DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT A Procession **UNITED STATES**

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

5. Lease Serial No. NMNM112253

BUREAU OF LAND MANAGEMENT Artesia
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an

6. If Indian, Allottee or Tribe Name

abandoned wen. Ose form 3100-3 (APD) for such proposals.											
SUBMIT IN TRIPLICATE - Other instructions on page 2 1. Type of Well Oil Well Gas Well Other 2. Name of Operator CHISHOLM ENERGY OPERATING, LEOMail: jelrod@chisholmenergy.com					7. If Unit or CA/Agreement, Name and/or No. 8. Well Name and No. CUESTA ABAJO FED COM 1 9. API Well No. 30-015-33966						
							3a. Address 801 CHERRY STREET. SUIT FORT WORTH, TX 76102	(include area code) 3-3728		10. Field and Pool or Exploratory Area HAPPY VALLEY; MORROW(GAS)	
							 Location of Well (Footage, Sec., T Sec 26 T22S R25E Mer NMP 			11. County or Parish, State EDDY COUNTY, NM	
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OTH	HER DATA					
TYPE OF SUBMISSION TYPE OF ACTION											
Notice of Intent	☐ Acidize	☐ Dee	pen	☐ Producti	on (Start/Resume)	☐ Water Shut-Off					
	☐ Alter Casing	☐ Hyd	raulic Fracturing	■ Reclamation		■ Well Integrity					
☐ Subsequent Report	☐ Casing Repair	□ New	Construction	☐ Recomplete		⊠ Other					
☐ Final Abandonment Notice	☐ Change Plans	□ Plug	and Abandon	☐ Temporarily Abandon		Successor of Operato					
	☐ Convert to Injection			☐ Water Disposal							
FROM: RESOURCE ROCK S 917 FRANKLIN STREET, SUI HOUSTON, TX 77002 TO: CHISHOLM ENERGY OF 801 CHERRY STREET, SUIT FORT WORTH, TX 76102	PERATING, LLC (372137 E 1200-UNIT 20	APP	ONSERVATION IN DISTRICT OF STREET	SEE AT	/	OR AP/PROVAL					
14. I hereby certify that the foregoing is	s true and correct. Electronic Submission # For CHISHOLM EN Committed to AFMSS for	#402805 verifie	d by the BLM Wel	to the Carlsb REZ on 02/01	ad /2018 ()						
Name (Printed/Typed) JENNIFER ELROD			Title SENIOF	REGULAT	ORY TECH	ED					
Signature (Electronic S	Submission)		Date 01/31/2	018							
	THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE US	F MAR 26	2018 / //					
Approved By onditions of approval, if any, are attache crify that the applicant holds legal or equ hich would entitle the applicant to condu	uitable title to those rights in th		Title Office		WIREAU OF EXID MA	Date					
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	a crime for any pe s to any matter w	rson knowingly and ithin its jurisdiction.	willfully to ma	ke to any department or	agency of the United					
Instructions on page 2)	FOR-SUBMITTED ** C			-	OP-SUBMITTED	**					
OFERA	OK-SUBMITTED "" C	FERAIUK-	SODWILLED.	OFERAL	OK-SUDIVILI (ED						

Additional data for EC transaction #402805 that would not fit on the form

32. Additional remarks, continued

BOND COVERAGE: BLM NEW MEXICO STATEWIDE BOND NO. NMB001468

PER NTL89, CHISHOLM ENERGY OPERATING, LLC ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULATIONS, AND RESTRICTIONS CONCERNING OPERATIONS CONDUCTED ON TEH LEASED LAND OR PORTION THEROF.

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 within 60 days, if changes have been made from previously approved disposal method.
- 3. Review facility diagram on file, and submit updated facility diagrams, as per Onshore Order #3 within 60 day.
- 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.