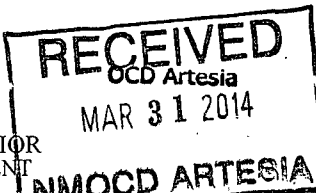


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM11038
2. Name of Operator RKI EXPLORATION AND PRODUCTION		6. If Indian, Allottee or Tribe Name
Contact: JODY NOERDLINGER Email: jnoerdlinger@rkixp.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 210 PARK AVE SUITE 900 OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-996-5774	8. Well Name and No. DIVERSE 23 FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T26S R29E Mer NMP SWSE 430FSL 2080FEL		9. API Well No. 30-015-30854
		10. Field and Pool, or Exploratory BRUSHY DRAW, DELAWARE
		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 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 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 Exploration & Production seeks approval to plug and abandon the subject well, according to these procedures:

Set CIBP at 5,050 feet. TIH with tubing to 5,025 feet. Pump 25 sacks cement.

Set CIBP at 2,950 feet. TIH with tubing to 2,925 feet. Pump 25 sacks cement.

Set CIBP at 925 feet. Cut off casing at 830 feet. TIH with tubing to 920 feet. Pump 75 sacks cement. Lay down tubing to 150 feet. Pump 40 sacks cement. Cut off casing 3 feet below ground level and cap. Remove all equipment, pull safety anchors, and clean up location.

Please see current and proposed wellbore diagram and proposed P&A procedures.

Add Plug 2450 - 2330. WOC Tag.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #238080 verified by the BLM Well Information System For RKI EXPLORATION AND PRODUCTION, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH HAM on 03/07/2014 ()		RECLAMATION PROCEDURE ATTACHED
Name (Printed/Typed) JODY NOERDLINGER	Title REGULATORY ANALYST	
Signature (Electronic Submission)	Date 03/07/2014	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>James G. Ames</i>	Title <i>SEPS</i>	Date <i>3-19-14</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>CHO</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 ****

RKI Exploration & Production, LLC

Diverse 23 Federal 1

Plugging & Abandonment Procedure

Section 23 T26S R29E
Eddy County, New Mexico
API # 30-015-30854
Property No. 159000

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

Spud Date: 1/16/2000
Comp Date: 3/7/2000

Producing Formation: Delaware 5,112'-5,156' OA'

KB Elev: 2,919'
GL Elev: 2,907'
TD: 5,250' **PBTD:** 5,185'

TUBULAR SUMMARY:

Surface: 8 5/8" 23# M-50 STC: 0' - 820' - TOC at surface
Production: 5 1/2" 15.5# M-50 STC: 0' - 5,226' - TOC @ 870' per report
Tubing: N/A

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/tubinghead. NU BOP.
- 4) Deliver, unload and tally 5,100' 2 7/8" 6.5# J-55 EUE workstring.
- 5) MI RU wireline. RIH w/ JB/GR to 5,075'. RIH and set CIBP @ 5,050'. **(NOTE: DO NOT SET CIBP IN CASING COLLAR)**.
- 6) TIH w/ tubing to 5,025'. MI RU cementers. Circulate wellbore with 100 bbls heavy mud. Pump 25 sxs Class C cmt (14.8 ppg, 6.3 gps, 1.32 cfs). Flush w/ 27 bbls. heavy mud.
- 7) TOH w/ tubing, LD 2,100'.
- 8) RIH w/ JB/GR to ²¹⁰⁰3,000'. RIH and set CIBP @ ²¹⁰⁰2,950'. **(NOTE: DO NOT SET CIBP IN CASING COLLAR)**.
- 9) TIH w/ tubing to ²¹⁰⁰2,925'. Tag CIBP
- 10) Pump 25 sxs Class C cmt (14.8 ppg, 6.3 gps, 1.32 cfs). Flush w/ 15 bbls. heavy mud. WOC Tag 2828'
Add plug 2450-2350. WOC Tag.
- 11) TOH w/ tubing, LD 2,000'.

- 12) RIH w/ JB/GR to 975'. RIH and set CIBP @ 925' (**NOTE: DO NOT SET CIBP IN CASING COLLAR**).
- 13) ND BOP. WO lift sub on casing. Pull free point on casing, pull casing slips. Cut-off casing @ 830'. RD MO wireline unit.
- 14) TIH w/ tubing to 920'. Pump 75 sxs Class C cmt (14.8 ppg, 6.3 gps, 1.32 cfs) and flush w/ 3½ bbls of mud. TOH w/ tubing. SI well 4 hours. TIH and tag plug (maximum tag depth 720'). *770' min*
- 15) TOH, LD tubing to 150'.
- 16) Pump 40 sx Class C cmt (14.8 ppg/6.3 gps/1.32 cfs) and circulate cement to surface.
- 17) TOH, LD tubing.
- 18) RD MO Service Unit.
- 19) Cut off casing 3' below ground level. 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 UMBERHAM	Manager-Drlg & 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

