Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED OM B No. 1004-0137

| 5. Lease Serial No. |
|---------------------|
| NMNM-110825 |

| SUNDAT | MOTICE2 | AND H | EPUHIS | ON | WELLS |
|------------|--------------|----------|------------|-------|-------------|
| not use th | his form for | proposal | s to drill | or to | re-enter er |

abandoned well. Use Form 3160-3 (APD) for such proposals.

| j. | If Indian, Allottee or Tribe Name |
|----|-----------------------------------|
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| - | ICITA - CAIA No Mor No |

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|--|---|---|---|--|--|--|--|
| SUBMIT IN TRIPLICATE- Other instructions on reverse side. | | | | 7. If Unit or CA/Agreement, Name and/or No. | | | |
| 1. Type of Well ☐ ☐ Gas Well ☐ ☐ Other | | | | 8. Well Name and No. | | | |
| 2. Name of Operator NADEL AND GUSSMAN HEYCO, LLC | | | | Wabash 20 Fed Com #1H 9. API Well No. | | | |
| 3a. Address PO BOX 1936 ~ ROSWELL | 3b. Phone No. (include area code) | | 30-015-38568 | | | | |
| PO BOX 1936 ~ ROSWELL NM 88202-1936 575/623/6601 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | 10. Field and Pool, or Exploratory Area Atoka Glorieta-Yeso | | | |
| 660' FNL & 330' FEL, Sec. 20: T18S, R26E | | | | 11. County or Parish, State | | | |
| | | | | Eddy, New Mexi | co | | |
| 12. CHECK A | PPROPRIATE BOX(ES) TO | INDICATE NATUR | E OF NOTICE, I | REPORT, OR OTHER | DATA | | |
| TYPE OF SUBMISSION | l | TYF | PE OF ACTION | | | | |
| Notice of Intent ✓ Subsequent Report | Acidize Alter Casing Casing Repair Change Plans | Deepen Fracture Treat New Construction Plug and Abandon | Production (Standard Reclamation Recomplete Temporarily A | ☐ Well ✓ Other | r Shut-Off Integrity - Amended Request to Flare | | |
| Final Abandonment Notice | Convert to Injection | Plug Back | Water Dienocal | | | | |

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 recomplete 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BLM Bond No. NMB00520 Surety Bond NO. B004230

Request to temporarily flare well due to curtailment notice given by DCP Midstream. They have notified us that the Wabash 20 Fed Com #1H will need to be curtailed on May 15th through 31st, 2013.

RECEIVED

APR 11 2013

NMOCD ARTESIA

SEE ATTACHED FOR CONDITIONS OF APPROVAL

| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) | | | | • | | |
|---|-------|------------|-----------------------|---|--|--|
| Tammy R. Link | Title | Production | n Tech | | | |
| Signature any R. Lill | Date | | 03/28/2013 | | | |
| THIS SPACE FOR FEDERAL OR STATE DEFICE USE | | | | | | |
| | | | APPRIOVED | | | |
| Approved by /s/ Jerry Blakley | | Title | Date | | | |
| Conditions of approval, if any, are attached. Approval of this notice does not warrar certify that the applicant holds legal or equitable title to those rights in the subject leads which would entitle the applicant to conduct operations thereon. | | Office | APR - 6 2013 | | | |
| 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 anymatter within its jurisdiction. | | | | | | |
| (Instructions on page 2) | | | CARLSBAD FIELD OFFICE | | | |

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

4/6/2013

Condition of Approval to Flare Gas

- 1. Request approval to flare gas by submitting NOI to Flare Gas with estimated volume.
- 2. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared.
- 3. Report all volumes on OGOR reports.
- 4. Comply with NTL-4A requirements
- 5. Subject to like approval from NMOCD
- 6. Flared volumes will still require payment of royalties
- 7. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
- 8. This approval does not authorize any additional surface disturbance.
- 9. Submit updated facility diagram as per Onshore Order #3.
- 10. Approval not to exceed 90 days for date of approval.