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SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandonad well. Use Form 3169-3169 (APD) for such proposals.       6         SUBMIT IN TRIFLICATE - Other instructions on page 2       2. If this of CAAgeement, No. MA-7282         1. Type of Well       0       9         2. Name of Onrarium Busedem Energy Holdings, LLC       9         3. Allers 21 to 49 how, Save 70 refers in Forder 17 feb 328       9         12. Allered of Units of CAAgeement, No. MA-7282       9         13. Allers 21 to 49 how, Save 70 refers in Forder 71 feb 328       9         14. Location of Well (Proving, C.E. 7. M. A. or Sorrey Datersfrom)       9         14. Data of Well (Proving, C.E. 7. M. A. or Sorrey Datersfrom)       11. Compare Presis, Save Eddy Courty, NM         14. Data of Well (Proving, C.E. 7. M. A. or Sorrey Datersfrom)       11. Compare Presis, Save Eddy Courty, NM         14. Data of Well (Proving, C.E. 7. M. A. or Sorrey Datersfrom)       11. Compare Presis, Save Eddy Courty, NM         14. Data of Well (Proving, C.E. 7. M. A. or Sorrey Datersfrom)       11. Compare Presis, Save Eddy Courty, NM         14. Data of The Aller Casing Eddy Courty of Courty	(Marah 2012) UNITED STATES				3	OMB No. 1004-0137		
SUNDRY NOTCES AND REPORTS ON WELLS       If Indian, Allotte or Tritle Name         Do not use this form for proposals to drill or to re-enfort an abandoned well. Use Form 3160-3 (APD) for such proposals.       7.1/Lini of CAAptement, Name and/or No.         SUBDRY IN TRIPLOATE - Other instructions on page 2.       7.1/Lini of CAAptement, Name and/or No.       7.1/Lini of CAAptement No.	BUREAU OF LAND MANAGEMEN			,				
Bandoned well. Use Form 3160-3 (APD) for such proposals.      SUMMT IN TRIFLICATE - Other instructions on page 2     Communitization Agreement Non. Non-Communitization Agreement Non. NN-72582     Communitization Agreement No. NN-72582     Communitization Agreement No. NN-72582     Address     dot Wall Case Well     Contex     Subscreement.Non. NN-7258     Address     dot Wall Case Well     Contex     Subscreement.Non. NN-7258     Address     dot Wall Case Well     Contex     Subscreement.Non. NN-7258     Address     dot Wall Case Well     Contex     Subscreement.No. NN-7258     Address     dot Wall Contex     Subscreement.No. NN-7258     Address     dot Wall Contex     Subscreement.No. NN-7258     Address     dot Not Streement.No. NN-7258     Address						· · · · · · · · · · · · · · · · · · ·		
Communitization Agreement No. NM-72282     Sume of Operator     Subsetter Energy Holdings, LLC     Yeld and You of Exploratory Area     Subsetter Energy Holdings, LLC     Yeld and You of Exploratory Area     Subsetter Energy Holdings, LLC     Yeld and You of Exploratory Area     Subsetter Energy Holdings, LLC     Yeld and You of Exploratory Area     Subsetter Energy Holdings, LLC     Yeld and You of Exploratory Area     Subsetter Energy Holdings, LLC     Yeld and You of Exploratory Area     Subsetter Energy Holdings, LLC     Yeld and You of Exploratory Area     Subsetter Energy Holdings, LLC     Yeld and You of Exploratory Area     Subsetter Energy Holdings, LLC     Yeld and You of Exploratory Area     L2. CHECK THE APPROPRIATE BOXLES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA     TYPE OF SUBMISSION     Yeld Energie     Actor and the Production     Yeld Andre Caning     Production     Complete Andre Caning     Production     Yeld Abard Caning     Yeld Abard     Yeld Abard Caning     Yeld Abard     Yeld Abard Caning     Yeld Abard     Ye							,	
Control of Case Worl     Control of Case Worl     Control of Control     Control of Control     Control of Control     Control of Control     Co						5		
Bluestem Energy Holdings, LLC 34. Addres 35. Phone No. (incluite area code) 37. Addres 36. Addres 36. Addres 36. Addres 37. Phone No. (incluite area code) 3						8. Well Name and No. Fortson Federal Com #1		
	2. Name of Operator Bluestem Energy Holdings, LLC					9. API Well No. 30-015-24300		
	421 W. 3rd Street, Suite 700				de)	10. Field and Pool or Exploratory Area		
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTLER, REPORT OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         Image: Notice of Intent       Image: Notice of In	4. Location of Well (Footage, Sec., T.,	R.,M., or Survey Description)	)	11. County or Parish, State				
TYPE OF SUBMISSION       TYPE OF ACTION         Image: Subsequent Report       Image: Subsequent Report Subsequent Repo	1830 FNL & 2140 FWL, E/2 NW/4, Section 12 T24S, R28E					Eddy County, NM		
Notice of Inem       Actidize       Deepen       Production (Star/Resume)       Water Shut-Off         Subsequent Report       Casing Repair       Precure Treat       Recomplete       Other Change of Operator         The abandonment Notice       Courser to Injection       Philing and Abandon       Temporarity Abandon         13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate durition there or to Injection on Digitation the experiment details, including estimated starting date of any proposed work and approximate durition there or to Injection on Digitation the experiment durition there or to Injection of the involved operators. If the operation results is an automated and ince vertical depth of all pertinent markers and zones. The operation results is an automated starting date of any proposed work and approximate durition there of a description of the involved operators. If the operation results is an automated starting date of any proposed work and approximate durition there of a description of the involved operators. If the operation results is an automated starting date of any proposed work and approximate durition there of a description of the involved operators. If the operation results is in automated starting date of any proposed work and approximate durition there of a description of the involved operators. If the operation results is including reclamation, have been completed in find inspection.)       Meter State all pertinent markers and zones.         The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operation conducted on the leased land or portorin thereof. a descrothere below:       Meter State. <td>12. CHEC</td> <td>CK THE APPROPRIATE BO</td> <td>X(ES) TO INDI</td> <td>CATE NATURI</td> <td>E OF NOTI</td> <td>CE, REPORT OR OTHI</td> <td>ER DATA</td>	12. CHEC	CK THE APPROPRIATE BO	X(ES) TO INDI	CATE NATURI	E OF NOTI	CE, REPORT OR OTHI	ER DATA	
