

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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FORM APPROVED
Budget Bureau No. 1004-0137
Expires: July 31, 2010

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

☒ Oil ☐ Gas ☐

2. Name of Operator

Agua Sucia LLC

3a. Address

5708 W. Austin St., Broken Arrow, OK 74011

3b. Phone No. (include area code)

918-704-2012

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

UL K, Sec. 7, T-20S, R33E, 1980 FSL & 2000' FWL

5. Lease Serial No.

NM 149957

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Brooks Federal No. 4

9. API Well No.

30-25-01712

10. Field and Pool, or Exploratory Area

Salt Lake; Yates

11. County or Parish, State

Lea, NM

12. CHECK 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"/> 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<input checked="" type="checkbox"/> CHANGE OF OPERATOR
	<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 shall 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.)

As required by 43 CFR 3100.0-5(a) and 43 CFR 3162.3, we are notifying you of a change of operator on the above referenced well.

We, as the new operator, accept all applicable terms, conditions, stipulations and restrictions concerning operations Conducted on the lease or portion of lease described.

BLM Bond File No.: NMB 000650 & 651

The effective date of this change is January 1, 2012

SUBJECT TO LIKE
APPROVAL BY STATE

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Debbie McKelvey

Title AGENT

Signature Debbie McKelvey 575-392-3575

Date 3/2/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jerry Blakley

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 and false, Fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instruction on page 2)

DEC 02 2013

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval

Agua Sucia, LLC. Brooks Federal #3, 4, 6, 7

1. Submit plan for approval of well operations within 30 days of this approval to change operator.

The Bureau of Land Management (BLM) and Minerals Management Service (MMS) definition of a Shut-in (SI) or Temporarily Abandoned (TA) are as follows. Shut-in well is a completion that is physically and mechanically capable of production in paying quantities or capable of service use. The definition of a temporarily abandoned well is a completion that is not capable of production in paying quantities but which may have value as a service completion.

43 CFR 3162.3-4 (C) requires that wells incapable of production in paying quantities be promptly plugged and abandoned and requires approval for any well temporarily abandoned for more than 30 days.

Therefore an Operator must submit a Sundry Notices as a Notice of Intent prior to beginning any operation it will be approved with condition of approval attached to properly TA the well. You need to submit a plan for the well within in 30 days stating you intent for the well.

Do one of the following.

- a. Return the well to production or beneficial use.**
- b. Submit notice of intent to plug and abandon.**

If you decide to **plug and abandon** the well do the following. Submit a Sundry Notice (form 3160-5, original and 3 copies) describe the proposed plugging program.

If you decide to **return the well to production**, submit a Sundry Notice (form 3160-5, original and 3 copies) of intent. Include the date you anticipated the well being placed back in service. 43 CFR 3162.4-1(c) also requires you to notify the Authorized officer, not later than the fifth business day after production is resumed for any well which has been off production for more than 90 days, the date on which such production was resumed. Notification may be by letter or Sundry Notice, or orally followed by letter or Sundry Notice.

2. All electrical lines going to well must be buried or placed on power poles as per electrical code.
3. Test all production flow lines for leaks prior to placing well on production.
4. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank) and must be lined with a 20 mil. liner placed under tanks to contain spills.
5. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
6. Submit for approval of water disposal method.
7. The following test must be performed on all wells prior to being placed on production or injection.

Description of the CIT/MIT test requirements

- a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (30) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled CIT/MIT test. For wells in Eddy County, 575-361-2822
8. All injection wells will require prior approval from BLM and NMOCD prior to placing back on injection.
 9. This agency shall be notified of any spill or discharge as required by NTL-3A.