

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

5. Lease Serial No.

NM-102917

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

RKI Exploration & Production

3a. Address

3817 NW Expressway, Suite 950
Oklahoma City, OK. 73112

3b. Phone No. (include area code)

405-949-2221

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

RDX "21" #24

9. API Well No.

30-015-37782

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1650' FNL & 990' FEL Sec. 21 T26S - R30E

11. Country or Parish, State

Eddy Co. New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☒ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

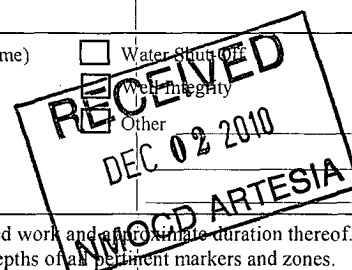
☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-off

☐ Well Integrity

☐ Other



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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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, LLC. Is requesting permission to modify the RDX 21-24 Drilling program. The modifications are listed below:

Modify the Surface Casing 13-3/8" 68# J-55 ST&C Cement Program with no change to the 13-3/8" casing size:

New Cementing Program: Circulate cement to surface with 1,240 sx Halcem with 2% Calcium Chloride mixed at 14.8 ppg (1.35 cf/sk).

Modify the Intermediate Casing from 8-5/8" 32# J-55 ST&C to 9-5/8" 40# J-55 ST&C casing.

New Cementing Program: Cement will be circulated to surface with 975 sx Econocem with 5% Salt, .25 pps Poly-E-Flake mixed at 12.4 ppg (2.12 cf/sk) and 295 sks Halcem mixed at 14.8 ppg (1.33 cf/sk).

Modify the Production Casing from 5-1/2" 17# J-55 LT&C to 5-1/2" 17# N-80 LT&C casing.

New Cementing Program: Hole will be logged to determine exact cement volume to raise cement 300' into intermediate casing and cemented with 1,025 sx Expandacem Foam Cement with 2% Zonesealant mixed at 15.6 ppg (1.56 cf/sk).

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Bill Aubrey

Title Operations

Signature

Date 11/18/2010

APPROVED

NOV 30 2010

/s/ Chris Walls

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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.

DS

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	RKI Exploration & Production, LLC.
LEASE NO.:	NM-102917
WELL NAME & NO.:	RDX Federal 21 #24
SURFACE HOLE FOOTAGE:	1650' FNL & 990' FEL
BOTTOM HOLE FOOTAGE:	1650' FNL & 990' FEL
LOCATION:	Section 21, T. 26 S., R 30 E., NMPM
COUNTY:	Eddy County, New Mexico

A. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Medium Cave/Karst

**Possible lost circulation in Redbeds and evaporates to the base of the Castile group.
Possible lost circulation in the Delaware and Bone Spring groups.**

1. The 13-3/8 inch surface casing shall be set at **approximately 1000 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt)** and cemented to the surface. **Fresh water mud to be used to setting depth.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

- b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.

If 75% or greater lost circulation occurs while drilling the intermediate casing hole, the cement on the production casing must come to surface.

- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.**

Formation below the 8-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

☒ Cement should tie-back at least 300 feet into previous casing string. Operator shall provide method of verification.

- 4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

CRW 113010