

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

5. Lease Serial No.
NMLC067230

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
FEDERAL 3 2

9. API Well No.
30-025-25701-00-S1

10. Field and Pool, or Exploratory
LUSK

11. County or Parish, and State
LEA COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
MARSHALL & WINSTON INC
Contact: SHERRY L. ROBERTS
E-Mail: sroberts@mar-win.com

3a. Address
MIDLAND, TX 79710-0880

3b. Phone No. (include area code)
Ph: 432-684-6373
Fx: 432-682-1316

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 3 T19S R32E NWSE 1980FSL 1730FEL

AUG 25 2014

RECEIVED

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 checked="" 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 type="checkbox"/> Other
	<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 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 that new perforations will be added f/ 9170-9180'.

We will frac 1 stage new perforations f/ 9170-9180' and old perforations f/ 9142-9156/ & 9045-9050'.

Operations will commence about August 15, 2014.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

APPROVED
AUG 19 2014
[Signature]
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #254515 verified by the BLM Well Information System
For MARSHALL & WINSTON INC, sent to the Hobbs
Committed to AFMSS for processing by ED FERNANDEZ on 08/19/2014 (14EF0086SE)

Name (Printed/Typed) SHERRY L. ROBERTS

Title OPERATIONS SECRETARY

Signature (Electronic Submission)

Date 07/24/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER *[Signature]*

Date 08/19/2014

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 Hobbs

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

AUG 27 2014

[Handwritten mark]

Conditions of Approval

Federal 3 #2

30-025-25701

Marshall & Winston

August 19, 2014

- 1. Surface disturbance beyond the existing pad must have prior approval.**
- 2. Closed loop system required.**
- 3. H2S monitoring equipment to be used on location and functional.**
- 4. Must conduct a casing integrity test to max treating pressure before any perforating or frac can be done. Submit results to BLM.**
- 5. A minimum of a 3000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
- 6. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 7. Completion Report and Subsequent sundry with well test and wellbore schematic required within 30 days of completion**
- 8. Workover approval is good for 90 days (completion to be within 90 days of approval).**

EGF 081914