OCD Hobbs **UNITED STATES** FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 5. Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NMNM111242 Political use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160 - 3 (APD) for such proposals. 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE- Other instructions on reverse side. Pearsall 6 Fed 1. Type of Well Gas Well □□ 8. Well Name and No. 2. Name of Operator $_{\mbox{\bf NADEL}}$ and Gussman heyco, llc Pearsall 6 Federal #5 9. API Well No. 3002535845 3a. Address 3b. Phone No. (include area code) PO BOX 1936 ~ ROSWELL NM 88202-1936 575.623.6601 10. Field and Pool, or Exploratory Area Pearsall: Oueen 4. Location of Well (Footage, Sec., T., R, M, or Survey Description) 11. County or Parish, State 990' FSL & 2310' FWL, Sec. 6, T18S, R32E Lea County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Water Shut-Off Deepen Production (Start/Resume) ✓ Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Other Change of Operator Casing Repair New Construction Recomplete __ Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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 filled 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.) This is a notification of Change of Operator on the above referenced well. Harvey E. Yates Company, as new operator, accept all applicable terms, conditions, stipulations and restrictions concerning operatings conducted on this lease or portion of lease described. BLM Bond No. NMB000317 Harvey E. Yates Company P.O. Box 1933 SEE ATTACHED FOR Roswell, NM 88202-1933 CONDITIONS OF APPROVAL Change of Operator EFFECTIVE 9/1/2014 14. Thereby certify that the foregoing is true and correct Name (Printed/Typed) Tammy R. Link Litle Production Tech 09/10/2014 Signature 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 Office which would entitle the applicant to conduct operations thereon.

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 anymatter within its jurisdiction.

(Instructions on page 2)

BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 620 E. Greene St

Carlsbad, NM 88220 Ph: (575) 234-5972

Conditions of Approval for Change of Operator

- 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.