

5. Lease Serial No.
NMNM0555443

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
8910138100

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

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 recomple 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 recompletion 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.)

(Original TD at 12,220 feet). ~~11,800~~
 150 foot (15 sks) cement plug from 11,800 to 11,950 feet.
 CIBP with 35 feet (8 sks) cement at 11,215 feet.
 4 ? inch casing set at 7,450 feet with 350 sks cement. New PBTD at 7,450 feet.
 4 ? inch TOC to be at 3,920 feet+/- to correspond with TOC for original 7 inch casing).

Perf intervals:
6,074 feet to 7,284 feet and 5,632 feet to 5,988 feet in Delaware Brushy Canyon

reclamation, have been completed, and the operator has

g this

RECEIVED
MAY 06 2014
NMOCD ARTESIA

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

5/6/14

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #234332 verified by the BLM Well Information System

For RKI EXPLORATION & PROD LLC, sent to the Carlsbad

Committed to AFMSS for processing by JENNIFER MASON on 03/17/2014 (14JAM0321SE)

Name(Printed/Typed) JODY NOERDLINGER

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 02/03/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED**

BUREAU OF LAND MANAGEMENT
BLM REVIS'D OFFICE

Additional data for EC transaction #234332 that would not fit on the form

32. Additional remarks, continued

Refer to the attached CURRENT and PROPOSED wellbore diagrams for the current bore hole details, as well as the proposed specifics of casing and cement.

RKI Exploration and Production, LLC

Ross Draw 8

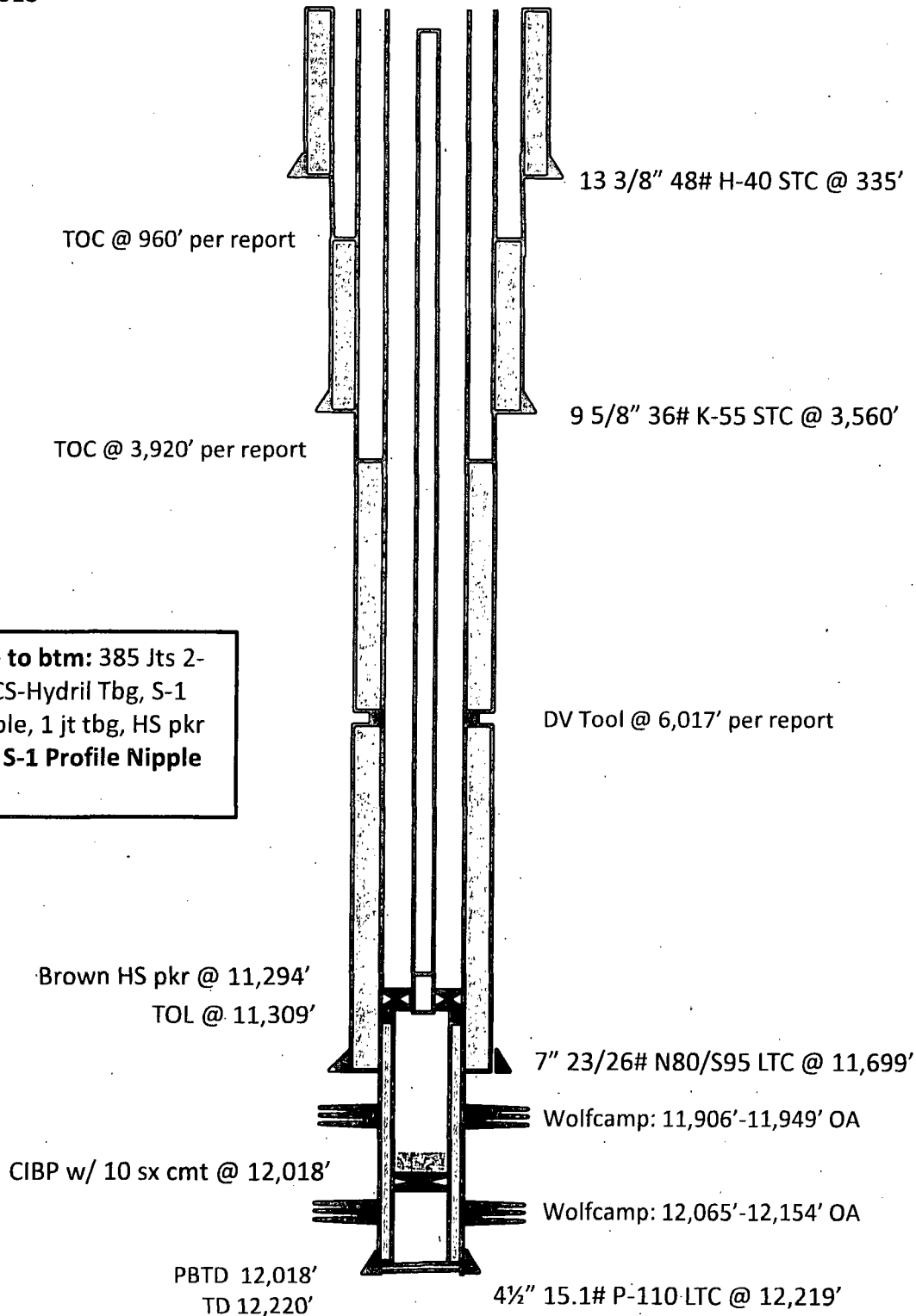
Section 27 T26S R30E
Eddy County, New Mexico
API No. 30-015-23017

CURRENT

KB - 3,028'

GL - 3,013'

12/18/13; JLM



Tubing top to btm: 385 Jts 2-7/8" 6.5# CS-Hydril Tbg, S-1 Profile nipple, 1 jt tbg, HS pkr @ 11,294', S-1 Profile Nipple @ 11,256'.

