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It cast-off with your to Suit all again with the source of the subject lase which would entite the applicant to conduct operations as to any matter within its jurisdiction. Shots Soz cast to subject to the subject lase within its jurisdiction. 14. 1 hereby certify that the foregoing is true and correct. Electronic Submission #267212 verified by the BLM Well Information System For RKI EXPLORATION AND PRODUCTION, sent to the Carlsbad Committed to AFMSS for processing by LINDA DENNISTON on 12/02/2014 () Sucr for a ce both and the application of the carlsbad Committed to AFMSS for processing by LINDA DENNISTON on 12/02/2014 () Name(Printed/Typed) JODY NOERDLINGER Title REGULATORY ANALYST ACC optical is in the carlsbad Committed to AFMSS for processing by LINDA DENNISTON on 12/02/2014 () Name(Printed/Typed) JODY NOERDLINGER Title REGULATORY ANALYST ACC optical is in the context optical is a context operations thereon. Approved By Approved of this notice does not warrant or certify that the applicant to conduct operations thereon. Title Subject for any context optical is a conduct operations thereon. Office Check Office Check Office Check Not subject lease which would entite the applicant to conduct operations as to any matter within its jurisdiction. Office Check	Please see the attached detail	led procedure and well bo	re diagram.			ant 7	
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Signature (Electronic Submission) Date 09/30/2014 ATTACHED THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved By Title SPACE for FEDERAL OR STATE OFFICE USE Approved By Title SPACE for FEDERAL OR STATE OFFICE USE Conditione of approval, if any, are attached. Approval of this notice does not warrant or ertify 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 CFO Office If C Vite 18 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.	Name(Printed/Typed) JODY NO	ERDLINGER		Title REGUL	ATORY AN		w bodernebr
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Prepared By: Jaime McAlpine, PE Email: jmcalpine@rkixp.com

RKI Exploration & Production, LLC UCBHWW Federal 2

Plugging and Abandonment Procedure

Brushy Draw

Section 25 T26S R29E Eddy County, NM

API # 30-015-24248 Property No. 157600

Spud Date:9/14/82Comp Date:10/8/82

Producing Formations: Cherry Canyon 5,071'-5,244' OA Getty 5,449'-5,583' OA

 KB Elev:
 2,923'

 GL Elev:
 2,918'

 TD:
 6,285'

 PBTD:
 5,285'

 Marker Joint:
 DV Tool @ 4,385'

CASING SUMMARY:

Safety Factor = 80% of new applied to burst, collapse and tension parameters in table.

Size	Depth (ft)	Weight (#/ft)	Grade psi	Connection Type	Capacity (bbls/ft)	ID (in)	Drift (in)	Burst (psi)	Collapse (psi)	Tension (lbs)
12 3/4"	358'	35	J-55	ST&C	0.1440	11.500	11.250	1,600	850	245,000
8 5/8"	2,936'	24	J-55	ST&C	0.0637	8.097	7.972	2,360	1,100	195,000
41/2"	3,135'	9.5/10.5	J-55	ST&C	0.0159	4.052	3.927	3,550	2,650	80,000

Surface: 12¹/₄" 35# J-55 STC: 0'-358' - TOC @ surface Intermediate: 8 5/8" 24# J-55 STC: 0'-2,936'- TOC @-surface **752 2620** Production: 4 1/2" 10.5# J-55 STC: 0' - 6,283'; TOC @ 1,900' per TS

<u>COMPLETION HISTORY TO DATE:</u> Cherry Canyon 5,071'-5,244' OA, Delaware 5,449'-5,583' OA. Well temporarily abandoned.

OBJECTIVE: Plug and abandon. Well is uneconomic...

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

HOLD SAFETY MEETING PRIOR TO COMMENCING PERFORATING, WIRE LINE AND PUMPING OPERATIONS

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

PROCEDURE:

1) MI RU Service Unit. Set flow back tank and lay flowline. Set 1 clean frac tank and fill with 480 BFW.

2) MI RU pump truck. Pump 40 bbls heavy brine water to kill well. RD MO pump truck.

3) ND WH, NU 3K# BOP.

UCBHWW Federal 2 Plugging and Abandonment Procedure 201409

- 4) MI RU wireline. RIH w/ JB/GR to 5,025'. RIH and set 4¹/₂" CIBP @ 4,990'. RIH and dump bail 4 sx cmt (at least 40' cmt on top of plug). RD MO wireline unit.
- 5) Deliver, unload, and tally 4,800' 2 3/8" 4.7# J-55 tubing work string.
- 6) TIH w/ tubing to 4,800'.
- 7) MI RU cementers. Pump 80 bbls heavy mud.
- 8) ROH, LD 300' tubing, EOT @ 4,500'.
- 9) Spot 30 sx Class C cement (14.8 ppg, 6.3 gps, 1.32 cfs yield), flush with 16 bbls heavy mud. POH w/ 10 stds tubing. WOCT. RIH and tag plug (maximum tag depth 4,335').

10) ROH, LD 1,450' tubing, EOT @ 3,050'.

