

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMNM30586

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
CARRACAS 32-5 24-1

9. API Well No.
30-039-31362-00-S1

10. Field and Pool or Exploratory Area
BASIN DAKOTA
BASIN MANCOS

11. County or Parish, State
RIO ARRIBA COUNTY, NM

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Contact: CONNIE BLAYLOCK
SOUTHLAND ROYALTY COMPANY LLC Email: CBLAYLOCK@MSPARTNERS.COM

3a. Address
400 W 7TH STREET
FORT WORTH, TX 76102

3b. Phone No. (include area code)
Ph: 817-334-7882

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

Sec 24 T32N R5W NWSW 37 FNL 107FWL
36.965641 N Lat, 107.319504 W Lon

12. CHECK THE 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 checked="" 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 | Hydraulic Fracture |
| | <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 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.

MIRU Pulling Unit
POOH tbg and pkr
NU Frac Stack
MIRU WL, Add Perfs in zone f/ 8146-55ft (8108-8206ft gross perforated interval)
Frac well w/ 314, 118 gal slick water, 69,200# 100 mesh, and 205,000# 40/70 Sd
ND Frac Stack
RIH w/ 2-3/8in tbg. Clean out well to 8385ft and hang off w/ EOT at 8196?
Swab well, PU tbg and hang off w/ EOT at 8163ft
Install and begin plunger lift

241 mcf, 30 bwpd, 0 bopd on 8/1/2018

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

**Electronic Submission #429839 verified by the BLM Well Information System
For SOUTHLAND ROYALTY COMPANY LLC, sent to the Farmington
Committed to AFMSS for processing by WILLIAM TAMBEKOU on 08/06/2018 (18WMT0894SE)**

Name (Printed/Typed) CONNIE BLAYLOCK

Title REGULATORY TECH

Signature (Electronic Submission)

Date 08/02/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

WILLIAM TAMBEKOU
Title PETROLEUM ENGINEER

Date 08/06/2018

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 Farmington

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 ****

NMOCD

CARRACAS 32-5 24-1

Other Job started on 5/7/2018 Job finished on 5/8/2018

| Well Name | API/UWI | Location | County | State/Prov | Operator |
|--------------------|------------|-----------|------------|------------|----------|
| CARRACAS 32-5 24-1 | 3003931362 | 24-32N-5W | Rio Arriba | New Mexico | SRC |

Daily Operation Reports (6am to 6am)

5/7/2018 Job days 1.0 Report # 1.0

Operation Summary # 1
5/7/2018

PJSM. LOAD OUT SUPPORT EQUIPMENT ON CARRACAS 24A 4. ROAD WSU DWS#32 & SUPPORT T/LOC. SI SUPPORT EQUIPMENT. MIRU WSU. RU SUPPORT EQUIPMENT. CP=1050 PSI, FTP=22 PSI. BD T/FBT. ND WH, NU BOP. RU FLOOR. POOH 2-3/8" 4.7# L-80, 1 JT, 4 EA PJ'S (4', 6', 8', 10') 187 JTS LD T/TRAILER. CONT POOH T/DERRICK 56 JTS, F NIPPLE, TJ, 2-3/8" X 2-7/8" XO, ON/OFF TOOL & ASX1 PROD PKR. LD PKR, PUMU RBP. RIH RBP T/1895' & SET. ROLL HOLE, PT T/700 PSI - GOOD. POOH STANDING BACK T/DERRICK. RD FLOOR. ND BOP. MI BRT, ND 11" 3M X 7-1/16" 5M TBG HEAD. NU 11" 3M X 5-1/8" 10M DSS. NU 5-1/8" 10 M FRAC VALVE & GOAT HEAD. PT T/9800 PSI. RELEASE PSI, PULL TEST PLUG, SI WELL. SDFN.

5/8/2018 Job days 2.0 Report # 2.0

Operation Summary # 1
5/8/2018

PJSM. CP=0 PSI. ND GOAT HEAD. NU 5-1/8" 10M X 7-1/16" 3M, NU BOP. RIH, LATCH & EQUALIZE RBP. RELEASE RBP POOH LD T/TRAILER. BO LD RBP. ND BOP. NU GOAT HEAD. RD, RELEASE WSU DWS 32 T/CARRACAS 36A #13.

TOTAL HRS VENTING
4 HRS VIA 2" LINE T/FBT
TOTAL NON WSU FUEL
6 GAL

****FINAL REPORT****

CARRACAS 32-5 24-1

Frac Well Job started on 6/14/2018 Job finished on

| Well Name | API/UWI | Location | County | State/Prov | Operator |
|--------------------|------------|-----------|------------|------------|----------|
| CARRACAS 32-5 24-1 | 3003931362 | 24-32N-5W | Rio Arriba | New Mexico | SRC |

Daily Operation Reports (6am to 6am)

