

NM OIL CONSERVATION

Form 3160-5 (March 2012)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT ARTESIAN DISTRICT MAR 02 2015

FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2014

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.

5. Lease Serial No. MNM 106718

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well [X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No. SOUTH TAYLOR 13 FEDERAL #5

2. Name of Operator NADEL AND GUSSMAN PERMIAN, L.L.C.

9. API Well No. 30-015-37092

3a. Address 601 N. MARIENFELD, SUITE 508 MIDLAND, TX 79701

3b. Phone No. (include area code) (432) 682-4429

10. Field and Pool or Exploratory Area SHUGART; DELAWARE EAST

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1697' FSL & 1600' FEL, SEC. 13-T18S-R31E

11. County or Parish, State EDDY CO., NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones.

CHANGE OF OPERATOR EFFECTIVE SEPTEMBER 1, 2014

FROM: NADEL AND GUSSMAN HEYCO, L.L.C. P.O. BOX 1936 ROSWELL, NM 88202-1936

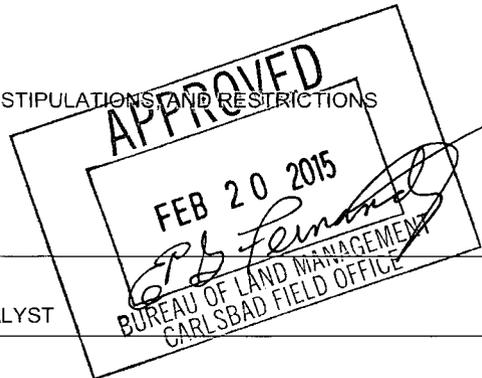
TO: NADEL AND GUSMAN PERMIAN, L.L.C. 601 N. MARIENFELD, SUITE 508 MIDLAND, TX 79701

BLM BOND #2812

NADEL AND GUSSMAN PERMIAN, L.L.C. ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULATIONS AND RESTRICTIONS CONCERNING OPERATIONS CONDUCTED ON THE LEASED LAND OR PORTION THEREOF.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

APD 3/2/15 Accepted for record NHOOD



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

Title REGULATORY ANALYST

Signature Sarah Presley

Date 08/29/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 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

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.

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.
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. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.