

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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

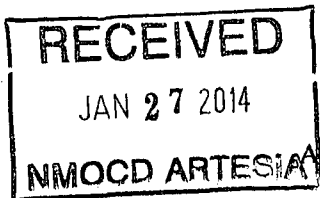
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other INJECTION WELL	5. Lease Serial No. NM-0186
2. Name of Operator SMITH & MARRS, INC.	6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 863 KERMIT, TX 79745	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) 432-586-3076	8. Well Name and No. NIX FEDERAL 4
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980'FSL & 660' FEL UNIT LETTER I, SEC 28, T21S,R28E	9. API Well No. 30-015-28492
	10. Field and Pool, or Exploratory Area FENTON DELAWARE
	11. County or Parish, State EDDY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 Treatment	<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 checked="" type="checkbox"/> Other CHANGE OF
	<input type="checkbox"/> Change Plans	<input 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 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 shall be file within 30 days following completion of the involved operations. If the operation results in a mutiple completion or recompleation 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.)

Change of Operator from Read & Stevens to Smith & Marrs, Inc. effective 11-1-2010. Smith & Marrs, Inc. accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof under their \$25,000.00 Statewide BLM Bond Number NM2220 effective 04-30-2010.



SUBJECT TO LIKE
APPROVAL BY STATE

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

Name (Printed/Typed)

Jerri Jennings

Title Production Analyst

Signature

Jerri Jennings

Date 2-7-2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jerry Blakley

Title

JA

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

BUREAU C

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Effective 11/1/2010
Bond NM2220

1/22/2014 Approved subject to Conditions of Approval. JDB
Change of Operator
Conditions of Approval

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams as per Onshore Order #3
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.