

1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

S

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address RKI EXPLORATION & PRODUCTION, LLC. 3817 NW EXPRESSWAY SUITE 950 OKLAHOMA CITY, OKLAHOMA 73112 DEC 13 2007 OCD-ARTESIA		² OGRID Number 246289 ³ API Number 30 - 015-36123
⁴ Property Code 303271	⁵ Property Name PINNACLE STATE	⁶ Well No. 18
⁷ Proposed Pool 1 HERRADURA BEND-DELAWARE EAST (30670)		⁸ Proposed Pool 2

⁷ Surface Location

UL or lot no. G	Section 36	Township 22S	Range 28E	Lot Idn	Feet from the 2630'	North-South line NORTH	Feet from the 1685'	East/West line EAST	County EDDY
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⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East/West line	County
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Additional Well Information

⁹ Work Type Code N	¹⁰ Well Type Code O	¹¹ Cable/Rotary ROTARY	¹² Lease Type Code S	¹³ Ground Level Elevation 3120'
¹⁴ Multiple NO	¹⁵ Proposed Depth 7120'	¹⁶ Formation BONE SPRING	¹⁷ Contractor TEACO DRILLING	¹⁸ Spud Date WHEN APPROVED
Depth to Groundwater Less than 100'		Distance from nearest fresh water well unknown		Distance from nearest surface water Pecos river 2 miles Southwest
Pit Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: _____				
Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
26"	20"	53#	80'	Redi-mix	Surface
12 1/2"	9 5/8"	36#	300' ±	155 Sx.	Surface
7 7/8"	5 1/2"	17#	7120'	675 Sx.	Surface

** Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SEE ATTACHED SHEET

NSL required to produce

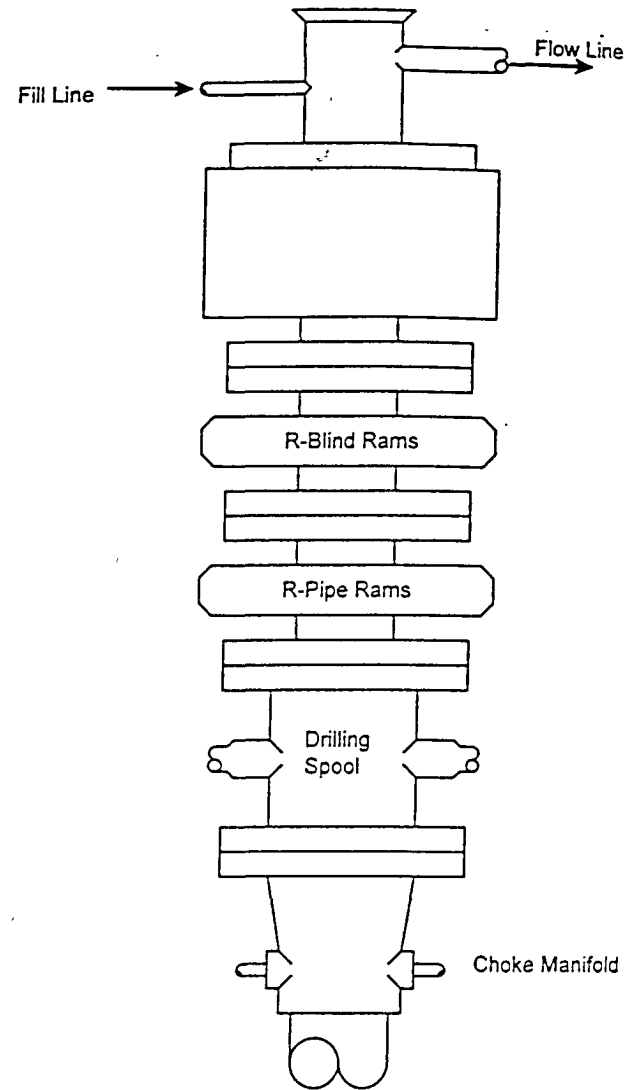
¹⁹ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION Approved by: BRYAN G. ARRANT DISTRICT II GEOLOGIST	
Printed name: Joe T. Janica		Title: Permit Engineer	
E-mail Address: joejanica@valornet.com		Approval Date: FEB 14 2008 Expiration Date: FEB 14 2008	
Date: 12/12/07	Phone: 505-391-8503	Conditions of Approval Attached <input type="checkbox"/>	

36123

1. Drill a 26" hole to 80'. Set 80' of 20" 53# conductor pipe and cement to surface with Redi-mix.
2. Drill 12½" hole to 300'±. Run and set 300' of 9 5/8" 36# J-55 ST&C CASING. Cement with 160 Sx. of Class "C" cement + 2% CaCl + ¼# Flocele/Sx (Yield 1.34) circulate cement to surface.
3. Drill 7 7/8" hole to 7120±'. Run and set 7120' of 5½" 17# J-55 ST&C casing. Cement in two stages with the DV Tool at 4000±'. Cement 1st stage with 210 Sx. of Class "C" cement + additives (Yield 2.47). Tail in with 140 Sx of Class "C" cement + additives, (Yield 1.3). Cement 2nd stage with 200 Sx. of Class "C" cement + additives (Yield 2.47). Tail in with 125 Sx. of Class "C" cement + additives (Yield 1.30). Circulate cement to surface.
4. Cement volumes on both strings of pipe may have to be re-calculated after the open hole logs have been run and volumes re-calculated from caliper logs.
5. Fresh water mud will be used to drill the surface hole and saturated brine water will be used to drill the 7 7/8" hole in order to reduce washing out the salt formation.
6. The Bureau of Land Management does not have any records of the presence of H₂S in this area. RKI Exploration & Production, LLC. has drilled wells in this area and have not encountered any H₂S while drilling their wells.

