NMOCD Artesia

Form 3160-5 (June 2015)

UNITED STATES DEPARTMENTS OF THE INTERIOR

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

171.71	VICTIMICIAL OL TURA	DATENION				
. BURI	EAU OF LAND MAN	AGEMENT		5. Lease Serial No.	NMNM 53957A	
Do not use this f		ORTS ON WELLS to drill or to re-enter an 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. NM - 72534		
Type of Well Oit Well Gas Wett Other				8. Well Name and N	o. O CONNELL VX FEDERAL 1	
Name of Operator Vanguard Operating, LLC .				9, API Well No.	3000561861	
1. Address 5847 San Felipe, Suite 3000 Suite 3000 Houston, Texas 77057 Suite 3000 (832) 377-2243			e)	10. Field and Pool o	r Exploratory Area PECOS SLOPE, ABO	
Location of Well (Footage, Sec., T.R., M., or Survey Description)				11. Country or Parisl	h, State .	
1790 FSL, 1980 FEL; J-09-06S-26E				CHAVES, NM		
12, CHE	CK THE APPROPRIATE B	OX(ES) TO INDICATE NATURI	OF NOTE	CE, REPORT OR OT	THER DATA	
TYPE OF SUBMISSION		TY	PE OF ACT	ION		
Notice of Intent	Acidize Alter Casing	Deepen Hydraulic Fracturing	=	uction (Start/Resume mation) Water Shut-Off Well Integrity	
Subsequent Report	Casing Repair	New Construction	Reco	mplete	✓ Other	
	Change Plans	Plug and Abandon	Temp	Temporarily Abandon		
Final Abandonment Notice	Convert to Injection	Plug Back	Water	: Disposal		
the proposal is to deepen directional the Bond under which the work will completion of the involved operation	lly or recomplete horizontal! I be perfonned or provide the ons. If the operation results in	ly, give subsurface locations and n e Bond No. on file with BLM/BIA n a multiple completion or recomp	neasured an L. Required detion in a r	d true vertical depths subsequent reports m new interval, a Form	vork and approximate duration thereof. If so fall pertinent markers and zones. Attacknust be filed within 30 days following 3160-4 must be filed once testing has been the operator has detennined that the site	
					MAR OIL CONOTTO	

VI OIL CONSERVATION

ARTESIA DISTRICT MAY 09 2016

This is notification of Change of Operator on the above referenced well.

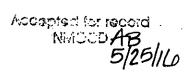
Vanguard Operating, LLC, as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease or portion of lease described.

Bond Coverage: BLM Bond File No. NMB000797, Surety Bond No. B006616
Bond Coverage Roswell Field Office: BLM Bond File No. NMB000857, Surety Bond No. B007133

Change of Operator Effective: October 5, 2015

Former Operator: LRE Operating, LLC

RECEIVED



SEE ATTACHED FOR CONDITIONS OF APPROVAL

Executive Vice President, Operations			
Date 10.5. ZOIS			
RAL OR STATE OFICE USE	•		
PETROLEUM ENGINEER	MAR 2 5-2016		
Office ROSWELL FIELD OFFICE			
	PETROLEUM ENGINEER Title		

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.

Vanguard Operating, LLC 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.
- 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.