Form 3160-5 (February 2005)

UNITED STATES

FORM APPROVED OM B No 1004-0137

	IMENT OF THE INTER		Expires: March 31, 2007			
	J OF LAND MANAGEME		5. Lease Serial No. NM-56429			
Do not use this form	CES AND REPORTS for proposals to drill Form 3160-3 (APD) fo	or to re-enter an	6. If Indian, Allottee or Tribe Name			
SUBMIT IN TRIPLICA	TE- Other instruction	s on reverse side.	7. If Unit or CA/Agreement, Name and/or No.			
1. Type of Well Oil Well □ □ Gas We	IIDD Other		8. Well Name and No	ι		
2. Name of Operator Alamo Permian Resou	rces, LLC		Travis D Federal; see attached list 9 API Well No.			
3a. Address	3b. Pho	one No. (include area code)	See attached list 10. Field and Pool, or Exploratory Area			
4. Location of Well (Footage, Sec., T., R., M., o	or Survey Description)		Loco Hills; QU-GB-SA			
See Attached list			11. County or Parish, State			
			Eddy County, NM			
12. CHECK APPROPRI	ATE BOX(ES) TO INDICA	ATE NATURE OF NOTICE,	REPORT, OR OTHER DATA			
TYPE OF SUBMISSION		TYPE OF ACTION				
	cidize Deeper Iter Casing Fractu	en Production (S	Start/Resume) Water Shut-Off Well Integrity			
		Construction Recomplete	Other Change of Operator			
Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal						
determined that the site is ready for final in	nspection.) Operator on the attached refers s new operator, accepts all app		Accepted for recept NMOCD Hobble 10/ lations and restrictions concerning operations	30/12		
Bond Coverage: BLM Bond File No	o.: NMB000709		APPROVED	1		
Change of Operator effective: Nove	ember 30, 2010	RECEI	ALLINOVED			
Former Operator: CBS Operating	Corp. (ORGID No. 216852)	RECEIVEL	77			
CEE A'	TTACHED FOR ITIONS OF API	OCT 3 0 2012	/ ULT " 4" 0" ZUIZ	l		
COND	TIACHED FOR	DDOWN ARTES	/s/ JD Whitlock Jr			
COND	THONS OF ALL	I KO VAL	BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE			
14. Thereby certify that the foregoing is to Name (Printed/Typed)	ue and correct			İ		
Joanne Keating		Title Regulatory Affairs	Coordinator			
Signature John H	Leader	Date	12/02/2010			
THIS	SPACE FOR FEDER	RAL OR STATE OFFIC	E USE			
Approved by		Title	Date			
Conditions of approval, if any, are attached. A certify that the applicant holds legal or equitab						

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

which would entitle the applicant to conduct operations thereon.



Alamo Permian Resources, LLC (OGRID No. 274841)

CBS Operating Corp. (OGRID No. 216852) -- Eddy County, New Mexico

LEASE	WELL	LEASE	LEASE	WELL API	FIELD; POOL(s)				WELI								
NAME	No.	TYPE	NO.	NUMBER		LOT	UNIT	SEC	TWNSHP	RANGE	Feet	N or S	Feet	E or W	CO	STATE	TYPE
TRAVIS D FEDERAL	12	F	NM-56429	30-015-03513	LOCO HILLS; QU-GB-SA		J	17	18S	29E	1980	S	1980	Е	Eddy	NM	Oil
TRAVIS D FEDERAL	18	F	NM-56429	30-015-22685	LOCO HILLS; QU-GB-SA		H	17	18S	29E	1980	N	660	Ε	Eddy	NM	Oil
TRAVIS D FEDERAL	19	F	NM-56429	30-015-24160	LOCO HILLS; QU-GB-SA		K	17	18S	29E	1880	S	1980	W	Eddy	NM	Oil
TRAVIS D FEDERAL	20	F	NM-56429	30-015-24441	LOCO HILLS; QU-GB-SA		Η	18	18S	29E	1980	N	330	Е	Eddy	NM	Oil
TRAVIS D FEDERAL	21	F	NM-56429	30-015-24709	LOCO HILLS; QU-GB-SA		L	17	18S	29E	2030	S	760	W	Eddy	NM	Oil

<u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210 Phone (575) 748-1283 Fax (575) 748-9720

