Form 3160-5 (March 2012)

(Instructions on page 2)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT OCD Hobbs

| FORM APPROVED             |
|---------------------------|
| OMB No. 1004-0137         |
| Expires: October 31, 2014 |

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an

5. Lease Serial No. NM 0542015

| _  |    |         |          |          |      |
|----|----|---------|----------|----------|------|
| 6. | Ιf | Indian, | Allottee | or Tribe | Name |

| I. Type of Well    Oil Well  | n (Start/Resume)  |
|--|---|
| 1. Type of Well    Oil Well  | Vell Name and No.  4  PI Well No. 30-015-26534  Field and Pool or Exploratory Area ST LOVING BRUSHY CANYON  County or Parish, State DY COUNTY NEW MEXICO  EPORT OR OTHER DATA  (Start/Resume) |
| 3a. Address PO BOX 1570 281 HIGHWAY 248 EUNICE, NM 88231  4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) UNIT D SEC 13 T23S R28E 664/N & 662/W  12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, R  TYPE OF SUBMISSION  TYPE OF ACTION Acidize Deepen Production Alter Casing Fracture Treat Reclamatic   | PI Well No. 30-015-26534  Field and Pool or Exploratory Area ST LOVING BRUSHY CANYON  County or Parish, State DY COUNTY NEW MEXICO  EPORT OR OTHER DATA  In (Start/Resume)                    |
| P O BOX 1570 281 HIGHWAY 248 EUNICE, NM 88231  4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) UNIT D SEC 13 T23S R28E 664/N & 662/W  12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, R  TYPE OF SUBMISSION  TYPE OF ACTION  Acidize  Acidize  Acidize  Fracture Treat  Reclamatic  | AST LOVING BRUSHY CANYON  County or Parish, State DY COUNTY NEW MEXICO  EPORT OR OTHER DATA  In (Start/Resume)  |
| UNIT D SEC 13 T23S R28E 664/N & 662W  12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, R  TYPE OF SUBMISSION  TYPE OF ACTION  Acidize Deepen Production Alter Casing Fracture Treat Reclamation   | EPORT OR OTHER DATA  a (Start/Resume)   |
| TYPE OF SUBMISSION  TYPE OF ACTION  Acidize Deepen Production Alter Casing Fracture Treat Reclamati  | n (Start/Resume)  |
| ✓ Notice of Intent       Acidize       Deepen       Production         ✓ Alter Casing       Fracture Treat       Reclamation   | on Well Integrity   |
| Alter Casing Fracture Treat Reclamati  | on Well Integrity   |
| Subsequent Report  Casing Repair  Change Plans  Plug and Abandon  Temporari  Final Abandonment Notice  Convert to Injection  Plug Back  Water Dis  | ly Abandon OPERATOR   |
| the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Requifollowing completion of the involved operations. If the operation results in a multiple completion or recompletion testing has been completed. Final Abandonment Notices must be filed only after all requirements, including recladetermined that the site is ready for final inspection.)  THIS IS NOTIFICATION THAT VANGUARD PERMIAN LLC HAS ACQUIRED THE ABOVE WELL/PROPE LLC | red subsequent reports must be filed within 30 days in a new interval, a Form 3160-4 must be filed once mation, have been completed and the operator has                                      |
| PER NTL89, VANGUARD PERMIAN LLC ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULA OPERATIONS CONDUCTED ON THE LEASE LAND OR PORTION THEREOF.  BOND COVERAGE: BLM BOND NO: NMBOOO811 & NMNM000761  CHANGE OF OPERATOR EFFECTIVE: 4-1-13 (PER OCD SIGNATURE APPROVAL)  FORMER OPERATOR: RANGE OPERATING NEW MEXICO LLC (ORGID #227588)   | RECEIVED  APR 0 7 2014  NMOCD ARTESIA   |
| ACQUIRING OPERATOR: VANGUARD PERMIAN LLC (ORGID #258350)  SUBJECT TO LIKE APPROVAL BY STATE  | SEE ATTACHED FOR ONDITIONS OF APPROVAL  |
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  |   |
| GAYE HEARD Title AGENT   |   |
| Signature Date 01/30/2014  | <u> </u>  |
| THIS SPACE FOR FEDERAL OR STATE OFFICE   | USEAVED   |
| Approved by  Conditions of approval, if any, are attached. Approval of this notice toes 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.  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-mak fictitious or fraudulent statements or representations as to any matter within its jurisdiction.  | Date  AR 2 6 2014  eto any department or agency of the United States any false  |

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

Effective 4/1/2013 Bond NMB000811 and NMB000761

## 3/26/2014 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.
- 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. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.