NM OIL CONSERVATION ARTESIA DISTRICT FORM APPROVED DEC 2 2 2016 Form 3160-5 UNITED STATES OMB No. 1004-0137 (August 2007) DEPARTMENT OF THE INTERIOR Expires: July 31, 2010 5. Lease Serial No. BUREAU OF LAND MANAGEMENT RECEIVED NM 59035 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 8. Well Name and No. RED LAKE FEDERAL Oil Well 🔲 Gas Well Other 2. Name of Operator 9. API Well No. SEE BELOW Rover Operating, LLC 3a. Address 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area 17304 Preston Road, Suite 740 51300 - RED LAKE; QUEEN-GRAYBURG-SA 469-607-1082 Dallas, TN 75252 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. Country or Parish, State EDDY, NM SEE BELOW 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Well Integrity Alter Casing Fracture Treat Reclamation Other Casing Repair New Construction Recomplete Subsequent Report Change of Operator Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 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 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. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.) Effective June 1, 2016, Rover Operating, LLC is the operator of the above federal lease(s). Rover Operating, LLC assumes responsibility of this lease and will operate according to federal guidelines. Change of Operator from: ALAMO PERMIAN RESOURCES, LLC. (OGRID 274841) 415 W. WALL STREET, SUITE 500 Midland, TX 79701 to: ROVER OPERATING, LLC. (OGRID 371484) SEE ATTACHED FOR 13727 NOEL ROAD, SUITE 200 Dallas, TX 75240 CONDITIONS OF APPROVAL Bond Coverage: BLM Bond File No.: NMB001378 RED LAKE FEDERAL #001 30-015-26176 K 10 17S 28E 14. I hereby certify oregoing is true and correct. Name (Printed/Typed) Title REGULATORY AFFAIRS COORDINATOR 1) Date Signatu THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by **Charles Nimmer** ETROLEUM ENGINEER DEC 15 Date 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 Office entitle the applicant to conduct operations thereon, BUREAU OF LAND MANAGEMENT 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 agence of the Bailed States and Field fictitious or fraudulent statements or representations as to any matter within its jurisdiction (Instructions on page 2)

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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 $1 \frac{1}{2}$ 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.