

(Instructions on page 2)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT NMOCD

FORM APPROVED OM B No. 1004-0135 Expires: January 31, 2004

## 5. Lease Serial No.

NM 010190

## SUNDRY NOTICES AND REPORTS ON WELLESIA

East Shugart Unit    Type of   Other   Gas WellCl   Other	Do not use this t abandoned well.	orm for proposals to drill or Use Form 3160-3 (APD) for s	to re-enter an uch proposals.	6. If Indian, Allottee or Tribe Name	
2. Name of Operator R.P. Kauffman Company, Inc.  3a. Address  3b. Phone No. (include area code)  3c. JAF Well No. 3d-015-27436  3c. JAF Well No. 3d-015-27436  3c. JAF Well No. 3d-015-27436  1c. Catation of Well (Footings, Sc., T., R., M., or Survey Description)  1c. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  1c. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  1c. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  1c. Charles Plans  1c. Charles Production (Start/Resume) Water Shut-Off  1c. Charles Plans  1c. Charles Production (Start/Resume) Water Shut-Off  1c. Charles Plans  1c. Charles Plans  1c. Charles Production (Start/Resume) Water Shut-Off  1c. Charles Plans  1	SUBMIT IN TRIPL	ICATE- Other instructions o	n reverse side.	7. If Unit or CA/Agreement, Name and/or No.	
Academs K.P. Kauffman Company, Inc.  A Address B Fosadway, Suite 2800, Denver, Colorado 80202  3 b. Phone No. (include area code) 303-825-4822  10. Icidad af Pool, or Exploratory Area Shugart: Yates-788-Queens-Grayh 11. County or Parish, State Eddy County, NM  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  13. Describe Proposed or Complete Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration the lifthe proposal is to deepen directionally or recomplete horizontally, give subsarface locations and measured and true vertical depths of all pertinent markers and zo Attach the Boand under which the work will be performed or provide the Bond No. on file with BLMMBIA. Required subsequent proposal but of the complete of the involved operations. If the operation results in an unluiple completion or recompletion in a new interval, a Form 1604 shall be filed only after all requirements, including reclamation, have been completed. Final Abandoment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator hadetermined that the site is ready for final inspection.)  As required by 43 CFR 3100.0-S(a), we are notifying you of a change of operator on the above-referenced well.  Effective May 1, 2018, operations of the above well were transferred from Agua Stata LLC to K.P. Kauffman Company, Inc. Bond coverag BLM Bond No. NMB000202.  K.P. Kauffman Company, Inc., as new operator, accepts all applicable terms, conditions, stipulations, and restrictions concering operation conducted on this lease, or portion of lease described.  K.P. Kauffman Company, Inc. agrees to fulfill the duties and assume the obligations of the Unit Operator under and p	1. Type of Well Oil Well  Gas Well  Other				
30. Address 1075 Broadway, Suite 2800, Denver, Colorado 80202 303-825-822 10. Eield and Pool, or Exploratory Area Shugart: Yates-7Rs-Queens-Grayh 1. County or Parish, State Eddy County, NM  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration the 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration the 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration the 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration the 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration the 14 fifthe groposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zo Attach the Bond under which the work will be performed or provide the Bond No. on file with BLMBIA. Required subsequent reports shall be filled only after all requirements, including reclamation, have been completed, and the operator hadetermined that the site is ready for final inspection.)  As required by 43 CFR 3100.0-5(a), we are notifying you of a change of operator on the above-referenced well.  Effective May 1, 2018, operations of the above well were transferred from Agua Sucia LLC to K.P. Kauffman Company, Inc., as new operator, accepts all applicable terms, conditions, stipulations, and restrictions concering operation conducted	2. Name of Operator K.P. Kauffman Company, Inc.				
10. Field and Pool, or Exploratory Area Shugart: Yates-YBa-Queens-Grayh 11. County or Parish, State Eddy County, NM  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION    Acidize	<del> </del>		(o (include area code)	1	
