Form 3160- 5 (August, 2007) B 2018 **NMOCD** UNITED STATES FORM APPROVED Hobbs DEPARTMENT OF THE INTERIOR OMB No. 1004-0137 NREAU OF LAND MANAGEMENT Expires: July 31, 2010 5. Lease Serial No DRY NOTICES AND REPORTS ON WELLS NM-40448 not use this form for proposals to drill or to re-enter an If Indian, Allottee, or Tribe Name Pabandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA Agreement Name and/or No. SUBMIT IN TRIPLICATE - Other Instructions on page 2. Type of Well Oil Well Other Well Name and No. Gas Well Name of Operator Oso Federal #1 API Well No. Three Forks Resources, LLC 3a Address 3b. Phone No. (include area code) 555 17th Street, Suite 975 30-025-33700 303-318-0717 Denver, CO 80202 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Lat. Pearsall Queen 11. County or Parish, State Sec.8, T18S-R32E 2310" FNL, 330' FEL / Long. Lea County NM 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-off Altering Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Recomplete Change of Operator Change Plans Plug and abandon Temporarily Abandon Convert to Injection Water Disposal Final Abandonment Notice 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 or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No on file with the 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 filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.) Effective January 1, 2017 the operator/owner of the above well changed from Morexco, Inc. to: Three Forks Resources, LLC 555 17th Street, Suite 975 SEE ATTACHED FOR Denver, CO 80202 CONDITIONS OF APPROVA 303-318-0717 Three Forks Resources, LLC, as the new operator, accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on this lease, or portion of lease described. Bond coverage pursuant to 43CFR3104 for lease activities is being provided by Three Forks Resources, LLC. with the BLM Bond #NMB000852. 14. I hereby certify that the foregoing is true and correct. Title IRENE TRUJILLO ONS TECHNICIA Date 4/6/2018 THIS SPACE FOR FEDERAL OR STATE OFFICE USE 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 entitle the applicant to conduct operations Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly a States any false, fictitiousor fraudulent statements or representations as to any matter 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 within 60 days, if changes have been made from previously approved disposal method.
- 3. Review facility diagram on file, and submit updated facility diagrams, as per Onshore Order #3 within 60 day.
- 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.