	0.25		25	%	
DV Tool	5000	ft			

Stage 1

Lead:	886	sx	1.42	cf/sk	13	ppg
Lead: PVL + 2% PF174 + .3% PF167 + .1% PF65 + .2% PF13 + .25 pps PF46						
TOC		DV tool				

Stage 2

Lead	351	sx	2.04	cf/sk	12.6	ppg
Tail	100	sx	1.47	cf/sk	13.0	ppg
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:			0 ft			

4 1/2" 13.5# P-110 LT&C casing will have a 500' overlap in the 7" Intermediate casing

Production Liner	6.125	inch			
Pipe OD	4.5	inch			
Setting Depth	13500	ft			
Annular Volume	0.0942	cf/ft	0.1044	cf/ft	500 ft
Excess	0.25		25	%	
Top of Liner	11200	ft			

Lead:	247	sx	1.21	cf/sk	14.6	ppg
Lead: PVL + 2% PF174 + .3% PF167 + .1% PF65 + .2% PF13 + .25 pps PF46						
TOC		Top of liner				

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	RKI EXPLORATION
LEASE NO.:	NM61349
WELL NAME & NO.:	LONGVIEW DEEP FEDERAL 6-21
SURFACE HOLE FOOTAGE:	1830' FNL & 0200' FEL, Sec. 1, T. 23 S., R. 28 E.
BOTTOM HOLE FOOTAGE:	1400' FNL & 700' FWL, Sec. 6, T. 23 S., R. 29 E
COUNTY:	Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. **Due to recent H2S encounters in the salt formation, it is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide prior to drilling out the surface shoe. If Hydrogen Sulfide is encountered, please report measurements and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
4. **The record of the drilling rate along with the CAL/GR/N well log run from TD to surface will be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

Formation below the 13-3/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

- ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst and potash. Casing is to be set below the base of salt and above the Ramsey sand.

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

3. The minimum required fill of cement behind the **7** inch production casing is:

a. First stage to DV tool, cement shall:

- ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

b. Second stage above DV tool, cement shall:

- ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst and potash.

Formation below the 7" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

4. The minimum required fill of cement behind the **4-1/2** inch production liner is:

- ☒ Cement and top of liner should tie-back at least **500** feet into previous casing string. Operator shall provide method of verification.

5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M) psi. 5M/10M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.**
3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
 - b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (18 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - c. The results of the test shall be reported to the appropriate BLM office.
 - d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
 - e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

- f. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

F. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

CRW 022112