Form 3160-5 (August 2007)

## **UNITED STATES** DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

## N.M. OIL CONSERVATION DIVISION

811 S. FIRST STREET

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

ARTESIA, N. 88241 Serial No.

NMNM36648

Do not use this f		ORTS ON WELLS to drill or to re-enter a (PD) for such proposa		or Tribe Name
SUBMIT	IN TRIPLICATE – Other	instructions on page 2.	7. If Unit of CA/Agre	ement, Name and/or No.
1. Type of Well Oil Well Gas W	ell Other		8. Well Name and No China Federal #4	).
2. Name of Operator LRE Operating, LLC			9. API Well No. 30-005-61117	
3a. Address 1111 Bagby Street, Suite 4600 Houston, TX 77002		3b. Phone No. <i>(include area co</i> 575-623-8424	ode) 10. Field and Pool or Pecos Slope; ABO	
4. Location of Well <i>(Footage, Sec., T.,I</i> 1650' FSL 1870' FWL Unit K Sec 17 T07S R23		)	11. Country or Parish Chaves County, Ne	1
12. CHEC	K THE APPROPRIATE BO	OX(ES) TO INDICATE NATUR	E OF NOTICE, REPORT OR OTH	IER DATA
TYPE OF SUBMISSION		Ţ	PE OF ACTION	
Notice of Intent	Acidize Alter Casing	Deepen Fracture Treat	Production (Start/Resume) Reclamation	Water Shut-Off Well Integrity
Subsequent Report	Casing Repair Change Plans	New Construction Plug and Abandon	Recomplete Temporarily Abandon	Other
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal	
determined that the site is ready for All wells on the lease referenced in 1 They are shut in due to Agave's (Ga Agave is in the process of installing wells to production.  The estimated time for the plant to be	final inspection.) the attached written order s Purchaser) inability to s a nitrogen rejection unit w	are capable of producing in pale the gas due to high nitroghich will enable Lime Rock R	en content. esources/LRE Operating, LLC a 14).	nd other companies to return their
Please see attached letter from Aga			Accepted	for record
. N	M OIL CONSERVA ARTESIA DISTRIC	ATION T	Accepted NMC	DCD 18720-14
	JUL 28 2014	APPROVE	FOR 6 MON	ITH PERIOD
	RECEIVED	ENDING_	FEB 01 2015	
14. I hereby certify that the foregoing is to Name (Printed/Typed) Michael Barrett	ue and correct.	Title Produc	tion Supervisor	
Signature MJ	481	Date 07/21/2	2014 .	
	THIS SPACE	FOR FEDERAL OR S		
Approved by			Field Manager,	
ISI Any	jel Mayes	Lands And	Milialais	Date 7234
Conditions of approval, if any, are attached that the applicant holds legal or equitable to entitle the applicant to conduct operations	tle to those rights in the subje	s not warrant or certify ct lease which would Office	Roswell 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.

Form 3160-18 (October, 1999)



Number	140	OT40	wo
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## UNITED STATES DEPARTMENT OF THE INTERIOR

