Submit I Copy To Appropriate District Office	State of New Mexico	Form C-103
District 1 (675) 202 (1(1	Energy, Minerals and Natural Resources	Revised August 1, 2011
1625 N. French Dr., Hobbs, NM 88240 District II – (575) 748-1283	OCD CONGERNATION DIVIGION	WELL API NO. 30-025-05247
Bill S. First St., Artesia, NM 88210 District III – (505) 334-6178 1000 Rio Proper Rd. Artes NM 874WAR 0.1 2013 1220 South St. Francis Dr.		5. Indicate Type of Lease
		STATE X FEE
<u>District IV</u> (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM	Santa Fe, NM 87505	6. State Oil & Gas Lease No. B-8944
87505 DECE		
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A		7. Lease Name or Unit Agreement Name
DIFFERENT RESERVOIR. USE "APPLICATION OF THE PROPERTY OF THE P	ON FOR PERMIT" (FORM C 101) FOR SUCH	MEXICO F
PROPOSALS.) 1. Type of Well: Oil Well Gas Well x Other SWD		8. Well Number 2
2. Name of Operator		9. OGRID Number
VANGUARD PERMIAN LLC		258350
3. Address of Operator 2626 JBS PARKWAY STE 205B ODESSA TEXAS 79761		10. Pool name or Wildcat DENTON
4. Well Location	2007 127110 77701	DENTON
) feet from the NORTH line and 1980	feet from the EAST line
Section 2	Township 15S Range 37E	NMPM LEA County
	1. Elevation (Show whether DR, RKB, RT, GR, etc.,)
3,	798' GR	
12 Charle Ann	ropriate Box to Indicate Nature of Notice,	Danaut au Othan Data
12. Check App	ropriate Box to indicate Nature of Notice,	Report of Other Data
NOTICE OF INTE	NTION TO: SUB	SEQUENT REPORT OF:
PERFORM REMEDIAL WORK X PLUG AND ABANDON REPETUNDENT COMMENCE DRILLING OPNS. PAND A CASINITATION CASINITA		
TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PAND A PULL OR ALTER CASING MULTIPLE COMPL CASING		
PULL OR ALTER CASING M DOWNHOLE COMMINGLE	OLTIPLE COMPL CASINGAGENESA	may plant of injection newform onen hole
		uppermost injection perfs or open hole.
OTHER:	OTHER:	
	d operations. (Clearly state all pertinent details, and SEE RULE 19.15.7.14 NMAC. For Multiple Co.	
proposed completion or recomp		inflictions. Attach wendore diagram of
3,		The Oil Conservation Division
SEE ATTACHED FOR WORK	DIAN & altach neuts	
		MUST BE NOTIFIED 24 Hours
	r	rior to the beginning of operations
Per Underground Injection	Control Program Manual	
11.6 C Packer shall be so	t within or less than 100	
feet of the uppermost injection perfs or open hole.		Condition of Approval: notify
rect of the appermost injection per is of open noice.		OCD Hobbs office 24 hours
	nr	ior of running MIT Test & Chart
Spud Date: The Oil Consormate	Rig Release Date:	
Las on Conservation	Division	
MUST BE NOTIFIED	24 Hours	
I hereby certify the the beginning of	operations	e and belief.
	/·	
SIGNATURE WORK	TITLE So. Open En	DATE 2/27/2013
The state of the s	,	
Type or print name C.M. "MARTY" BL	OODWORTH E-mail address: MBLOODWORT	→
For State Use Only		× 207
	TITLE DET ME	2 / 20/2
APPROVED BY: Conditions of Approval (if any):	TITLE 15/. ///	DATE 3-6-2013 MAR 06 5019
Conjunions of Approval (It ally).	• /	ϵ
/ (/		MA A A A A A A A A A A A A A A A A A A

Vanguard Permian, LLC (258350)

Mexico F #2 SWD (30-025-05247) UL G, Sec 2, T15S, R37E Lea Co., NM

Remedial Work Plan 02/27/2013

The subject well was purchased from Blue Ridge Resources, LLC (Blue Ridge). Blue Ridge applied for and received a permit to dispose of water in the Denton (Upper Pennsylvanian) at a depth of 9,720' to 10,180'. The permit specified that the well be plugged back to within 200' of the bottom injection interval with a cast iron bridge plug capped with cement. Vanguard has discovered conflicting information on the down hole configuration of the well. Attached please find copies of a wellbore diagram provided with the sale package and a separate wellbore diagram submitted with the SWD permit. Further a C103 submitted by Blue Ridge dated 11-12-2007, obtained from the NMOCD website, indicates a CIBP was set at 10,700 and capped with cement. A subsequent C105 submitted by Blue Ridge dated 02-21-2008, also obtained from the NMOCD website, shows the PBTD to be either 11,180' or 11,558'. Vanguard attempted to resume injection in the well but ceased operations due the unknown down hole configuration of the well, ie a packer possibly at 5,922', that would not be allowed by the permit, and the uncertainty of the PBTD.

