Artesia

Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OMB No. 1004-0137 Expires: January 31, 2018 5. Lease Serial No. NMNM 14755

FORM APPROVED

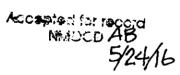
Do not use this	NOTICES AND REPO form for proposals Use Form 3160-3 (A	6. If Indian, Allottee or Tribe Name				
SUBMIT IN	TRIPLICATE - Other instr	ructions on page 2		7. If Unit of CA/Agree	ment, Name and/or No	
I, Type of Well			* ******	i		
Oil Well Gas Well Other				8, Well Name and No.	Powers OL Federal	
2. Name of Operator Vanguard Ope	rating, LLC	9. API Well No.	SEE ATTACHED LIST			
3a, Address 5847 San Felipe, Suite 3000 Houston, TX 77057		3b. Phone No. (include area code) (832) 377-2243		10. Field and Pool or E	xploratory Area	
				İ	SEE ATTACHED LIST	
4. Lucation of Well (Finitage, Sec., T.R., M., or Survey Description)				11. Country or Parish, State		
SEE ATTACHE			_	CHAVES, NM		
12. CH	CK THE APPROPRIATE E	OX(ES) TO INDICATE NATURE	OF NOTE	CE, REPORT OR OTH	ER DATA	
TYPE OF SUBMISSION		TY	PE OF AC	FION		
Notice of Intent	Acidize	Deepen	Prod	Production (Start/Resume) Water Shut-Off		
	Alter Casing	Hydraulic Fracturing	Recl	Reclamation Well Integrity		
Subsequent Report	Casing Repair	New Construction	Reco	mplete	✓ Other	
	Change Plans	Plug and Abandon	Temp	porarily Abandon		
Final Abandonment Notice	Convert to Injection	Plug Back	Wate	r Disposal		
the proposal is to deepen directions the Bond under which the work wi completion of the involved operation	ally or recomplete horizontal If be perfonned or provide the ons. If the operation results it	lly, give subsurface locations and me Bond No. on file with BLM/BIA n a multiple completion or recomp	neasured ar Required letion in a	nd true vertical depths of subsequent reports mus new interval, a Form 31	k and approximate duration thereof. If all pertinent markers and zones. Attach the filed within 30 days following 60-4 must be filed once testing has been a operator has determined that the site	
					MM OIL CONT	

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 Former Operator: LRE Operating, LLC

ARTESIA DISTRICT MAY 0 9 2016

RECEIVED



SEE ATTACHED FOR CONDITIONS OF APPROVAL

4. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Britt Pence Title	Executive Vice President, Operations Title				
Signature Date Date	· 10.5.2015·				
THE SPACE FOR FEDERA	AL OR STATE OFICE USE	•			
/S/ DAVID R. GLASS	PETROLEUM ENGINEER	Date MAR 2 5 2016			
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.	Office ROSWELL	FIELD OFFICE			

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

ATTACHMENT TO LEASE SERIAL NO. NMNM 14755

		—	
ATION	660 FWL	660 FEL	1980 FWL
)O]}	14 6S 25E 660 FSL	14 6S 25E 660 FNL	14 6S 25E 1980 FSL
N RNG	25E	25E	25E
TWN	59	S9	65
SEC	14	14	14
UNITLIR	M	A	×
EXPLORATORY AREA UNIT-LTR SEC TIWN RNG	PECOS SLOPE; ABO	PECOS SLOPE; ABO	PECOS SLOPE; ABO
API NUMBER	3000563095	3000560960	3000561642
WELLINAME	POWERS OL FEDERAL 12 ~	POWERS OL FEDERAL 4	POWERS OL FEDERAL 9

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.