

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

5. Lease Serial No.
LC-029171-C

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
KEYS NO. 1

2. Name of Operator
VANGUARD PERMIAN LLC

9. API Well No.
30-015-04674

3a. Address
5847 SAN FELIPE, SUITE 3000
HOUSTON, TEXAS 77057

3b. Phone No. (include area code)
832-327-2255

10. Field and Pool or Exploratory Area
P.C.A. YATES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UL F, SEC 15, T20S, R 30E

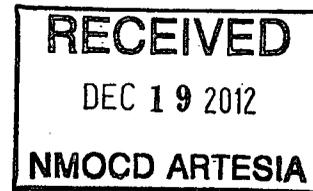
11. County or Parish, State
EDDY CO. NM

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"/> Fracture Treat	<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 <u>RETURN WELL TO PRODUCTION</u>
	<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 checked="" 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 recomplate 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 recomplate 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.)

The subject well produces with a high water cut. The well was shut-in pending installation of a saltwater disposal line on State Lands. A ROW was obtained from the State of NM and the saltwater disposal line has now been installed. The line transfers produced water from the Keys Battery to the Vanguard operated Barber Battery and is disposed in the Vanguard operated State 002 SWD. The State No. 002 SWD (API 30-015-04686) is located in Unit Letter N, Section 17, T20S, R30E. The Keys No. 1 well has been restored to full time production. The well is producing by means of a submersible pump. The well was placed on test on October 30, 2012 and produced 2 BO, 75 BW in 24 hrs.



Accepted for record
NMOCD RE
12/19/12

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

C.M. Bloodworth, P.E.

Title Sr. Operations Engineer

Signature

Date 11/14/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

SEAS

Date

12-16-12

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

CPD

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.