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case	NMNM36648
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CHINA FEDERAL  INWNE 18  7Site Name CHINA FEDERAL  11  NWNE 20  7S  23E  NMP CHAVES  Site Name CHINA FEDERAL  11  NWNE 20  7S  23E  NMP CHAVES  Site Name (SEE ATTACHED)  The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.  Date  The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.  Date  Corrective Action to be Corrected by Corrected Date Corr	NOTICE OF WRITTEN ORDER  Int Office ROSWELL FIELD OFFICE Uperatur  LIRE OPERATING, LLC 2909 W. SECOND ST. ROSWELL NM 88201  Attention  County  Attention  Attention  Attention  Attention  Attention  County  Attention  County  Attention  County  NMN E 18  TS 23E NMP County  CHAVES NIM  Well-Facility/FMP 1/4 1/4 Section   Township Reage Meridian County  State  The following condition(s) were found by Bureau of Land Management Impectors on the date and at the stact) listed above.  Time (24-haur clack)  Cornected Authority Action to be Connected Well-Authority Reference  County County State  Authority Reference  Date 7-/6-14  Authority Reference  Date 7-/6-14  Authority Reference  Date 7-/6-14  Authority Reference  Date 7-/6-14  Authority Internet Reference  Authority to issue a Written Order in accordance with 40 CFR 3161.2 Written Order corrected within the prescribed time from reserving to this brotice and the secondance with 40 CFR 3161.2 Written Order corrected within the prescribed time from reserving the Reference Re	701030900000044926250			BURE	EAU OF	LAN	D MA	ANAGI	EMENT		Lease NM	VM36648
Durcus of Lind Minagement Office   ROSWELL FIELD OFFICE   Address   299 W. SECOND ST.   Address   299 W. SECOND ST.   Address   1111 BAGSY, SUITE 4600	TOTAL PROPERTY Address 1111 BAGBY, SUITE 4600  175,627.0272  Attention  176,627.0272  Attention  176,627.0272  Attention  176,627.0272  Attention  177,627.0272  Attention	····										<del></del>	
Bureau of Land Management Office ROSWELL FIELD OFFICE Address 2909 W. SECOND ST ROSWELL NM 88201  Teleptione  575.627.0272  Ann Addr  OTORRES  Site Name  OFFICE OFFICE OFFICE  OTORRES  Site Name  OFFICE OFFICE  OTORRES  Site Name  OHINA FEDERAL  11  NVNE 18  75  23E  NMP  CHAVES  Site Name  CHINA FEDERAL  11  NVNE 18  The Solidowing condition(o) were found by Bureau of Land Management Impactors on the date and at the site(o) listed above.  Date  OFFICE  The Solidowing condition(o) were found by Bureau of Land Management Impactors on the date and at the site(o) listed above.  Date  OFFICE  OFFICE  The Solidowing condition(o) were found by Bureau of Land Management Impactors on the date and at the site(o) listed above.  Date  OFFICE  OFFICE  OFFICE  The Solidowing condition(o) were found by Bureau of Land Management Impactors on the date and at the site(o) listed above.  Date  OFFICE  OFFICE  OFFICE  OFFICE  An inspection was performed by BLM representative Oscar Torres, Pelrolaum Engineering Technician on world; committed to the fallowing Lease MMM 36648:  OFFICE  OFFICE  OFFICE  An inspection was performed by BLM representative Oscar Torres, Pelrolaum Engineering Technician on world; committed to the fallowing Lease MMM 36648:  OFFICE  OFFICE  OFFICE  An inspection was performed by BLM representative Oscar Torres, Pelrolaum Engineering Technician on world; committed to the fallowing Lease MMM 36648:  OFFICE  OFFICE  OFFICE  An inspection was performed by BLM representative Oscar Torres, Pelrolaum Engineering Technician on world; committed to the fallowing Lease MMM 36648:  OFFICE  OFFICE  OFFICE  OFFICE  OFFICE  An inspection was performed by BLM representative Oscar Torres, Pelrolaum Engineering Technician on World Company Comments of the Miller of Company Comments of the Company Comments of	INTERPORT OF THE BLM AUTHORIZED OFFICE  INTERPORT OF THE BLM AUTHORIZED OFFICE  Alterian  INTERPORT OF THE BLM AUTHORIZED OFFICER  OFFICER  OFFICER  OFFICE  INTERPORT OF THE BLM AUTHORIZED OFFICER  OFFICER  OFFICER  OFFICER  OFFICER  INTERPORT OF THE BLM AUTHORIZED OFFICER				NO	TICE O	F WI	RITTEN ORDER					
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Address PROSWELL NM 88201  Telephone S75.627.0272  Inspector OTORRES  Site Name Well/Facility/FMP I/M I/M Section Township Range Meridian County Six Name (CHINA REDERAL 11 NWNE 18 78 23E NMP CHAVES Six Name (CHINA REDERAL 11 NWNE 20 78 23E NMP CHAVES Six Name (CHINA REDERAL 11 NWNE 20 78 23E NMP CHAVES Six Name (CHINA REDERAL 11 NWNE 20 78 23E NMP CHAVES Six Name (CHINA REDERAL 11 NWNE 20 78 23E NMP CHAVES Six Name (CHINA REDERAL 11 NWNE 20 78 23E NMP CHAVES Six Name (CHINA REDERAL 11 NWNE 20 78 23E NMP CHAVES Six Name (CHINA REDERAL 11 NWNE 20 78 23E NMP CHAVES Six Name (CHINA REDERAL 11 NWNE 20 78 23E NMP CHAVES Six Name (SEE ATTACHED)  The following condition(t) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.  Date Time (Others clock) Corrective Action to be Corrective Action to the following Lease NMNM 36648:  NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER  An inspection was performed by BLM representative Oscar Torres, Petroleum Engineering Technician on wells committed to the fallowing Lease NMNM 36648:  China Federal; #4, #3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  THE ABOVE REFERENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL  (Remarks continued on following page(s))  When the Written Order is complete with ship and its notice and return to above address.  Company Representative Title Country of the date is a mailed; whichever is certifier. Each stipulation must be corrected within the prescribed time from receipt of the brain accordance with 43 CFR 3163.2). All scif-certified corrections must be postmarked no later than the treat business days after the prescribed with element of Land Management Office of Name the correction and reporting time frames-begin an ins Notice on 7 business days after the prescribed with stage than any parasity action to be Complete with the prescribed time from receipt of the Name and management of 10 Land Appeals, 801 North Q	2009 W. SECOND ST. ROSWELL NM 88201  Attention  575.627.0272  Attention  Township  FRAL  1 NWNE 18  75  23E  NMP  CHAVES  NM  CHAVES  CHAVES  CHAVES  NM  CHAVES  CHAVES  CHAVES  CHAVES  CHAVES  CHAV	Dureita of Land Miniagement (	Office					Operator					