State of New Mexico Energy, Minerals and Natural Resources

Form C-145 Permit 122303

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

RECEIVED

NOV 3 0 2010)

NMOCD ARTESIA

Change of Operator

Previous Operator Information		New Operator	New Operator Information						
•		Effective Date:	Effective on the date of approval by the OCD						
OGRID:	216852	OGRID:	274841						
Name:	CBS OPERATING CORP	Name:	ALAMO PERMIAN RESOURCES, LLC						
Address:	PO BOX 2236	Address:	820 Gessner Rd						
			Suite 1650						
City, State, Zip:	MIDLAND, TX 79702	City, State, Zip:	Houston, TX 77024						

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, ALAMO PERMIAN RESOURCES, LLC certifies that it has read and understands the following synopsis of applicable rules.

Previous	Operator	New Oper	ator — AAA
Signature	: David Street	Signature:	A. F. P. WALL
Printed Name:	DAVID COTNER	Printed Name:	A.F. Pelletien
Title:	PRESIDENT	Title:	President
Date:	11.30-2010 Phone: 432-682-96	11 Date: 3	0 Nov-10 Phone: 432 897-0673

NMOCD Approval

Electronic Signature: Randy Dade, District 2

Date: November 30, 2010

importor or or commensual commensual control of the
ALAMO PERMIAN RESOURCES, LLC certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells are in compliance with 19.15.17 NMAC, have been closed pursuant to 19.15.17.13 NMAC, or have been retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.

ALAMO PERMIAN RESOURCES, LLC understands that the OCD's approval of this operator change:

- constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
- constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

As the operator of record of wells in New Mexico, ALAMO PERMIAN RESOURCES, LLC agrees to the following statements:

- 1. I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.
- 2. I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See 19.15.9.9.B NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See 19.15.9.9.C(2) NMAC.
- 3. I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See 19.15.7.24.C NMAC.
- 4. I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed on approved temporary abandonment. See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.
- 5. I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance, even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See 19.15.8.9.C NMAC. I understand that I can check my compliance with the single-well financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
- 6. I am responsible for reporting releases as defined by 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record.
- 7. I have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19 NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC. If I am in violation of Part 5.9 the OCD may, after notice and hearing, revoke my existing injection permits. See 19.15.26.8 NMAC.
- 8. For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well,

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- authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.
- 9. I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See 19.15.9.8.C NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
- 10. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See 19.15.9.9. B NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change, I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.

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From Operator CBS OPERATING CORP OGRID 216852 To Operator ALAMO PERMIAN RESOURCES, LLC OGRID 274841

