UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

| BUREAU OF LAND MANAGEMENT | | | | | | Expires. Marci 51, 2007 | | |
|---|---|------------------------|--------------------------------------|-----------------|--------------------|---|---------------------|--|
| | | | | | i | 5. Lease Serial No. LC 048491-B | | |
| SUNDRY NOTICES AND REPORTS ON WELLS | | | | | | 6. If Indian, Allottee or Tribe Name | | |
| Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. | | | | | | o. If Hanan, Anonice of Thochame | | |
| SUBMIT IN TRIPLICATE- Other instructions on reverse side. | | | | | | 7. If Unit or CA/Agreement, Name and/or No. | | |
| 1. Type of Well ☐ Gas Well ☐ Other | | | | | | 8. Well Name and No. | | |
| 2. Name of Operator Alamo Permian Resources, LLC | | | | | | Saunders B #3 9 API Well No. | | |
| 3a Address 415 W. Wall Street, Suite 500 Midland, TX 79701 3b. Phone No. (include area code) 432.897.0673 | | | | | 30-01 | 30-015-22725 10. Field and Pool, or Exploratory Area | | |
| 4. Location of Well (Foolage, Sec., T., R., M., or Survey Description) | | | | | | RED LAKE; Queen-Grayburg-SA | | |
| UL-A; Sec 13 T17S R27E 980 FNL & 990 FEL | | | | | 11. Count | 11. County or Parish, State | | |
| | | | | | Eddy | Eddy County, NM | | |
| 12. CHECK AI | PPROPRIATE BOX(ES) TO | INDICATE N | NATUR | E OF NOTIC | E, REPORT, C | OR OTHER | DATA | |
| TYPE OF SUBMISSION TYPE OF ACTION | | | | | | | | |
| Notice of Intent | Acidize | Deepen | | | m (Start/Resume) | | Shut-Off | |
| Subsequent Report | After Casing Casing Repair | Fracture Treat | | Reclamat | | Well In | ntegrity | |
| Change Plans Plug and A | | | | | | Change of Operator | | |
| Final Abandonment Notice | Plug Back | Plug Back Water Dispos | | | sal | | | |
| determined that the site is ready This is a notification of Ch | of or final inspection.) The attachment of the | ched referenced | i wells. | , | | | | |
| | s, LLC, as new operator, accep portion of lease described. | ts all applicabl | e terms | , conditions, s | lipulations and re | strictions co | ncerning operations | |
| Bond Coverage: BLM Bond File No.: NMB000709 | | | | | ΔР | PRN | VFD | |
| Change of Operator effective: October 26, 2010 | | | | | | 1110 | Y L D | |
| Former Operator: Doral | Energy Corp. (ORGID No. 26 | 1198) Accepte | | | MOCD | A NI 1 O | 2011 | |
| SEE ATTACHED FOR | | | | | 1 | AN 18 JD Whi | , , | |
| CONDITIONS OF APPROVAL | | | | | <u> </u> | | IANAGEMENT | |
| 14. Thereby certify that the foregoing is true and correct Name (Printed/Typed) | | | i | | UARL | SRAD FIEL | J OT TIVE | |
| Joanne Keating | | | Title Regulatory Affairs Coordinator | | | | | |
| Signature James Lac | | | Date | | 11/09/2010 | | | |
| | THIS SPACE FOR I | EDERAL (| OR S | TATE OFF | ICE USE | | NO \ | |
| Approved by | | | Ti | tle | | Date / | SELVANIII | |
| Conditions of approval, if any, are a certify that the applicant holds legal | | | | ffice | | /QV | Jan The | |
| which would entitle the applicant to | | , | | inct | | (1) | Kr. Vr. | |

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 anymatter within its jurisdiction.

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Conditions of Approval Change of Operator 1/25/2011

Alamo Permian Resources, LLC

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
- 3. Submit for approval of water disposal method.
- 4. Submit updated facility diagrams as per Onshore Order #3
- 5. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909

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7. Subject to like approval by NMOCD.