Tolephone  Tolephone  575.627.0272  Attention  576.627.0272  Attention  576.627.0272  Attention  576.627.0272  Attention  576.627.0272  Attention  576.627.0272  Attention  577.628  578. Attention  578. 23E  578. NMP  578. NMP  578. 23E  578. NMP  578. 23E  578. NMP  578. NMP  578. 23E  578. NMP  578. 23E  578. NMP  578. NMP  578. 23E  578. NMP	Attention  S75.627.0272  Attention  Attentio	R	OSWELL	FIELD C	DEFICE					LRE O	PERATIN	G, LLC	
Tubeplane  575.627.0272  Inspector  OTORES  Site Name  Well/Facility/FMP  I/M 1/4 Section  Well/Facility/FMP  I/M 1/4 Section  Township  CHINA FEDIERAL  Mell/Facility/FMP  I/M 1/4 Section  Township  CHINA FEDIERAL  Mell/Facility/FMP  I/M 1/4 Section  Township  Range Meridian  County  CHAVES  Site Name  CHINA FEDIERAL  Mell/Facility/FMP  I/M 1/4 Section  Township  Range Meridian  County  Site Name  CHINA FEDIERAL  The following condition(n) were found by Bureau of Land Management Impectors on the date and at the site(s) Illered above.  Date  (James County C	Attention  TORRES  OTORRES  NWIDT-callity/FMP  If I/A Section  NWNE 18  75  23E  NMP  CHAVES  NM  CHAVES  Stote  COUPLIED  CHAVES  NM  CHAVES  Stote	Address	2909 W.	SECONE	ST.			Address		1111 BA	GBY, SU	ITE 4600	
Timpector OTORES Site Name (CHINA FEDERAL INVALED IN AVINE 18 78 23E NMP CHAVES Site Name CHINA FEDERAL INVALED IN AVINE 18 78 23E NMP CHAVES Site Name CHINA FEDERAL INVALED IN AVINE 18 78 23E NMP CHAVES Site Name CHINA FEDERAL INVALED IN AVINE 18 78 23E NMP CHAVES Site Name CHINA FEDERAL INVALED IN AVINE 20 78 23E NMP CHAVES Site Name (CHINA FEDERAL INVALED IN AVINE 20 78 23E NMP CHAVES Site Name (CHINA FEDERAL INVALED IN AVINE 20 78 23E NMP CHAVES Site Name (CHINA FEDERAL INVALED IN AVINE 20 78 23E NMP CHAVES Site Name (SEE ATTACHED) The following condition(t) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.  Date Time (24-hour clock) Corrective Action to be Completed by Corrected Date (24-hour clock) Corrective Action to be Completed by OB/30/2014  13:30 OB/08/2014  43 CFR 3162.1(a)  Remarks NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER An inspection was performed by BLM representative Oscar Torres, Petroleum Engineering Technician on wells committed to the fallowing Lease NMNM 36648: China Federal; #4, #3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9 THE ABOVE REFERENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL (Remarks conflued on following page(s)) When the Written Order is complied with, sign this notice and return to above address. Company Representative Title Company Representative Title Company Comments A 3160-5 is attached by the sign of the size of t	OTORRES  Well-Freility/FMP  JA 1/4 Section Township Range Meridian County Chaves NM CHAVES NM Meridian County State NMP CHAVES NM Meridian County State NMP CHAVES NM Meridian County State NMP CHAVES NM Meridian County State Chaves NM Meridian County State NMP CHAVES NM Meridian County State Chaves State Chaves NM Mer		ROSWE	LL NM 8	8201					HOUS	TON TX	77002	
An inspection was performed by BLM representative Oscar Torres, Petroloum Engineering Technician on wells committed to the fallowing bases NMMN S648:  Official Art. #3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  THE ABOVE REFERENCEO WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL.  Remarks continued on following page(s).)  When the Writen Order is completed with, sign this notice and return to above address.  Company Representative Title Coduction in accordance with 43 CFR 31612. Written Order correction and reporting time frames begins of the Marting of the Authorized Officer has an incident of Nonemarks and with a CFR 31612. Philate is corrected within the presented time frames begins of the Surface of the Bear of the Surface of Surface of the Surface of Surfa	OTORRES  Atin Addr  Atin Addr  Well/Pucility/FMP  J/4 J/4 Section  Township  Range Meridian  Well/Pucility/FMP  J/4 J/4 Section  Township  Range Meridian  County  NMP  CHAVES  NM  Well/Pucility/FMP  I/4 J/4 Section  Township  Range Meridian  County  State  NMP  CHAVES  NM  Meridian  County  State  NMP  CHAVES  NM  NM  Well/Pucility/FMP  I/4 J/4 Section  Township  Range Meridian  County  State  NMP  CHAVES  NM  NM  NM  Well/Pucility/FMP  I/4 J/4 Section  Township  Range Meridian  County  State  NMP  CHAVES  NM  NM  NM  NM  Well/Pucility/FMP  I/4 J/4 Section  Township  Range Meridian  County  State  NMP  CHAVES  NM  NM  NM  NM  CHAVES  NM  NM  NM  CHAVES  NM  CHAVES  NM  NM  NM  NM  Township  Township  Range Meridian  County  State  NMP  CHAVES  NM  NM  NM  CHAVES  NM  CHAVES  NM  NM  NM  CHAVES  NM  NM  NM  CHAVES  NM  CHAVES  NM  NM  NM  CHAVES  NM  CHAVES  NM  CHAVES  NM  CHAVES  NM  CHAVES  NM  NM  Authority Reference  Cornected  Authorit	Telephone						Attentior	•				