Notice of Interd  Notice of Interd  Alter Casing  Fracture Treat  Casing Repair	TYPE OF SUBMISSION	TYPE OF SUBMISSION TYPE OF A						
Subsequent Report     Change Plans     Change Plans     Prove Construction     Prove Construction     Convert to Injection     Prove Construction     Prove	Notice of Intent				=			
Change Plans     Change Plans     Change Plans     Plag and Abandon     Temporariary Abandon     Convert to Injection     Convert to Injection     Plag Back     Water Disposal     Water Disposal     Convert to Injection     Convert Injection     Converting     Convert Injection     Converting     Converting     Convert     Converting     Convert     Convert     Convert     Convert     Convert     Convert     Converting     Convert     Convert     Convert     Convert     Converting     Convert     Convert     Convert     Convert     Converting     Convert     Convert     Converting     Convert     Converting     Converting     Converting     Converting     Converting     Converting     Converting     Converting     Converting     Co	Subsequent Report							
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 depen directionally or ecomplete indirectionally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Book and ex which work with the performed or provide the Boah KUMEN. Required Subscripter toposition in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandomsent Notices 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. This obscription of the involved operation Notices must be filed within 30 days following completion of the involved operation.)         The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion fland: E/2 NW/4 Section 12, T24-S, R28E <b>ACCEPIed for</b> record NMOCD 1002/1002/1002/1002/1002/1002/1002/1002	_				_			
JAMES C. GRESHAM, JR.       Title       VICE PRESIDENT - LAND         Signature       Date       11/28/2012         THIS SPACE FOR FEDERAL OR STATE OF ALCE USED VF D         Approved by       Title         Conditions of approval, if any, are plached. Approval of this notice does not warrant or certify hat the applicant holds legal or epitiable title to those rights in the subject lease which would mittle the applicant to conduct perations thereon.       Title         Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and will be light a matter within its jurisdiction.       Office	testing has been completed. Final determined that the site is ready fo The undersigned accepts all ap or portion thereof, as described API No. 30-015-24300 Lease No. NM-54398 BLM Bond No <del>D006057</del> Legal Description of land: E/2 I The operation of the above-refe Adventure Exploration Partners, 500 W. Texas Avenue, Suite 10 Midland, TX 79701 BLM Bond No. NMB000637 TO: Bluestem Energy Holdings 421 W. 3rd Street, Suite 7	Abandonment Notices must b r final inspection.) uplicable terms, conditions, below: <b>MUGODO 8472</b> WV/4 Section 12, T24-S, R renced lease and well have LLC 00 St a, LLC APP	stipulations, ar ACC 228E e been transfer	r all requirement nd restrictions of CEPTED f NMO red effective N	ts, including concerning Of rec CD ovember 1	s reclamation, have been operations conducted OIO JUS/13/2013 5, 2011 from:	completed and the operator has d on the leased land AUG 1 6 2013 NMOCD ARTESIA	
Signature       Date       11/28/2012         THIS SPACE FOR FEDERAL OR STATE OF AICE USED VFD         Approved by       Title       AUG 16 2013         Conditions of approval, if any, are stached. Approval of this notice does ret warrant or certify hat the applicant holds legal or excitable tilter to those rights in the subject lease which would office       Title       AUG 16 2013         Date       Office       Office       Office       AUG 16 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 will bulk that the United States any false fictuations or fraudulent statements or representations as to any matter within its jurisdiction.       CARL SBAD EIFLD OFFICE		rue and correct. Name (Printed	d/Typed)					
THIS SPACE FOR FEDERAL OR STATE OF ACETUSED VED         Approved by       Title         Approved by       Title         Conditions of approval, if any, are plached. Approval of this notice does of warrant or certify hat the applicant holds legal or excitable title to those rights in the subject lease which would intitle the applicant to conduct operations thereon.       Title         AUG 16 2013       Date         Date       Office         Office       AUG 16 2013         Date       Date         Ditle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and will by lyte make to AAVD EAAVD	JAMES C. GRESHAM, JR. Title VIC				RESIDENT	- LAND		
Approved by Approved by Augustations of approval, if any, are plached. Approval of this notice does not warrant or certify hat the applicant holds legal or explicible title to those rights in the subject lease which would office Aug 16 2013 Office Aug 16 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 will will will will will will will wil	Signature Date 11/28/2012							
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CARI CRAD FIFI D OFFICE	that the applicant holds legal or equitable t entitle the applicant to conduct operations	itleno those rights in the subject thereon.	t lease which wou	rtify Ild Office	nd wilkaliyo	AUG 1 6 2013		
	fictitious or fraudulent statements or repre (Instructions on page 2)	sentations as to any matter wit	hin its jurisdiction.			ARI GRAD FIFI D OFF	10,¢	

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

## **Conditions of Approval**

## Bluestem Energy Holdings Fortson Federal Com #1 COM NM72262 Lease NM54398 3001524300

- 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.

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8. All Reporting to ONRR ( OGOR Reports) must be brought current within 30 days of this approval including any past history. Reporting shows September of 2011 was the last report received.