6/15/2018 Job days 2.0 Report # 1.0

Operation Summary # 1

MI SI 5 EA 400 BBL UPRIGHT FRAC TANKS F/TOWN

6/16/2018 Job days 3.0 Report # 2.0

Operation Summary # 1

MI SI 4 EA 400 BBL UPRIGHT FRAC TANKS ON LOC & 1 AT RIVER F/TOWN. MOVE FBT F/SWD T/LOC & SI

6/17/2018 Job days 4.0 Report # 3.0

Operation Summary # 1

NO ACTIVITY TODAY

6/18/2018 Job days 5.0 Report # 4.0

Operation Summary # 1

FILLING FRAC TANKS

6/19/2018 Job days 6.0 Report # 5.0

Operation Summary # 1

FILLING FRAC TANKS

6/20/2018 Job days 7.0 Report # 6.0

Operation Summary # 1

FILLING FRAC TANKS

6/21/2018 Job days 8.0 Report # 7.0

Operation Summary # 1

FILLING FRAC TANKS

6/22/2018 Job days 9.0 Report # 8.0

Operation Summary # 1

MI BLUEJET & ADD 20 PERFORATIONS T/MANCOS

6/23/2018 Job days 10.0 Report # 9.0

Operation Summary # 1

INACTIVE

6/24/2018 Job days 11.0 Report # 10.0

Operation Summary # 1

INACTIVE

6/25/2018 Job days 12.0 Report # 11.0

Operation Summary # 1

MI SI RU BASIC FRAC EQUIPMENT

6/26/2018 Job days 13.0 Report # 12.0

Operation Summary # 1

SLICK WATER FRAC W/BASIC ENERGY

PUT 1000 PSI ON LINES, OPEN WH, PSI TO 445

BREAK DOWN W/1500 GAL 15% AND 66 BIOBALLS. WELL WENT ON VAC WHILE PUMPING ACID AND GOING TO FLUSH. NO SIGNIFICANT BALL ACTION OBSERVED. ALLOW BALLS TO FALL.

EST RATE OF 50 BPM, ISIP = 2203 PSI = .71 FG. PSI T/O BEFORE 5 MIN.

STIMULATE MANCOS W/314118 GAL SLICKWATER - 40,026 GAL PAD, FOLLOWED W/.5, 1 & 1.5 PPG 100 MESH (69,200 LBS TOTAL) FOLLOWED BY 1, 1.25, 1.5 & 1.25 PPG 40/70 MESH (205,000 LBS TOTAL) FOR TOTAL OF 275,000 LBS PROP AND FLUSHED W/7896 GAL SLICK WATER.

AVE TP = 4292

AVE TR = 63 BPM

ISIP 3149 PSI

5 MIN = 2607 PSI

10 MIN = 2549 PSI

15 MIN = 2509 PSI

POST STIM FG = .82

6/27/2018 Job days 14.0 Report # 13.0

Operation Summary # 1

WELL ON VAC THIS AM - 0 PSI

MIRU FB EQUIPMENT.

GATHER WATER F/TANKS, PULL MANIFOLD & HOSES DRY, RD MANIFOLD & RELEASE. LOAD OUT 8 EA FRAC TANKS & RELEASE.

6/28/2018 Job days 15.0 Report # 14.0

Operation Summary # 1

PJSM. WELL ON VAC - 0 PSI. CONT CONSOLIDATE WATER, RELEASE 8 ADDITIONAL TANK T/TOWN. AFTER CONSOLIDATE ALL WATER, PUMPED TOTAL OF 7600 BBLs ON 6/26/2018. MIRU BLUEJET WL. RIH JUNK BASKET, FL = 2970', TAG FILL AT 8210', POOH. RIH WFT WL SET RBP, FL=3009', SET RBP AT 4212'. POOH, FL = 3030'. MI BRT. ND FRAC STACK, NU 11" 3M X 7-1/16" 5M & TEST VOID T/2500 PSI - GOOD. PJSM. MIRU AWS 656. NU 7-1/16 BOP. TALLY & PU 2-3/8" 4.7# L-80, RIH AS FOLLOWS: RBP RH, 2-7/8" X 2-3/8" XO, FLAPPER SUB, 1 JT, 1.78" ID SN, 126 JTS T/4133'. INSTAL TIW, CLOSE & LOCK PIPE RAMS. WELL SECURE. SDFN.

CARRACAS 32-5 24-1

Frac Well Job started on 6/14/2018 Job finished on

Daily Operation Reports (6am to 6am)

6/29/2018 Job days 16.0 Report # 15.0

Operation Summary # 1

PJSM. RIH 2 JTS & TAG RBP = 4198' TALLY DEPTH (WL SET @ 4212'). OPEN BY PASS T/EQUALIZE. WELL DID NOTHING, NO PSI NO VAC - NEUTRAL. POOH T/SFC, B/O L/D RBP. RIH 2-3/8" = 10' MS CUT TJ, NEW 1.780" ID SN & 178 JTS T/5791'. MI RU HTR AFU WHILE RIH T/5791'. START AFU T/UNLOAD WELL AT 5791'. CONT PU F/TRAILER & RIH W/251 JTS T/8157'. PU MU PS, PU JT 252 W/SF ON TOP, BRING ON AFU. UNLOAD WELL AT 8157', WASH IN T/8254'. TAG & WASH THRU BRIDGE AT F/~8205' T/~8215', PU RIH T/8385', DID NOT TAG ANY FILL. BRING ON AFU, CIRC AT 8385', CHECKING RETURNS FOR SAND. INITIALLY V LITE SAND TURNING T/~3 CUPS IN ~3.5 GAL SAMPLE. DECISION T/POOH & CONT C/O F/8385' TOMORROW. RECOVERED 125 NET BBLs TODAY. LD 1 JT W/PS, HANG BACK PS. POOH LD 1 JT, STD BACK 4 STANDS T/8061'. INSTAL TIW, CLOSE AND LOCK PIPE RAMS. CSG SI. WELL SECURE, SDFN.

