

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD Hobbs

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.
NMLC 032573B
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2. **HOBBS OCD**

1. Type of Well
 Oil Well Gas Well Other
APR 02 2014

2. Name of Operator
VANGUARD PERMIAN LLC

3a. Address
 P O BOX 1570 281 HIGHWAY 248
 EUNICE, NM 88231

3b. Phone No. (include area code)
575-393-2727

4. Location of Well (Footage/Sec., T., R., M., or Survey Description)
 UNIT G SEC 7 T22S R37E 1980/N & 1980/E

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

8. Well Name and No.
 5

9. API Well No.
 30-025-10091

10. Field and Pool or Exploratory Area
PENROSE SKELLY GRAYBURG

11. County or Parish, State
LEA COUNTY NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other <u>CHANGE OF OPERATOR</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 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 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.)

THIS IS NOTIFICATION THAT VANGUARD PERMIAN LLC HAS ACQUIRED THE ABOVE WELL/PROPERTY FROM RANGE OPERATING NEW MEXICO LLC

PER NTL89, VANGUARD PERMIAN LLC ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULATION AND RESTRICTONS CONCERNING OPERATIONS CONDUCTED ON THE LEASE LAND OR PORTION THEREOF.

BOND COVERAGE: BLM BOND NO: NMBOOO811 & NMNM000761

CHANGE OF OPERATOR EFFECTIVE: 4-1-13 (PER OCD SIGNATURE APPROVAL)

FORMER OPERATOR: RANGE OPERATING NEW MEXICO LLC (ORGID #227588)

ACQUIRING OPERATOR: VANGUARD PERMIAN LLC (ORGID #258350)

SUBJECT TO LIKE
APPROVAL BY STATE

OK

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Signature *Gaye Heard* Date 01/30/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE APPROVAL

Approved by *[Signature]* Title _____ Office _____
 Date **MAR 25 2014**

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.

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.

(Instructions on page 2)

FOR RECORD ONLY
OCD/MW 4-3-2014

APR 03 2014

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Effective 4/1/2013
Bond NMB000811 and NMB000761

**3/25/2014 Approved subject to Conditions of Approval. JDB
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. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
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. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.