

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
ArtesiaFORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018**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.

5. Lease Serial No. NMNM 40029

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Vanguard Operating, LLC

3a. Address 5847 San Felipe, Suite 3000
Houston, Texas 770573b. Phone No. (include area code)
(832) 377-22434. Location of Well (Footage, Sec., T., R., M., or Survey Description)
See Attached List7. If Unit of CA/Agreement, Name and/or No.
See Attached List

8. Well Name and No. See Attached List

9. API Well No. See Attached List

10. Field and Pool or Exploratory Area
PECOS SLOPE, ABO11. Country or Parish, State
CHAVES, NM**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Hydraulic Fracturing☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other

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 recomple 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.)

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

BIA OIL CONSERVATION
ARTESIA DISTRICT

MAY 09 2016

RECEIVED

Accepted for record
NMOCD AB

5/24/16

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Britt Pence

Title Executive Vice President, Operations

Signature

Date

10-5-2015

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date

MAR 25 2016

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 which would entitle the applicant to conduct operations thereon.

Office

ROSWELL FIELD 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 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. NMNM 40029

| WELL NAME | API NUMBER | EXPLORATORY AREA | UNIT LTR | SEC | TWN | RNG | LOCATION |
|------------------|------------|------------------|----------|-----|-----|-----|------------------|
| ALKALI FEDERAL 1 | 3000561062 | PECOS SLOPE; ABO | M | 33 | 5S | 25E | 660 FSL 400 FWL |
| ALKALI FEDERAL 3 | 3000561131 | PECOS SLOPE; ABO | M | 22 | 5S | 25E | 850 FSL 760 FWL |
| ALKALI FEDERAL 4 | 3000561121 | PECOS SLOPE; ABO | D | 22 | 5S | 25E | 660 FNL 660 FWL |
| ALKALI FEDERAL 8 | 3000561303 | PECOS SLOPE; ABO | O | 15 | 5S | 25E | 660 FSL 1980 FEL |
| ALKALI FEDERAL 9 | 3000561295 | PECOS SLOPE; ABO | O | 22 | 5S | 25E | 660 FSL 1980 FEL |

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.
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