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Size Name CHINA FEDERAL 1 NWNE 18 Size Name CHINA FEDERAL 11 NWNE 20 78 22E NMP CHAVES Size Name CHINA FEDERAL 11 NWNE 20 78 22E NMP CHAVES Size Name CHINA FEDERAL 11 NWNE 20 78 22E NMP CHAVES Size Name (SEE ATTACHED) The following condition(s) were found by Bureau of Land Monagement Inspections on the date and at the size(s) listed above.  Date CHINA FEDERAL 13 0 08/08/2014  Date CHAVES  Connective Action to be Completed by Connected Connected by Connected by Connected by Connected Connected by Connected by Connected by Connected Connecte	Well/Facility/FMM   1/4   4/2 Section   Township   Range   Meridian   County   State   NMM   NUMPricitity/FMM   1/4   4/2 Section   Township   Range   Meridian   County   State   NMM   NUMPricitity/FMM   1/4   4/2 Section   Township   Range   Meridian   County   State   NMM   Numpricitity/FMM   1/4   1/4   Section   Township   Range   Meridian   County   State   NMM   Numpricitity/FMM   1/4   1/4   Section   Township   Range   Meridian   County   State   NMM   Numpricitity   Numpricitity   State   Numpricitity   Numpricitity   State   Numpricitity   Numpricitity   State   Numpricitity   Numpricitity   State   Numpricitity	hispector						Atin Add	r				
CHINA FEDERAL   NWNE 18   7S   23E   NMP   CHAVES	Walffructlity/FMP   1/4 1/4 Section   Township   Range   Meridian   County   State   NM   Walffructlity/FMP   1/4 1/4 Section   Township   Range   Meridian   County   State   NM   Walffructlity/FMP   1/4 1/4 Section   Township   Range   Meridian   County   State   NM   Walffructlity/FMP   1/4 1/4 Section   Township   Range   Meridian   County   State   NM   Walffructlity/FMP   1/4 1/4 Section   Township   Range   Meridian   County   State   NM   Walffructlity/FMP   1/4 1/4 Section   Township   Range   Meridian   County   State   NM   Walffructlity/FMP   1/4 1/4 Section   Township   Range   Meridian   County   State   Market   Council   State   Market		<u> </u>				·	<u> </u>		<del></del>			· · · · · · · · · · · · · · · · · · ·
Site Name CHINA FEDERAL  11 I/4 Section NWNE 20  The following condition(s) were found by Bureau of Land Management Imprectors on the date and at the site(s) listed above.  Date  Time (24-hour clock)  Corrective Action to be Corrected by Corrected Corrected  Authority Reference Corrected  O6/30/2014  13:30  O8/09/2014  13:30  O8/09/2014  43 CFR 3162-1(a)  Remarks: NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER  An inspection was performed by BLM representative Oscar Torres, Petroleum Engineering Tachnician on wells; committed to the fallowing Lease NMMM 3664B:  China Federal; #4, #3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  THE ABOVE REFERENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL  Remarks: continued on following page(s).)  When the Written Order is complied with, sign this notice and return to above address.  Company Representative Title Production of the secondary in a most of above under "Corrective Action to be Completed to the Secondary of the secondary in a most of above under "Corrective Action to be Completed to the Secondary of the secondary in a most of above under "Corrective Action to be Completed to the Secondary of the secondary in a secondary in a secondary of the secondary in a secondary in a secondary of the secondary in a secondary in a secondary of the secondary in a secondary in a secondary of the secondary of the secondary in a secondary in a se	RAL Well/Fucility/FMP It 4 I/4 Section Township NS Range Meridian County State  Well/Fucility/FMP I I/4 I/4 Section Township Range Meridian County State  Well/Fucility/FMP I I/4 I/4 Section Township Range Meridian County State  III Well/Fucility/FMP I I/4 I/4 Section Township Range Meridian County State  The following condition(s) were found by Bureau of Land Monagement Inspectors on the date and at the site(s) listed above.  Time (24-hour cluck) Corrective Action to be Corrected Corrected Authority Reference  (24-hour cluck) Corrective Action to be Corrected Authority Reference  (24-hour cluck) Corrected State Reference Reformed by BLM representative Oscar Torres, Petroleum Engineering Tachnician on the fallowing Lease NMNM 36648:  (3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  RENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL on following pages(s).)  (a) complied with, sign this notice and return to above address.  Title Production Special State Act State Director review with 43 CFR 3163.1(a). Failure to comply with the INC, may result in assessments as onlined in 43 Cfr a revisit penalties (43 CFR 3163.2). All self-certified corrections must be complyed with the INC, may result in assessments and the state Act State Director review of the Welling State Insecurate, or misleading reports, nutices, affidavities, records, do necetified Corrections must be provided by the Act State Director feering Act Corrections must be filed within 20 working days of receipt of the Notice with (voc 43 CFR 3165.3). All self-	72 m 2 m 1		1.	•	•	Į.		-		County	01141/50	l .
CHINA FEDERAL  11	HED)  The following condition(f) were found by Bureau of Land Monagement Impectors on the date and at the sise(s) listed above.  Time (24-hour cluck)  Corrective Action to be Completed by Corrected  Time (24-hour cluck)  Corrective Action to be Completed by Corrected  Authority Reference  Completed by Corrected  13:30  . 08/08/2014  A3 CFR 3162.1(a)  RS OF THE BLM AUTHORIZED OFFICER  enformed by BLM representative Oscar Torres, Petroleum Engineering Technician on the fallowing Lease NMMM 36648:  13, 47, 41, 45, 42, 48, 414, 415, 412, 411, 413, 49  RRNCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL  on following page(s).)  is complied with, sign this notice and return to above address.  