

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

Carlsbad Field Office
OCD Artesia

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. | | 7. If Unit or CA/Agreement, Name and/or No. |
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | 8. Well Name and No. LONGVIEW FEDERAL 12 2H | |
| 2. Name of Operator RKI EXPLORATION & PROD LLC | Contact: HEATHER BREHM E-Mail: hbrehm@rkixp.com | 9. API Well No. 30-015-42236-00-X1 |
| 3a. Address 210 PARK AVE SUITE 900 OKLAHOMA CITY, OK 73102 | 3b. Phone No. (include area code) Ph: 405-996-5769 Fx: 405-949-2223 | 10. Field and Pool, or Exploratory UNDESIGNATED |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 12 T23S R28E NWNE 0780FNL 1855FEL 32.193105 N Lat, 104.021676 W Lon | | 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 Change to Original APD |
| | <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 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.)

RKI respectfully requests to remove the 7" intermediate string and continue with 8.75" hole size to TD then run 5.5" production casing. Updated drilling program attached.

NM OIL CONSERVATION
ARTESIA DISTRICT
NOV 30 2015
RECEIVED

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Accepted for record
NM OCD 12/1/15

| | |
|---|--------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #324580 verified by the BLM Well Information System For RKI EXPLORATION & PROD LLC, sent to the Carlsbad Committed to AFMSS for processing by TEUNGKU KRUENG on 11/24/2015 (16TMK0004SE) | |
| Name (Printed/Typed) HEATHER BREHM | Title REGULATORY ANALYST |
| Signature (Electronic Submission) | Date 11/24/2015 |

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 _____ |

APPROVED
Teungku Muchlis Krueng
NOV 24 2015
PETROLEUM ENGINEER
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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.

RKI Exploration & Production, LLC

Well Longview 12-2H
 Location Surface: 780 FNL 1,855 FEL Sec. 12-23S-28E
 Bottom Hole: 330 FNL 1,715 FEL Sec. 1-23S-28E
 County Eddy
 State New Mexico

1) The elevation of the unprepared ground is 3,023 feet above sea level.

2) The geologic name of the surface formation is Quaternary - Alluvium.

3) A rotary rig will be utilized to drill the well to 13,973 feet and run casing.
 This equipment will then be rigged down and the well will be completed with a workover rig.

4) Proposed depth is ^{14,471} 13,973 feet

5) Estimated tops:

| | MD | TVD | | BHP = .44 psi/ft x depth |
|--------------------------------|--------|-------|-----|--------------------------|
| Base_ Lamar | 2,774 | 2,774 | | |
| Delaware | 2,820 | 2,820 | Oil | 1,241 psi |
| Cherry Canyon | 3,681 | 3,681 | Oil | 1,620 psi |
| Kingrea | 5,628 | 5,628 | Oil | 2,476 psi |
| Bone Spring Lime | 6,071 | 6,071 | Oil | 2,671 psi |
| 1st BoneSpring SS | 7,332 | 7,332 | Oil | 3,226 psi |
| KOP | 7,878 | 7,827 | Oil | 3,466 psi |
| 2nd BoneSpring SS | 8,100 | 8,088 | Oil | 3,564 psi |
| Landing Point (2nd Bonespring) | 8,777 | 8,400 | Oil | 3,696 psi |
| TD | 14,471 | 8,400 | | 3,696 psi |

6) Casing program:

| Hole Size | Top | Bottom | OD Csg | Wt/Grade | Connection | Collapse Design Factor | Burst Design Factor | Tension Design Factor |
|-----------|-------|--------|---------|-------------|------------|------------------------|---------------------|-----------------------|
| 17 1/2" | 0 | 225 | 13 3/8" | 54.5#/J-55 | ST&C | 11.41 | 55.15 | 41.92 |
| 12 1/4" | 0 | 4,000 | 9 5/8" | 40#/J-55 | LT&C | 1.15 | 4.49 | 3.25 |
| 8 3/4" | 0 | 14,471 | 5 1/2" | 17#/HCP-110 | BT&C | 2.22 | 1.55 | 4.91 |
| Collapse | 1.125 | | | | | | | |
| Burst | 1.0 | | | | | | | |
| Tension | 2.0 | | | | | | | |

7) Cement program:

