Farm 3460-5 (fine 2015)

(Instructions on page 2)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCDArtesia

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

5	Lease	Ser	ial	ì

NMNM 048344

SUNDRY NOTICES AND REPORTS ON WELLS 6 If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2 1 Type of Well 🔲 छ। अला Gas Well 2 Name of Operator Vanguard Operating, LLC 9 API Well No See Attached List 10 Field and Pool or Exploratory Area 3a Address 3b. Phone No. (include area code) 5847 San Felipe, Suite 3000 Houston, Texas 77057 (832) 377-2243 See Attached list 4 Location of Well (Footage, Sec., T.R.M., or Survey Description) 11. Country or Parish, State See Attached List Eddy, NM 1 12. CIBECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Well Integrity Hydraulic Fracturing Reclamation Casing Repair New Construction Recomplete ✓ Other Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection ). NM OIL CONSERVATION This is notification of Change of Operator on the above referenced well. ARTESIA DISTRICT Vanguard Operating, LLC, as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease or portion of lease described. Bond Coverage: BLM Bond File No. NMB000797, Surety Bond No. B006616 MAR 2 9 2016 Bond Coverage Carlsbad Field Office: BLM Bond File No. NMB000817, Surety Bond No. B006679 Change of Operator Effective: October 5, 2015 Former Operator: LRE Operating, LLC SEE ATTACHED FOR RECEIVED CONDITIONS OF APPROVAL 14. Thereby certify that the foregoing is true and correct. Name (Printed Typed) .Ogeration Britt Pence Title 1 5 Signature THE SPACE FOR FEDERAL Approved by Title 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 Othice 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 willful 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

## ATTACHMENT TO LEASE SERIAL NO. NMLC 48344

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Well, CLAME	-APINUMBER	EXPLORATORYAREA	UNITETR SEC TWN RN	SEG	N. N.	RNG	LOCATION	VIIION
		ARTESIA; GLORIETA-YESO (O) RED						
WILLIAMS A FEDERAL 8	3001546513	LAKE; QUEEN-GRAYBURG-SA	z	.29	175	28E	.29   175   28E   1090 FSL	1550 FWL
WILLIAMS A FEDERAU 10	3001540480	ARTESIA;GLORIETA-YESO (0)	Σ	29	175	28E	175 28E 600 FSL	645 FWL
WILLIAMS A FEDERAL 11	3001541983	ARTESIA;GLORIETA-YESO (O)	¥	29	175	28E	1.	2310 FWL
WILLIAMS A FEDERAU 12	3001541890	ARTESIA; GLORIETA-YESO (O)	Z	29	,	28F		2200 FWI
WILLIAMS A FEDERALI 13	3001542303	ARTESIA; GLORIETA-YESO (O)	¥	29	175	28F	175 28F 2455 FSI	1620 FWI
WILLIAMS A FEDERAU14	3001541891	ARTESIA;GLORIETA-YESO (O)		52	175	28E	175   28E   2310 FSI	330 FWI
WILLIAMS A FEDERAL 15	3001541892	ARTESIA; GLORIETA-YESO (O)	Σ	29	175	28E	·	920 FWL
WILLIAMS A FEDERAL 16	3001542116	ARTESIA; GLORIETA-YESO (O)	Z	29	175	28E		2160 FWL
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## Vanguard Operating, LLC March 16, 2016 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. 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.

**JAM 031616**