Form 3160-5 HOBESOCE FORM APPROVED (April 2004) UNITED STATES OM B No 1004-0137 DEPARTMENT OF THE INTERIOR Expires: March 31, 2007 JAN 2 6 2015 BUREAU OF LAND MANAGEMENT 5 Lease Serial No. NM-63368 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well Use Form 3160-3 (APD) for such proposals 7. If Unit of CA / Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side. AudioName and No. 1. Type of Well 1 Gas Well Bonderant Federal No. 002 Oil Well 2. Name of Operator Tandem Energy Corporation 30-025-30209 3b. Phone No. (include area code) 3a. Address 10. Field and Pool, or Exploratory Area 2700 Post Oak Blvd. Ste. 1000 Houston, TX 77056 713-364-7822 West Tonto Yates Seven Rivers 4. Location of (Footage, Sec., T., R., or Survey Description) 11. County or Parish, State 2310' FNL & 990' FWL of Section 13 T19S R32E (also Unit E) Lea County NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Notice of Intent INT TO PA Alter Casing Fracture Treat Reclamation P&A NR Casing Repair New Construction Recomplete Subsequent Report P&AR Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Water Disposal Convert to Injection Plug Back 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 the BLM / BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in 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 that the site is ready for final inspection.)

FOR RECO 29 | 2018 All Federal 11/21/2014 MIRU, POOH Rods & tbg. forms require BLM APPROVAL 11/25/2014 Tag CIBP @ 3195'. Circ hole w/ MLF, spot 25 sxs cmt @ 3195'-2948' Tag @ 2913'. Perf @ 2850' - packoff fell in hole @ 60'. 11/26/2014 Push pack off down to 2913' w/ drill collars. OCE for RECORD ONLY. 12/1/2014 Could not sqz perfs - spot 30 sxs cmt @ 2907'-2611' Tag @ 2558', perf @ 1450' est rate. 12/2/2014 Sqz 60 sxs cmt @ 1450'-1192'. 12/3/2014 Tag TOC @ 1179'. Perf @ 450'-could not sqz- spot 25 sxs @ 516'-247' Tag @ 269'. Perf @ 100' circ 70 sxs cmt to surface RDMO, cut off WH & anchors Install P&A marker. RECLAMATION RECLAMATION PROCEDURE DUE 6-3-15 14. I hereby certify that the following is true and correct P&A Tech Greg Bryant Title Signature 12/9/14 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title 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 Office operatins thereon. Title 18 U.S.C., Section 1001 and Title 43 U.S.C., Section 1212, make it a crime for any person knowledge and fully to make it any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Accepted for Record Only
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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its predisturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of
 Operations must include adequate measures for stabilization and reclamation of disturbed lands.
 Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD
 process as per Onshore Oil and Gas Order No. 1.
- 2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
- 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos Supervisory Petroleum Engineering Tech 575-234-5909, 575-361-2648 (Cell)

Arthur Arias Environmental Protection Specialist 575-234-6230

Henryetta Price Environmental Protection Specialist 575-234-5951

Shelly Tucker Environmental Protection Specialist 575-234-5979

Trishia Bad Bear, Hobbs Field Station Natural Resource Specialist 575-393-3612