Title Societies Action of Signature  Warning  as anultority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order corrected within the prescribed time from receipt to this Notice and Carly Incompliance (1NC)-in accordance with 43 CFR 3161.2. Written Order corrected within the prescribed time from receipt of this Notice and criving non-compliance (1NC)-in accordance with 43 CFR 3161.3. (a). Failure to comply with the INC may result in assessments as outlined for a civil penaltic (43 CFR 3163.1). Failure to comply with the INC may result in assessments as outlined for a civil penalty of up to \$25,000 per vicinition for each day such vicinition continuities, not to exceed a many person who "Knowingly or willfully" prepares, maintains, or submits false, nunccurate, or misteading reports, uniters, affidavitis, records, d on required by this part shall be liable for a civil penalty of up to \$25,000 per vicinition for each day such vicinition continuities, not to exceed a many person who "Knowingly or willfully" prepares, maintains, or submits false, nunccurate, or misteading reports, uniters, affidavitis, records, d on required by this part shall be liable for a civil penalty of up to \$25,000 per vicinition for each day such vicinition continuities, not to exceed a many person who "Knowingly or willfully" prepares, maint		Al.		<del></del>						<del> </del>	CHAVES	
Site Name (SEE ATTACHED)  Well/Facility/FMP  14 1/4 Section Township Range Meridian County  The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.  Date Time (24-hour clock) Corrective Action to be Corrected  O6/30/2014  13:30 O6/06/2014  43 CFR 3162.1(a)  Remarks NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER  An inspection was performed by BLM representative Oscar Torres, Petroleum Engineering Tachnician on wells committed to the fallowing Lease NMMM 36648:  China Federal; #4, #3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  The ABOVE REFERENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL Remarks continued on following page(s).)  When the Written Order is complied with, sign this notice and return to above address.  Company Representative Title  Company Comments  A 3 16 0-5 (s a # + s-h - d d d d d d d d d d d d d d d d d d	HED)  Well/Fuerlity/FMP  It 1/4 Section  The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.  Time (24-houre clock)  Concessive Action to be Completed by Connected  Authority Reference  13:30  08/08/2014  43 CFR 3162.1(a)  RS OF THE BLM AUTHORIZED OFFICER  enformed by BLM representative Oscar Torres, Petroleum Engineering Tachnician on the fallowing Lease NMNM 36648:  13, 47, 41, 45, 42, 48, 414, 415, 412, 411, #13, #9  RENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL  on following page(s).)  is complied with, sign this notice and return to above address.  Title Coduction  Special Signature  Warning  as authority to issue a Written Order in secondance with 43 CFR 3161.2. Written Order corrected within the prescribed time from receipt of this Notice and return to comply as noted above under "Corrective Action to be Completed By", you to fix Noncumpliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply you this the prescribed time from receipt of this Notice and review to differ the date it is mailed, whichever is centier. Each signalation must be corrected within the prescribed time from receipt of this Notice and review of the CFR 3163.1(a). Failure to comply you the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply you the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply you the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply you the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply you the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply by with the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply you the INC may result in assessments as outlined in 45 CFR 3163.1(a). The state place of the INC may result on the next business that it as of the INC may person who "knowingly or willfully" repeates, maintain, or submits faits, inaccurate, or mis			1 .	· .						County	0114150	
The following condition(e) were found by Bureau of Land Management Impectors on the date and at the slie(3) listed above.  Date  This following condition(e) were found by Bureau of Land Management Impectors on the date and at the slie(3) listed above.  Date  This following condition(e) were found by Bureau of Land Management Impectors on the date and at the slie(3) listed above.  Date  Ob/30/2014  13:30  Ob/30/2014  As CFR 3162.1(a)  Remarks  NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER  An inspection was performed by BLM representative Oscar Torres, Petroleum Engineering Technician on wells committed to the fallowing Lease NMNM 36648:  China Federal; #4, #3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  THE ABOVE REFERENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL  Remarks continued on following page(9).)  When the Written Order is complied with, sign this notice and return to above address.  Company Representative Title  Company Comments A 3140-5 IS A Healed A CHAILING Plant To Actual	Time following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.  Time Corrective Action to be Corrected Authority Reference  (24-hour cluck) Completed by Date Authority Reference  (34-hour cluck) As CER 3162.1(a)  RS OF THE BLM AUTHORIZED OFFICER  arformed by BLM representative Oscar Torres, Petroleum Engineering Tachnician on the fallowing Lease NMNM 36648:  13, 47, 41, 45, 42, 49, 414, 415, 412, 411, 413, 49  RENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL  on following page(s).)  13 complete with, sign this notice and return to above address.  Title Coduction September of Signature Date Tolder Office Tolder Office Tolder Signature Date Tolder Office Tolder Office Tolder Date Date Date Date Date Date Date Date		AL								<del> </del>		
The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.  Date  Time (24-hour clock)  Corrective Action to be Completed by  Corrected  Authority Reference  Authority Referenc	Time (24-hour clock)  Corrective Action to be Corrected  13:30  08/08/2014  Authority Reference  33:50  Time (24-hour clock)  13:30  08/08/2014  Authority Reference  article BLM AUTHORIZED OFFICER  35:50  36:50:50:50:50:50:50:50:50:50:50:50:50:50:			Well/Facility	y/FMP	1/4 1/4 Section	Townsh	ip	Range	Meridian	County		Sinte
