Form 3160-5 (March 2012)

(Instructions on page 2)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

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

5. Lease Serial No NMNM1210

6. If Indian, Allottee or Tribe Name

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.

7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. NMNM7238 1. Type of Well 8. Well Name and No. Oil Well Gas Well Other Dog Canyon 31 E 2. Name of Operator JKM Energy, LLc 9. API Well No. 30-015-23937 3b. Phone No. (include area code) 10 Field and Pool or Exploratory Area 3a. Address 26 E. Compress Road, Artesia Crow Flats Morrow 575 748-2854 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 2-31-16S-28E SWNW 31 11. County or Parish, State Eddy, New Mexico 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Deepen Production (Start/Resume) Water Shut-Off Acidize ✓ Notice of Intent Reclamation Well Integrity Alter Casing Fracture Treat New Construction Casing Repair Recomplete Other Subsequent Report Plug and Abandon ☐ Temporarily Abandon Change Plans Convert to Injection Plug Back Water Disposal Final Abandonment Notice 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 well is capable of producing, although it has to be swabbed, the cost of swabbing the well is about the same as sales due to the price of natural gas at After 7-27-12 the well must be online — and producing in paying Quantities or plans to P & A must be submitted. this time. I have been approached by two different oil companies about selling this well for a disposal, and am waiting for them to get back with me. I am requesting that this well be shut-in for -6-months, at the end of this time, I will either return it to production of will have sold it for a disposal well JUN 26 2012 Well was shut-in 7/2010, this is 2 years. JUN 2.3 2012 43CFR3162.3-4 states if a well is no NMOCD ARTESIA /s/ JD Whitlock Jr longer capable of producing in paying LAST prod 7/2010 14 Thereby certify that the fore; quantities it shall be promptly plugged. BUREAU OF LAND MANAGEMENT Jack Matthews CARLSBAD FIELD OFFICE Title Managing member THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Title Conditions of approval, if any, are attached Approval of this notice does not warrant or certify Office 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