Form 3160-5 (April 2004)

# OCD-HOBBS OCD **UNITED STATES**

FORM APPROVED OM B No 1004-0137

| J   | DEPARTMENT OF I  | HE INTERIOR   |   | Expires March 31, 2007  |  |  |
|---|--|---|---|---|--|--|
|   | BUREAU OF LAND M  NOTICES AND F  nis form for proposa  | IANAGEMENT  | MAY 0 9   | 20\$2Lease Serial No  |  |  |
| SUNDRY  | NOTICES AND F  | REPORTS ON WE   | LLS   | NMLC063261  |  |  |
| Do not use ti   | nis form for proposa   | ls to drill or to re-   | enter an  | 6 If Indian Allottee or Tribe Name  |  |  |
| abandoned w   | ell. Use Form 3160 -   | 3 (APD) for such pr   | oposals RECEI   | /ED   |  |  |
| SUBMIT IN TR  | 7 If Unit or CA/Agreement, Name and/or No  |   |   |   |  |  |
| 1 Type of Well Oil Well   | 8 Well Name and No   |   |   |   |  |  |
| 2 Name of Operator  | Terra Federal # 1  |   |   |   |  |  |
| 2 Name of Operator Endeavor En  | 9 API Well No.   |   |   |   |  |  |
| 3a Address 3b Phone No (include area code) 110 N. Marienfeld, suite 200 Midland, Tx. 79701 432-687-1575 |  |   |   | 30-025-27245  |  |  |
| 4 Location of Well (Footage, Sec.   | 10 Field and Pool, or Exploratory Area  Langlie Mattix, 7 Rivers, QN, GB   |   |   |   |  |  |
| , , , , , , , , , , , , , , , , , , ,   | 11 County or Parish, State   |   |   |   |  |  |
| 296' FML & 796' FML, SEC.   | 77, 1405, RASE<br>2 25 31  | /   |   | Lae Co NM   |  |  |
|   | PPROPRIATE BOX(ES)   | TO INDICATE NATU  | RE OF NOTICE,   | REPORT. OR OTHER DATA   |  |  |
| TYPE OF SUBMISSION  |  | TY  |   |   |  |  |
|   | Acidize  | Deepen  | Production (S   | Start/Resume) Water Shut-Off  |  |  |
| ✓ Notice of Intent  | Alter Casing   | Fracture Treat  | Reclamation   | Well Integrity  |  |  |
| Subsequent Report   | Casing Repair  | New Construction  | Recomplete  | Other Change of Operator  |  |  |
|   | Change Plans   | Plug and Abandon  | Temporarily A   | Abandon   |  |  |
| Final Abandonment Notice  | Convert to Injection   | Plug Back   | Water Disposa   | al  |  |  |
| If the proposal is to deepen dire<br>Attach the Bond under which the<br>following completion of the inv | ctionally or recomplete horizone work will be performed or prolved operations. If the operanal Abandonment Notices shall | ntally, give subsurface location ovide the Bond No on file to tion results in a multiple comp | ons and measured and t<br>with BLM/BIA Requipletion or recompletion | any proposed work and approximate duration thereof true vertical depths of all pertinent markers and zones used subsequent reports shall be filed within 30 days in a new interval, a Form 3160-4 shall be filed once mation, have been completed, and the operator has |  |  |
| Endcavor Energy Resourc   |  |   | s conditions, stipula   | ntions and restrictions concerning operations   |  |  |

Lease No. NMLC063261

Bond Coverage NM2836 and NMB000846 Change of Operator Effective Date: 2/01/2006 Former Operator: Tipton Oil & Gas Acquisitions

# SEE ATTACHED FOR CONDITIONS OF APPROVAL

| 14 Thereby certify that the foregoing is true and correct Name (Printed/Typed)  | Title SoloMe                         | mber                    |                  |                              |  |  |  |  |
|---|--------------------------------------|-------------------------|------------------|------------------------------|--|--|--|--|
| Signature Sulvy Hashens   | Date                                 | 04/24/2012              |                  |                              |  |  |  |  |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE  |                                      |                         |                  |                              |  |  |  |  |
| Approved by /s/ JD Whitlock Jr  | Title <b></b>                        | PET                     | Date             | 5/6/12                       |  |  |  |  |
| Conditions of approval, if any, are attached Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant logeration of prations please. |                                      | (FO                     |                  |                              |  |  |  |  |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any p<br>States any false fictitious or fraudulent statements or representations as to any matter  | person knowingl<br>within its jurisd | y and willfully to make | e to any departr | nent or agency of the United |  |  |  |  |

(Instructions on page 2)

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

### **Conditions of Approval**

# Endeavor Energy Resources, LP Terra Federal #1 & 2 NMLC063261

- 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.
- 3. Submit updated facility diagrams as per Onshore Order #3
- 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. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.

43 CFR 3162.3-4 (C) requires that wells incapable of production in paying quantities be promptly plugged and abandoned....
Wells are not producing in paying quantities.