11. County or Parish, State Eddy County, NM  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF ACTION    Acidize				10. Field and Pool, or Exploratory Area	
Eddy County, NM  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE. REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF ACTION    Acidize	of Well (Footage, Sec., T., R.	M., or Survey Description)		Shugart: Yates-7Rs-Queens-Grayburg	
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF ACTION    Acidize	J-34-18.0S-31E , 2310 FSL, 2310 FEL			11. County or Parish, State	
TYPE OF ACTION    Acidize				Eddy County, NM	
Notice of Intent	12. CHECK APPRO	PRIATE BOX(ES) TO INDICATE	NATURE OF NOTICE,	REPORT, OR OTHER DATA	
Notice of Intent    Alter Casing	OF SUBMISSION		TYPE OF ACTION		
Subsequent Report	<u> </u>	Acidize Deepen	Production (S	Start/Resume)	
Signature   Sign	e of Intent		reat Reclamation		
Final Abandonment Notice	equent Report			✓ Other Change of Operator	
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration the If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zo Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 da following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed on testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator had determined that the site is ready for final inspection.)  As required by 43 CFR 3100.0-5(a), we are notifying you of a change of operator on the above-referenced well.  Effective May 1, 2018, operations of the above well were transferred from Agua Sucia LLC to K.P. Kauffman Company, Inc. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by K.P. Kauffman Company, Inc. under its \$25,000.00 statewide bond coverage BLM Bond No. NMB000202.  K.P. Kauffman Company, Inc., as new operator, accepts all applicable terms, conditions, stipulations, and restrictions concering operation conducted on this lease, or portion of lease described.  K.P. Kauffman Company, Inc. agrees to fulfill the duties and assume the obligations of the Unit Operator under and pursuant to all the term the applicable Unit Agreement, if and the company of the Unit Agreement, if any of the Unit Agreement of the Unit Agreement of the Chief Financial Officer  Signature  Desc	Abandonment Notice	,			
Accepted For Record NMOCD OCT 1 2 2018  14. Thereby certify that the foregoing is true Constitution of the	suant to 43 CFR 3104 for lo M Bond No. NMB000202. . Kauffman Company, Inc.	ease activities is being provided by K.P , as new operator, accepts all applicabl	. Kauffman Company, Inc.	under its \$25,000.00 statewide bond coverage,	
NMOCD OCT 1 2 2018  14. Thereby certify that the foregoing is true DESTRICT II-ARTESIA O.C.D.  14. Thereby certify that the foregoing is true DESTRICT II-ARTESIA O.C.D.  15. Title Chief Financial Officer  Digitally signed by Rick Strain Div. 12-18-06.5 Strain, no. conditry regardly hyb. com. (**U.S.) Date			the obligations of the Unit (	Operator under and pursuant to all the terms of	
14. Thereby certify that the foregoing is true DESTRUCT II-AFTESIA O.C.D.  Richard P. Stults  Digitally igned by Rich Strills  Divided Richard P. Stults  Date 5 3 18P PROVED	pted For Rec	ord - 1 0 0010	SHE ATI	TACHED FOR	
14. Thereby certify that the foregoing is true DESTRUCT II-AFFESIA O.C.D.  Name (Printed/Typed)  Richard P. Stults  Digitally signed by Rick Stells Div. ca-Bick Stells, s. e. c. realist-restricts dept. case, c-U.S Date  Da	NMOCD J	γγ 0C1 1 2 2010	CONDIT	TOXS OF APPROVAL )	
Richard P. Stults  Title Chief Financial Officer  Digitally igned by Rich Stells  Divided Rich Stells  Date  Date  Date  Date	<del></del>		Q.D		
Signature Direction States, a secundary regarding back cons. (*1.5 Date 5/3/187/PKUVFU	e (Printea/Typea)	g is true <b>DISSIPLE</b> (	Title Chief Financial Offi	icer	
THIS COACE FOR FEDERAL OR STATE OFFICE HOE	ture profit	DN: ca-Rick Stutts, a. oa. email-retutts@hpk.com, e-US	Date 5/3	/ARP/PROVED	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE/ // //	Т	HIS SPACE FOR FEDERAL	OR STATE OFFIC		
Approved by Conditions of approval, if any, are attached. Approval of this notice does not warrant or	s of approval, if any, are attacl		ant 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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	uld entitle the applicant to con	duct operations thereon.	oec	CARLSBAT FLYD JETTLE	

## **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 091718**