Form 3160-5 (August 2007)

Carlshad Field Office ORM APPROVED Expires: July 31, 2010 UNITED STATES

DEPARTMENT OF THE INTERIOR	T. ICIM		MB NO. 1004
	 _		Expires: July 3
BUREAU OF LAND MANAGEMENT	Andra	1888	

ים:	UREAU OF LAND MANA	ACEMENT	A STATE OF THE PARTY OF THE PAR	A 4 1	Enpires, se	119 51, 2010		
SUNDRY	NOTICES AND REPO	ORTS ON W		Artes	Lease Serial No. NMNM19612			
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name			
SUBMIT IN TRIPLICATE - Other instructions on reverse side. 1. Type of Well Other Other				7. If Unit or CA/Agreement, Name and/or No. 8. Well Name and No. RDX FEDERAL 28 13				
								Name of Operator Contact: ASHLEE FECHINO RKI EXPLORATION & PROD LLC E-Mail: ashlee.fechino@wpxenergy.com
3a. Address 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172 3b. Phone N Ph: 970.4			o. (include area code) 04.5031	e) 10. Field and Pool, or Exploratory ROSS DRAW UNKNOWN				
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, and State			
Sec 28 T26S R30E NWNE 660FNL 1980FEL 32.010787 N Lat, 103.530257 W Lon					EDDY COUNTY, NM			
12. CHECK APP	ROPRIATE BOX(ES) T	O INDICATI	E NATURE OF N	NOTICE, R	EPORT, OR OTHER	DATA		
TYPE OF SUBMISSION	TYPE OF ACTION							
Notice of Intent	☐ Acidize	☐ De	epen	☐ Produc	tion (Start/Resume)	☐ Water Shut-Off	,	
_	☐ Alter Casing	☐ Fra	cture Treat	☐ Reclam	nation	☐ Well Integrity		
☐ Subsequent Report	□ Casing Repair	□ Ne	w Construction	☐ Recom	plete	Orcher Order Vo	:	
☐ Final Abandonment Notice ☐ Change Plans ☐			and Abandon		rarily Abandon	Onshore Order Va	ırıan	
<u> </u>	Convert to Injection	n 🗖 Plu	g Back	☐ Water	Disposal			
If the proposal is to deepen direction Attach the Bond under which the wor following completion of the involve testing has been completed. Final A determined that the site is ready for RKI Exploration and Prod LLC 28-13 Federal Facility. The cost of installing and ope	ork will be performed or provid d operations. If the operation bandonment Notices shall be final inspection.) C requests permission to crating equipment necess	de the Bond No. results in a multifiled only after al	on file with BLM/BIA ple completion or recorder requirements, includer pr Combustor Uni	A. Required submpletion in a ling reclamation if the transfer of the transfer	ubsequent reports shall be new interval, a Form 316 on, have been completed, a he RDX	filed within 30 days 0-4 shall be filed once	·	
over the life of the facility and is not economic. Estimated gas volumes: 3 mcf/day (91 mcf/month)			NM OIL CONSERVATION ARTESIA DISTRICT					
		•			SEP 2 3			
					RECEIV	E D	·	
14. I hereby certify that the foregoing is	Electronic Submission	DRATION & PR	DD LLC, sent to t	the Carlsbac	l -			
	FECHINO				ECIALIST STAFF	· · · · · · · · · · · · · · · · · · ·		
Signature (Electronic	Submission)		Date 06/09/2	016				
	THIS SPACE F	OR FEDER	AL OR STATE	OFFICE U	SE			
Approved By DUNCAN WHITLOG			TitleTECHNIC	AL LPFT		Date 09/12/2	016	
Conditions of approval, if any, are attache		es not warrant or		<u></u>				
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 Carlsbar	d				

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.

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

CONDITIONS OF APPROVAL TO INSTALL VAPOR COMBUSTOR UNIT (VCU)

RKI Exploration & Production LLC RDX Federal 28 13 3001541984, NMNM19612

- 1. These conditions of approval are for installation of a VCU on low-pressure oil storage tank facilities. This approval is due to the fact that the cost of installing and operating equipment necessary to capture the gas exceeds the value of the gas over the life of the facility. The operator may be required to provide economic justification to the Authorized Officer upon request. The operator may be required to provide volume verification to the Authorized Officer upon request.
- 2. Comply with NTL-4A requirements.
- 3. If volume being combusted is less than 50 MCF of gas per day, it is considered "unavoidably lost"; therefore, no royalty obligation shall be accrued and will not be required to be reported.
 - a. "Unavoidably Lost" production shall mean (1) those gas vapors which are released (in this case combusted) from low-pressure storage tanks.
- 4. Essentially all measured combusted volumes over 50 MCF will require payment of royalties and volumes need to be reported on OGOR "B" reports as disposition code "08".
- 5. Per 43 CFR 3162.7-5(d)/Onshore Order No.3.III.I.1, site facility diagram must be submitted within 60 days of equipment installation.
- 6. This approval does not authorize any additional surface disturbance.
- 7. Subject to like approval from NMOCD.