

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM 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.  
NMNM91367

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
Colgate Operating, LLC

3a. Address  
306 W. Wall St. Suite 500  
Midland TX 79701

3b. Phone No. (include area code)  
432.695.4222

7. If Unit of CA Agreement, Name and/or No.

8. Well Name and No.  
Multiple-See Attached **Arco Federal**

9. API Well No.  
Multiple-See Attached

10. Field and Pool or Exploratory Area  
Shugart; Yates-7RS-QU-GRA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Multiple See Attached Section 23 & 24, T-18-S R-31-E

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 <b>Change of Operator</b>
	<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 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.)

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.

BLM Bond No.: NMB001382 / ~~NMB001405~~ \$200,000  
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

Please see all wells impacted by this sundry attached hereto.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**NM OIL CONSERVATION**  
ARTESIA DISTRICT  
**DEC 12 2016**

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

*Robert Shannon*

Date

*9/28/2016*

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

**Charles Nimmer**

**PETROLEUM ENGINEER**

Title

Office

**APPROVED**

**DEC 6 2016**

**BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD 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.

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.

<u>API</u>	<u>Well Name</u>	<u>State</u>	<u>County</u>	<u>Field Name</u>	<u>Footages</u>	<u>Sec., Township, Range</u>	<u>Lease No</u>
30-015-252180000	Arco Federal 1	NM	EDDY	Shugart; Yates-7RS-QU-Grayburg	1830' FNL 660' FWL	Sec. 24, T18S, R31E	NMNM91367
30-015-256240000	Arco Federal 2	NM	EDDY	Shugart; Yates-7RS-QU-Grayburg	950' FNL 2310' FWL	Sec. 24, T18S, R31E	NMNM91367
30-015-268500000	Arco Federal 3	NM	EDDY	Shugart; Yates-7RS-QU-Grayburg	1980' FNL 660' FEL	Sec. 23, T18S, R31E	NMNM91367
30-015-269260000	Arco Federal 4	NM	EDDY	Shugart; Yates-7RS-QU-Grayburg	710' FNL 1980' FEL	Sec. 23, T18S, R31E	NMNM91367