RKI Exploration and Production, LLC

Ross Draw 8
Section 27 T26S R30E
Eddy County, New Mexico
API No. 30-015-23017

PROPOSED

KB - 3,028'
GL - 3,013'

1/27/14; JLM

TOC @ 960' per report

Tubing top to btm: 5,350' 2 7/8"
6.5# J-55 EUE tubing, TAC, 8 jts 2
7/8", SN, 4' PS, 2 jts. 2-7/8" tubing,
BP. EOT @ 5,620', EOMA @ 5,700'.

Rod string top to bottom:
28'x24'x1 1/2"x1 1/4" PR/lmr, 67 ct.
(1,675') 1" Tenaris KD rods w/ SHC,
77 ct. (1,925') 7/8" Tenaris KD rods,
71 ct. (1,725') 3/4" Tenaris KD rods, 11
ct. (225') C sinker bars, 2 1/2"x1 3/4"x24'
RHBC pump (see procedure for
specific pump design).

13 3/8" 48# H-40 STC @ 335'

9 5/8" 36# K-55 STC @ 3,560'

TOC @ 3,920' per report

Tubing anchor @ 5,350'

Topper 5,632'-5,835' OA

Getty 5,898'-5,988' OA

DV Tool @ 6,017' per report

Kinarea/Cougar 6,074'-6,304' OA

Tide 6,332-6,403' OA

Castle/MWJ 6,615'-6,846' OA

162 zone 6,964'-7,284' OA

4 1/2" 11.6# HCP-110 Buttress @ 7,450'
cmt'd w/ 350 sx 15.6# Class H cmt

CIBP w/ 35' (8 sx) cmt @ 11,215'

TOL @ 11,309'

150' (15 sx) cmt plug @ 11,800'-11,950'

7" 23/26# N80/S95 LTC @ 11,699'

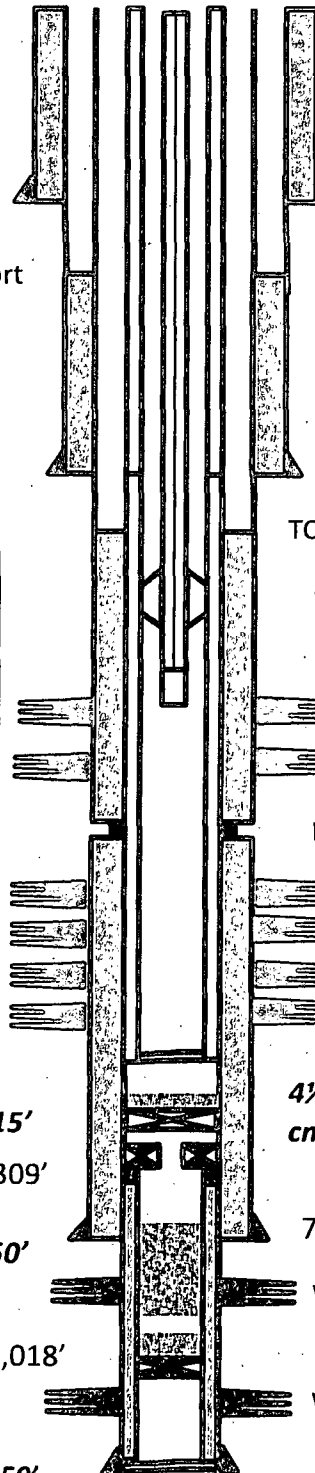
Wolfcamp: 11,906'-11,949' OA

CIBP w/ 10 sx cmt @ 12,018'

Wolfcamp: 12,065'-12,154' OA

PBTD 7,450'
TD 12,220'

4 1/2" 15.1# P-110 LTC @ 12,219'



**Ross Draw 8
30-015-23017
RKI Exploration & Production LLC
April, 29 2014
Conditions of Approval**

Work to be completed by July 29, 2014.

Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work..

- 1. Operator shall:**
 - a. Set solid Class H Cement plug from 12,000'-11,780'. WOC and Tag.**
 - or**
 - b. Set a CIBP at 11,850' and place a minimum of 25 sx (220') Class H cement on top. WOC and tag.**
- 2. Operator shall set solid Class H Cement plug from 11,750'-11,259' to cover the shoe. Tag required.**
- 3. Operator shall set CIBP at 11,215' with a minimum of 25sx Class H cement on top. Tag required.**
- 4. Operator shall set soil Class H cement plug from 10,768'-10,560' to ensure seal over Wolfcamp top.**
- 5. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails.**

NOTE: At final abandonment operator must set a plug across the Bone Spring formation at 7,335'.

- 6. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.**
- 7. Surface disturbance beyond the originally approved pad must have prior approval.**
- 8. Closed loop system required.**

9. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over 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.
10. Operator to have H2S monitoring equipment on location.
11. A minimum of a **3000 (3M)** BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
12. **Subsequent sundry required detailing work done and completion report for the new formation. Operator to include well bore schematic of current well condition when work is complete.**
13. **See attached for general requirements.**

JAM 042914

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

General Requirements for Plug Backs

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement.

Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.