

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014**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 122226

6. If Indian, Allottee or Tribe Name

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 ☐ Other8. Well Name and No.
MilePost Corn No. 12. Name of Operator
Morexco, Inc.9. API Well No.
30 015 230213a. Address
c/o P.O. Box 953, Midland, TX 797023b. Phone No. (include area code)
432 684-638110. Field and Pool or Exploratory Area
Milepost, Morrow4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UL A, 660' FNL & 660' FEL, Section 36, T26S, R25E, NMPM11. County or Parish, State
Lea County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Leak Detection System
	<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.)

1. Flow rate and tank leveles are remotely monitored by Wellkeepers Monitoring Service. Alarms are phoned and emailed to Morexco' producing supervisors. In the event tank levels reach 2/3 of tank capacity a pumper is notified and the well is shut-in, or fluid is transferred to an approved disposal system.
2. Two (2) high-low valves are built into the production facility.
- a) In the event a rupture in the flow line occurs the pressure would lower to a level that would shut in the well.
- b) In the event the line pressure exceeds 125 psi the high-low valves are set to shut-in the well.
- c) If the high-low valves fail, a popoff valve opens and gas is vented to open top water tank and then the Wellkeeper Monitoring Service system alarms the production supervisors.

NM OIL CONSERVATION

ARTESIA DISTRICT

DEC 18 2015

RECEIVED

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

Title Regulatory

Signature

Date 10/22/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

SAET

Date

12-13-15

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

CKO

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)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Right-Of-Way Grant
Serial Number: NM-122226
Project Name: MilePost Com No 1

For reference
Attach to Sundry

1. A right-of-way is hereby granted pursuant to Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185).

2. Nature of Interest:

a. By this instrument, the holder:

MOREXCO INC.
P O Box 1591
Roswell, NM 88202

receives a right to construct, operate, maintain, and terminate a pad, road, and surface gas pipeline crossing federal lands in Eddy county, NM, described as follows:

T. 26 S., R. 24 E., NMPM

sec. 13: N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 14: S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 24: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$.

T. 26 S., R. 25 E., NMPM

sec. 19: Lots 02, 03, 04; SE $\frac{1}{4}$ SW $\frac{1}{4}$;
sec. 29: SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$;
sec. 30: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$;
sec. 33: Lots 01, 02, 03, 04;
sec. 34: Lots 01, 02, 03, 04;
sec. 35: Lots 01, 02, 03, 04;
sec. 36: Lots 01, 02, 03, 04, NE $\frac{1}{4}$ NE $\frac{1}{4}$.

The lands described above contain a total length of 9.6 miles.

b. The right-of-way or permit area granted herein is 14 feet wide, 26365.28 feet long and contains 27.64 acres, more or less.

c. This instrument shall terminate on 12/31/2042 unless prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.

d. This instrument may be renewed. If renewed, the right-of-way or permit shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.