

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

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

☒ Oil Well

☐ Gas Well

☐ Other

2. Name of Operator

Permex Petroleum Company, LLC

3a. Address

P.O. Box 1612, Roswell, NM 88202-1612

3b. Phone No. (include area code)

604-259-2525

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

See Attached Exhibit A

5. Lease Serial No.

NMLC 050797

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

See Attached Exhibit A

9. API Well No.

See Attached Exhibit A

10. Field and Pool or Exploratory Area

See Attached Exhibit A

11. Country or Parish, State

Eddy County, NM

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Change of Operator |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> 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 recompleat 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 recompleat 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.)

This is notification that Permex Petroleum Company, LLC is taking over operations of these wells.

Permex Petroleum Company, LLC, as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease, or portion of lease described.

Bond Coverage: BLM Bond File No.: NMB001499

Change of Operator Effective: 9/1/17

Former Operator: Nordstrand Engineering, Inc. (Bond No. OCD - 0-1002072-12-1, OCD-0-1062218-6-1)

NM OIL CONSERVATION
ARTESIA DISTRICT

APR 03 2018

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Permex Petroleum Company, LLC

Title Manager

Signature

Mehran Ehsan

Date

Oct 30, 2017

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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 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.

(Instructions on page 2)

APPROVED

MAR 27 2018

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Exhibit A

Attached to and made a part of that certain Sundry Notices and Reports on Wells, covering the following wells under lease NMLC 050797:

Well Name: Oxy Yates 13 Federal #16
API Well No.: 30-015-30801
Well Type: Oil
Location of Well: Sec. 13 T20S R28E SW/4NW/4 (1650' FNL 330' FWL)
Field and Pool or
Exploratory Area: Russell; Yates
Depth Limitations: Limited to depths from surface to 1,015'

Well Name: Oxy Yates 14 Federal #2
API Well No.: 30-015-30593
Well Type: Gas
Location of Well: Sec. 14 T20S R28E NW/4SE/4 (1880' FSL 1980' FEL)
Field and Pool or
Exploratory Area: Russell; Lower Yates (G)
Depth Limitations: Limited to depths from the surface to 956'

NMNM101673

Well Name: Oxy Yates 14 Federal #3
API Well No.: 30-015-30594
Well Type: Gas
Location of Well: Sec. 14 T20S R28 SE/4NE/4 (2310' FNL 660' FEL)
Field and Pool or
Exploratory Area: Russell; Lower Yates (G)
Depth Limitations: Limited to the depths from the surface to 990'

NMNM101674

Well Name: Oxy Yates 14 Federal #8
API Well No.: 30-015-30805
Well Type: Oil
Location of Well: Sec. 14 T20S R28 SE/4NE/4 (1650' FNL 990' FEL)
Field and Pool or
Exploratory Area: Russell; Yates
Depth Limitations: Limited to the depths from the surface to 990'

Well Name: Oxy Yates 14 Federal #12
API Well No.: 30-015-30803
Well Type: Oil
Location of Well: Sec. 14 T20S R28 SW/4NE/4 (1650' FNL 1650' FEL)
Field and Pool or
Exploratory Area: Russell; Yates

NMNM6856

Depth Limitations: Limited to the depths from the surface to 990'

Well Name: Oxy Yates 14 Federal #14

API Well No.: 30-015-30804

Well Type: Oil

Location of Well: Sec. 14 T20S R28 NE/4NE/4 (990' FNL 330' FEL)

Field and Pool or

Exploratory Area: Russell; Yates

Depth Limitations: Limited to the depths from the surface to 990'

Well Name: Oxy Yates 14 Federal #15

API Well No.: 30-015-30806

Well Type: Oil

Location of Well: Sec. 14 T20S R28 SW/4NE/4 (2310' FNL 2310' FEL)

Field and Pool or

Exploratory Area: Russell; Yates

Depth Limitations: Limited to the depths from the surface to 990'

nm10m 6856

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.