

District I
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

MAY 23 2008
Oil Conservation Division
220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ 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		² OGRID Number 246289
³ Property Code 303271	⁴ Property Name PINNACLE STATE	⁵ API Number 30 - 015 - 36382 ⁶ Well No. # 28
⁹ Proposed Pool 1 (15011) CULEBRA BLUFF--SOUTH-BONE SPRING		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no. A	Section 36	Township 22S	Range 28E	Lot Idn	Feet from the 330'	North/South line NORTH	Feet from the 330'	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

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3164
¹⁶ Multiple NO	¹⁷ Proposed Depth 7080'	¹⁸ Formation BONE SPRING	¹⁹ Contractor PERMIAN DRILLING	²⁰ Spud Date WHEN APPROVED
Depth to Groundwater 50'		Distance from nearest fresh water well unknown		Distance from nearest surface water Pecos River 2 1/2 Miles SW
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
17 1/2"	14"	Conductor	80'	Redi-mix	Surface
11"	8 5/8"	32#	450'	181 Sx.	Surface
7 7/8"	5 1/2"	17#	7080'	542 Sx.	Surface

²² 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.

NOTE: NEW PIT RULE 19.15.17
NMAC.

SEE ATTACHED SHEET

For use of closed loop system-
complete new form C-144.

NOTE: New Pit Rule
NMAC 19-15-17

²³ 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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐

Printed name: Joe T. Janica

Title: Permit Engineer

E-mail Address: joejanica@valornet.com

Date: 5/22/08

Phone: 575-391-8503

OIL CONSERVATION DIVISION

Approved by: *Jim W. Green*

Title: *District II Supervisor*

Approval Date: 6/18/08

Expiration Date: 6/18/10

Conditions of Approval Attached ☐

1. Drill 17½" hole to 80'. Set 80' of 14" conductor pipe and cement to surface with Redi-mix.
2. Drill 11" hole to 450'. Run and set 450' of 8 5/8" 32# J-55 ST&C casing. Cement with 181 Sx. of Class "C" cement + 2%CaCl + .125# Flocele/Sx. Yield 1.34, circulate cement to surface.
3. Drill 7 7/8" hole to 7080'. Run and set 7080' of 5½" 17# J-55 LT&C casing. Cement with 341 Sx of 40/60 (CemPlus blend/LITEFIL(24#/CF) + 1% ANTISETTLING AGENT + .3% TIC DISPERSANT + .2% ANTIFOAMER + .125#/Sx. of polyflake/Sx. Yield 2.61, tail in with 40/60/ (CemPlus blend/LITEFIL(24#/CF) + .2% MIDTEMP RETARDER + 1% ANTISETTLING AGENT + .3% TIC DISPERSANT + .2% ANTIFOAMER + .125#/Sx of polyflake/Sx. Yield 2.27, circulate cement to surface.
4. Cement volumes may be altered after open hole logs have been run to check the caliper log it see if changes to volumes will be required.
5. Fresh water will be used to drill the surface hole, and brine will be used to drill the 7 7/8" hole to reduce wash out of the salt section.
6. The Bureau of Land Management does not have any records that indicate the presence of H₂S in this area. RKI Exploration & Production, LLC. has not encountered and H₂S during the drilling of other wells on this lease.

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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 15011	Pool Name CULEBRA BLUFF SOUTH-BONE SPRING
Property Code 3032303271	Property Name PINNACLE STATE	Well Number 28
OGRID No. 246289	Operator Name RKI EXPLORATION & PRODUCTION	Elevation 3164'

