

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NM OIL CONSERVATION
ARTESIA DISTRICT
MAR 02 2015

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

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.
NMNM 2538
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other
2. Name of Operator
NADEL AND GUSSMAN PERMIAN, L.L.C.
3a. Address
601 N. MARIENFELD, SUITE 508
MIDLAND, TX 79701
3b. Phone No. (include area code)
(432) 682-4429
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2310' FNL & 660' FWL, SEC 1-T18S-R31E
7. If Unit of CA/Agreement, Name and/or No.
8. Well Name and No.
CHOLLA 1 FEDERAL #14
9. API Well No.
30-015-37391
10. Field and Pool or Exploratory Area
TAMANO; BONE SPRING
11. County or Parish, State
EDDY CO., NM

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 <u>CHANGE OF OPERATOR</u>
	<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 recompleat 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 recompleat 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.)

CHANGE OF OPERATOR EFFECTIVE SEPTEMBER 1, 2014

FROM: NADEL AND GUSSMAN HEYCO, L.L.C.
P.O. BOX 1936
ROSWELL, NM 88202-1936

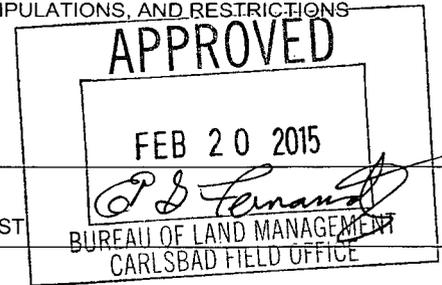
TO: NADEL AND GUSMAN PERMIAN, L.L.C.
601 N. MARIENFELD, SUITE 508
MIDLAND, TX 79701

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

BLM BOND #2812

NADEL AND GUSSMAN PERMIAN, L.L.C. ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULATIONS, AND RESTRICTIONS CONCERNING OPERATIONS CONDUCTED ON THE LEASED LAND OR PORTION THEREOF.

APD 3/2/15
Accepted for record
NADOB



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
SARAH PRESLEY
Signature *Sarah Presley*
Title REGULATORY ANALYST
Date 08/29/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____
Office _____

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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. Greene St
Carlsbad, NM 88220
Ph: (575) 234-5972

Conditions of Approval for Change of Operator

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.