

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION
ARTESIA DISTRICT
OCT 31 2016

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC029392B
2. Name of Operator RAY WESTALL OPERATING, INC.		6. If Indian, Allottee, or Tribe Name
3a. Address P.O. BOX 4, LOCO HILLS, NM 88255	3b. Phone No. (include area code) 575-677-2370	7. If Unit or CA. Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SEC-27, TWP-18S, RNG-31E, 1980' FSL & 660' FWL		8. Well Name and No. GREENWOOD PRE-GRAYBURG FED COM # 1
Lat. Long.		9. API Well No. 30-015-22601
		10. Field and Pool, or Exploratory Area SHUGART; MORROW GAS
		11. County or Parish, State EDDY NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and abandon
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Plug back
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other OPERATOR
	CHANGE

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 recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the 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 recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

OPERATOR HAS CHANGED FROM CHEVRON U.S.A INC. TO RAY WESTALL OPERATING, INC. RAY WESTALL OPERATING, INC., AS NEW OPERATOR, ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULATIONS AND RESTRICTIONS CONCERNING OPERATIONS CONDUCTED ON THE LEASE OR PORTION OF LEASE DESCRIBED. RAY WESTALL OPERATING, INC. MEETS FEDERAL BONDING REQUIREMENTS AS FOLLOWS: BOND COVERAGE: STATE WIDE BLM BOND NM: NMB001373. EFFECTIVE DATE OF THE CHANGE IS AUGUST 1, 2016.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed)

RENE HOPE

Title: BOOKKEEPER

Signature:

Date: 9/13/16

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by:

Charles Nimmer

PETROLEUM ENGINEER

Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title:

Office:

Date:

OCT 27 2016

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 any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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.