Surface 17 1/2" hole
 Pipe OD 13 3/8"
 Setting Depth 225 ft
 Annular Volume 0.69462 cf/ft
 Excess 1 100 %

| | | | | |
|------|--------|------------|-------------|----------|
| Lead | 27 sx | 1.75 cf/sk | 9.13 gal/sk | 13.5 ppg |
| Tail | 200 sx | 1.33 cf/sk | 6.30 gal/sk | 14.8 ppg |

Lead: "C" + 4% PF20 + 2% PF1 + .125 pps PF29 + .2% PF46
Tail: "C" + 1% PF1

Top of cement: Surface

| | | | | |
|---------------------|---------------|--|--------------|--|
| Intermediate | 12 1/4" hole | | | |
| Pipe OD | 9 5/8" | | | |
| Setting Depth | 4,000 ft | | | |
| Annular Volume | 0.31318 cf/ft | | 0.3627 cf/ft | |
| Excess | 0.5 | | 50 % | |

| | | | | |
|------|--------|------------|-------------|----------|
| Lead | 780 sx | 1.92 cf/sk | 9.95 gal/sk | 12.6 ppg |
| Tail | 200 sx | 1.33 cf/sk | 6.32 gal/sk | 14.8 ppg |

Lead: 35/65 Poz "C" + 5% PF44 + 6% PF20 + 3 pps PF42 + .125 pps PF29 + .2% PF46 + 1% PF1
Tail: "C" + .2% PF13

Top of cement: Surface

| | | | | |
|-------------------|--------------|---------------|--------|--|
| Production | 8 3/4" hole | | | |
| Pipe OD | 5 1/2" | | | |
| Setting Depth | 13,973 ft | | | |
| Annular Volume | 0.2526 cf/ft | 0.26074 cf/ft | 300 ft | |
| Excess | 0.32 | 32 % | | |
| DV Tool Depth | 5000 ft | | | |

Stage 1

| | | | | |
|-------|--------|------------|--------------|----------|
| Lead: | 641 sx | 2.08 cf/sk | 11.94 gal/sk | 11.5 ppg |
| Tail: | 976 sx | 1.87 cf/sk | 9.53 gal/sk | 13.0 ppg |

Lead: PVL + .5% CC + .3% PF79 (extender) + .25 pps PF46 (defoamer) + 3 pps PF42 (Kolite) + .125 pps + .125 pps PF29 (Cellophane) + .2% PF13 (retarder)
Tail: PVL + 30% PF151 (calcium carbonate) + .5% PF174 (expanding agent) + .7% PF606 + .7% PF606 (gel suppressing agent) + .2% PF153 (antisetling agent) + .25 pps PF46 (antifoam) + .2% PF13 (retarder)
Top of cement: DV tool

Stage 2

| | | | | |
|-------|--------|------------|--------------|----------|
| Lead: | 108 sx | 1.89 cf/sk | 10.06 gal/sk | 12.9 ppg |
| Tail: | 175 sx | 1.33 cf/sk | 6.32 gal/sk | 14.8 ppg |

Lead: 35/65 Poz "C" + 5% PF44 (salt) + 6% PF20 (gel) + .125 pps PF29 (cellophane) + .25 pps PF46 (antifoam) + .2% PF13 (retarder)
Tail: "C" + .2% PF13 (retarder)
Top of cement: 3,700 ft

8) 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" 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" casing will be hung in the casing head and the stack will not be nipped down 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 valve 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.

9) Mud program:

| Top | Bottom | Mud Wt. | Vis | Fluid Loss | Type System |
|-------|-------------------|-------------|----------|------------|-------------|
| 0 | 225 | 8.5 to 8.9 | 32 to 36 | NC | Fresh Water |
| 225 | 4,000 | 9.8 to 10.0 | 28 to 30 | NC | Brine |
| 4,000 | 13,973 | 8.9 to 9.1 | 28 to 36 | NC | Fresh Water |

14471

10) Logging, coring, and testing program:

No drillstem test are planned

Total depth to intermediate: CNL, Caliper, GR, DLL,

Intermediate to surface: CNL, GR

No coring is planned

11) Potential hazards:

No abnormal pressures or temperatures are expected. There is no known presences of H2S in this area, although some form a of H2S detection equipment will be utilized. Gas and pit level monitoring equipment will be utilized below the 9 5/8" casing as deemed necessary. Lost circulation and weighting material will be available.

12) Anticipated start date

ASAP

Duration

25 days

Conditions of Approval
RKI
Longview 12 2H

1. The minimum required fill of cement behind the 5-1/2 inch production casing is:

- Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.