

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT ARTESIA DISTRICT

FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010

NM OIL CONSERVATION DIVISION MAY 16 2016 RECEIVED Artesia

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. NMNM-0542015 6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well [X] Oil Well [] Gas Well [] Other 2. Name of Operator ROCKCLIFF OPERATING NEW MEXICO LLC 3a. Address 1301 McKinney Street, Suite 1300 Houston, TX 77010 3b. Phone No. 713-351-0500 4. Location of Well 13-235-28E 2235 FNL 990 FWL

7. If Unit of CA/Agreement, Name and/or No. 8. Well Name and No. SCB 13 FEDERAL NO. 6 9. API Well No. 300153377700 10. Field and Pool or Exploratory Area LOVING, DELAWARE, EAST 11. Country or Parish, State EDDY COUNTY NEW MEXICO

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, 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.

THIS IS NOTIFICATION THAT ROCKCLIFF OPERATING NEW MEXICO LLC HAS ACQUIRED THE ABOVE WELL/PROPERTY FROM VANGUARD PERMIAN LLC.

PER NTL89, ROCKCLIFF OPERATING NEW MEXICO LLC ACCEPTS ALL APPLICABLE, TERMS, CONDITIONS, STIPULATIONS, AND RESTRICTIONS CONCERNING OPERATIONS CONDUCTED ON THE LEASE LAND OR PORTION THEROF.

BOND COVERAGE: BLM BOND NO. NMB001336; SURETY BOND NO: B009790

CHANGE OF OPERATOR EFFECTIVE 11-1-15

FORMER OPERATOR: VANGUARD PERMIAN LLC (GRID #258350) ACQUIRING OPERATOR: ROCKCLIFF OPERATING NEW MEXICO LLC (GRID #37115)

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name: Nicholas Koch, Title: Vice President - Operations, Date: 3-9-16

Accepted for record NMB001336 AB 5/17/16

THIS SPACE FOR FEDERAL OR STATE OFFICE USE. Approved by: [Signature], Title: [Blank], Office: [Blank], Date: MAY 9 2016

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.

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)

Rockcliff Operating New Mexico LLC
May 09, 2016
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.

JAM 050916