

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Artesia

FORM 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.

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 77057

3b. Phone No. (include area code)

(832) 377-2243

4. Location of Well (Footage, Sec., T.R., M., or Survey Description)

See Attached List

5. Lease Serial No

NMNM 048344

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

Williams A Federal 5
See Attached List

8. Well Name and No.

9. API Well No.

See Attached List

10. Field and Pool or Exploratory Area

See Attached list

11. Country or Parish, State

Eddy, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> 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
ARTESIA DISTRICT

MAR 29 2016

RECEIVED

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 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
CONDITIONS OF APPROVAL**

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

Britt Pence

Executive Vice President, Operations

Title

Signature

Date

10.5.2015

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.

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.

(Instructions on page 2)

ATTACHMENT TO LEASE SERIAL NO. NMLC 48344

| WELL NAME | API NUMBER | EXPLORATORY/AREA | UNIT/LTR | SEG | TWN | RNG | LOCATION |
|--------------------------|------------|---|----------|-----|-----|-----|-------------------|
| KERSEY WILLIAMS A FED 10 | 3001537248 | ARTESIA; GLORIETA-YESO | H | 28 | 17S | 28E | 1650 FNL 990 FEL |
| KERSEY WILLIAMS A FED 3 | 3001530230 | EMPIRE; YATES-SEVEN RIVERS, EAST | H | 28 | 17S | 28E | 2310 FNL 330 FNL |
| KERSEY WILLIAMS A FED 4 | 3001531969 | EMPIRE; YATES-SEVEN RIVERS, EAST | H | 28 | 17S | 28E | 2310 FNL 990 FEL |
| KERSEY WILLIAMS A FED 5 | 3001533987 | EMPIRE; YATES-SEVEN RIVERS, EAST | H | 28 | 17S | 28E | 1650 FNL 330 FEL |
| KERSEY WILLIAMS A FED 6 | 3001533872 | RED LAKE; QUEEN-GRAYBURG-SA; ARTESIA; GLORETTA-YESO | G | 28 | 17S | 28E | 1700 FNL 1700 FEL |
| KERSEY WILLIAMS A FED 7 | 3001533689 | RED LAKE; QUEEN-GRAYBURG-SA; ARTESIA; GLORETTA-YESO | H | 28 | 17S | 28E | 2310 FNL 620 FEL |
| KERSEY WILLIAMS A FED 9 | 3001536829 | RED LAKE; QUEEN-GRAYBURG-SA | G | 28 | 17S | 28E | 2282 FNL 2267 FEL |
| PURE FEDERAL 1 | 3001535132 | RED LAKE; QUEEN-GRAYBURG-SA | H | 21 | 17S | 28E | 2310 FNL 330 FEL |
| PURE FEDERAL 2 | 3001535584 | RED LAKE; QUEEN-GRAYBURG-SA | G | 21 | 17S | 28E | 1650 FNL 2310 FEL |
| PURE FEDERAL 3 | 3001535606 | RED LAKE; QUEEN-GRAYBURG-SA; ARTESIA; GLORETTA-YESO | A | 21 | 17S | 28E | 910 FNL 1190 FEL |
| PURE FEDERAL 4 | 3001536097 | RED LAKE; QUEEN-GRAYBURG-SA | B | 21 | 17S | 28E | 990 FNL 2310 FEL |
| WILLIAMS A FEDERAL 1 | 3001532554 | ARTESIA; GLORIETA-YESO | N | 29 | 17S | 28E | 590 FSL 2185 FWL |
| WILLIAMS A FEDERAL 2 | 3001532459 | ARTESIA; GLORIETA-YESO | K | 29 | 17S | 28E | 1800 FSL 1650 FWL |
| WILLIAMS A FEDERAL 3 | 3001534614 | ARTESIA; GLORIETA-YESO | L | 29 | 17S | 28E | 1400 FSL 1150 FWL |
| WILLIAMS A FEDERAL 4 | 3001533130 | ARTESIA; GLORIETA-YESO; RED LAKE; QUEEN; GRAYBURG-SA | L | 29 | 17S | 28E | 1650 FSL 330 FWL |
| WILLIAMS A FEDERAL 5 | 3001533232 | ARTESIA; GLORIETA-YESO; RED LAKE; QUEEN; GRAYBURG-SA | M | 29 | 17S | 28E | 690 FSL 530 FWL |
| WILLIAMS A FEDERAL 6 | 3001534200 | ARTESIA; GLORIETA-YESO | L | 29 | 17S | 28E | 2310 FSL 790 FWL |
| WILLIAMS A FEDERAL 7 | 3001536512 | ARTESIA; GLORIETA-YESO | K | 29 | 17S | 28E | 2060 FSL 2260 FWL |

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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