11) Spot 30 sx Class C cement (14.8 ppg, 6.3 gps, 1.32 cfs yield), flush with 10¹/₂ bbls heavy mud. POH w/ 10 stds tubing. WOCT. RIH and tag plug (maximum tag depth 2,886').

12) TOH, LD tubing.

- 13) ND BOP. Remove tubinghead. MI RU welder. WO lift sub on 4 1/2". Lift casing, remove casing slips, lower 41/2" casing.
- 14) RIH w/ 2 jts. tubing. Spot 10 sx Class C cement (14.8 ppg, 6.3 gps, 1.32 cfs yield). POH, LD tubing.
- 15) BOP. RD MO service unit.
- 16) Cut-off casinghead. WO cap with well name/number, operator name, date. Set from top of casing to minimum 4' above ground level, install a minimum 4'' in diameter marker with WO cap with operator, well name/number and date.
- 17) Remove all equipment, safety anchors, clean up and reclaim surface location.

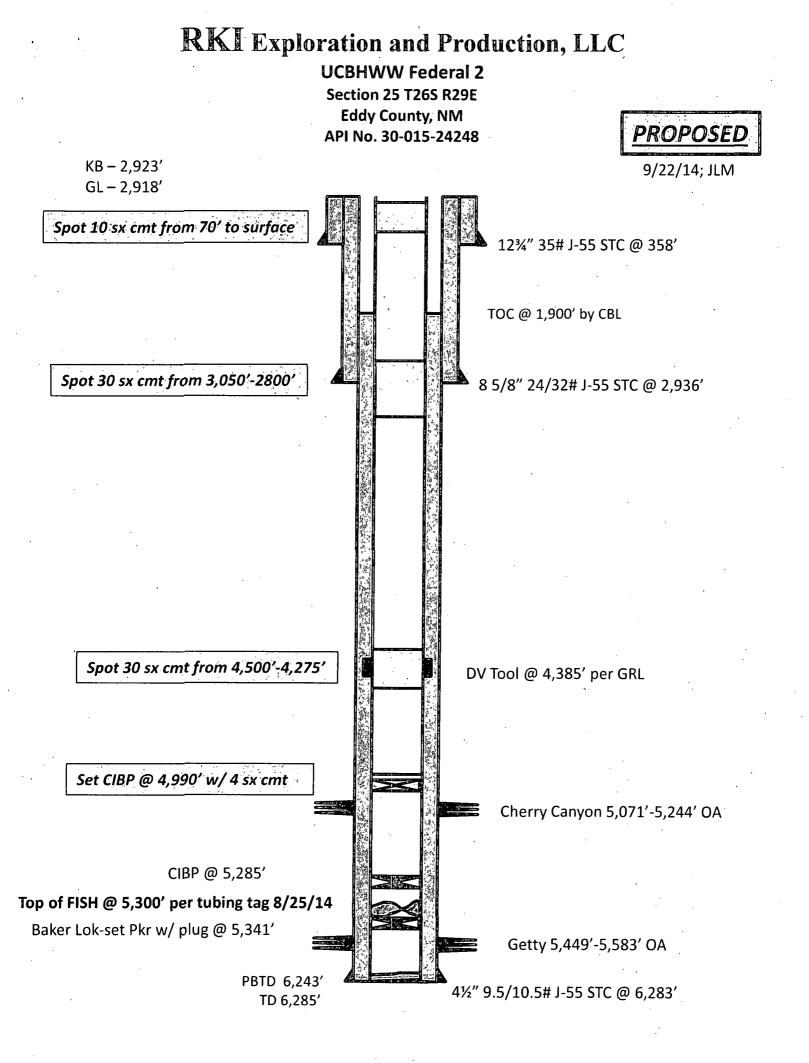
RKI Contact List:

RKI	Title	Office	Cell
Ken Fairchild	Production Manager	405-996-5764	469-693-6051
Gene Thompson	Production Superintendent	575-885-1313	817-908-9219
Paul Munding	Senior Production Engineer	405-996-2140	405-820-2825
Jaime McAlpine	Engineering Consultant	405-996-5741	405-850-6685

Emergency Contacts – New Mexico:

Hospital:	Carlsbad Medical Center 2430 W. Pierce St., Carlsbad, NM 88220	(575) 887-4100
Sheriff's Office:	Lea County Sheriff Dept Eddy County Sheriff Dept	(575) 396-3611 (575) 887-7551
Emergency Contacts – Texas:		
Hospital:	Reeves County Hospital 2323 Texas St, Pecos TX 79772	(432) 447-3551
Sheriff's Office:	Reeves County Sheriff Dept Loving County Sheriff Dept	(432) 445-4901 (432) 377-2411