Vanguard proposes the following:

- 1. MIRU Service Unit. Release the packer. Talley out of hole. Inspect the tubing and packer.
- 2. RU wire line company. TIH w/ casing inspection log. Establish PBTD, verify perforations and determine the condition of the casing.
- 3. If the required CIBP is not at the permitted depth, a CIBP will be set and capped with cement to make the PBTD at 10,380'as required by the permit.
- 4. The tubing will be supplemented with additional internally coated tubing if needed to allow the packer to be set at the permitted depth of 9,620' or deeper.
- 5. A new or repaired packer will be set and the casing tubing annulus filled with treated water. Timely notice will given to witness the MIT.
- 6. The annulus will be equipped with a pressure gauge and monitored for leak detection.
- 7. The well will be returned to disposal service as specified by the permit.

Prepared by C.M. "Marty" Bloodworth, P.E. 02-27-13

Condition of the second of the

MEXICO F-2 Denton Field

DF 3,811' GL 3,797' 2-15S-37E

> PBTD 12,773 TD 12887'

Provided in Sale Package

COPY

13-3/8"Casing, 44.5#/ft Set @ 338 w/325 sxs Cement Circulated

TOC @ 340' by TS

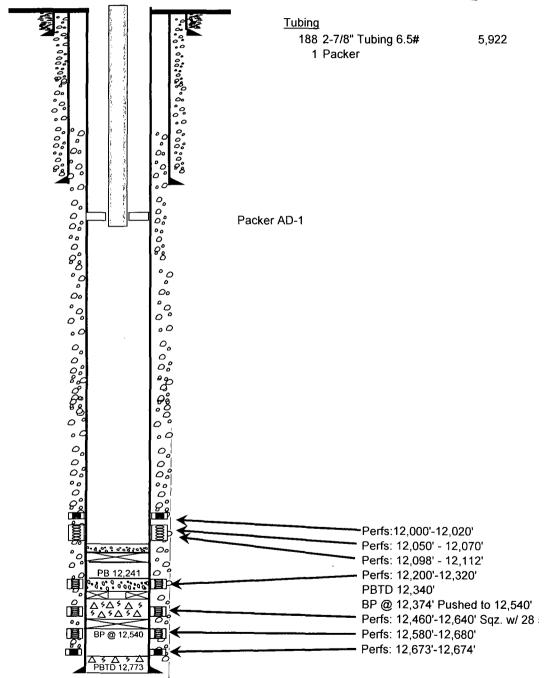
9-5/8" Casing, 36#/ft (2,690'), 40#/ft (2,152') Set @ 4,800' w/ 350 sxs

TOC @ 2,150' by TS

Tight Spot @ 11,981'

B.P @ 12,165', PBTD 12,145 CMT. Retainer @ 12,342'

5-1/2" Casing, 9,105' of 17#ft 3,849 of 20#/ft set @ 12,840 w/ 1,645 sxs



Provided w SwDpermit

MEXICO F-2 Denton Field

Proposed

DF 3,811' GL 3,797' 2-15S-37E

COPY

13-3/8"Casing, 44.5#/ft Set @ 338 w/325 sxs Cement Circulated

TOC @ 340' by TS

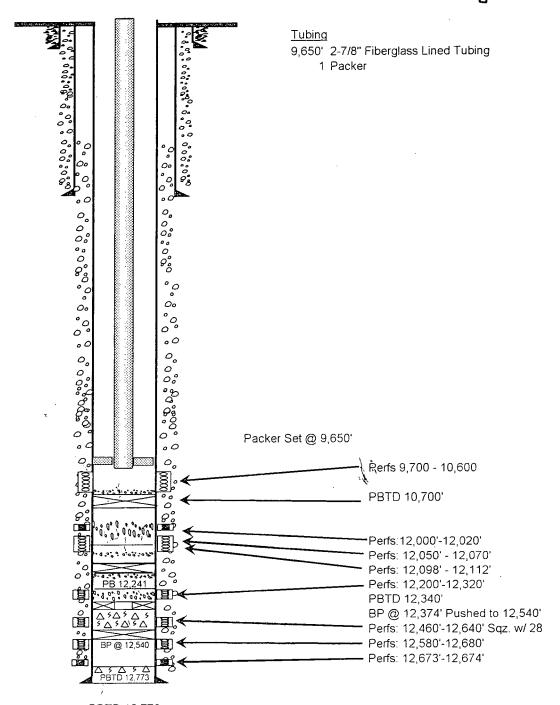
9-5/8" Casing, 36#/ft (2,690'), 40#/ft (2,152') Set @ 4,800' w/ 350 sxs

TOC @ 2,150' by TS

Tight Spot @ 11,981'

B.P @ 12,165', PBTD 12,145 CMT. Retainer @ 12,342'

5-1/2" Casing, 9,105' of 17#ft 3,849 of 20#/ft set @ 12,840 w/ 1,645 sxs



PBTD 12,773 TD 12887'