Form 3160-5 (September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT.

HOBBS OCD

FORM APPROVED OM B No 1004-0135 Expires January 31, 2004

5 Lease Senal No

NM 84898 SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE- Other instructions on reverse side. 7 If Unit or CA/Agreement, Name and/or No Gas Well□□ Öıl Well□ 🗆 Other | 8 Well Name and No. Rattlesnake 28 Federal #1 Name of Operator 9 API Well No. LLC Manzano, 3b. Phone No (include area code) 30-025-33062 Address P.O. Box 2107, Roswell, NM 88202 575-623-1996 10 Field and Pool, or Exploratory Area 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Rattlesnake Flat; Delaware 11 County or Parish, State 1980' FSL & 1980' FWL Section 28, T26S-R33E Lea County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Acidize Production (Start/Resume) Water Shut-Off Deepen X Notice of Intent Well Integrity Alter Casing Fracture Treat Reclamation X Other Casing Repair New Construction Recomplete ___Subsequent Report Change Plans Plug and Abandon Temporanly Abandon Change of Operator Final Abandonment Notice Convert to Injection __ Plug Back 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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 of Change of Operator on the above referenced well.

Manzano, LLC, as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease or portion of lease described.

Bond Coverage: BLM Bond File No. NMB000260 NMB000947

Change of Operator Effective: 6/1/2011

Former Operator: RSC Resources Limited Partnership

SEE ATTACHED FOR CONDITIONS OF APPROVAL

If well goes off production for more than 30 days notify BLM by Sundry within 5 business days

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)				
Kenneth Barbe Jr.	Title	Mana	ager	
Signature	Date	6/7,	/11	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE				
Approved by /s/ JD Whitlock Jr		Title (PET	Date 8/21/12
Conditions of approval, if any, are attached. Approval of this notice does not warran certify that the applicant holds legal of equitable title to those rights in the subject lea which would entitle the applicant to constitute		Office	(Fo	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any	person	knowingl	y and willfully to m	ake to any department 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

Manzano, LLC

Rattlesnake 28 Federal #1 3002533062 NM84898

August 21, 2012

- 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.

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

8. If well is not capable of production in paying quantities submit Notice of Intent to P&A or submit documentation proving that well is capable of production in paying quantities within 30 of approval of change of operator.