

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD
OCD Hobbs
NOV 25 2013

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NM-0384177 |
| 2. Name of Operator Stanolind Operating LLC DBA Stanolind NM LLC | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 310 W. Wall, Suite 1000, Midland, TX 79701-5122 | 3b. Phone No. (include area code) 432-640-0000 | 7. If Unit or CA/Agreement, Name and/or No. CA NMNM 71222 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) See attached list. | | 8. Well Name and No. Federal "27" Well #1 & #2 |
| | | 9. API Well No. See Attached List |
| | | 10. Field and Pool, or Exploratory Area 55490: Sawyer; Sand Andres, West |
| | | 11. County or Parish, State Lea, New Mexico |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Change of Operator |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> 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 recomple 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 recomple 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.)

Change of operator from VPR Operating, LLC (OGRID 266091) to Stanolind Operating LLC DBA Stanolind NM LLC (OGRID 288173).

The effective date of change is September 1, 2013.

Stanolind Operating LLC meets federal bonding requirements.

Bond Coverage: ~~Surface Improvement Damage Megabond number is 1084467 and BLM Management Oil & Gas bond number is 1062434.~~

Stanolind Operating LLC, as operator, is responsible under the terms and conditions of the lease(s) for the operations conducted on the leased lands or portion thereof per 43 CFR 3100.0-5 (a).

SUBJECT TO LIKE
APPROVAL BY STATE

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

| | | |
|--|--------------------|-------------------------------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tammy Kennedy | | Title Land/Regulatory Administrator |
| Signature <i>Tammy Kennedy</i> | Date 10/21/2013 | |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------|---------------------|
| Approved by Is/ Jerry Blakley | Title | Date NOV 21 2013 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | 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.

(Instructions on page 2)

| | |
|--|--------------------|
| APPROVED | |
| NOV 21 2013 | <i>[Signature]</i> |
| BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE | |

DEC 02 2013

Stanolind Operating LLC
Lea County New Mexico Properties

Sundry Notice Attachment
Federal "27" Well #1 & #2

| Well Name | API | Well type | Lease Serial No. | Unit/Agree | Location | DEPTH |
|-----------------|--------------|-----------|------------------|---------------|----------------------------------|-------|
| FEDERAL 27 #001 | 30-025-23841 | Oil | NM-0384177 | CA NMNM 71222 | D-27-09S-37E, 660' FNL 660' FWL | 5030 |
| FEDERAL 27 #002 | 30-025-25403 | Oil | NM-0384177 | CA NMNM 71222 | E-27-09S-37E, 1980' FNL 660' FWL | 5024 |

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

Effective 10/1/2013
Bond NMB000975

**11/21/2013 Approved subject to Conditions of Approval. JDB
Change of Operator
Conditions of Approval**

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. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.