

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.*5. Lease Serial No.
NMNM60773

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.8. Well Name and No.
FEDERAL AZ 19. API Well No.
30-015-2332410. Field and Pool, or Exploratory
UNDESIGNATED11. County or Parish, and State
EDDY COUNTY, NM

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: INJECTION2. Name of Operator Contact: JODY NOERDLINGER
RKI EXPLORATION & PRODUCTION-Email: jnoerdlinger@rkixp.com3a. Address
210 PARK AVE. SUITE 900
OKLAHOMA CITY, OK 731023b. Phone No. (include area code)
Ph: 405-996-5774

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

Sec 29 T26S R30E Mer NMP NESE 2080FSL 660FEL

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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 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 and Production seeks approval to plug the subject well, with the disposal formation in the Delaware from 3,555 feet to 4,480 feet.

Proposed procedures:

Pump 300 sacks Class C cement for plug from 3,475 feet to 4,480 feet. Flush with heavy mud. Set CIBP at 3,275 feet. Pump 25 sacks Class C cement. Circulate hole with heavy mud.

With tubing in hole at 2,450 feet, pump 50 sacks Class C cement. Shut down for 4 hours. Tag plug.

Minimum TOC plug at 2,350 feet.

With tubing in hole at 1,050 feet, pump 80 sacks Class C cement. Shut down for 4 hours. Tag plug.

Minimum TOC plug at 900 feet.

With tubing in hole at 150 feet, pump 50 sacks Class C cement from 3 feet to 150 feet, and circulate to surface.

From top of casing to minimum 4 feet above ground level, set 4 inch identifying marker, and clean

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL****RECLAMATION PROCEDURE
ATTACHED***LED Accepted for record 6/11/14*

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

Electronic Submission #244409 verified by the BLM Well Information System
For RKI EXPLORATION & PRODUCTION, sent to the Carlsbad
Committed to AFMSS for processing by LINDA DENNISTON on 05/06/2014 ()

NM OIL CONSERVATION

ARTESIA DISTRICT

JUN 02 2014

Name (Printed/Typed) JODY NOERDLINGER

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 05/05/2014

RECEIVED**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <i>James G. Jones</i>	Title <i>SEPS</i>	Date <i>5-28-14</i>
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 <i>CFO</i>

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #244409 that would not fit on the form

32. Additional remarks, continued

up surface location.

See attached procedure, as well as current and proposed wellbore diagrams for the subject well.

RKI Exploration and Production, LLC

Federal AZ 1 (Revised)

Section 29 T26S R30E

Eddy County, New Mexico

API No. 30-015-23324

PROPOSED

KB - 2,996'

GL - 2,981'

5/1/14; JLM

Pump 50 sx cmt from 150'-surface

NOTE: Mechanical cut casing twice
@ 400' and 320' prior to 100 sx
top-off in 12/89.

9 5/8" topped off with 100 sx "C"
TOC from 0'-150' 12/89

17 1/2" hole

TOC @ 400' per report (CBL) ✓

Pump 80 sx cmt from 1,050'-800'

13 3/8" 48# @ 950' ✓

1100 SX - Circ. 216 SX

Pump 50 sx cmt from 2,450'-2,300'

Anky 850

Del 3300

CIBP @ 3,275' w/ 25 sx cmt on plug

Delaware 3,350'-3,396'. Squeezed
off w/ 250 sx Class "H" in 11/85.
Tested to 500 psi for 15 minutes.

9 5/8" Watson Lok-set pkr w/
on/off tool @ 3,498'.

