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       7. If Unit or 0 (Prestor Vanguard Operating, LLC         Nume of Operator Vanguard Operating, LLC       9. API Well         Address       5847 San Felipe, Suite 3000       3b. Phone No. (include area code)       10. Field at (B32) 344-2243         Lacation of Well (Ponatage, Sec., T.R.M., or Survey Description)       11. Country (B32) 344-2243       11. Country (B32) 344-2243         Lacation of Well (Ponatage, Sec., T.R.M., or Survey Description)       11. Country (B32) 344-2243       11. Country (B32) 344-2243         Lacation of Well (Ponatage, Sec., T.R.M., or Survey Description)       11. Country (B32) 344-2243       11. Country (B32) 344-2243         Lacation of Well (Ponatage, Sec., T.R.M., or Survey Description)       11. Country (B32) 344-2243       11. Country (B32) 344-2243         Lacation of Well (Ponatage, Sec., T.R.M., or Survey Description)       11. Country (B32) 344-2243       11. Country (B32) 344-2243         Subsequent Report       Casing Repair       Deepen       Production (Start)         Subsequent Report       Casing Repair       New Construction       Recomplete         Plant Abandonment Notice       Canary stata all pertinem details, including estimated starting date of any production of the noview with the performed reparation recomplete horizontally, give subsurface locations and measured and tr	FEE         Allottee or Tribe Name         CA/Agreement, Name and/or No.         NM - 72524         e and No.         SANDBUR ADC STATE COM #1 1         No.         3000562299         I Pool or Exploratory Area         PECOS SLOPE, ABO         or Parish, State         CHAVES, NM         'OR OTHER DATA         Resume)       Water Shut-Off         Well Integrity         V Other
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.         Submitt IN THIPLICATE - Other instructions on page 2         Type of Well         Oil Well       Gas Well         Name of Operator       Vanguard Operating, LLC         a. Address       5847 San Felipe, Suite 3000       3b. Phone No. (include area code)         Houston TX 77057       (B32) 344-2243         Lacation of Well (Foarage, Sec. T.R.M. or Survey Description)       (B2) 344-2243         GO FSL 660 FWL; M-23-05S-25E       I         I.2 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPOR         TYPE OF SUBMISSION       TYPE OF ACTION         Production (Start         Obstract of Intent       Acidize         Obstract of Intent       Acidize         Describe Proposed or Completed Operation. Clearly state all pertiment details, including estimated starting date of any pr         the proposal is to deepen directionally or recomplete horizonally, give substrace locations and measured and true vertice to male the work with be performed periation. Start and Mole on the work with the work with the field only after all requirements, including reclamation, have been complete for instruction on the above referenced well.         Yrange of Operation, LLC, as new operator, accepts all applicable terms, conditions, stipulations and restrictions not measured and true vertice the Bond Ocyerage Rowell Field Office: BLM BO00957, Survey Bond No. B00616	Allottee or Tribe Name CA/Agreement, Name and/or No. NM - 72524 e and No. SANDBUR ADC STATE COM #1 1 No. 3000562299 I Pool or Exploratory Area PECOS SLOPE, ABO or Parish, State CHAVES, NM 'OR OTHER DATA Resume) Water Shut-Off Wett Integrity J Other
Type of Well       Bobins In this LOAL       R. Well Name of Operator         Name of Operator       Vanguard Operating, LLC       9. API Well         a. Address       5847 San Felipe, Suite 3000       3b. Phone No. (include area code)       10. Field at four the second state of the second state state and periade state of the second state state and state of the second state state and state state and required state state and required state of the second state state second state state and requirements, including reclamation in a new interval complete of operation. Clearly state all pertinent details, including reclamation in a new interval complete of state second s	NM - 72524 e and No. SANDBUR ADC STATE COM #1 1 No. 3000562299 I Pool or Exploratory Area PECOS SLOPE, ABO or Parish, State CHAVES, NM 'OR OTHER DATA Resume) Water Shut-Off Wett Integrity J Other
Oil Well       Cas Well       Other       K. Well Name of Operator         Name of Operator       Vanguard Operating, LLC       9. API Well         a. Address       5847 San Felipe, Suite 3000       3b. Phone No. (include area code)       10. Field at (Bastan Sector)         Location of Well (Footage, Sc., T.R., M., or Survey Description)       11. Country       600 FSL 660 FWL; M-23-055-25E       1         I.2. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPOR       TYPE OF ACTION       Production (Start         Notice of Intent       Atter Casing       Inviduality of action (Start       Production (Start         Subsequent Report       Casing Repair       New Construction       Recomplete         Subsequent Report       Convert to Injection       Plug and Abandon       Temporarily Aba         B. Final Abandomment Notice       Convert to Injection       Plug Back       Water Disposal         3. Describe Proposed or Completed Operations. (The operation results in a multiple completion or recompletion in a new interval completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval completion of Change of Operator on the above referenced well.       Vanguard Operations, stipulations and result of Bond Coverage Roswell Field No. NMB000797, Surety Bond No. B00616         Bond Coverage: BLM Bond File No. NMB000797, Surety Bond No. B00616       Bond Coverage Roswell Field Offics: BLM Bond File No. NMB000857, Surety Bon	e and No. SANDBUR ADC STATE COM #1 1 No. 3000562299 I Pool or Exploratory Area PECOS SLOPE, ABO or Parish, State CHAVES, NM OR OTHER DATA Resume) Uwater Shut-Off Wett Integrity Other