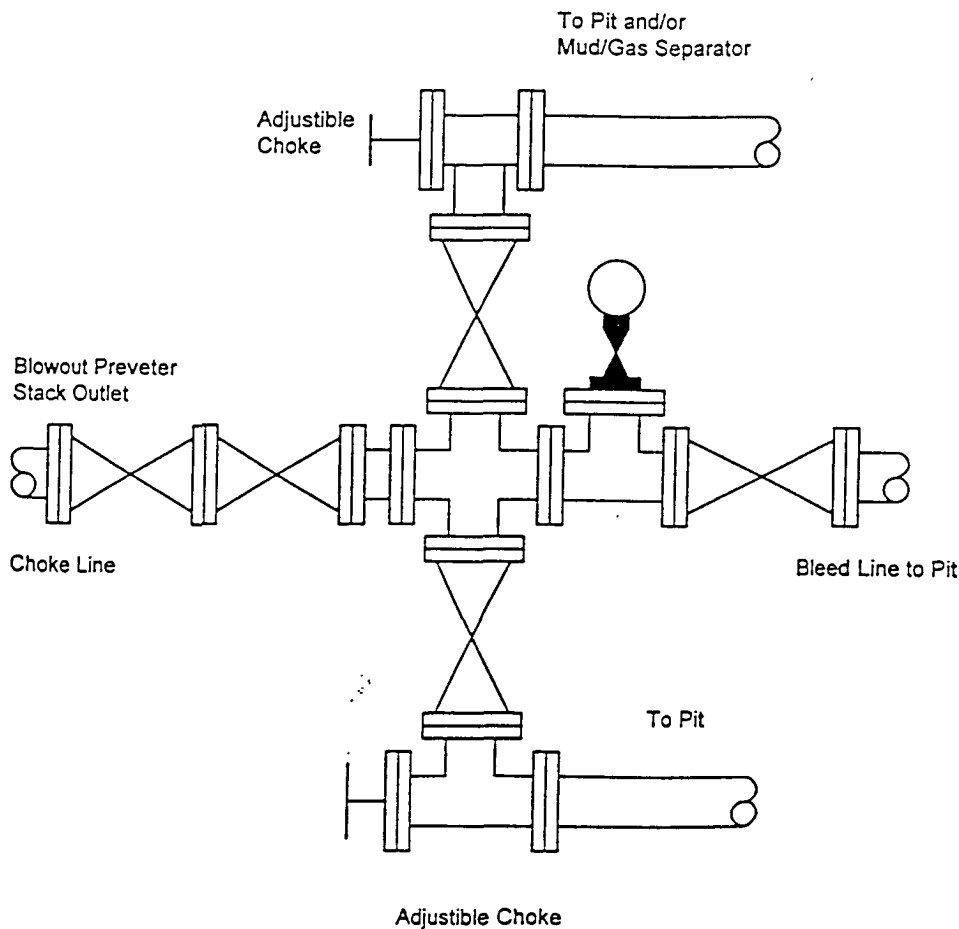
BLOWOUT PREVENTER SYSTEM

3000 PSI



Type 900 SERIES
3000 PSI WP

Choke Manifold Assembly for 5M WP System



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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 30670	Pool Name HERRADURA BEND-DELAWARE EAST
Property Code 303271	Property Name PINNACLE STATE	Well Number 18
OGRID No. 246289	Operator Name RKI EXPLORATION & PRODUCTION	Elevation 3120'

Surface Location

UL or lot No. G	Section 36	Township 22 S	Range 28 E	Lot Idn	Feet from the 2630	North/South line NORTH	Feet from the 1685	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>V-3479</p> <p>LAT N 32°20'57.67" LONG W 104°02'14.53" SPC N: 490979.889 E: 632723.893 (NAD-83)</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Joe T. Janica</i> Signature Date 12/12/-7 Joe T. Janica Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DECEMBER 3, 2007 Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>
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SECTION 36, TOWNSHIP 22 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

150' NORTH
OFF SET
3117.5'
□

RKI EXPLORATION & PRODUCTION
PINNACLE STATE #18
ELEV. - 3120'

150' WEST
OFF SET □
3115.5'

○
LAT-N 32°20'57.67"
LONG-W 104°02'14.53"
(NAD-83)

150' EAST
OFF SET □
3123.4'

□
150' SOUTH
OFF SET
3118.4'

Proposed Lease Rd. 414.2'

1.4 miles

Existing Lease Road

Co. Rd. 605 (US Refinery)

200 0 200 400 FEET

SCALE: 1" = 200'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 605 (US REFINERY RD) AND STATE HWY 31, GO NORTHWEST ON CO. RD. 605 FOR APPROX. 1.9 MILES TO A LEASE ROAD; THENCE NORTHEAST ON LEASE ROAD FOR APPROX. 1.4 MILES TO PROPOSED LEASE ROAD.

