

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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. NMNM36409 6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well Oil Well Gas Well Other

7. If Unit of CA/Agreement, Name and/or No. 8. Well Name and No. McClellan Moc Federal #3

2. Name of Operator REMNANT OIL OPERATING, LLC

9. API Well No. 30-005-61793

3a. Address PO BOX 5375 MIDLAND, TX 79704

3b. Phone No. (include area code) 432-242-4965

10. Field and Pool or Exploratory Area Pecos Slope: ABO (Gas)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 1980' FWL, Unit Letter N, Sec. 29, T-5-S, R-25-E

11. County or Parish, State Chaves Co., NM

12. CHECK THE 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, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof.

Effective 06/01/2016 Legacy Reserves Operating LP transferred operations to Remnant Oil Operating, LLC.

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations on the lease land or portion thereof, as described above.

Remnant Oil Operating, LLC bond coverage pursuant to 43 CFR 3104 for lease activities is provided by BLM Bond No. NMB001377.

NM OIL CONSERVATION ARTESIA DISTRICT AUG 16 2016 RECEIVED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

RECEIVED 2016 MAY 23 5:10:01 PM ROSWELL OFFICE

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Everett W. Gray

Title Chief Executive Officer

Signature E.W. Gray II

Date 05/17/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title Office

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.

APPROVED AUG 12 2016 BUREAU OF LAND MANAGEMENT ROSWELL 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.

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
575-627-0272

Change of Operator of Wells on Federal Lands
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 Bob Hoskinson at (575) 627-0218 for inspection and to resolve environmental issues.
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 the New Mexico State BLM office in Santa Fe, NM.