

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

5. Lease Serial No. **NM94154**
6. If Indian, Allottee or Tribe Name

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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. NMNM94154
2. Name of Operator Ranger 40 Petroleum, LLC		8. Well Name and No. BURTON FLAT E Federal #2
3a. Address 1004 Collier Center Way #200 Naples, FL 34110	3b. Phone No. (include area code) 239-254-0004	9. API Well No. 30-015-25063
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Units L, M Sec 1 T215 R27E		10. Field and Pool or Exploratory Area
		11. County or Parish, State Eddy 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"/> Fracture Treat	<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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" 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 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.)

To provide updated water production and disposal information for the lease (please see attached form)

Accepted for record
NMOC *JES*
8-4-2014

NM OIL CONSERVATION
ARTESIA DISTRICT
AUG 04 2014

RECEIVED **SEE ATTACHED FOR**
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) **Erina Merolla** Office Administrator Title

Signature *Erina Merolla* Date **6/25/14**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	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 entitle the applicant to conduct operations thereon.	Office	

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

JUL 25 2014

JES

JAMES A. AMOS
SUPERVISOR-EPS

WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Name of formations producing water on the lease. Cherry Canyon
2. Amount of water produced from all formations in barrels per day. 20
3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. (One sample will suffice if water is commingled.)
4. How water is stored on lease. 500 bbl F.G. tank
5. How water is moved to the disposal facility. third party trucking
L & E Trucking Carlsbad
6. Identify the Disposal Facility by:
 - A. Facility Operators name. Pyote
 - B. Name of facility or well name and number. Exxon State 8
 - C. Type of facility or well (WDW) (WIW) etc. WDW
 - D. Location by $\frac{1}{4}$ $\frac{1}{4}$ 0 Section 15 Township 21S Range 27E
7. Attach a copy of the State issued permit for the Disposal Facility.
Attached

Submit to this office, 620 EAST GREENE ST, CARLSBAD NM, 88220, the above required information on a Sundry Notice 3160-5. Submit 1 original and 3 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)

SUBJECT: SALT WATER DISPOSAL WELL

ORDER NO. SWD-180

THE APPLICATION OF A. H. RAINS FOR
A SALT WATER DISPOSAL WELL.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701 (C), A. H. Rains made application to the New Mexico Oil Conservation Commission on December 13, 1976, for permission to complete for salt water disposal his Exxon State Well No. 8 located in Unit O of Section 15, Township 21 South, Range 27 East, NMPM, Lea County, New Mexico.

The Secretary-Director finds:

1. That application has been duly filed under the provisions of Rule 701 (C) of the Commission Rules and Regulations;
2. That satisfactory information has been provided that all offset operators and surface owners have been duly notified;
3. That the applicant has presented satisfactory evidence that all requirements in Rule 701 (C) will be met.
4. That no objections have been received within the waiting period prescribed by said rule.

IT IS FURTHER ORDERED:

That the applicant herein, A. H. Rains, is hereby authorized to complete its Exxon State Well No. 8 located in Unit O of Section 15, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Yates formation at approximately 570 feet to approximately 600 feet through 2 3/8 inch plastic lined tubing set in a packer located at approximately 565 feet.

IT IS FURTHER ORDERED:

That the operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

That the operator shall notify the supervisor of the Commission's Artesia District Office before injection is commenced through said well.

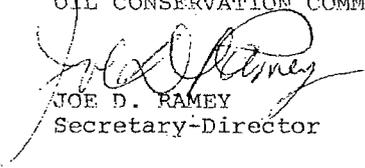
Salt Water Disposal - A. H. Rains

PROVIDED FURTHER

That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Commission may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operation in accordance with Rule 704 and 1120 of the Commission Rules and Regulations.

APPROVED at Santa Fe, New Mexico, on this 31st day of December.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOE D. RAMEY
Secretary-Director

S E A L

June 25 2014

Re: Ranger 40 Petroleum LLC
1004 Collier Center Way Ste 200
Naples FL 34110

Burton Flat E Federal Lease
NM94154
Eddy County NM

The Burton Flat E Federal lease is two producing wells, the #1 and #2. Unit letters L & M, Section 1, T21S R27E.

Production allocations have historically been based on well tests using a deduction method, producing one well at a time for short periods. The #1 averages 3.2 bopd, while the #2 averages 6.0 bopd, resulting in allocations of 35% and 65%, respectively.

Recent daily production, and well tests March 12, 13, and then again on May 24 indicated an increase in the #2 well due to chemical treatments. The #1 continues to produce an average of 3.2 bopd, while the #2 averages 8.0 bopd. Allocations will be adjusted to 28% and 72% effective May 2014 production reporting.

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Disposal of Produced Water From Federal Wells
Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

7/10/14