Form 3160-5 ~(March 2012)

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

5. Lease Serial No. LC 061446

6. If Indian, Allottee or Tribe Name

abandoned well. Use Form 3160-3 (APD) for such proposalsD							
SUBMIT IN TRIPLICATE - Other instructions on page 2.					7. If Unit of CA/Agreement, Name and/or No.		
1. Type of Well APR 0 2 2014					PENROSE		
Oil Well Gas Well Other					8. Well Name and No.		
2. Name of Operator VANGUARD PERMIAN LLC			RECEIVED		9. API Well No. 30-025-10147		
3a. Address P O BOX 1570 281 HIGHWAY 248 EUNICE, NM 88231		3b. Phone No. (include area code) 575-393-2727		10. Field and Pool or Exploratory Area DRINKARD			
					11. County or Parish, State		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UNITE SEC 9 T225 R37E 1874/N & 276W			LEA COUNTY N				
12. CHE	CK THE APPROPRIATE BO	X(ES) TO IND	ICATE NATURE	E OF NOTIC	CE, REPORT OR OTH	ER DATA	
TYPE OF SUBMISSION	YPE OF SUBMISSION TYPE OF AC				TION		
Notice of Intent	Acidize	Deepen Total			Production (Start/Resume)		
	Alter Casing Casing Repair		Fracture Treat New Construction		imation mplete	Well Integrity Other CHANGE OF	
Subsequent Report	Change Plans	Plug	and Abandon		oorarily Abandon	OPERATOR	
Final Abandonment Notice Convert to Injection			g Back Water		r Disposal		
13. Describe Proposed or Completed C the proposal is to deepen direction Attach the Bond under which the following completion of the invol- testing has been completed. Final determined that the site is ready for	ally or recomplete horizontal work will be performed or proved operations. If the operati Abandonment Notices must	ly, give subsurfa ovide the Bond I on results in a m	ice locations and No. on file with B ultiple completio	measured an LM/BIA. R n or recomp	d true vertical depths o equired subsequent rep letion in a new interval	of all pertinent markers and zones. Forts must be filed within 30 days The area of the are	
THIS IS NOTIFICATION THAT VAI	NGUARD PERMIAN LLC I	AS ACQUIRE	D THE ABOVE	WELL/PRO	OPERTY FROM RAN	NGE OPERATING NEW MEXICO	
PER NTL89, VANGUARD PERMIA OPERATIONS CONDUCTED ON T				ONS, STIP	ULATON AND REST	RICTONS CONCERING	
BOND COVERAGE: BLM BOND N	O: NMBOOO811 & NMNM	1000761			•		
CHANGE OF OPERATOR EFFECT	TIVE: 4-1-13 (PER OCD SI	IGNATURE AF	PROVAL)				
FORMER OPERATOR: RANGE O ACQUIRING OPERATOR: VANGU			#227588)				
	SUBJECT APPROVAL		K	CON	SEE ATTACH DITIONS OF	HED FOR APPROVAL	
14. I hereby certify that the foregoing is t	rue and correct. Name (Printed	d/Typed)					
GAYE HEARD			Title AGENT				

Date 01/30/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE DEC VED

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 of agency of the United States any false,

(Instructions on page 2)

entitle the applicant to conduct operations thereon.

Signature

Approved by



Heard

Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal of equitable title to those rights in the subject lease which would

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

MAR 2 6 201 Date

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.