Form 3160-5 (June 2015)

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

NMOCD Hobbs

| FORM APPROVED |
|---------------------------|
| OMB No. 1004-0137 |
| Expires: January 31, 2018 |

5. Lease Serial No. LC063659

| 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. | | | | 6. If Indian, Allottee or Tribe Name | | |
|--|--|------------------------------------|--|---|--|--|
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | | | 7. If Unit of CA/Agreement, Name and/or No. | | |
| 1. Type of Well | | | | | | |
| Oil Well Gas Well Other | | | | 8. Well Name and No. Great Western C Federal #1 | | |
| 2. Name of Operator KEM Ventures, LP | | | | 9. API Well No. 30-025-21446 | | |
| 3a. Address 515A S. Fry Road, Suite 406, Katy ,TX, 77450 3b. Phone No. (include area code) | | | 10. Field and Pool or Exploratory Area | | | |
| (213) 359-8906 | | | | Sawyer | | |
| 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) M Sec21 09S38E 660 FSL 660 FWL | | | | 11. Country or Parish, State Lea, NM | | |
| 12. CHE | CK THE APPROPRIATE B | OX(ES) TO INDICATE NATU | RE OF NOTI | CE, REPORT OR OTHE | R DATA | |
| TYPE OF SUBMISSION | | TYPE OF ACTION | | | | |
| Notice of Intent | Acidize | Deepen | Prod | uction (Start/Resume) | Water Shut-Off | |
| 1 Notice of filterit | Alter Casing | Hydraulic Fracturing | | amation | Well Integrity | |
| Subsequent Report | Casing Repair | New Construction | | mplete | Other | |
| Final Abandonment Notice | Change Plans Convert to Injection | Plug and Abandon Plug Back | = ' ' | | | |
| 13. Describe Proposed or Completed C | <u> </u> | | | · | | |
| KEM Ventures, LP as new ope of portion of lease described. Bond Coverage: BLM Bond Fil- Change of operator Effective: 4 Former Operator: RAW Qil&Ga | e No.: NMB001671 N/1/2019 | HOBBS OCD JUL 0 3 2019 RECEIVED | | • | rations conducted on this lease, PROVAL | |
| 14. I hereby certify that the foregoing is | true and correct. Name (Pr | / CEO | | | | |
| Signature # | the restant / C/4/2019 | | | | | |
| | THE SPACE | OR FEDERAL OR S | TATE OF | ICE USE | | |
| Approved by Conditions of approval if any are attacertify that the applicant holds legal or which would entitle the applicant to contain the applicant the appl | equitable tiple to those rights aduct operations therein. | in the subject least Office | | JUN 1 7 20 |)19 | |
| Title 18 U.S.C Section 1001 and Title 4 | | | | | | |
| any false, fictitious or fraudulent staten | iems of representations as to | any matter within its jurisdiction | | ROSWELL FIELD O | FFICE // | |
| (Instructions on page 2) | | // | | | ¥-10 | |

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.
- 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.
- 9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
- 10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
- 11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.

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