UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

| Expires: | January | <u> 31</u> |
|---------------------|---------|------------|
| Lease Serial No. | | |
| NIN 4N IN 44 7E 7 4 | | |

| SUNDRY NOTICES AND REPORTS ON WELLS THE ARTESIA O.C. 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. L SIA O.C. 3. L 8. II | 5. Lease Serial No. NMNM17574 8. If Indian, Allottee or Tribe Name | | | | |
|--|--|--|---|--|---|--|------------------|---------------|--|--|
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | | | | 7. If | 7. If Unit or CA/Agreement, Name and/or No. | | | | |
| 1. Type of Well Oil Well Gas Well Other | | | | | | 8. Well Name and No. GRYNBERG 11 FED 2 | | | | |
| 2. Name of Operator Contact: DAVID A EYLER MATADOR PETROLEUM CORPORATEOMII: DEYLER@MILAGRO-RES.COM | | | | | | 9. API Well No. 30-015-24224-00-S1 | | | | |
| 3a. Address 8340 MEADOW ROAD SUITE DALLAS, TX 75231 | 3b. Phone No. (include area code) Ph: 432-687-3033 | | | | 10. Field and Pool or Exploratory Area WHITE CITY-WOLFCAMP | | | | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | | 11. | 11. County or Parish, State | | | | |
| Sec 11 T25S R26E NWSE 1650FSL 1650FEL | | | | | EDDY COUNTY, NM | | | | | |
| 12. CHECK THE AI | PPROPRIATE BOX(ES) | TO INDICA | TE NATURE | OF N | OTICE, REP | ORT, OR OT | HER D | ATA | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | | | | | | |
| ☐ Notice of Intent | ☐ Acidize | Dee | epen | | ☐ Production (Start/Resume) | | ☐ Water Shut-Off | | | |
| _ | ☐ Alter Casing | ☐ Hyd | raulic Fracturii | ng 🗀 | Reclamation | | o w | ell Integrity | | |
| Subsequent Report | □ Casing Repair | □ New | ☐ New Construction | | Recomplete | | 0 0 | Other | | |
| ☐ Final Abandonment Notice | □ Change Plans | 🛛 Plug | and Abandon | | ☐ Temporarily Abandon | | | | | |
| | ☐ Convert to Injection | ☐ Plug | ☐ Plug Back | | □ Water Disposal | | | | | |
| following completion of the involved testing has been completed. Final At determined that the site is ready for final At the site is ready for final At the site is ready for final At the site is ready for final | Andonment Notices must be file inal inspection. ASE 4-1/2" PKR. @ 10,31 I.M.; CIRC, WELL W/M.L. CSG, TO 750# - HELD OF TAG CMT. @ 8,880'(OK'D). @ 8,618'; WOC X TAG CMT. @ 5,546'; WOC X TAG CMT. "CUT7" CSG. @ 1,925' - 5 SXS.CMT. @ 1,975'; WOC'; PERF. X SQZ, 65 SXS.CMT. @ 63'-F WELLHEAD 3' B.G.L.; VARCED | d only after all 5'; PULL OF E. K; PUMP 25 BY BLM) 2MT @ 8.38 AT @5.336: NOT GREE DC X TAG CI CMT @ 450 3' VERIFY CM | ON/OFF TO SXS.CMT. @ 90'(OK'D BY F PUMP 40 SX ; ATTEMPT MT. @ 1,810' | OL @ 10,30 10,30 SLM) SCM TO ES PERF G CMT ON AL | 10,308' PER 1 20'-10,100'; P T.@ 2,299' T. INJ. RATE E. X SQZ, 50 | e been completed BLM); SETRE UMP 25 - PRES. UP SXS.CMT. @ RF. X CIRC. | CLAMA? | perator has | | |
| | Electronic Submission #4: For MATADOR PETR itted to AFMSS for processi | しょ 作いが りしぬ | DODATION - | ent to t Y on 0 | the Carlebad | | | | | |
| Signature (Electronic S | (uthmission) | | Date 09/26 | 2/2010 | | | | | | |
| Checapite 3 | THIS SPACE FO | R FEDERA | | 5/2018 LAXE | | R RECO | RIJ | | | |
| | THIS OF AGE FOR | | | 700 | TICHTON (| ,,, n.coo | | | | |
| Approved By | | | Title | | SED 5 | 7 2018 | | Date | | |
| Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to conduct the conduction of t | itable title to those rights in the sect operations thereon. | subject lease | Office | | MRK moey | UE | | | | |
| Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s | U.S.C. Section 1212, make it a createments or representations as to | rime for any pe o any matter wi | rson knowingly a thin its jurisdicti | and Wil∏ on. | CARCSBABY | ELD OFFICE TO | r agency o | of the United | | |

Additional data for EC transaction #437024 that would not fit on the form

32. Additional remarks, continued

PLATE TO CSGS. X INSTALL DRY HOLE MARKER. WELL PLUG AND ABANDONED 09/25/18.



BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its predisturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of
 Operations must include adequate measures for stabilization and reclamation of disturbed lands.
 Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD
 process as per Onshore Oil and Gas Order No. 1
- 2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
- 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos Supervisory Petroleum Engineering Tech 575-234-5909, 575-361-2648 (Cell)

Arthur Arias Environmental Protection Specialist 575-234-6230

Henryetta Price Environmental Protection Specialist 575-234-5951

Shelly Tucker Environmental Protection Specialist 575-234-5979

Trishia Bad Bear, Hobbs Field Station Natural Resource Specialist 575-393-3612