

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**Carlsbad Field Office**
OCD ArtesiaFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.Lease Serial No.
NMNM28097

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
GREEN FLASH FED COM 19. API Well No.
30-015-32402-00-S210. Field and Pool or Exploratory Area
TURKEY TRACK11. County or Parish, State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
MANZANO LLCContact: MIKE HANAGAN
E-Mail: MIKE@MANZANOENERGY.COM

3a. Address

ROSWELL, NM 88202

3b. Phone No. (include area code)
Ph: 575-623-1996 Ext: 311

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

Sec 30 T18S R30E NWNW 660FNL 660FWL

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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"/> Hydraulic Fracturing	<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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measuremen t
	<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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion 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.

MANZANO REQUESTS TO MEASURE GAS OFF-LEASE @ THE EXISTING FRONTIER FIELD SERVICE METER #6135021 (FMP) WHICH IS LOCATED APPROXIMATELY 1400' DUE EAST OF THE GREEN FLASH WELLBORE ON THE NORTHWEST CORNER MEWBOURNE SANTO NINO "30" FED #1 LOCATION (SEE ATTACHED ARIAL PHOTO MAP WITH EXISTING GAS FLOWLINE SHOWN IN RED). THIS WELL HAS BEEN GOING INTO THIS FMP FOR SEVERAL YEARS. THIS IS THE ONLY WELL GOING INTO THIS FMP. THE SURFACE IS ALL FEDERAL OWNED, FRONTIER FIELD SERVICES LAID (AND OWNS) THE 3" POLY LINE ON THE SURFACE ALONG THE ROAD GOING FROM THE GREEN FLASH LOCATION TO THE FMP. THERE WILL BE NO SURFACE DISTURBANCE ASSOCIATED WITH THIS REQUEST.

AC 12-13-17
Accepted for record - NMOCD

NM OIL CONSERVATION
ARTESIA DISTRICT
DEC 12 2017

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

Electronic Submission #396986 verified by the BLM Well Information System

For MANZANO LLC, sent to the Carlsbad

Committed to AFMSS for processing by DUNCAN WHITLOCK on 12/08/2017 (18DW0029SE)

RECEIVED

Name (Printed/Typed) MIKE HANAGAN

Title MANAGER

Signature (Electronic Submission)

Date 12/05/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

J. D. Whitlock

Title

TLPE7

Date

12/8/17

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

CFO

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.

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

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Number 17JH4741

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☒ Certified Mail - Return
Receipt Requested
70161370000120594598☐ Hand Delivered Received
byUNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification
IID
Lease NMNM28097
CA
Unit
PA

Bureau of Land Management Office CARLSBAD FIELD OFFICE				Operator MANZANO LLC			
Address 620 E GREENE STREET CARLSBAD NM 88220				Address P O BOX 2107 ROSWELL NM 88202			
Telephone 575.234.5972				Attention			
Inspector HUGHES				Attn Addr			
Site Name GREEN FLASH FED COM	Well/Facility/FMP 1	1/4 1/4 Section NWNW 30	Township 18S	Range 30E	Meridian NMP	County EDDY	State NM
Site Name	Well/Facility/FMP	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
07/27/2017	14:00	43 CFR 3162.7-3	MAJOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
09/08/2017			43 CFR 3163.1()

Remarks

UNAUTHORIZED OFF LEASE MEASUREMENT OF GAS. GREEN FLASH FED COM 1 LOCATED ON NMNM28097. METER IS LOCATED EAST ON LEASE NMNM27279.

THIS IS THE FIRST OFF LEASE MEASUREMENT VIOLATION FOUND UNDER NEW REGULATIONS IMPLEMENTED 1/17/17.
(Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address.

Company Representative Title MANAGERSignature [Signature]Date 9/7/17Company Comments ATTACHED HERETO IS A FORM 3160-5 with attachment
requesting to measure GAS OFF-LEASE AT THE EXISTING FMP
located 1400' East on the NW corner of the Newburne Be Santo Nino 30-1

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <u>[Signature]</u>		Date 7/28/17	Time 1100	
FOR OFFICE USE ONLY				
Number 24	Date	Assessment	Penalty	Termination
Type of Inspection PI				

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BLM Remarks, continued

NO ASSESSMENT ON THIS FIRST VIOLATION HOWEVER NOTE THAT ANY OTHER OFF LEASE MEASUREMENT VIOLATIONS ON ANY LEASE/CA/UNIT OPERATED BY MANZANO WILL RESULT IN AN IMMEDIATE ASSESSMENT OF \$1000 PER VIOLATION.

SUBMIT REQUEST TO MEASURE GAS OFF LEASE, WITH ALL SUPPORTING DOCUMENTATION REQUIRED BY 43 CFR 3173.23
BLM POC: JIM HUGHES 575-234-5950 EMAIL: JLHUGHES@BLM.GOV

OFF LEASE MEASUREMENT OF GAS. GAS IS MEASURED ON LEASE NMNM27279 AT THE SANTO NINO 30 FED 1 LOCATION.



CLOSING SETTLEMENT STATEMENT

Closing Settlement Statement, dated September 7, 2017 by and between Worrall Investment Corporation and MRC Permian Company covering lands located in Lea County, New Mexico.

Assignment Consideration:	Gross Acres	Net Acres	Payable to Sellers
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Amount:	320.00	84.00	\$756,000.00
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Credit To: Worrall Investment Corporation

Payment Type: Wire

Bank Name: First Capital Bank of Texas. Phone 432-686-0044

Bank Address: 310 West Wall Street Suite 100, Midland, TX 79702

Account #: 116324201

Routing #: 27425

Total	320.00	84.00	\$756,000.00
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Worrall Investment Corporation

By: 

Name: John G. Worrall

Title: President

MRC PERMIAN COMPANY

By: _____

Craig N. Adams

Executive Vice President - Land, Legal and Administration

Exhibit A

Attached to and made a part of that certain Closing Settlement Statement, dated September 7, 2017, by and between Worrall Investment Corporation and MRC Permian Company.

Lease	County	State	Township	Range	Section	Description	Gross Acres	Net Acres	Price Per Acre	Purchase Price	NRI % Delivered	Formations / Depths
NM-86150	Lea	New Mexico	22S	32E	35	W2	320.00	84.00	\$9,000.00	\$756,000.00	75.00%	Wolfcamp* & Below
Total							320.00	84.00		\$756,000.00		

* The top of the Wolfcamp being identified as the stratigraphic equivalent of 11,820 feet measured depth as seen in the open hole logs run in the Red Tank "34" Federal #1 Well, API # 300-25-31720

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Off-Lease Measurement and Sales of production
Conditions of Approval**

**Manzano LLC
Green Flash Fed Com #1 - 3001532402
NMNM28097**

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented/flared without proper measurement and prior approval. Any gas vented must be flared.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments and/or product accountability.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease from various sources is a privilege which is granted to lessees/operators for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
8. Submit updated facility diagram to include measurement points and meter numbers.