

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Hobbs

FORM APPROVED
B No. 1004-0137
Expires: January 31, 2018

5. Federal No. NMNM-- - 065441

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.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator Black Mountain Operating LLC

3a. Address 500 Main Street, Suite 1200
Fort Worth, Texas 76102

3b. Phone No. (include area code)
(817) 698-9901

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
B-25-26S-34E 330 FNL 2080 FEL

7. If Unit of CA/Agreement, Name and/or No.
NMNM-- - 134664

8. Well Name and No. MADERA 25 FEDERAL COM #2H

9. API Well No. 30-025-40633

10. Field and Pool or Exploratory Area
JABALINA; DELAWARE, SOUTHWEST

11. Country or Parish, State
Lea County, NM

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"/> Hydraulic Fracturing	<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
	<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 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 must 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 detennined that the site is ready for final inspection.)

This is notification that Black Mountain Operating LLC has acquired the above well/property from RMR Operating LLC

Per NTL89, Black Mountain Operating LLC accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the lease land or portion thereof.

Bond Coverage: BLM Bond No.: B009770

Change of Operator Effective: 10/04/2016 (per OCD signature approval)

Former Operator: RMR Operating LLC (OGRID #281085)

Acquiring Operating: Black Mountain Operating LLC (OGRID #371127)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Meg Wieger

Title Land Administration Manager

Signature

Date 09/16/2016

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Charles Nimmer

PETROLEUM ENGINEER

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

MAY 26 2017

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)

Designation of Successor Operator for CA

Designation of successor operator, communitization agreement no. NMNM-134664, covering the MADERA 25 FEDERAL COM #002H, Sec. 25, T. 26S, R. 34E, Lea County, New Mexico.

This indenture, dated as to the 1st day of July, 2016 by and between Black Mountain Operating LLC, hereinafter designated as "First Party," and the owners of 'communitized working interest, hereinafter designated as "Second Parties,"

Witnesseth: Whereas under the provision of section 17(j) of the Act of February 25, 1920, as amended (74 Stat. 784; 30 U.S.C. 266(J)), the Secretary of the Interior, acting by and through the Authorized Officer, on the 1st day of July, 2013, approved communitization agreement no. NMNM-134664 whereby RMR Operating LLC is designated as Operator of the communitized area; and

Whereas the designation of a successor operator is now desired pursuant to section No. 3 of the communitization agreement; and

Whereas the First Party has been and hereby is designated by Second Parties as Operator of the communitized area, and said First Party desires to assume all the rights, duties and obligations of Operator under said communitization;

Now, therefore, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Operator of the communitized area under and pursuant to all the terms of communitization agreement no. NMNM-134664 and the Second Parties covenant and agree that effective as of the date herein specified (Effective date July 1st, 2016), and upon receipt of this indenture, properly executed, by the Authorized Officer, the First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Operator, pursuant to the terms and conditions of said communitization agreement, said communitization agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said agreement were expressly set forth in this instrument.

Operator states that they have notified all working interest owners of Communitization Agreement NMNM-134664.

In witness whereof, the parties hereto have executed this instrument as of the date hereinabove set forth.

Meg Wiegert 12/19/16
(First Party/Date)

Anthony Evans 12/19/16
(Witness/Date)

Dan White 12-19-2016
(Witness/Date)