

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Artesia

BLM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.
NMNM90807

6. If Indian, Allottee or Tribe Name

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.
2. Name of Operator Colgate Operating, LLC		8. Well Name and No. Multiple-See Attached
3a. Address 306 W. Wall St. Suite 500 Midland, TX 79701	3b. Phone No. (include area code) 432.695.4222	9. API Well No. Multiple-See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple See Attached Section 34, T-19-S R-29-E		10. Field and Pool or Exploratory Area Parkway-Bone Spring
		11. Country or Parish, State New Mexico, Eddy

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 checked="" type="checkbox"/> Other <u>Change of Operator</u>
	<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 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.)

This is notification that Colgate Operating, LLC is taking over operations of these wells.

Colgate Operating, LLC accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease(s), or portion of lease described in the attached. NMNM 90807

BLM Bond No.: NMB001382
Surety No: B010098
Bond Amount: \$25,000.00
Execution date: 7/25/2016

Change of Operator Effective: 8/31/2016

Former Operator: SM Energy Company

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

CONSERVATION
ARTESIA DISTRICT

DEC 12 2016

Please see all wells impacted by this sundry attached hereto.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Robert Shannon	Title Vice President & CFO, Colgate Operating, LLC	RECEIVED
Signature <i>Robert Shannon</i>	Date 9/28/2016	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Charles Nimmer	PETROLEUM ENGINEER	<div style="border: 2px solid black; padding: 5px; text-align: center;"> <p>APPROVED</p> <p>DEC 8 2016</p> </div>
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.	Title 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
CARLSBAD FIELD OFFICE

<u>API</u>	<u>Well Name</u>	<u>State</u>	<u>County</u>	<u>Prospect Name</u>	<u>Field Name</u>	<u>Footages</u>	<u>Sec., Township, Range</u>
30015260890000	OSAGE FEDERAL 34-8	NM	EDDY	PARKWAY	PARKWAY	1980' FNL 1980' FEL	Sec. 34, T19S, R29E
30015261780000	OSAGE FEDERAL 34-10	NM	EDDY	PARKWAY	PARKWAY	1980' FNL 660' FEL	Sec. 34, T19S, R29E
30015262160000	OSAGE FEDERAL 34-13	NM	EDDY	PARKWAY	PARKWAY	660' FNL 1980' FWL	Sec. 34, T19S, R29E
30015262710000	OSAGE FEDERAL 34-15	NM	EDDY	PARKWAY	PARKWAY	1650' FNL 2310' FWL	Sec. 34, T19S, R29E
30015262830000	OSAGE FEDERAL 34-16	NM	EDDY	PARKWAY	PARKWAY	2310' FNL 1750' FEL	Sec. 34, T19S, R29E
30015415080000	OSAGE 34 FEDERAL 1H	NM	EDDY	PARKWAY	PARKWAY	450' FNL 330' FEL	Sec. 34, T19S, R29E
30015397850000	OSAGE 34 FEDERAL 3H	NM	EDDY	PARKWAY	PARKWAY	1880' FSL 330' FWL	Sec. 34, T19S, R29E
30015397860000	OSAGE 34 FEDERAL 4H	NM	EDDY	PARKWAY	PARKWAY	450' FNL 330' FEL	Sec. 34, T19S, R29E
30015412500000	OSAGE 34 FEDERAL 5H	NM	EDDY	PARKWAY	PARKWAY	560' FSL 13' FEL	Sec. 34, T19S, R29E
30015415970000	OSAGE 34 FEDERAL 6H	NM	EDDY	PARKWAY	PARKWAY	1750' FSL 15' FEL	Sec. 34, T19S, R29E

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 within 60 days, if changes have been made from previously approved disposal method.
3. Review facility diagram on file, and submit updated facility diagrams, as per Onshore Order #3 within 60 day.
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.