RKI Exploration and Production, LLC

Diverse 23 Federal 1

Section 23 T26S R29E

Eddy County, New Mexico

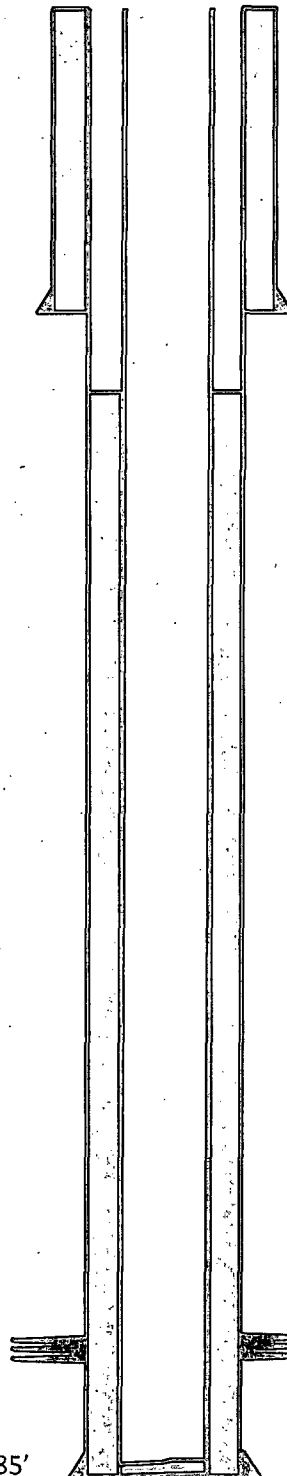
API No. 30-015-30854



KB - 2,919'

GL - 2,907'

3/6/14; JLM



8 5/8" 23# M-50 ST&C @ 820'

TOC @ 870' per report

Tubing: N/A
Rod String: N/A

Delaware 5,112'-5,156' OA

PBTD 5,185'
TD 5,250'

5 1/2" 15.5# M-50 ST&C @ 5,226'

RKI Exploration and Production, LLC

Diverse 23 Federal 1
Section 23 T26S R29E
Eddy County, New Mexico
API No. 30-015-30854

KB - 2,919'

GL - 2,907'

PROPOSED

3/6/14; JLM

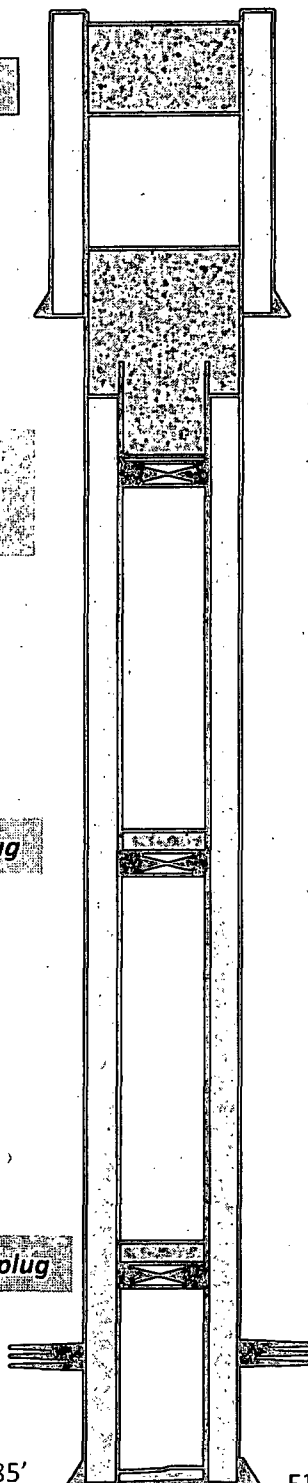
12 1/4" hole

Pump 40 sx cmt from 150' surface

CIBP @ 925' w/ 75 sx cmt on plug
and across casing stub with TOC
calculated to be at minimum 670'

CIBP @ 2,950' w/ 25 sx cmt on plug

CIBP @ 5,050' w/ 25 sx cmt on plug



Circ. w/ 7 1/2" sx cmt.

8 5/8" 23# M-50 ST&C @ 820' ✓

TOC @ 870' per report (CBL)

Anky. 1330

7/50H 2400

7 7/8" hole

B/salt 2878

Curves 3067

Bell Pyt 3100

Cherry Cr 4014

Boushy Cr 5250

Delaware 5,112'-5,156' OA

PBTD 5,185'
TD 5,250'

1100 sx cmt
5 1/2" 15.5# M-50 ST&C @ 5,226'

**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

Interim Reclamation 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.

Interim reclamation consists of minimizing the footprint of disturbance by reclaiming all portions of the well site not needed for production operations. The portions of the cleared well site not needed for operational and safety purposes are recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Sufficient level area remains for setup of a workover rig and to park equipment. Topsoil is respread over areas not needed for all-weather operations. Production facilities should be clustered to maximize the opportunity for interim reclamation. In order to inspect and operate the well or complete workover operations, it may be necessary to drive, park, and operate on restored, interim vegetation within the previously disturbed area. This is generally acceptable provided damage is repaired and reclaimed following use.

To reduce final reclamation costs; maintain healthy, biologically active topsoil; and to minimize habitat, visual, and forage loss during the life of the well, all salvaged topsoil should be spread over the area of interim reclamation, rather than stockpiled.

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). Interim reclamation is to be completed within 6 months of well completion.
3. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with interim reclamation as per approved APD or Sundry Notice. 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.
4. 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.
5. 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 there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909 (Office), 575-361-2648 (Cell)

Linda Denniston
Environmental Protection Specialist
575-234-5974

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

Mike Burton
Environmental Protection Specialist
575-234-2226

Jeffery Robertson
Natural Resource Specialist

Solomon Hughes
Natural Resource Specialist
575-234-5951

Douglas Hoag
Civil Engineering Technician
575-234-5979