Date  Time (24-hour clock)  Competed by  Corrected  Date Corrected  Authority Reference  O6/30/2014  13:30  O6/06/2014  13:30  O6/06/2014  A3 CFR 3162.1(a)  Remarks  NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER  An inspection was performed by BLM representative Oscar Torres, Petroleum Engineering Technician on wells committed to the fallowing Lease NMNM 36648:  China Federal; #4, #3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  THE ABOVE REFERENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL  Remarks continued on following page(s).)  When the Written Order is complied with, sign this notice and return to above address.  Company Representative Title  Company Representative Title  Company Comments  A 3160-5  S ##E-L-J Set Jeffel Jeffe	Time (24-hmar cluck)  Corrective Action to be Completed by  Corrected  Authority Reference  Authority Authority Reference  Authority Au	(SEE ATTACHE		l		J	L	لـــــــــــــــــــــــــــــــــــــ					L
Remarks: NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER  An inspection was performed by BLM representative Oscar Torres, Petroleum Engineering Technician on wells committed to the fellowing Lease NMNM 36648: China Federal; #4, #3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9 THE ABOVE REFERENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL Remarks continued on following page(s). When the Written Order is completed with, sign this notice and return to above address. Company Representative Title Company Comments A 3160-5 is attended to the finite of the finite	AS OF THE BLM AUTHORIZED OFFICER  arformed by BLM representative Oscar Torres, Petroleum Engineering Technician on the fallowing Lease NMNM 36648:  13. #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  RENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL  on following page(s).)  is complied with, sign this notice and return to above address.  Title Production Experies Signature  Warning  as authority to issue a Written Order in accordance with 43 CPR 3161.2. Written Order correction and reporting time famuse begin upon receipt days after the date it is mailed; whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and A Cornel and Comply with the RMC may result in assessments as outlined in 43 CPR 3161.9. Failure to examply with the RMC may result in assessments as outlined in 43 CPR and the supplicable provisions of the operating regulations at Title 43 CPR 316.1. In the production for each day such violation continues, not to exceed a may person who "knowingly or writing" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, artificativits, records, on required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a Review and Appeal Rights  iston shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with (see 43 CPR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, 22203 (see 43 CPR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, 264 CPR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, 264 CPR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, 264 CPR 3165.3). The State Director re		The follow	ving condition	s(s) were for	and by Bureau of	Land Ma	umiteineut	Inspectors on	the date and at the	site(s) listed	above.	
Remarks: NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER  An inspection was performed by BLM representative Oscar Torres, Petroleum Engineering Technician on wells committed to the fallowing Lease NMNM 36648: China Federal; #4, #3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9 THE ABOVE REFERENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL Remarks continued on following page(s).) When the Written Order is complied with, sign this notice and return to above address. Company Representative Title Company Comments #3 160-5 is a # # whiten Order in accordance with 3 CFR 3161.2. Written Order corrected within from receipt of this part of the Authorized Officer has authority to issue a Written Order in accordance with 3 CFR 3161.16. Tailure to comply with the INC may result in assessment is a utility to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Complet lable in second an incident of Moneumphiance (INC) in accordance with 43 CFR 3161.16. Tailure to comply with the INC may result in assessment is a utility to its and may also incur civil penaltics (43 CFR 3163.2). All self-certified connections must be postmarked no later than the next business day after the presence for certection.  Remarks on the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at TT 163.2(f)(f), provides that any person who "knowingly or willfully "propares, maintains, or another follower or misleading reports, motices, afficiation or other written information required by this part shall be liable for a civil penalty of up to 325,000 per violation for each day such violation continues, not to e askinam of 20 days.  Review and Appeal Rights  person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the popropriate State Director (see 43 CFR 3165.4). Contact the above listed Bureau of Land Manageme	AS OF THE BLM AUTHORIZED OFFICER  arformed by BLM representative Oscar Torres, Petroleum Engineering Technician on the fallowing Lease NMNM 36648:  13. #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  RENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL  on following page(s).)  13. #0 Appendix With, sign this notice and return to above address.  