RKI EXPLORATION & PRODUCTION

REF: PINNACLE STATE #18 / Well Pad Topo

THE PINNACLE STATE #18 LOCATED 2630' FROM

THE NORTH LINE AND 1685' FROM THE EAST LINE OF

SECTION 36, TOWNSHIP 22 SOUTH, RANGE 28 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 18818

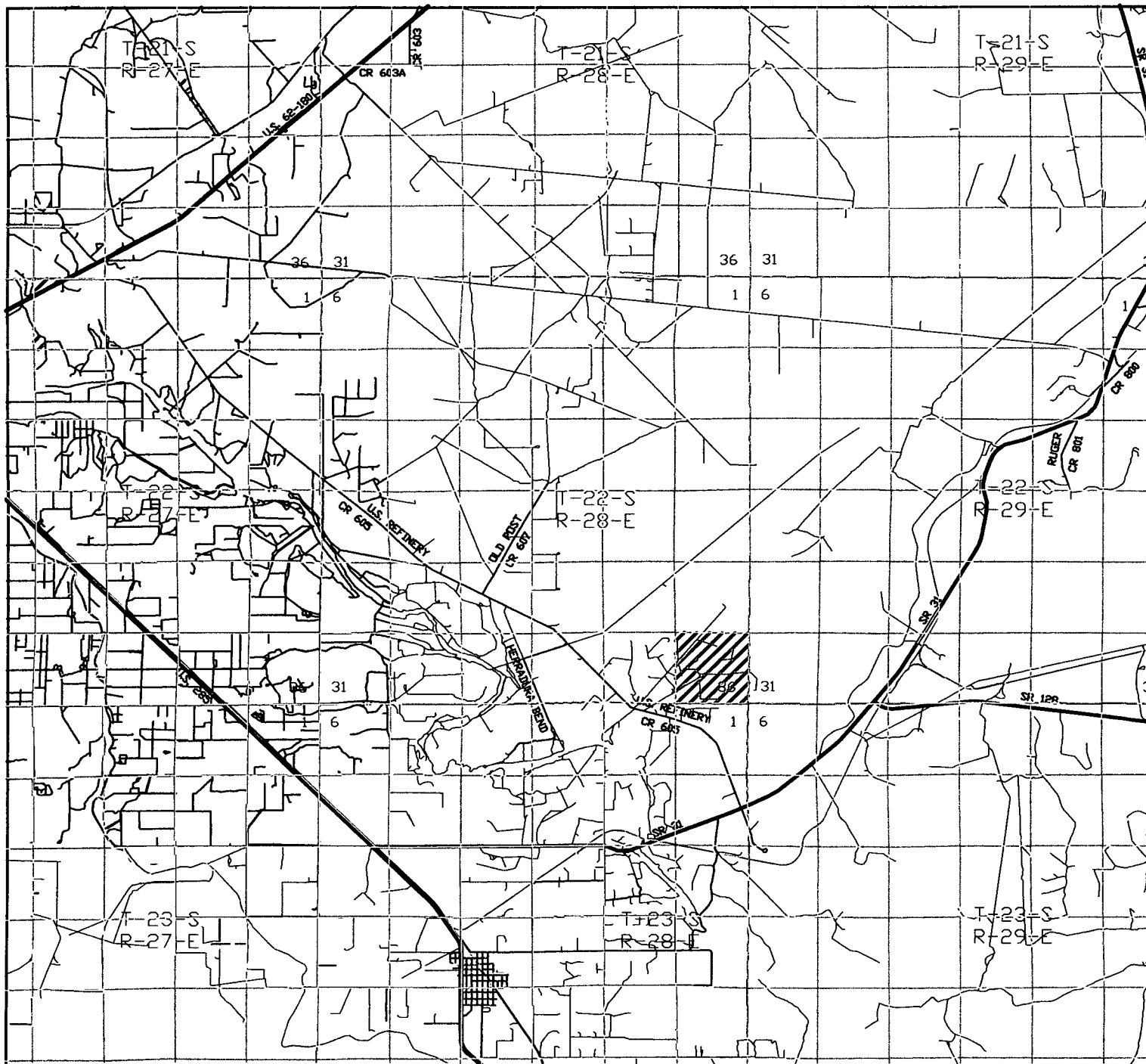
Drawn By: K. GOAD

Date: 12-04-2007

Disk: KJG 18818W.DWG

Survey Date: 11-26-2007

Sheet 1 of 1 Sheets



PINNACLE STATE #18

Located at 2630' FNL and 1685' FEL

Section 36, Township 22 South, Range 28 East,
N.M.P.M., Eddy County, New Mexico.



focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: KJG 18818TR.DWG

Survey Date: 11-26-2007

Scale: 1" = 2 MILES

Date: 12-04-2007

RKI
EXPLORATION &
PRODUCTION