

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

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. MNM 36408

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. See Attached List

2. Name of Operator Vanguard Operating, LLC

9. API Well No. See Attached List

3a. Address 5847 San Felipe, Suite 3000 Houston, Texas 77057 3b. Phone No. (include area code) (832) 377-2243

10. Field and Pool or Exploratory Area See Attached List

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

11. Country or Parish, State CHAVES, NM

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

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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.)

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

NM OIL CONSERVATION ARTESIA DISTRICT

MAY 09 2016

RECEIVED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Accepted for record NMOCD AB 5/25/16

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Britt Pence Title Executive Vice President, Operations

Signature [Signature] Date 10-5-2015

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS Title PETROLEUM ENGINEER Date MAR 25 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

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. NMMN 36408

WELL NAME	API NUMBER	EXPLORATORY AREA	UNIT LTR	SEC	TWN	RNG	LOCATION
ROSE FED 1	3000561756	PECOS SLOPE; ABO	A	20	5S	25E 660 FNL	660 FEL
ROSE FED 2	3000561757	PECOS SLOPE; ABO	C	20	5S	25E 660 FNL	1980 FWL
ROSE FED 3	3000561758	PECOS SLOPE; ABO	A	19	5S	25E 660 FNL	660 FEL
ROSE FED 4	3000561759	PECOS SLOPE; ABO	C	19	5S	25E 660 FNL	1980 FWL
ROSE FED 5	3000561768	PECOS SLOPE; ABO	M	18	5S	25E 660 FSL	660 FWL
ROSE FED 6	3000561927	PECOS SLOPE; ABO	K	19	5S	25E 1980 FSL	1980 FWL
ROSE FED 7	3000561928	PECOS SLOPE; ABO	I	19	5S	25E 1980 FSL	660 FEL
ROSE FED 8	3000561936	PECOS SLOPE; ABO	K	20	5S	25E 1980 FSL	1680 FWL
ROSE FED 9	3000561929	PECOS SLOPE; ABO	I	20	5S	25E 1980 FSL	660 FEL
ROSE FEDERAL #14	3000563413	PECOS SLOPE; ABO	M	19	5S	25E 760 FSL	660 FWL
ROSE FEDERAL #15	3000563404	PECOS SLOPE; ABO	E	20	5S	25E 1980 FNL	660 FWL
ROSE FEDERAL #16	3000563414	PECOS SLOPE; ABO	M	20	5S	25E 660 FSL	660 FWL
ROSE FEDERAL #17	3000563405	PECOS SLOPE; ABO	M	21	5S	25E 660 FSL	660 FWL

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.
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