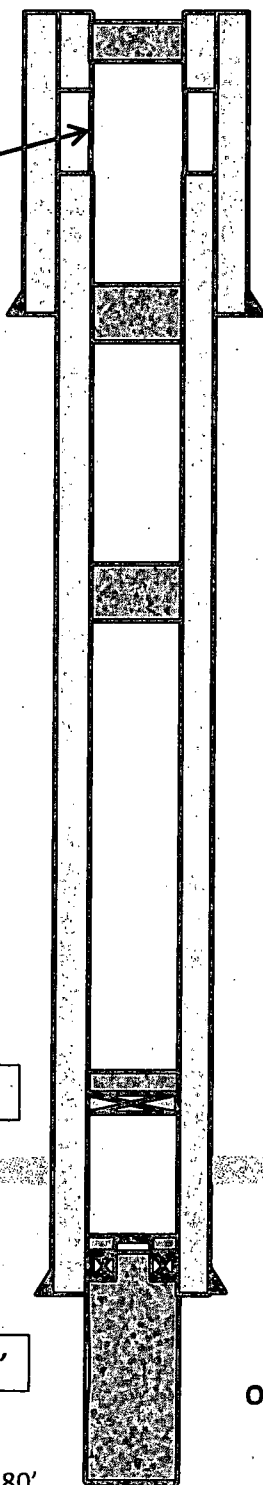
9 5/8" 36# @ 3,555'

1900 SX TOC 410 CTS

Pump 300 sx cmt from 3,475'-4,480'

OPEN HOLE: 3,555'-4,480'

TD 4,480'



RKI Exploration and Production, LLC

Federal AZ 1

Section 29 T26S R30E

Eddy County, New Mexico

API No. 30-015-23324

CURRENT

KB - 2,996'

GL - 2,981'

4/23/14; JLM

9 5/8" topped off with 100 sx "C"
TOC from 150'-Surface 12/89

TOC @ 400' per report (CBL)

13 3/8" 48# @ 950'

NOTE: Mechanical cut casing twice
@ 400' and 320' prior to 100 sx
top-off in 12/89

Tubing: 5 1/2" IC casing w/ EOT @ 3,498'

Delaware 3,350'-3,396'. Squeezed
off w/ 250 sx Class "H" in 11/85.
Tested to 500 psi for 15 minutes.

9 5/8" Watson Lok-set pkr w/
on/off tool @ 3,498'.

9 5/8" 36# @ 3,555'

OPEN HOLE: 3,555'-4,480'

TD 4,480'

RKI Exploration & Production, LLC

Federal AZ SWD 1 (Revised)

Plugging & Abandonment Procedure

Section 29 T26S R30E
Eddy County, New Mexico
API # 30-015-23324
Property No. 159100

Prepared By: Jaime McAlpine, P.E.
Email: jmc Alpine@rkixp.com

Spud Date: 6/18/80
Comp Date: 11/8/82
Reentry date: 11/6/85

Disposal Formation: Delaware 3,555'-4,480' Open Hole

KB Elev: 2,996'
GL Elev: 2,981'
TD: 3,555' **PBTD:** 3,510'

TUBULAR SUMMARY:

Surface: **13 3/8" 48#:** 0' – 950' - TOC @ surface
Production: **9 5/8" 36#:** 0' – 3,555' – TOC @ 400' per report (CBL). Topped off from 0-150' w/ 100 sx "C" cmt
Tubing: **5 1/2" 15.5#:** 0'-3,498' - Watson Lok-set packer w/ on/off tool @ 3,498'

OBJECTIVE: Plug and abandon per Federal BLM requirements.

RKI REQUIRES THAT HARD HATS, STEEL TOE BOOTS, FIRE RETARDANT CLOTHING, AND SAFETY GLASSES BE WORN ON LOCATION

HOLD SAFETY MEETING PRIOR TO COMMENCING DAILY OPERATIONS

NO IGNITION SOURCES WITHIN 100 FT OF THE WELLHEAD, TANKS OR MANIFOLD.