Surface Location

UL or lot No. A	Section 36	Township 22 S	Range 28 E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 330	East/West line EAST	County EDDY
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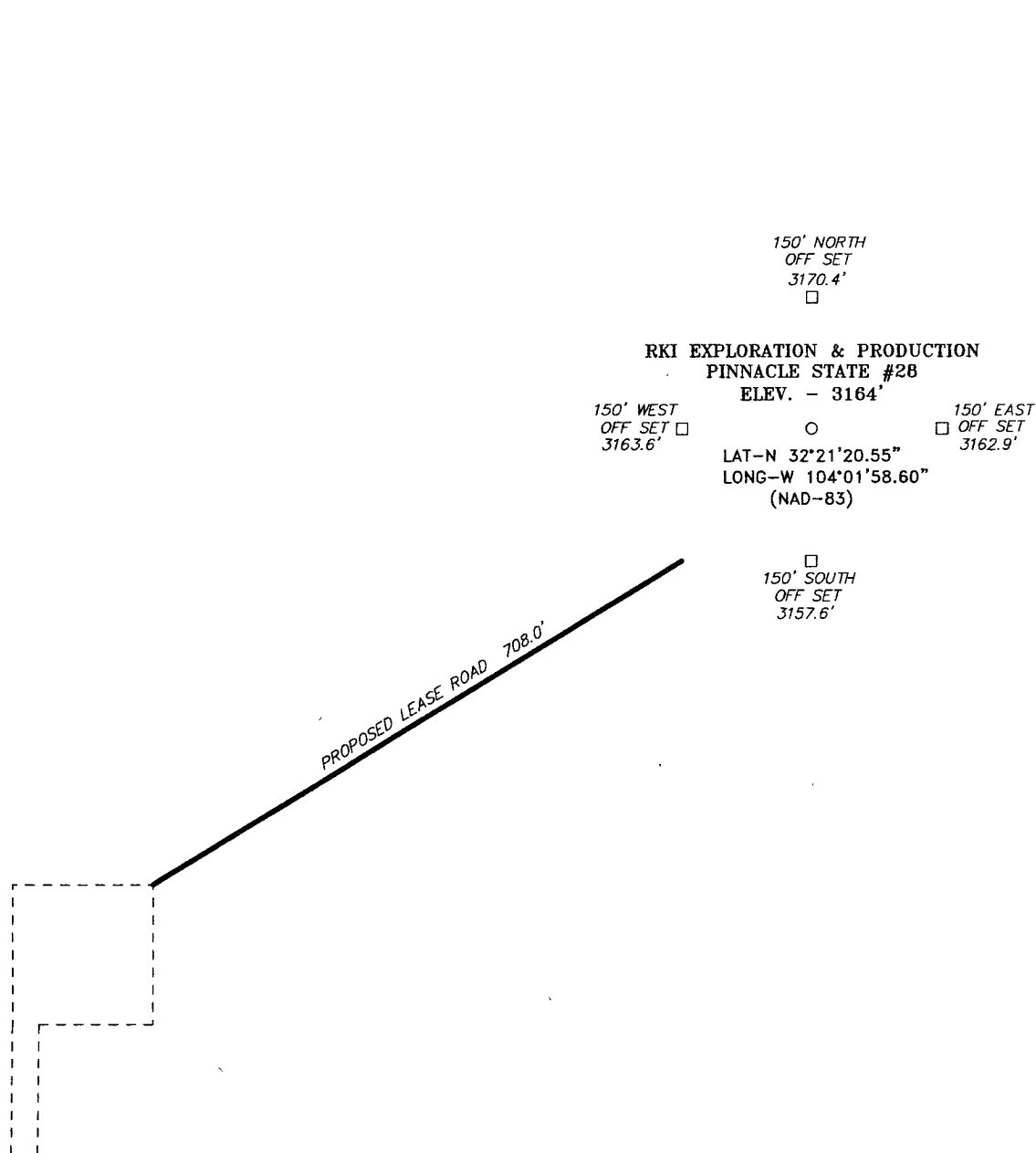
Bottom Hole Location If Different From Surface