Wells Selected for Transfer, Permit 122303 Permit Status: APPROVED

OCD District: Artesia

OCD DISTRICT ARTESIA	_					
Property Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool Pool Name ID
308876 ARTESIA STATE UNIT #001	S	D-13-18S-27E	D	30-015-00883	О	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
ARTESIA STATE UNIT #001A	S	M-13-18S-27E	М	30-015-21446	1	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
ARTESIA STATE UNIT #001B	S	H-14-18S-27E	Н	30-015-00895	0	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
ARTESIA STATE UNIT #001C	S	I-14-18S-27E	I	30-015-21454	0	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
ARTESIA STATE UNIT #001D	S	A-23-18S-27E	Α	30-015-21448	0	3230 ARTESIA, QUEEN- GRAYBURG-SAN ANDRES
ARTESIA STATE UNIT #001E	S	B-23-18S-27E	В	30-015-21487	1	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
ARTESIA STATE UNIT #002	S	L-13-18S-27E	L	30-015-21486	I	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
ARTESIA STATE UNIT #002A	S	D-13-18S-27E	D	30-015-25370	0	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
ARTESIA STATE UNIT #002B	S	I-14-18S-27E	i	30-015-21447	i	3230 ARTESIA, QUEEN- GRAYBURG-SAN ANDRES
ARTESIA STATE UNIT #002C	S	O-14-18S-27E	0	30-015-21485	1	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
ARTESIA STATE UNIT #002D	s	A-23-18S-27E	Α	30-015-21449	I	3230 ARTESIA, QUEEN- GRAYBURG-SAN ANDRES
ARTESIA STATE UNIT #005	S	A-23-18S-27E	Α	30-015-21988	О	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
308877 CONSTATE #001	S	C-36-16S-31E	c	30-015-05017	o	28509 GRAYBURG JACKSON;SR-Q-G-SA
CONSTATE #002	S	E-36-16S-31E	E	30-015-05020	o	28509 GRAYBURG JACKSON,SR- Q-G-SA
CONSTATE #003	S	J-36-16S-31E	J	30-015-05019	0	28509 GRAYBURG JACKSON;SR- Q-G-SA
308878 COWTOWN UNIT #101	S	K-13-18S-28E	K	30-015-01843	О	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
COWTOWN UNIT #102	S	L-13-18S-28E	L	30-015-01844	0	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
COWTOWN UNIT #201	S	M-13-18S-28E	M	30-015-01849	0	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
COWTOWN UNIT #301	S	N-13-18S-28E	N	30-015-01850	0	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
COWTOWN UNIT #401	S	D-24-18S-28E	D	30-015-02037	Ο .	3230 ARTESIA: QUEEN- GRAYBURG-SAN ANDRES
COWTOWN UNIT #402	S	E-24-18S-28E	E	30-015-02032	0	3230 ARTESIA; QUEEN- GRAYBURG-SAN ANDRES
308454 FEATHERSTONE #002	S	F-2 -17S-31E	F	30-015-05037	0	28509 GRAYBURG JACKSON,SR-Q-G-SA
FEATHERSTONE #003	S	2-2 -17S-31E	В	30-015-05038	0	28509 GRAYBURG JACKSON,SR-Q-G-SA
FEATHERSTONE #004	S	4-2 -17S-31E	D	30-015-05039	0	28509 GRAYBURG JACKSON,SR-Q-G-SA
308879 H G WATSON #006	P	K-4 -18S-29E	K	30-015-20312	0	39520 LOCO HILLS;QU-GB-SA
H G WATSON #008	P	O-4 -18S-29E	0	30-015-03294	0	39520 LOCO HILLS,QU-GB-SA
308880 HUSTATE #001	S	N-36-16S-31E	N	30-015-05021	0	28509 GRAYBURG JACKSON;SR-Q-G-SA
HUSTATE #002	S	L-36-16S-31E	L	30-015-05018	0	28509 GRAYBURG JACKSON;SR-Q-G-SA
HUSTATE #003	S	K-36-16S-31E	Κ	30-015-24935	О	28509 GRAYBURG JACKSON;SR-Q-G-SA
308881 J L LANGFORD #006	P	C-9 -18S-29E	С	30-015-03362	0	39520 LOCO HILLS;QU-GB-SA
308882 KEMPER STATE #001	S	E-16-18S-29E		30-015-03421	G	39520 LOCO HILLS, QU-GB-SA
308883 NEW MEXICO AF STATE #001	S	P-1 -18S-28E	P	30-015-25002	0	39520 LOCO HILLS, QU-GB-SA
308884 TRAVIS D FEDERAL #012	F	J-17-18S-29E	J	30-015-03513	0	39520 LOCO HILLS;QU-GB-SA
TRAVIS D FEDERAL #018	F	H-17-18S-29E	Н	30-015-22685	0	39520 LOCO HILLS; QU-GB-SA
TRAVIS D FEDERAL #019	F	K-17-18S-29E	W	30-015-24160	0	39520 LOCO HILLS, QU-GB-SA

TRAVIS D FEDERAL #020	F	H-18-18S-29E	Н	30-015-24441	0	39520 LOCO HILLS, QU-GB-SA
TRAVIS D FEDERAL #021	F	L-17-18S-29E	L	30-015-24709	0	39520 LOCO HILLS, QU-GB-SA
308885 WILSON #001	S	O-2 -17S-31E	o	30-015-05040	0	28509 GRAYBURG JACKSON;SR- Q-G-SA
WILSON #002	S	J-2 -17S-31E	J	30-015-05041	О	28509 GRAYBURG JACKSON;SR- Q-G-SA

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Conditions of Approval

Alamo Permian Resources, LLC Travis D Federal 12, 18, 19, 20 & 21 Lease NM56429 3001503513, 3001522685, 3001524160, 3001524441 & 3001524709

- 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. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.

43 CFR 3162.3-4 (C) requires that wells incapable of production in paying quantities be promptly plugged and abandoned....

Wells may not be producing in paying quantities.

9. If a well is not capable of production in paying quantities submit Notice of Intent to P&A or submit documentation proving that well is capable of production in paying quantities within 30 of approval of change of operator.