

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Hobbs

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.
LC-071986

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Federal "O" #001

9. API Well No.
30-025-22137

10. Field and Pool, or Exploratory Area
Paducah; Delaware, East

11. County or Parish, State
Lea, New Mexico

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **JKM Energy, LLC**

3a. Address
26 East Compress Road, Artesia NM 88210

3b. Phone No. (include area code)
575-748-2854

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL and 660' FEL (E/2 SW/4) of Section 14, T-25-S. R-32-E Lea County, New Mexico, limited to down to 5,004 from the surface.

NMOCD
 FEB 08 2016
 RECEIVED

12. CHECK 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"/> Fracture Treat	<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 operator
	<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 recomplete 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 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 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.)

JKM Energy, LLC as new operator accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the lease or portion of the lease described.

Bond Number: **NM-2802 NMB001327**
Ogrid: 163649

Request approval to change operator effective 5-1-2015

From: Oneil Properties
To: JKM Energy, LLC

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Title **MAN. Member**

Signature **Jack Matthew**

Date **6-1-15**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____
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.

Title **JAN 26 2016**
Office **BUREAU OF LAND MANAGEMENT**

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)

FEB 15 2016

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

STATE OFFICE: New Mexico
SERIAL NO.: NM LC 071986

and hereby designates

NAME: JKM Energy, LLC
ADDRESS: 26 E. Compress Road, Artesia, NM 88210

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the authorized officer may serve written or oral instructions in securing compliance with the Operating Regulations (43 CFR 3160) with respect to (describe acreage to which this designation is applicable):

Township 25 South, Range 32 East
Section 14: E/2 SE/4

Bond coverage under 43 CFR 3104 for lease activities conducted by the above named designated operator is under Bond Number NM 2802.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, stipulations, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the authorized officer of any change in the designated operator.

O'Neill Properties, Ltd.



(Signature of lessee)

Joseph I. O'Neill, III, Managing Partner

P. O. Box 2840, Midland, TX 79702

5-28-2015

(Date)

(Address)

JKM Energy, LLC
January 26, 2016
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. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.

JAM 012616