NMOCD Artesia

Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

| FORM APPROVED |
|---------------------------|
| OMB No. 1004-0137 |
| Expires: January 31, 2018 |

| | Expires: January 31, 2018 | |
|--------------|---------------------------|--|
| Lanca Carial | la . | |

| . Lease Serial No. | NMNM 19825 |
|--------------------|------------|
| | |

| Do not use this | form for proposa | EPORTS ON WELLS als to drill or to re-enter an 3 (APD) for such proposals. | 6. If Indian, Allottee or | Tribe Name |
|-----------------------------------------|----------------------|----------------------------------------------------------------------------------|---------------------------|-----------------------|
| SUBMIT IN | TRIPLICATE - Other i | instructions on page 2 | 7. If Unit of CA/Agreen | nent, Name and/or No. |
| 1. Type of Well | | | | · . |
| . Dil Well 🕟 🔽 Gas 🖰 | Well 🔲 Other | • | 8, Well Name and No. | Doris,Federal |
| 2. Name of Operator Vanguard Ope | rating, LLC | | 9. API Well No. | SEE ATTACHED LIST |
| 3a. Address 5857 San Felip | oe, Suite 3000 | 3b. Phone No. (include area code) | 10. Field and Pool or Ex | ploratory Area |
| Houston, TX 7 | | (832) 377-2243 | | SEE ATTACHED LIST |
| 4. Location of Well (Footage, Sec., T., | • | | 11. Country or Parish, S | tate . · |
| SEE ATTACHED LIST | | CHAVES, NM | | |
| 12. CH | CK THE APPROPRIAT | TE BOX(ES) TO INDICATE NATURE OF | NOTICE, REPORT OR OTHE | ER DATA |
| TYPE OF SUBMISSION | | ТҮРЕ О | FACTION | , |
| Notice of Intent | Acidize | Deepen | Production (Start/Resume) | Water Shut-Off |
| La reduce of fractit | Alter Casing | Hydraulic Fracturing | Reclamation | Well Integrity |
| Subsequent Report | Casing Repair | New Construction | Recomplete | ✓ 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 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.)

Plug and Abandon

Plug Back

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

Accepted for record NMUCD AB

Change Plans

Convert to Injection

Former Operator: LRE Operating, LLC

Final Abandonment Notice

MAY 09 2016

SEE ATTACHED FOR **CONDITIONS OF APPROVAL**

Temporarily Abandon

Water Disposal

| 0180116 | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed Typed) Britt Pence | Executive Vice President, Operation | is · |
| Signature A | Date 10.5. 2015 | |
| THE SPACE FOR FEDE | RAL OR STATE OFICE USE . | |
| /S/ DAVID R. GLASS | THE ETROLEUM ENGINEER | Date MAR 2 5 2016 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject lea which would entitle the applicant to conduct operations thereon. | | 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 19825

| WELLINAME | APINUMBER | EXPLORATORYAREA | UNITELETR | SEC | NAME | RNG | 2011 | ATION |
|-------------------|------------|------------------|-----------|-----|------|-----|--------------------|-----------|
| DORIS FEDERAL 001 | 3000561002 | PECOS SLOPE, ABO | 0 | 14 | 55 | 24E | 14 5S 24E 760 FSL | 1980 FEL. |
| DORIS FEDERAL 2 | 3000561003 | PECOS SLOPE; ABO | Σ | 11 | 55 | 24E | 11 5S 24E 660 FSL | 660 FWL |
| DORIS FEDERAL 3 | 3000561004 | PECOS SLOPE; ABO | 9 | 14 | 55 | 24E | 14 5S 24E 1980 FNL | 1880 FEL |
| DORIS FEDERAL 4 | 3000561005 | PECOS SLOPE; ABO | - | 11 | 55 | 24E | 11 5S 24E 1980 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.