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>SURFACE LOCATION LAT N.: 32°21'20.55" LONG W.: 104°01'58.60" N.: 493268.4 E.: 634093.3 (NAD-83)</p> <p>V-3479</p>				<p>330'</p> <p>330'</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 Joe T. Janica 05/22/08 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>MAY 7, 2008</p> <p>Date Surveyed Signature & Seal of Gary L. Jones Professional Surveyor NEW MEXICO 1977 No. 19606 Certificate No. Gary L. Jones 1977 BASIN SURVEYS</p>
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SECTION 36, TOWNSHIP 22 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF HWY 62-180 AND REFINERY ROAD, GO SOUTHERLY ON REFINERY ROAD FOR 10.3 MILES TO LEASE ROAD, ON LEASE ROAD GO NORTHEAST 0.9 MILES, THENCE SOUTHEAST WINDING NORTHEAST 1.2 MILES TO WELL PAD AND PROPOSED LEASE ROAD.

200 0 200 400 FEET

SCALE: 1" = 200'

RKI EXPLORATION & PRODUCTION

REF: PINNACLE STATE #28 / Well Pad Topo

THE PINNACLE STATE #28 LOCATED 330' FROM
THE NORTH LINE AND 330' 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: 19606 Drawn By: J. M. SMALL

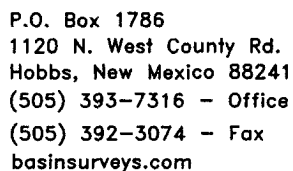
Date: 05-08-2008 Disk: JMS 19606

Survey Date: 05-07-2008

Sheet 1 of 1 Sheets



Located at 330' FNL AND 330' FEL
Section 36, Township 22 South, Range 28 East,
N.M.P.M., Eddy County, New Mexico.

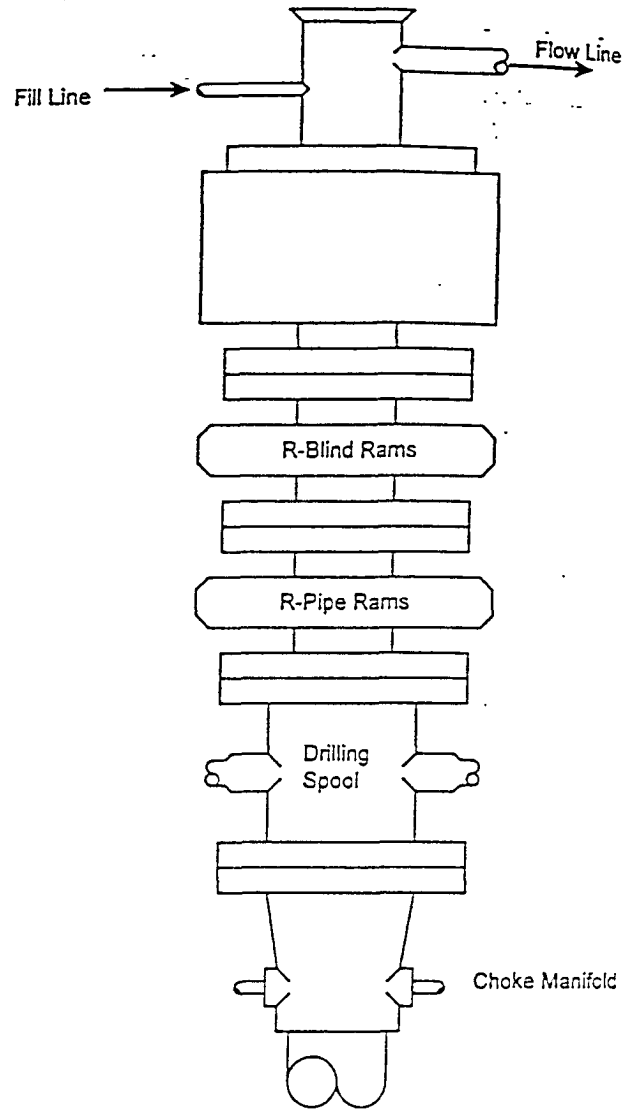


Date: 05-08-2008

*RKI
EXPLORATION &
PRODUCTION*

BLOWOUT PREVENTER SYSTEM

3000 PSI



Type 900 SERIES
3000 PSI WP

Choke Manifold Assembly for 5M WP System

