Form 3160-5 (March 2012)

(Instructions on page 2)

UNITED STATES DEPARTMENT OF THE INTERIOR OCD Artesia

BUREAU OF LAND MANAGEMENT

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, 201 |

| 5. Lease Serial No. NM 32636 | | _ |
|--------------------------------------|--|---|
| 6. If Indian, Allottee or Tribe Name | | |

| abandoned well. | Use Form 3160-3 (API | D) for such propo | sals. | | | | |
|--|---|--|--------------------------------------|---|----------------------------------|---|--|
| SUBMI | 7. If Unit of CA/Agreement, Name and/or No. TELEDYNE 12 FEDERAL | | | | | | |
| I. Type of Well ✓ Oil Well Gas V | 8. Well Name and No. | | | | | | |
| | Vell Other | | | 9. API Well No. 30-015-33 | 3 | | |
| Name of Operator VANGUARD PERMIAN LLC | | | | | | <u> </u> | |
| 3a. Address P O BOX 1570 281 HIGHWAY 248 EUNICE, NM 88231 | | Phone No. (include are 75-393-2727 | a code) | 10. Field and Pool or I EAST HERRADURA | - • | | |
| 4. Location of Well (Footage, Sec., T., UNIT E SEC 12 T23S R28E 2160/N & 99 | | | 11. County or Parish, EDDY COUNTY NE | | | | |
| 12. CHEC | CK THE APPROPRIATE BOX(| ES) TO INDICATE NAT | URE OF NOTIC | E, REPORT OR OTH | ER DATA | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | | | |
| Notice of Intent | Acidize Alter Casing Casing Repair | Deepen Fracture Treat New Construction | Recla | nction (Start/Resume) mation mplete | Well In | Shut-Off tegrity CHANGE OF | |
| Subsequent Report | Change Plans | Plug and Abandon | = | orarily Abandon | | ERATOR | |
| Final Abandonment Notice | Convert to Injection | Plug Back | | r Disposal | | | |
| following completion of the involve testing has been completed. Final determined that the site is ready for THIS IS NOTIFICATION THAT VAN LLC PER NTL89, VANGUARD PERMIAL OPERATIONS CONDUCTED ON THE BOND COVERAGE: BLM BOND NOTIFICATION CHANGE OF OPERATOR EFFECT FORMER OPERATOR: RANGE OF ACQUIRING OPERATOR: VANGUARD | Abandonment Notices must be for final inspection.) IGUARD PERMIAN LLC HAS N LLC ACCEPTS ALL APPLI HE LEASE LAND OR PORTI D: NMBOOO811 & NMNM00 IVE: 4-1-13 (PER OCD SIGN PERATING NEW MEXICO LL ARD PERMIAN LLC (ORGID APPROVAL | CABLE TERMS, CONICON THEREOF. O761 IATURE APPROVAL) C (ORGID #227588) #258350) | nents, including i | PECEIV MAR 3 1 2 NMGEP AR CONDITION | ED O14 TESIA TACHED IS OF AP | The operator has ING NEW MEXICO DICERING PROVAL | |
| 14. I hereby certify that the foregoing is tr | ue and correct. Name (Printed/1) | | | | not beth Coentr | @0010 | |
| GAYE HEARD | | Title AGE | <u> </u> | <u>Csu</u> | h. d Ud. forder will bed | 4/8/2014 | |
| Signature Say No | eard | Date 01/2 | 3/2014 | | | , | |
| | THIS SPACE FO | R FEDERAL OR | STATE-OFF | ICE USE OVE | <u></u> | 1 | |
| Approved by Conditions of approval, it any, are attached | Approved of this notice does not | Title | | | Date | | |
| that the applicant holds legal or equitable ti entitle the applicant to conduct operations t | tle to those rights in the subject le | ase which would Office | | MAR 2 6 201 | 4 | | |

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.

D. .

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.