HOBBS OCD MAR 2 0 2015 FORM APPROVED UNITED STATES OMB No. 1004-0137 DEPARTMENT OF THE INTERIOR Expires: October 31, 2014 RECEIVED BUREAU OF LAND MANAGEMENT 5. Lease Serial No NM 23020 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 page 2. 1. Type of Well 8. Well Name and No Oil Well Gas Well Other State Line Federal #1 2. Name of Operator Primero Operating, Inc. 9. API Well No. 30-025-41475 3a. Address 10. Field and Pool or Exploratory Area 3b. Phone No. (include area code) PO box 1433, Roswell, NM 88202-1433 Sawyer, San Andres 575 622 1001 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State Lea. NM 990 FNL and 2228 FWL, Section 33, T9S, R38E 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Other Spud Well Casing Repair New Construction Recomplete Subsequent Report Surface Casing Change Plans Plug and Abandon Temporarily Abandon Production Casing Final Abandonment Notice Plug Back Water Disposal Convert to Injection 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 must 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 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.) Commenced drilling a 12.25" hole at 6:30 am, 7/28/2014. Drilled a 12.25" hole to 2230', TD 12:30 pm 7/31/2014 Ran 55 jts 8 5/8" 24# J-55 casing equipped with Texas Pattern Shoe, Float Collar and centralizers every 4rth joint. Casing was cemented w/ 1200 sx Class C: Lead 910 sx C, .005 SF, 2% CaCl, 13#/sx LCM, 3% G, Tail 300 sx Class C .005# SF. Circulated 467 sx to surface. Plug down @ 4:30 am, 7/31/2014. Cement job was witnessed by Pat McKelvey w/ BLM. WOC 10 hrs then cut off 8 5/8" casing and NU 5,000 psi BOP. BOP and casing were tested by Mann Welding and found to be OK. (see paperwork attached) Commenced drilling a 7 7/8" hole at 9:30 am 8/1/2014. Drilled a 7 7/8" hole to 5438', TD 3:00 pm 8/6/2014. The hole was logged with Schlumberger HRLA, Micro-CFL/HNGS and CNL-LDT logs. Ran 129 jts 5.5" 17# J-55 casing equipped with cement guide shoe, float collar and centralizers. Casing was cemented with 1105 sx cement: Lead 850 sx 35:65:6:POZ+C+Gel+.4%FL-52A+a5%Salt+.13#SXSF, Tail 255 sx C+.01%R-3+0.005#SXSF. Circulated 150 sx to surface. Plug down at 3:11 pm, 8/8/2014. 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Phelps White Title President Date 08/13/2014 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Title 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 Office 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 any matter within its jurisdiction.

(Instructions on page 2)