Form 3160-5 (June 2015)

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

NMOCD Artesia

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

5. Lease Serial No.

LC 064637 6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS

| | form for proposals to drill or t Use Form 3160-3 (APD) for su | | | | |
|---|---|--|---|---|--|
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | | 7. If Unit of CA/Agreement, Name and/or No. | | |
| 1. Type of Well | | | | | |
| Oil Well Gas Well Other | | | 8. Well Name and No. Hensh | 8. Well Name and No. Henshaw Deep Unit #5 | |
| 2. Name of Operator Armstrong Energy Corporation | | | 9. API Well No. | 9. API Well No. 30-015-03913 | |
| 3a. Address 3b. Phone No. (include area co | | | | 10. Field and Pool or Exploratory Area | |
| P.O. Box 1973, Roswell, NM 88202 575-625-2222 | | 5-2222 | | Henshaw; Wolfcamp | |
| 4. Location of Well (Footage, Sec., T.,R.M., or Survey Description) | | | 1 | 11 Country or Parish, State | |
| 660' FNL & 660' FEL Sec 23, T16S, R30E | | | | Eddy | |
| 12. CHE | CK THE APPROPRIATE BOX(ES) TO IN | DICATE NATURE OF | NOTICE, REPORT OR OTH | ER DATA | |
| TYPE OF SUBMISSION | | TYPE O | F ACTION | | |
| Notice of Intent | | | Production (Start/Resume) Water Shut-Off | | |
| | | draulic Fracturing | Reclamation | Well Integrity | |
| Subsequent Report | | v Construction g and Abandon | Recomplete Temporarily Abandon | X Other | |
| Final Abandonment Notice | | g Back | Water Disposal | | |
| the Bond under which the work will completion of the involved operation completed. Final Abandonment No is ready for final inspection.) | ally or recomplete horizontally, give subsurful be perfonned or provide the Bond No. on ons. If the operation results in a multiple contices must be filed only after all requirementals as filed and approved by the NMO | file with BLM/BIA. Rec mpletion or recompletion nts, including reclamation | quired subsequent reports mus n in a new interval, a Form 3 n, have been completed and tl | st be filed within 30 days following 160-4 must be filed once testing has been | |
| * * | nevron U S A Inc (4323) rong Energy Corp (1092) HANGE: 12/01/2017 | | SEE ATTACH | | |
| BOND COVERAGE: NM 1826 DISTRICT IL-ARTESIA O.C.D. | | | | | |
| on the leased land or parties of the last | ots all applicable terms, conditions portion thereof as described above in the second | ly reclan | resident - Operations | done | |
| | | Title VICE P | resident - Operations | | |
| Signature | | Date 12/11/ | 2017 | DOVED TO | |
| | THE SPACE FOR FED | DERAL OR STATE | OFICE USE FILL | THE WELL YOU | |
| Approved by | | | | | |
| ertify that the applicant holds legal or evhich would entitle the applicant to con- | | lease Office | BURGAY OF | AND MANAGEMENT | |
| | 3 U.S.C Section 1212, make it a crime for a ents or representations as to any matter with | | williamy to make to any de | harvareur de affeitoù or de Ouiteg States | |
| Instructions on page 2) | | / | | | |

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.