Title Production Experisor Signature  Warning  as authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt days after the date it is multed; whichever is earlier. Each stipulation must be corrected within the presented time fram receipt of this Notice and A CFR 3161.9. Failure to comply with the INC may result in assessments as outlined in 43 Cfr 41 and presented time fram accordance with 43 CFR 3161.9. Failure to comply with the INC may result in assessments as outlined in 43 Cfr 41 and presented time fram the exercisions of the operating regulations at Title 43 CFR 3163.2. All self-certified corrections must be postmarked no later than the text various sets and timed in 43 Cfr 41 and presented by the applicable provisions of the operating regulations at Title 43 CFR 3163.1. The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, 22203 (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, 264 STR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, 264 STR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, 264 STR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, 264 STR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, 264 STR 3165.3). The State Director review decisio	D.4				A _eta - 4 - 1	· T	г.	**	1		narity Dafaman	
Remarks  An inspection was performed by BLM representative Oscar Torres, Petroleum Engineering Technician on wells committed to the fallowing Lease NMNM 36648:  China Federal; #4, #3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  THE ABOVE REFERENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL  Remarks continued on following page(s).)  When the Written Order is complied with, sign this notice and return to above address.  Company Representative Title  Company Comments #4 3160-5 IS attached Actained plans To return a first plans T	13:30  08/08/2014  A3 CFR 3162.1(a)  RS OF THE BLM AUTHORIZED OFFICER  erformed by BLM representative Oscar Torres, Petroleum Engineering Technician on the fallowing Lease NMNM 36648:  13, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  RENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL on following page(s):)  is complied with, sign this notice and return to above address.  Title Production Separated Signature Date 7-/6-/4  3160-5 is attached Actailing plants The refure from receipt days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and Land Management Office at the address-shown above. If you do not comply as noted above under Corrective Action to be Completed By*, you to Monagement Office at the address-shown above. If you do not comply as noted above under Corrective Action to be Completed By*, you to Monagement Office at the address-shown above. If you do not comply as noted above under Corrective Action to be Completed By*, you to Monagement Office at the address-shown above. If you do not comply as noted above under Corrective Action to be Completed By*, you to Monagement Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 16.1.2. And the postmarked no later than the next business day after the prescribed time requiretly this part shall be flable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a Review and Appeal Rights  ision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.  Management Admentation of the Appeals and Land Management office for further information.	Date					ŀ			ļ.	Aun	with Reference	
Remarks:  NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER  An inspection was performed by BLM representative Oscar Torres, Petroleum Engineering Technician on wells committed to the fallowing Lease NMNM 36648:  China Federal; #4, #3, #7, #1, #5, #2, #8, #14, #15, #12, #11, #13, #9  THE ABOVE REFERENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL  (Remarks: continued on following page(s).)  When the Written Order is complied with, sign this notice and return to above address.  Company Representative Title  Company Comments A 3160-5 is attached detailed to the complete of the late it is mailed; whichever is cartier. Each stipulation must be corrected within the prescribed time from receipt of this perfect to the brain of Land Management Office at the address shown whose if you do not comply a do not comply a vision the prescribed time from receipt of this half be issued on incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outliff to 3.1 and may also incur civil, penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed of the complete	The BLM AUTHORIZED OFFICER  erformed by BLM representative Oscar Torres, Petroleum Engineering Tachnician on the fallowing Lease NMNM 36648:  13, 47, 41, 45, 42, 48, 414, 415, 412, 411, 413, 49  RENCED WELLS ARE SHUTIN WITHOUT PRIOR APPROVAL on following page(s).)  Is complied with, sign this notice and return to above address.  Title Croduction Experiose Signature  Warning  as authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt days after the date it is muited; whichever is earlier. Each stipulation must be corrected within the prescribed time frames begin upon receipt days after the date it is muited; whichever is earlier. Each stipulation must be corrected within the prescribed time frames begin upon receipt as of the date it is mailed; whichever is earlier. Each stipulation must be corrected within the prescribed time frames begin upon receipt as of the more provide than the prescribed time frames begin upon receipt as of the date it is mailed; whichever is earlier. Each stipulation must be corrected within the prescribed time frames begin upon receipt as of the more provided time frames begin upon receipt as of the prescribed time frames begin upon receipt as of the season of the season of the season as outlined in 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in		<del></del>		<del> </del>	·	-}			~ <del> </del>		····	
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## Additional information for Written Order Number 14OT40WO