6/30/2018 Job days 17.0 Report # 16.0

Operation Summary # 1

PJSM. SICP=1025, SITP=1025. BD T/FBT. RIH T/8385' ON ELEVATORS, NO TAG. LAST SAMPLE CHECKED YESTERDAY WAS V LITE SAND IN ~4 GAL SAMPLE. POOH T/8196', INSTAL HANGER, LAND 2 3/8 4.7# L-80 PROD AS FOLLOWS: 10' MSC TJ, NEW 1.780" ID SN, 252 JTS YB - EOT=8196.35'KB, SN=8185.67'KB. ND BOP, NUWH. RD WSU AWS 656 & RELEASE. LOAD OUT AND MOVE TO TOWN. LEAVE WELL SI. SDFWE.

CARRACAS 32-5 24-1

Other Job started on 7/23/2018 Job finished on

| Well Name | API/UWI | Location | County | State/Prov | Operator |
|--------------------|------------|-----------|------------|------------|----------|
| CARRACAS 32-5 24-1 | 3003931362 | 24-32N-5W | Rio Arriba | New Mexico | SRC |

Daily Operation Reports (6am to 6am)

7/23/2018 Job days 1.0 Report # 1.0

Operation Summary # 1

PJSM. LOAD SUPPORT EQUIPMENT AT ELK HORN 101S. ROAD WSU DWS 32 & SUPPORT T/CARRACAS 32-5 #24-1. SI SUPPORT EQUIPMENT. MIRU WSU. SICP=749 PSI, TP=27 PSI. BD TBG T/FBT. ND WH, NU BOP. TBG UNLOADED WHILE NU BOP, COMPLETED NU & SI. SI CP=726 PSI, TBG=540 PSI. RU T/FBT, FLOW W/PINCH ON 2" BALL VALVE. CP & TBG PSI FALLING SLOWLY. SI, RU T/SALE LINE, OPEN W/CP & TP AT 526 PSI. BLINDS CLOSED & LOCKED W/FB SPOOL TIED INTO SALES. SDFN.

7/24/2018 Job days 2.0 Report # 2.0

Operation Summary # 1

PJSM. FTP F/52 PSI T/50 PSI, SICP=416 PSI. INSTRUCTED T/POOH & LD 1 JT. SWAB AS NEEDED T/KICK BACK OFF. SI WELL F/SALES LINE. PUMP 12 BBLS VIA TBG T/KILL, SD PUMP PSI T/O. OPEN BLINDS, UNLAND PROD. BO HANGER, BO LD 1 JT 2-3/8 4.7# L-80 TBG. RE-INSTALL HANGER & RELAND W/EOT=8163.76'KB. WAIT 3.5 HRS ON RIG REPAIR. RIH SL W/SWAB ASSEMBLY. IFL=6240', ISICP=590 PSI (WHEN STARTED SWABBING). 5 RUNS W/4 BBLS RECOVERED, WELL STARTED GASING THEN FLOWING T/FBT. XO T/SALES AT ~15:45. MONITOR, CONT T/FLOW. PUT TOOLS AWAY, SDFN.

7/25/2018 Job days 3.0 Report # 3.0

Operation Summary # 1

PJSM. FTP=21 PSI, SICP=488 PSI. WATER METER INDICATES 3.3 BBLS OVER NIGHT. DISCUSS W/OFFICE, WAIT ON ORDERS. DECISION TO LEAVE TBG WHERE CURRENTLY LANDED - 251 JTS 2-3/8 4.7# L-80, SN, TJ. EOT=8163.76'KB, SN=8153.08'KB. PINCH OPEN CSG T/SALES T/DECREASE PSI & KEEP F/BUILDING, OPEN TBG T/FBT. RD FLOOR, ND BOP, NUWH, SICSG. TP=5 PSI. MU LUBRICATOR, RIH SL W/SWAB ASSEMBLY. IFL=6100', CP BUILDING F/430 PSI. 1 RUN & WELL IS FLOWING T/FBT. ALLOW T/FLOW T/FBT T/UNLOAD WATER, XO T/SALES. SWAB & FLOW T/FBT RECOVERED 6 BBLS WATER. IFTP=120 PSI & CP DROPPING. LEAVE T/SALES. RD LUBRICATOR. RD WSU & RELEASE T/CARRACAS UNIT 13.

NO RIG FUEL = 5 GAL

VENTING 3 HRS

**** FINAL Report ****