

NMOCD
Artesia

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM 06814
2. Name of Operator KASH OPERATING LLC		6. If Indian, Allottee or Tribe Name
3a. Address 1401 SOUTH 23RD ST ARTESIA NM 88210	3b. Phone No. (include area code) (575) 703-1112	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) G30-19S-31E 1650 FNL, 1650 FEL		8. Well Name and No. SOUTHERN FEDERAL 2
		9. API Well No. 30-015-05806
		10. Field and Pool or Exploratory Area HACKBERRY YATES
		11. Country or Parish, State EDDY COUNTY 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 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 recomplate 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 is notification of Change of Operator on the above referenced well. Kash Operating LLC is the new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease or portion of lease described.

Bond Coverage: BLM Bond File No. NMB001136

Bond Surety No. 39804770

Change of Operator effective August 1, 2014

Former Operator: Jim Pierce (Phil Brewer Personal Respresentative)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

NM OIL CONSERVATION
ARTESIA DISTRICT

JAN 25 2016

UPD 1/26/16
Accepted for record
NMOCD

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) <u>Clint DeLong</u>		Title <u>Managing Partner</u>	RECEIVED
Signature <u>[Signature]</u>	Date <u>8/1/2014</u>	APPROVED	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
		JAN 15 2016
Conditions of approval, if any, are attached. Approval of this notice does not warrant 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.	Office	
	BUREAU OF LAND MANAGEMENT CARLSBAD FIELD 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.

(Instructions on page 2)

KASH OPERATING LLC

January 15, 2016

**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 011516