Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31,1993

5. Lease Designation and Serial No.

NMLC-060894 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE I Type of Well 8. Well Name and No. 2. Name of Operator Longhorns Federal #1 George A. Chase DBA G and C Service 9. API Well No. 3. Address and Telephone No. 30-015-36259 10. Field and Pool, or Exploratory Area (575) 365-8702 P.O. Box 1618 Artesia, NM 88211-1618 4. Location of Well (Footage, Sec., T. R., M. or Survey Description) Red Lake; Queen Grayburg SA 11. County or Parish, State Unit F Sec. 6-T18S-R27E 2410 FNL & 2310 FWL Eddy, NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Change of Plans Abandonment Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Change of Operator Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) As required by 43 CFR 3100.0-5(a) and 43 CFR 3162.3 we are notifying you of a change of operator on the above referenced lease. George A. Chase DBA G and C Service, as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the lease or portion of lease described. George A. Chase DBA G and C Service meets federal bonding requirements as follows (43 CFRA MAY 22 2014 Bond Coverage: Individually Bonded NMOCD BLM Bond File No.: NMB000594 The effective date of this change: SEE ATTAC April 1, 2014 CONDITIONS OF A SUBJECT TO LIKE APPROVAL BY STATE esident Approved by Conditions of approva

•See Instruction on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department of

or representations as to any matter within its jurisdiction

BUREAU OF LAND MANAGEMENT

CARLSBAD FIELD OFFICE

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Effective 4/1/2014 Bond NMB000594

5/19/2014 Approved subject to Conditions of Approval. JDB 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. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.