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a. Address       5847 San Felipe, Suite 3000 Houston TX 77057       3b. Phone No. (include area code) (632) 344-2243       10. Field at (632) 344-2243         Location of Well (Foorage, Sec. T. R. M. or Survey Description) GOO FSL 660 FWL; M-23-05S-25E       11. Coninty 600 FSL 660 FWL; M-23-05S-25E       11. Coninty 700 FSL 660 FWL; M-23-05S-25E         TYPE OF SUBMISSION       TYPE OF ACTION         Notice of Intent       Acidize       Deepen         Motice of Intent       Acidize       Deepen         Subsequent Report       Casing Repair       New Construction         Reclamation       Casing Repair       New Construction         Bit Bandonment Notice       Convert to Injection       Plug and Abandon         Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any pr the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertic the Bond under Which the work will be performed or provolate the Bond No. on File wills BLM/BLA. Required subsequent completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval completed. Final Abandonment Notice: BLM Bond File No. NMB000797, Surety Bond No. B006616 Bond Coverage: BLM Bond File No. MB000797, Surety Bond No. B006616 Bond Coverage: BLM Bond File No. MB000797, Surety Bond No. B006616 Bond Coverage Reswell Field Office: BLM Bond File No. NMB000857, Surety Bond No. B007133 Change of Operator. Effective: October 5, 2015. Former Operator: LRE Operating, LLC         Accosplect for record NMO	I Pool or Exploratory Area PECOS SLOPE, ABO or Parish, State CHAVES, NM OR OTHER DATA Resume) Water Shut-Off Wett Integrity Vett Integrity Other
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Notice of Intent       Acidize       Deepen       Production (Start         Subsequent Report       Casing Repair       New Construction       Recomplete         Change Plans       Plug and Abandon       Temporarily Aba         Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any pr       the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertic         the Bond under which the work will be performed or provide the Bond No. on file with BLA/Required subsequent       completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been complete or structions 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: LRE Operating, LLC       SEEE ATT         CONDITION:       But the foregoing is true and correct. Name (Printed/Typed)         Britt Pence       Title	. Wetl Integrity
Notice of intent       After Casing       Hydraulic Fracturing       Reclamation         Subsequent Report       Casing Repair       New Construction       Recomplete         Final Abandonment Notice       Convert to Injection       Plug and Abandon       Temporarily Aba         Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any pr       the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertice         the Bond under which the work will be performed or provide the Bond No. on File with BLM/BLA. Required subsequent       completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been complete completion of the involved operations. If the operation results in a multiple completion an ew interval         Completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been complisis 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:       BLM Bond File No. NMB000857, Surety Bond No. B007133         Change of Operator:       LRE Operating, LLC         SEEE ATT       CONDITION	. Wetl Integrity
Change Plans     Plug and Abandon     Temporarily Aba     Convert to Injection     Plug Back     Water Disposal     Convert to Injection     Plug Back     Water Disposal     Convert to Injection     Plug Back     Water Disposal     Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any pr     the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertic     the Bond under which the work will be performed or provide the Bond No. on file with BL/M/BLA. Required subsequent     completion of the involved operations. If the operation results in a multiple completion in a new interval     completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been comp     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: LRE Operating, LLC      Kccapted for record     MMOCD Applie     Julic     I hereby certify that the foregoing is true and correct. Name ( <i>Printed'Tiped</i> ) Britt Pence      Title	
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Former Operator: LRE Operating, LLC  Accapted for record  NMOCD AB  524/16  Thereby certify that the foregoing is true and correct. Name (Printed/Typed) Britt Pence  Executive Vice President, Oper Title  Executive Vice President, Oper Title	MAY 09 2016 RECEIVED
CONDITION MADED AB 524116 Thereby certify that the foregoing is true and correct. Name (Printed'Typed) Britt Pence Title Executive Vice President, Oper Title	r Kevelved
Britt Pence Executive Vice President, Oper	ACHED FOR S OF APPROVAL
	tions
Signature Date 10. 5. 2015	tions
THE SPACE FOR FEDERAL OR STATE OFICE USE	
/S/ DAVID R. GLASS	tions
anditions of approval, if any, are attached. Approval of this notice does not warrant or rtify that the applicant holds legal or equitable title to those rights in the subject lease nich would entitle the applicant to conduct operations thereon.	· · · · · · · · · · · · · · · · · · ·
le 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 y false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	B MAD 2 5 2012
nstructions on page 2)	r MAR 2 5 2016 FIELD OFFICE

## 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. And the second second
- 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.