NM OIL CONSERVATION

ARTESIA DISTRICT

Form 3160-5 (August, 2007)

UNITED STATES
DEPARTMENT OF THE INTERIORMAR 0 2 2015

FORM APPROVED OMB No. 1004- 0137

BUREAU OF LAND MANAGEMENT Expires: July 31, 2010 5 Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NMLC028992I Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee, or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA. Agreement Name and/or No. SUBMIT IN TRIPLICATE - Other Instructions on page 2. NMNM72577 Type of Well Gas Well 8. Well Name and No. Oil Well PAJECTION WELL-X Other Cedar Lake ADI # 1 Name of Operator 9. API Well No. RAY WESTALL OPERATING, INC. 3b. Phone No. (include area code) 3a. Address 30-015-25494 P.O. BOX 4, LOCO HILLS, NM 88255 575-677-2370 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Lat. LOCO HILLS ATOKA 11. County or Parish, State UL - E, SEC-26, TWP-17S, RNG-30E, 2140' FNL & 660' FWL Long. **EDDY** NM 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Deepen Water Shut-off X Notice of Intent Acidize Production (Start/Resume) Well Integrity Altering Casing · Fracture Treat Reclamation CHANGE OF Other Casing Repair New Construction Recomplete Subsequent Report **OPERATOR** Plug and abandon Temporarily Abandon Change Plans Water Disposal Final Abandonment Notice Convert to Injection Plug back 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 or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the 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 recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.) OPERATOR HAS CHANGED FROM ENERVEST OPERATING, LLC TO RAY WESTALL OPERATING, INC. RAY WESTALL OPERATING, INC, AS NEW OPERATOR, ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULATIONS AND RESTRICTIONS CONCERNING OPERATIONS CONDUCTED ON THE LEASE OR PORTION OF LEASE DESCRIBED, RAY WESTALL OPERATING, INC. MEETS FEDERAL BONDING REOUIREMENTS AS FOLLOWS: BOND COVERAGE: STATE WIDE, BLM BOND NM0322. EFFECTIVE ON THE DATE OF APPROVA SEE ATTACHED FOR CONDITIONS OF APPROVAL 14. I hereby certify that the foregoing is true and correct Name (Printed Typed) BOOKKEEPER RENE HOPE Signature: 10/6/14 THIS SPACE FOR FEDERAL OR STATE OFFICE USE 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 Office: applicant conduct operations

Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United

States any false, fictitiousor fraudulent statements or representations as to any matter within its jurisdiction (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.
- 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. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.