

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.
NMNM91367

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

Oil Well Gas Well Other

8. Well Name and No.
Multiple-See Attached **Arco Federal**

2. Name of Operator
Colgate Operating, LLC

9. API Well No.
Multiple-See Attached

3a. Address
306 W. Wall St. Suite 500
Midland TX 79701

3b. Phone No. (include area code)
432.695.4222

10. Field and Pool or Exploratory Area
Shugart; Yates-7RS-QU-GRA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Multiple See Attached Section 23 & 24, T-18-S R-31-E

11. Country or Parish, State
New Mexico, Eddy

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change of Operator
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 performed 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 determined that the site is ready for final inspection.)

This is notification that Colgate Operating, LLC is taking over operations of these wells.

Colgate Operating, LLC accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease(s), or portion of lease described in the attached.

BLM Bond No.: NMB001382 / ~~NMB001405~~ \$200,000
Surety No: B010098
Bond Amount: \$25,000.00
Execution date: 7/25/2016

Change of Operator Effective: 8/31/2016

Former Operator: SM Energy Company

Please see all wells impacted by this sundry attached hereto.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

NM OIL CONSERVATION
ARTESIA DISTRICT
DEC 12 2016

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
Robert Shannon

Title Vice President & CFO, Colgate Operating, LLC

RECEIVED

Signature

Robert Shannon

Date

9/28/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Charles Nimmer

PETROLEUM ENGINEER

Title

Office

APPROVED

DEC 6 2016

**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

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.

<u>API</u>	<u>Well Name</u>	<u>State</u>	<u>County</u>	<u>Field Name</u>	<u>Footages</u>	<u>Sec., Township, Range</u>	<u>Lease No</u>
30-015-252180000	Arco Federal 1	NM	EDDY	Shugart; Yates-7RS-QU-Grayburg	1830' FNL 660' FWL	Sec. 24, T18S, R31E	NMNM91367
30-015-256240000	Arco Federal 2	NM	EDDY	Shugart; Yates-7RS-QU-Grayburg	950' FNL 2310' FWL	Sec. 24, T18S, R31E	NMNM91367
30-015-268500000	Arco Federal 3	NM	EDDY	Shugart; Yates-7RS-QU-Grayburg	1980' FNL 660' FEL	Sec. 23, T18S, R31E	NMNM91367
30-015-269260000	Arco Federal 4	NM	EDDY	Shugart; Yates-7RS-QU-Grayburg	710' FNL 1980' FEL	Sec. 23, T18S, R31E	NMNM91367