## Artesia

FORM APPROVED

	UNITED STATE ARTMENT OF THE I	NTERIOR	5. Lease Serial No	OMB No. 1004-0137 Expires: January 31, 2018
	EAU OF LAND MAN			NMLC 58181
	OTICES AND REPO	DRIS ON WELLS to drill or to re-enter an	6. If Indian, Allot	tee or Tribe Name
		PD) for such proposals		
	TRIPLICATE - Other instru			Agreement, Name and/or No.
1. Type of Well	THE EIGHT - Other mout	DUNOIS ON Page 2	Ear	reducal la
Oil Well Gas V		,	8. Well Name and	No. Soo Attached List
2. Name of Operator Vanguard Operator	ating, LLC		9. API Weli No.	See Attached List
3a. Address 5847 San Felipe Houston, Texas		3b. Phone No. (include area code (832) 377-2243	e) 10. Field and Poo	l or Exploratory Area See Attached list
4. Location of Well (Footage, Sec., T.,F See Attached Li	R., M., or Survey Description,	)	· 11. Country or Pa	rish, State Eddy, NM
12. CHE	CK THE APPROPRIATE B	OX(ES) TO INDICATE NATURE	OF NOTICE, REPORT OR	OTHER DATA
TYPE OF SUBMISSION		TY	PE OF ACTION	
Notice of Intent	Acidize Alter Casing	Deepen Hydraulic Fracturing	Production (Start/Result	me) Water Shut-Off Well Integrity
Subsequent Report	Casing Repair Change Plans	New Construction Plug and Abandon	Recomplete Temporarily Abandon	<b>✓</b> Other
Final Abandonment Notice	Convert to Injection		Water Disposal	
restrictions concerning operations and Coverage: BLM Bond File Bond Coverage Carlsbad Field Change of Operator Effective:	new operator, accepts all a ons conducted on this lea- le No. NMB000797, Sure- I Office: BLM Bond File I October 5, 2015	applicable terms, conditions, sti se or portion of lease described	i. <sup>No. 8006679</sup> ATTA <i>(</i>	MAR 2 9 2016  CHED FOREIVED
Former Operator: LRE Operat	ing, LEC		CONDITIO	NS OF APPROVAL
	•		/	
14. I hereby certify that the foregoing is  Britt Pence	true and correct. Name (Pr		Vice President, Operation	
Signature	11	Date 10.	5.2015	/ // X / /
· · · · · · · · · · · · · · · · · · ·	THE SPACE	E FOR FEDERAL OR ST	ATE OFICE USE	MAR 1 6 2016 XI \ /
Approved by		Title	81/10	OF BATELD MANIGUATE AND WILLIAM
Conditions of approval, if any, are attac certify that the applicant holds legal or which would entitle the applicant to co	equitable title to those rights	does not warrant or		ESULAD PIELD (TIME

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

(Instructions on page 2)

## ATTACHMENT TO LEASE SERIAL NO. NMLC 58181

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WELLINAME	APIINUMBER	- EXPLORATORY/AREA	UNITIGET SEC TWN RNG	SEC	N.W.	RNG	LOGAT	TION
ENRON FEDERAL 10	3001537217	RED LAKE-QUEEN-GRAYBURG-SA	Z	25	175	25 17S 27E 480 FSL	O FSL	1650 FWL
ENRON FEDERAL 11	3001537641	RED LAKE-QUEEN-GRAYBURG-SA	0	25	175	17S   27E   380 FSL	O FSL	2310 FEL
ENRON FEDERAL 3	300152163	RED LAKE-QUEEN-GRAYBURG-SA	0	25	175	17S   27E   990 FSL	O FSL	1650 FEL
ENRON FEDERAL 5	3001532299	RED LAKE-QUEEN-GRAYBURG-SA	ſ	25	175	17S   27E   1800 FSL	00 FSL	2310 FEL
ENRON FEDERALIG	3001532300	RED LAKE-QUEEN-GRAYBURG-SA	Z	25	175	17S   27E   990 FSL	O FSL	2310 FWL
ENRON FEDERAL 7	3001532551	RED LAKE-QUEEN-GRAYBURG-SA	M	25	175	17S   27E   990 FSL	O FSL	990 FWL
ENRON FEDERAL 8	3001532662	RED LAKE-QUEEN-GRAYBURG-SA	M	25	175	175   27E   330 FSL	0 FSL	330 FWL
ENRON FEDERAL 9	3001532036	RED LAKE-QUEEN-GRAYBURG-SA	0	25	175	25   175   27E   330 FSL	0 FSL	1775 FEL

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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.

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