

Will cannot be spud until new bonding requirements are met

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-8720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 263375

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

1. Operator Name and Address RKI EXPLORATION & PRODUCTION, LLC 3500 One Williams Center Tulsa, OK 74172		2. OGRID Number 246289
		3. API Number 30-015-45744
4. Property Code 325000	5. Property Name SHEPHERD 3 2 23 27 FEE	6. Well No. 401H

7. Surface Location

UL - Lot L	Section 3	Township 23S	Range 27E	Lot Idn	Feet From 2361	N/S Line S	Feet From 1195	E/W Line W	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot H	Section 2	Township 23S	Range 27E	Lot Idn H	Feet From 2122	N/S Line N	Feet From 230	E/W Line E	County Eddy
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9. Pool Information

PURPLE SAGE;WOLFCAMP (GAS)	98220
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Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3112
16. Multiple N	17. Proposed Depth 19170	18. Formation Wolfcamp	19. Contractor	20. Spud Date 3/22/2019
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/lft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	396	440	0
Int1	12.25	9.625	40	2115	513	0
Int2	8.75	7	29	9503	804	0
Prod	6.125	4.5	13.5	19170	1153	8253

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	1500	CAMERON
Pipe	10000	5000	CAMERON
Pipe	10000	5000	CAMERON
Blind	10000	5000	CAMERON

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION	
	Printed Name: Electronically filed by Roxana M Day	Approved By: Raymond Podany
	Title:	Title: Geologist
	Email Address: roxana.day@wpenergy.com	Approved Date: 2/20/2019
	Date: 2/12/2019	Phone: 539-573-5278

Expiration Date: 2/20/2021
Conditions of Approval Attached

Klein, Ranell, EMNRD

From: Klein, Ranell, EMNRD
Sent: Thursday, February 21, 2019 9:15 AM
To: Walker, Josh; Rader, Larry
Subject: Shepher 3 2 23 27 Fee #401H
Attachments: RKI Shepher 3 2 23 27 Fee #401H.pdf

Good morning!

Ray approved this APD on February 20, 2019. This APD should not have been approved, as RKI has not met the new financial assurance requirement that went into effect on January 15, 2019. I have made a copy of the top page of the approved APD and written a note on the top of the page that "well cannot be spud until financial assurance requirements are met" and will have that and this email scanned into the well file. I do have an email from Josh saying that the new bond had been overnighted to Santa Fe, but to date our records have not been updated.

Thank you!

Rusty Klein
Business Operations Specialist – A
NMOCED – Division 2
811 South First Street
Artesia, NM 88210
575-748-1283 – ext. 109