Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

OCD-HOBBS HOBBS OCD

FORM APPROVED OMB No 1004-0137 Expires July 31, 2010

5. Lease Serial No. LC062170A

SUNDRY NOTICES AND REPORTS ON WELLS 7 2011 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 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2 1. Type of Well 8 Well Name and No. Parcell Federal #4 Other Oil Well Gas Well. 2. Name of Operator SandRidge E&P, LLC 9 API Well No 30-025-07894 10 Field and Pool or Exploratory Area 3a. Address 3b. Phone No. (include area code) 123 Robert S Kerr Ave OKC OK 73102-6406 Wantz:Abo (405) 429-5500 11. Country or Parish, State 4. Location of Well (Footage, Sec., T,R.,M., or Survey Description) 2310' FSL, 2310' FEL UL J Lea County, NM SEC 8, T21S, R38E 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Water Shut-Off Production (Start/Resume) Acidize Deepen Notice of Intent Well Integrity Alter Casing Reclamation New Construction Recomplete **√** Other Casing Repair ✓ Subsequent Report **OPERATOR CHANGE** Temporarily Abandon Change Plans Plug and Abandon Plug Back Water Disposal Convert to Injection Final Abandonment Notice 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) SandRidge E&P, LLC, respectfullly requests a change of operator from McElvain Oil and Gas Properties, Inc., to SandRidge E&P, LLC, for the above referenced well. The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations on the leased lands or portions thereof. Effective Date: March 4, 2011 APPROVED Location: Lea County, New Mexico N MBODOS48 BLM Nationwide Bond.#: B005997 NAB000 765 JUN 2 3 2011 SEE ATTACHED FOR /s/ JD Whitlock J CONDITIONS OF APPROVAL **BUREAU OF LAND MANAGEMENT** CARLSBAD FIELD OFFICE 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Linda Guthrie Title Regulatory Manager Date 03/11/2011 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Date Title Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify

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.

those rights in the

that the applicant holds legal or equitable title to

entitle the applicant to conduct operations to

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

Conditions of Approval

SandRidge E&P 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
- 7. 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.
- 8. Subject to like approval by NMOCD.