Form 3160-5 (August 2007)

UNITED STATES (DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

that the applicant holds legal or equitable title to those rights in the subject lease which would

entitle the applicant to conduct operations thereon.

(Instructions on page 2)

OCD Artesia

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

5. Lease Serial No. NMNM 027278

6. If Indian, Allottee or Tribe Name

	Use Form 3160-3 (API					
SUBMI	7. If Unit	7. If Unit of CA/Agreement, Name and/or No.				
1. Type of Well ✓ Oil Well Gas V	8. Well N Feather	8. Well Name and No. Featherstone 1,2,3				
2. Name of Operator Ray Westall Operating, Inc.	9. API W see atta	9. API Well No. see attached				
3a. Address P.O. Box 4 Loco Hills, NM 88255	. Phone No. <i>(include area co</i> 75-677-2370		10. Field and Pool or Exploratory Area Shugart - Yates - 7R - QN - GRB			
4. Location of Well (Footage, Sec., T ., Several	R.,M., or Survey Description)		11. Country or Parish, State Eddy County, NM			
12. CHEC	CK THE APPROPRIATE BOX(ES) TO INDICATE NATUR	E OF NOTICE, REPO	RT OR OTHER	DATA	
TYPE OF SUBMISSION		PE OF ACTION.	TION.			
Notice of Intent	Acidize Alter Casing Casing Repair	Deepen Fracture Treat New Construction	Production (Sta		Water Shut-Off Well Integrity ✓ Other	
Subsequent Report	Change Plans	Plug and Abandon	Temporarily Abandon		OPERATOR	
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal		CHANG	E
Attach the Bond under which the following completion of the involvesting has been completed. Final determined that the site is ready for Operator has changed from Endura Ray Westall Operating, Inc., as nevlease or portion of lease described. Ray Westall Operating, Inc. meets the Bond Coverage: Statewide BLM Bond NMXXXXXX FOR SETERMINES APRIL STATE OF THE CONTROL	red operations. If the operation Abandonment Notices must be refinal inspection.) Ince Resources, LLC to Ray of operator, accepts all applicated and bonding requirements 33664 NMO 3 1, 2014 SUBJECT	results in a multiple completion of the desired only after all requirement westall Operating, Inc. able terms, conditions, stiputas follows:	on or recompletion in a ts, including reclamati	a new interval, a lion, have been control ons concerning of the SEE ATTA	operations cond RECE MAY 2 2 MOCD AB	t be filed once operator has
14. I hereby certify that the foregoing is t	rue and correct.					<u> </u>
Name (Printed/Typed) Ray Westall		Title	sook/leepe	V .		
Signature Lui	lope	Date 04/15/2			• .	•
	THIS SPACE FO	OR FEDERAL OR ST	ATE OFFICE OF	PROVE		
Approved by	Approval of this nation does no	Title	I MAY	1 6 2014tt	е .	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and villfuBy|AFAUeOFahAdebidheenGahAdebidhee

Well Name	ULSTR	API Number	Footage		Pool
Featherstone Federal 1	F-26-T18S-R30E	30-015-25440 ·	1980' FNL & 1980' FWL	56439	Shugart Yates 7 Rivers Queen Grayburg
Featherstone Federal 2	E-26-T18S-R30E	30-015-25620	1980' FNL & 610' FWL	56439	Shugart Yates 7 Rivers Queen Grayburg
Featherstone Federal 3	D-26-T18S-R30E	30-015-25673	990' FNL & 560' FWL	56439	Shugart Yates 7 Rivers Queen Grayburg

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

Effective 4/1/2014 Bond NM0322

5/16/2014 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.