PROCEDURE:

- 1) Test safety anchors.
- 2) MI RU Service Unit. Set frac tank and lay flowline to tank.
- 3) ND flange, NU BOP.
- 4) MI RU casing crew. Unlatch on/off tool, POH, LD 5 1/2" IC casing. RD MO casing crew.
- 5) Deliver, unload and tally 3,600' 2 7/8" 6.5# J-55 EUE workstring.
- 6) TIH w/ on/off tool, tubing to 3,498'. Latch into on/off tool.
- 7) MI RU cementers. Pump 300 sx Class C cement (14.8 ppg, 6.3 gps, 1.32 cfs). Flush w/ 20 bbls. heavy mud. Unlatch from on/off tool. TOH w/ tubing.
- 8) TIH w/ mechanical set CIBP and set at 3,275'. POH w/ 1 jt tubing. Circulate wellbore with 250 bbls heavy mud. Pump 25 sxs Class C cement (14.8 ppg, 6.3 gps, 1.32 cfs). Flush w/ 18 bbls. heavy mud.
- 9) POH w/ tubing to 2,450', LD 825' tubing.
- 10) Pump 50 sxs Class C cement (14.8 ppg, 6.3 gps, 1.32 cfs). Flush w/ 13 bbls. heavy mud. POH w/ 20 stds tubing. SI well 4 hours WOCT. RIH and tag plug (**minimum TOC plug @ 2,350'**).

- 11) POH w/ tubing to 1,050'. LD 900' tubing.
- 12) Pump 80 sxs Class C cmt (14.8 ppg, 6.3 gps, 1.32 cfs). Flush w/ 4½ bbls. heavy mud. POH w/ 20 stds tubing. SI well 4 hours WOCT. RIH and tag plug (**minimum TOC plug @ 900'**).
- 13) POH w/ tubing to 150', LD 900' tubing.
- 14) Pump 50 sx Class C cmt (14.8 ppg/6.3 gps/1.32 cfs) and circulate cement to surface.
- 15) TOH, LD tubing.
- 16) RD MO Service Unit.
- 17) Set from top of casing to minimum 4' above ground level, a 4" in diameter marker with WO cap with operator, well name/number and date. Remove all equipment, pull safety anchors and clean up surface location.

RKI Contact List:

RKI	Title	Office	Cell
Brent Umerham	Manager-Drig & Prod Ops	405-996-5748	405-623-5080
Ken Fairchild	Production Manager	405-996-5764	469-693-6051
Gene Thompson	Production Superintendent	575-885-1313	817-908-9219
Paul Munding	Production Engineer	405-987-2140	405-820-2825
Jaime McAlpine	Engineering Consultant	405-996-5741	405-850-6685

Emergency Contacts – New Mexico:

Hospital: Carlsbad Medical Center (575) 887-4100
2430 W. Pierce St., Carlsbad, NM 88220

Sheriff's Office: Lea County Sheriff Dept (575) 396-3611
Eddy County Sheriff Dept (575) 887-7551

Emergency Contacts – Texas:

Hospital: Reeves County Hospital (432) 447-3551
2323 Texas St, Pecos TX 79772

Sheriff's Office: Reeves County Sheriff Dept (432) 445-4901
Loving County Sheriff Dept (432) 377-2411

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

**Permanent Abandonment of Federal Wells
Conditions of Approval**

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 the approval date of this Notice of Intent to Abandon.

If you are unable to plug 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. 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 plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. 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 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. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

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. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging 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 well was plugged.**

8. **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.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909, 575-361-2648 (Cell)

Cody Layton
Natural Resource Specialist
575-234-5959

Solomon Hughes
Natural Resource Specialist
575-234-5951

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Jeffery Robertson
Natural Resource Specialist
575-234-2230

Amanda Lynch
Natural Resource Specialist
575-234-5922

Duncan Whitlock
Environmental Protection Specialist
575-234-5926

Jessie Rice
Natural Resource Specialist
575-234-5913

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

Indra Dahal
Natural Resource Specialist
575-234-5996

Linda Denniston
Environmental Protection Specialist
575-234-5974