UCBHWW Federal 2 Plugging and Abandonment Procedure 201409

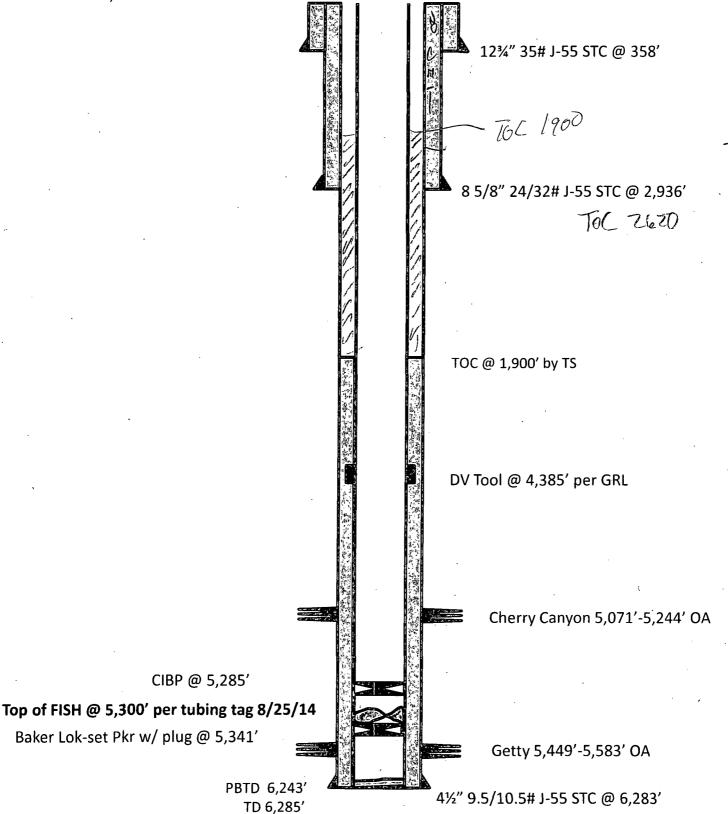


RKI Exploration and Production, LLC

UCBHWW Federal 2 Section 25 T26S R29E Eddy County, NM API No. 30-015-24248

CURR<u>ENT</u> 9/22/14; JLM .

KB – 2,923' GL – 2,918'



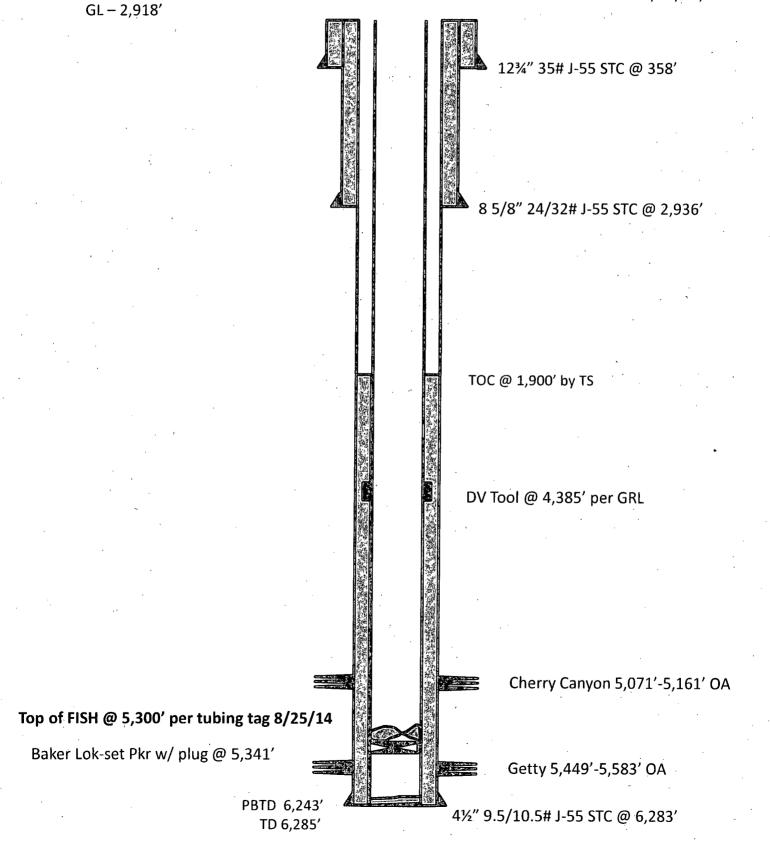
RKI Exploration and Production, LLC

UCBHWW Federal 2 Section 25 T26S R29E Eddy County, NM API No. 30-015-24248

KB – 2,923'



8/26/14; JLM



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 <u>ninety (90)</u> 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.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. <u>Notification</u>: 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. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. 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. <u>Mud Requirement:</u> 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 **brine** water. Minimum nine (9) pounds per gallon.

5. <u>Cement Requirement</u>: 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. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), 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. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

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. <u>Dry Hole Marker</u>: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). 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. <u>Subsequent Plugging Reporting</u>: Within 30 days after plugging work is completed, file one original and three 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. <u>Trash:</u> 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 will be required. See attached reclamation procedure.

J. Amos 3/6/11



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 predisturbance 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.
- 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 Supervisory Multi Resources 575-234-5959

Solomon Hughes Natural Resource Specialist 575-234-5951

Jeffery Robertson Natural Resource Specialist 575-234-2230

Duncan Whitlock Environmental Protection Specialist 575-234-5926

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