

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM 0654410
2. Name of Operator RMR Operating, LLC		6. Landowner, Allottee or Tribe Name
3a. Address 2515 McKinney Avenue, Suite 900 Dallas, Texas 75201	3b. Phone No. (include area code) 214.871.0400	7. Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 10' FSL & 500' FEL, Section 24, T-26S, R-34E		8. Well Name and No. Madera 24 Federal #2H
		9. API Well No. 30-025-40277
		10. Field and Pool or Exploratory Area Jabalina; Southwest Delaware
		11. County or Parish, State Lea County, New Mexico

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"/> 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 <u>Flare Gas</u>
	<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 recompletable 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 recompletable 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.)

The Madera 24 Federal #2H well is connected to Southern Union Gas lines for the transport of produced gas. The Southern Union Gas plant has been having repeated problems to where the gas lines have to be shut down while the plant undergoes repairs. In this latest instance Southern Union anticipates being shut down for 10-15 days while doing repairs to the plant lines. Tommy Folsom has requested and been granted a verbal approval by Ed Fernandez of the Bureau of Land Management in Carlsbad, New Mexico to flare gas and continue producing the well. We will build a flare line and meter to monitor all flared gas volumes for the well. We estimate approximately 4,500 MCF of gas will be flared. This estimate is dependent upon the time needed for Southern Union to repair the plant problems.

**SUBJECT TO LIKE
APPROVAL BY STATE**

APPROVED
NOV 26 2012
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) <u>Tommy W. Folsom</u>	Title <u>Executive VP & Director of E&P</u>
Signature <u>[Signature]</u>	Date <u>11/26/2012</u>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	

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.

**SUBJECT TO LIKE
APPROVAL BY STATE**

DEC 10 2012

Conditions of Approval to Flare

Madera 24 Fed 2H

30-025-40277

Lea County, NM

Flare Requirements

Approved with the Following **Conditions of Approval**

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. Flared volumes will still require payment of royalties
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.

EGF 112612