Form 3160-5 September 2001)	UNITED STATE DEPARTMENT OF THE		OCD Artesia	FORM APPROVED OM B No. 1004-0135 Expires: January 31, 2004
	BUREAU OF LAND MAN		MELLO	5. Lease Serial No. NMLC028936D
Do not use ti	his form for proposals i ell. Use Form 3160-3 (	to drill or to	re-enter an	6. If Indian, Allottee or Tribe Name
SUBMIT IN TR	IPLICATE- Other inst	ructions on re	everse side.	7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well Oil Well O Gas Well O Other				8. Well Name and No.
2. Name of Operator Memorial Production Operating LLC				FEDERAL M #005           9. API Well No.
Ba Address 1301 McKinney Street; Suite 2	2100, Houston, Texas 77010	3b. Phone No. (include area code) 713-588-8300		30-015-04410           10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec.,			LOCO HILLS; QU-GB-SA	
SEC 31 T17S R30E 2310' FSL & 2310' FEL				11. County or Parish, State EDDY COUNTY, NEW MEXICO
12. CHECK A	PPROPRIATE BOX(ES) TO	INDICATE NA	TURE OF NOTICE, I	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 Construc Plug and Aban Plug Back		Well Integrity  Well Integrity  Other Other Change
Production Operating L1 a result of the merger of 1 the properties owned pre	C ("Memorial"). A copy of the Boaz and Memorial, Memorial viously by Boaz. Operations of	e Certificate of M l owns one hundre conducted by Men	erger is enclosed and ha d percent (100%) of the norial shall be covered u	ergy, LLC ("Boaz") with Memorial is been recorded in each applicable county. A record, beneficial and equitable title in and t nder Statewide BLM Bond いか B 00 い s telephone number (713) 588-8300 and fax
number (713) 588-8301.	FRS		<i>]]</i> 4 d	- · · · ·
FEB <b>1 2</b> 2014	SUBJECT TO L	EE ATTACHED FOR DITIONS OF APPROVAL		
NMOCD ARTES	APPROVAL BY S	STATE	CONL	ATTROVAL
14. I hereby certify that the fore Name (Printed/Typed)	egoing is true and correct			
Larry Forney	11		le Vice President/and C	
Signature				
Λολλ	THIS SPACE FOR			TTROVED
Approved by Conditions of approval, if any, are certify that the applicant holds lega which would entitle the applicant t	al or equitable title to those rights o conduct operations thereon.	in the subject lease	Office	FEB - 5 2014
Title 18 U.S.C. Section 1001 and Tit States any false, fictitious or fraudu	le 43 U.S.C. Section 1212, make it illent statements or representations	a crime for any pers as to any matter wit	on knowingly and willfully hin its jurisdictionBUREA	to-make to_any_department or agency of the Un U OF LAND MANAGEMENT
(Instructions on page 2)			CAT	RESEAD FIELD OFFICE

1

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

Effective 10/1/2013 Bond NMB001131

## 2/3/2014 Approved subject to Conditions of Approval. JDB Operator By Merger 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.