FORM APPROVED Form 3160-5 UNITED STATES **NMOCD** OMB No. 1004-0137 Expires: January 31, 2018 (June 2015) TMENT OF THE INTERIOR **Hobbs** 5. Lease Serial No. NMLC054668 IOTICES AND REPORTS ON WELLS If Indian, Allottee or Tribe Name Do not this form for proposals to drill or the fenter and 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. FARNSWORTH 4 #010 Oil Well Gas Well Other API Well No. 30-025-11947 2. Name of Operator Special Energy Corporation 3a. Address PO Drawer 369 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area Stillwater, OK 74076 (405) 377-1177 [37240] LANGLIE MATTIX;7 RVRS-Q-GRAYBURG 11. Country or Parish, State 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) I-04-26S-37E 2310 FSL 990 FEL Lea County, NM 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Water Shut-Off Acidize Deepen Production (Start/Resume) ✓ Notice of Intent Alter Casing Hydraulic Fracturing Reclamation Well Integrity **✓** Other 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 perfonned 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 detennined 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 lease. Special Energy Corporation, as new operator, accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the lease portion of the lease described. Special Energy Corporation meets federal bonding requirements as follows (43 CFR 3104): BLM Bond File No.: NMB001116 Surety Bond No.: RLB0015342 SEE ATTACHED FOR Effective Date: October 1, 2016 CONDITIONS OF APPROVAL **Special Energy Corporation** P.O. Drawer 369 Stillwater, OK 74076 Operations Manager on Terry Title 07/06/2017 Signatur Date **APPROVED** AGE FOR FEDERAL OR STATE OFICE USE SF Approved APR 3 0 0019

Conditions of approval, if and, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those fights in the subject lease which would entitle the applicant to conduct of entitles thereon.

Office PLIREAU OF LAND MANAGEMENT

ROSWELL FIELD OFFICE

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 12/12, 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.

Title

(Instructions on page 2)

LO

Date

Change of Operator Conditions of Approval

- 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.

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