

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT NMOCD Artesia

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

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.

5. Lease Serial No. NM 010190
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No. East Shugart Unit
8. Well Name and No. East Shugart Unit #076
9. API Well No. 30-015-28201
10. Field and Pool, or Exploratory Area Shugart: Yates-7Rs-Queens-Grayburg
11. County or Parish, State Eddy County, NM

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well Oil Well Gas Well Other
2. Name of Operator K.P. Kauffman Company, Inc.
3a. Address 1675 Broadway, Suite 2800, Denver, Colorado 80202
3b. Phone No. (include area code) 303-825-4822
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) F-35-18.0S-31E, 1990 FNL, 1940 FWL

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

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, and various actions like Acidize, Deepen, Production, etc.

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 recomplate 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

As required by 43 CFR 3100.0-5(a), we are notifying you of a change of operator on the above-referenced well.

Effective May 1, 2018, operations of the above well were transferred from Agua Sucia LLC to K.P. Kauffman Company, Inc. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by K.P. Kauffman Company, Inc. under its \$25,000.00 statewide bond coverage, BLM Bond No. NMB000202.

K.P. Kauffman Company, Inc., as new operator, accepts all applicable terms, conditions, stipulations, and restrictions concerning operation conducted on this lease, or portion of lease described.

K.P. Kauffman Company, Inc. agrees to fulfill the duties and obligations of the Unit Operator under and pursuant to all the terms of the applicable Unit Agreement, if any.

Accepted For Record NMOCD

OCT 12 2018

SEE ATTACHED FOR CONDITIONS OF APPROVAL

DISTRICT II-ARTESIA O.C.D.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Richard P. Stults Title Chief Financial Officer Signature Date 5/3/18

THIS SPACE FOR FEDERAL OR STATE OFFICE USE APPROVED

Approved by Title Date Office SEP 17 2018

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)

**Change of Operator  
Conditions of Approval**

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.

**JAM 091718**