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|--|--|---|---|---|--|
|  | UNITED STATES<br>DEPARTMENT OF THE<br>BUREAU OF LAND MAN   | INTERIOR AR                                       |   | ION<br>5. Lease Serial  | FORM APPROVED<br>OM B No. 1004-0137<br>Expires: March 31, 2007 |
| SUNDRY NOTICES AND REPORTS ON WELLS 2 2015   |  |   |   | S. Lease Senarino.<br>NMNM68040                               |  |
| Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals/ED          |  |   |   | 6. If Indian, Allottee or Tribe Name                          |  |
| SUBMIT IN TRIPLICATE- Other instructions on reverse side.  |  |   |   | 7. If Unit or CA/Agreement, Name and/or No.<br>Parker Federal |  |
|  |  |   |   | 8. Well Name and No.<br>Parker 5 Federal #1                   |  |
| 2. Name of Operator Nadel and Gussman HEYCO, LLC   |  |   |   | 9. API Well No.<br>3001525908                                 |  |
| 3a. Address<br>PO BOX 1936 ~ ROSWELL   | 3b. Phone No. (inclu<br>575.623.6601   | 0. Include their code)                            |   |   |  |
| 4. Location of Well (Footage, Sec.,  |  | Shugart; Bone Spring North                        |   |   |  |
| 530' FSL & 530' FWL, Sec. 5 SWSW, T18S, R31E   |  |   |   | 11. County or Parish, State<br>Eddy, New Mexico               |  |
| 12. CHECK A  | PPROPRIATE BOX(ES) TO  | INDICATE NATU                                     | JRE OF NOTICE, F                            | REPORT, OR  | OTHER DATA   |
| TYPE OF SUBMISSION   |  | TYPE OF ACTION                                    |   |   |  |
| Notice of Intent   | Acidize  | Deepen<br>Fracture Treat                          | Production (Si                              | art/Resume)   | Water Shut-Off Well Integrity                                  |
| Subsequent Report  | Casing Repair  | New Construction                                  |   |   | Other Change of Operator                                       |
| Final Abandonment Notice   | Change Plans   | Plug and Abandon Plug Back                        | Temporarily A                               |   |  |
| determined that the site is ready  |  |   | rements, including reclar                   | nation, have beer   | n completed, and the operator has                              |
| Harvey E. Yates Compan   | hange of Operator on the abov<br>y, as new operator, accept all :<br>• portion of lease described. |   | nditions, stipulations a                    | und restrictions  | s concerning operatings  |
| BLM Bond No. NMB0003<br>Harvey E. Yates Compan<br>P.O. Box 1933  |  |   |   |   | V E O B  |
| Roswell, NM 88202-1933   |  |   | SEE ATT                                     | ACHEL   | D ADD OVAL   |
| Change of Operator EFF   | SEE ATTACHED FOR<br>CONDITIONS OF APPROVAL   |   |   |   |  |
| Accepted (<br>NHAO   | ka record<br>3/2/15  |   |   |   | X  |
| 14. I hereby certify that the fore<br>Name (Printed/Typed)   | egoing is true and correct   | <u> </u>  |   |   |  |
|  | Tammy R. Link Title Production T   |   |   |   |  |
| Signature Om   | y R. Lit   | Date  |   | 09/10/2014  | 0/EB   |
| i \i   | THIS SPACE FOR   | FEDERAL OR  | STATE OFFIC                                 | E VSE   |  |
| Approved by<br>Conditions of approval, if any, are<br>certify that the applicant holds lega<br>which would entitle the applicant t | al or equitable title to those rights to conduct operations thereon.                               | in the subject lease                              |   | FEB 2   | DE-MAGEMENT  |
| States any false, fictitious or fraudu   | le 43 U.S.C. Section 1212, make it ilent statements or representations                             | a crime for any person<br>as to any matter within | knowingly and willfull<br>its jurisdiction. | y-to-make to-any  | department or agency of the United                             |
| (Instructions on page 2)   |  |   | V   |   | u  |

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## 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.
- 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.