Wells and/or Facilities and/or FMPs, continued

BLM Remarks, continued

43 CFR 3162.3-4 (c) REQUIRES THAT WELL(S) INCAPABLE OF PRODUCTION IN PAYING QUANTITIES BE PROMPTLY PLUGGED AND ABANDONED AND REQUIRES APPROVAL FOR ANY WELL TEMPORARILY ABANDONED FOR MORE THAN 30 DAYS. THEREFORE YOU ARE ORDERED TO DO ONE OF THE FOLLOWING:

- 1. IF YOU DECIDE TO RETURN THE WELL TO PRODUCTION, SUBMIT A SUNDRY NOTICE (FORM 3160-5, ORIGINAL AND 3 COPIES) OF INTENT WITHIN 30 DAYS OF RECEIPT OF THIS LETTER INCLUDE THE DATE YOU ANTICIPATE THE WELL BEING PLACED BACK IN SERVICE. 43 CFR 3162.4-1(c) ALSO REQUIRES YOU TO NOTIFY THE AUTHORIZED OFFICER, NOT LATER THAN THE FIFTH BUSINIESS DAY AFTER PRODUCTION IS RESUMED FOR ANY WELL WHICH HAS BEEN OFF PRODUCTION FOR MORE THAN 90 DAYS, THE DATE ON WHICH SUCH PRODUCTION WAS RESUMED. NOTIFICATION MAY BE BY LETTER OR SUNDRY NOTICE, OR ORALLY FOLLOWED BY LETTER OR SUNDRY NOTICE.
- 2. IF THE WELL IS TO BE USED FOR BENEFICIAL PURPOSES, SUBMIT A SUNDRY NOTICE (FORM 3160-5, ORIGINAL AND 3 COPIES) WITHIN 30 DAYS OF RECEIPT OF THIS LETTER AND INCLUDE INFORMATION CONCERNING FUTURE USE. A BRIEF DESCRIPTION OF YOUR PROPOSED PLANS AND ECONOMIC FEASIBILITY AND AN ANTICIPATED DATE FOR PLACING THE WELL IN BENEFICIAL USE WILL SUFFICE.
- 3, IF YOU DECIDE TO PLUG AND ABANDON THE WELL, SUBMIT A SUNDRY NOTICE FORM 3160-5, ORIGINAL AND 3 COPIES) WITHIN 30 DAYS OF RECEIPT OF THIS LETTER AND DESCRIBE THE PROPOSED PLUGGING PROGRAM.

FOR MONITORING AND TRACKING PURPOSES; SUBMIT APPROPRIATE PAPERWORK TO THIS OFFICE ATTENTION: ROBERT E. HOSKINSON Sr. IF YOU HAVE ANY QUESTIONS, CONTACT:

Oscar Torres
Petroleum Engineering Technician
2909 West Second Street
Roswell, NM 88201
Office: (575) 627-0249
Cell: (575) 208-8701

105 South Fourth Street

Artesia, New Mexico 88210

(575) 748-4555

Fax (575) 748-4275

July 22, 2014

VIA EMAIL: Mbarrett@limerockresources.com

Mr. Mike Barrett

Lime Rock Resources

RE: Transwestern Pipeline Gas Quality Issue Posting

Dear Mr. Barrett,

As per your request, please find attached the Gas Quality Issue Posting dated April 21, 2011 by Transwestern Pipeline. This notice effectively forced Agave to curtail gas receipts on our gathering systems in the Bitter/Lakes and Red Bluff areas in Chaves County, New Mexico.

Agave has executed/a new Gas Purchase agreement with Lime Rock Resources dated January 1 2013. The new Nitrogen treating/blending facility has an expected operational date of November 1<sup>st</sup> 2014. The major delay in the start-up of this facility is due to BLM rights of way re-routes associated with the electrical service provider Central Valley Electric.

Best Regards,

(J.B. Smith

President

Agave Energy Company

CC: Tim Miller – Lime Rock Resources

Melanie Brantley-Agave Energy Company

From: Hearn, Steven < Steven Hearn@energytransfer.com >

To: J.B. Smith

Sent: Fri Sep 14 12:35:25 2012 Subject: TW Gas Quality Posting

JB,

See Below. This was the posting for the Gas Quality issue

Notice Text:April 21, 2011

To: All Transwestern Pipeline Customers

Reason: Panhandle Lateral Receipt Locations Gas Quality

Sections 2.1 and 2.3 of the General Terms and Conditions of the tariff set forth the gas quality standards and provide that Transwestern can accept gas that deviates from the specifications to the extent that the gas can be blended and does not prevent delivery to downstream locations.

Based on current gas flows and gas quality readings, Transwestern is taking the following additional steps to maintain a blended gas stream on the Panhandle Lateral in line with the tariff standards.

Effective as soon as possible, but not later than Tuesday April 26, 2011, operators should limit Nitrogen content to no greater than 5.0% at any individual receipt point into the Panhandle lateral. Transwestern believes that, given current conditions, this action will result in a blended gas stream in line with tariff standards.

If Transwestern determines that the circumstances or operational conditions have changed or are not being met, then Transwestern may take such action as it deems appropriate, in its sole discretion, to remedy the situation. This may include acting without further notice to shut-in the relevant receipt point(s).