

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. NMNM102917
2. Name of Operator RKI EXPLORATION & PROD LLC		6. If Indian, Allottee or Tribe Name
Contact: BILL AUBREY E-Mail: baubrey@rkixp.com		7. If Unit or CA/Agreement, Name and/or No
3a. Address 3817 NW EXPRESSWAY SUITE 950 OKLAHOMA CITY, OK 73112	3b. Phone No. (include area code) Ph: 405-996-5750 Fx: 405-949-2223	8. Well Name and No RDX FEDERAL 21 34
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 21 T26S R30E NESE 2310FSL 990FEL		9. API Well No 30-015-39941-00-X1
		10. Field and Pool, or Exploratory BRUSHY 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
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 shall 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 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 Exploration & Production requests permission to modify the drilling program for the RDX 21 FED 34 well. Please see the attached.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL****Approval Subject to General Requirements
& Special Stipulations Attached****RECEIVED**

MAR 22 2012

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #132769 verified by the BLM Well Information System For RKI EXPLORATION & PROD LLC, sent to the Carlsbad Committed to AFMSS for processing by WESLEY INGRAM on 03/13/2012 (12WWW1005356)	
Name (Printed/Typed) BILL AUBREY	Title REGULATORY
Signature (Electronic Submission)	Date 03/12/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By TED MORGAN	Title PETROLEUM ENGINEER	Date 03/19/2012
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 Carlsbad		

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 ****

Sundry for hole size 8 3/4" to 7 7/8":

Well RDX Federal 21-34
 Location 2,310 FSL 990 FEL
 Section 21-26S-30E
 County Eddy
 State New Mexico

Casing program:

Hole Size	Top	Bottom	OD Csg	Wt/Grade	Connection	Collapse Design Factor	Burst Design Factor	Tension Design Factor
17 1/2"	0	805	13 3/8"	54.5#/J-55	ST&C	3.24	6.59	11.72
12 1/2"	0	3,450	9 5/8"	40#/J-55	LT&C	1.35	5.38	3.77
7 7/8"	0	7,500	5 1/2"	17#/N-80	LT&C	1.93	1.55	2.73

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 0.25 25 %
 Total Annular Volume 780 cf
 With Excess 975 cf
 DV Tool Depth 5000 ft

Stage 1

Lead: 368 sx 1.47 cf/sk 13.0 ppg

Lead: PVL + 1.3% PF44 + 5% PF174 + .5% PF606 + .1% PF153 + .2% PF13

Top of cement: DV tool

Stage 2

Lead: 140 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 + .2% PF13 + .125 pps PF29 + .25% PF46

Tail: PVL + 1.3% PF44 + 5% PF174 + .5% PF606 + .1% PF153 + .2% PF13

Top of cement: 3,150 ft

Sundry for BOP testing:

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" casing 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" will be hung in the wellhead and the stack will not be broke 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 vavle 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.

RDV Federal 21 34
RKI Exploration & Production, LLC
30-015-39941
Mar 19, 2012
Conditions of Approval

Summary of Current Status:

- Original APD Approved Feb 2012 as Brushy Draw Delaware East well.
- Original APD was for 13-3/8" x 9-5/8" x 5-1/2" casing strings and vertical design.

Requests:

Operator is requesting to:

1. Change the hole size for 5-1/2" production casing from 8-3/4" to 7-7/8".
2. Change the 2 stage cement design for the 5-1/2" casing to bring TOC to 3150' instead of 3200'.
3. Revise BOPE specification to be double ram 3M with rotating head instead of 5M BOPE used as a 3M system.
4. Pressure test casings to Onshore Order standards simultaneously with BOP testing.
(Operator has previously stated intention to use multi-bowl wellhead.)

Conditions of Approval:

Terms and Conditions of the original COA for the APD shall remain in effect, including:

- Casing Point for the 13-3/8" surface casing to be approximately 805';
- Casing Point for the 9-5/8" intermediate casing to be approximately 3450';
- Top of cement for the 5-1/2" production casing revised to be 3150'. OK. Operator to provide method of verification.
- Simultaneous BOP and casing test proposal is only approved for use of multi-bowl wellhead that will allow testing of the BOP to the required pressures.

TMM 03192012