

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

VANGUARD OPERATING, LLC

3a. Address 5847 SAN FELIPE, STE. 3000
HOUSTON, TEXAS 770573b. Phone No. (include area code)
(832) 377-2255

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

1,650' FNL & 330' FEL UNIT H, SEC 7, T22S, R37E

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

8. Well Name and No. ELLIOTT B FEDERAL #16

9. API Well No. 30-025-37675

10. Field and Pool or Exploratory Area
EUNICE; SA. SW/PENROSE SKELLY; GB11. Country 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"/> Hydraulic Fracturing	<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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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 recompleat 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 recompleat 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.)

Vanguard Operating, LLC requests approval to temporarily abandon (TA) this well to evaluate future uphole recompleat opportunities in the Queen prior to having to P&A the wellbore. TA procedure is as follows:

1. Notify BLM 24 hours prior to MIRU.
2. MIRU WS. LD production equipment.
3. RU WL. Set CIBP @ 3,670' (top perf @ 3,720'). Cap w/ 35' cmt.
4. Contact BLM to schedule MIT test. Fill casing with treated water and pressure test casing to 500 psig for at least 30 minutes. Record pressure chart. Open all casing valves during the pressure test and report a flow or pressure change occurring immediately before, during, or immediately after the 30-minute pressure test.
5. RD WS & WL.
6. File subsequent 3160-5 and MIT chart with BLM.

**Condition of Approval: notify
OCD Hobbs office 24 hours
prior of running MIT Test & Chart**

GMB 11/18/2019



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

Kyle Zimmermann

Title Operations Engineer I

Title

Signature

Date

11/09/2018

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title PETROLEUM ENGINEER

Date 12/20/2018

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

CFO

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)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

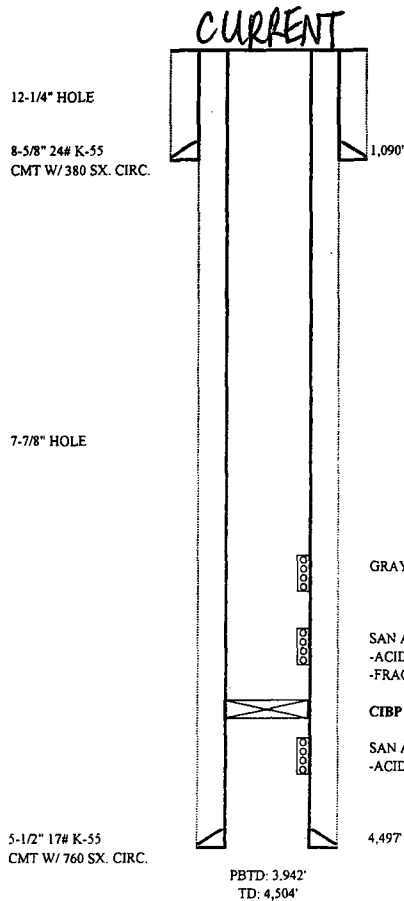
The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

LEASEWELL: ELLIOTT B FEDERAL #16
 LOCATION 1,650' FNL & 330' FEL
 H-07-T22S-R37E
 CO/ST: LEA COUNTY, NEW MEXICO
 FIELD: EUNICE; SAN ANDRES, SOUTHWEST
 PENROSE SKELLY; GRAYBURG
 API NO. 30-025-37675

GR 3430
 SPUDDED 2/15/2006
 COMPLETED 3/16/2006
 LAT 32.4090347
 LONG -103.1946793
 FORMATION TOPS PER C-105
 YATES 2676
 SEVEN RIVERS 2880
 QUEEN 3327
 PENROSE-SKELLY 3477
 GRAYBURG 3654
 SAN ANDRES 3883

INCLINATION SURVEY DATA	
MD (ft)	Inclination (deg)
509	0.5
1071	1
1522	1
2003	1.25
2546	1.75
2998	1.75
3496	1.75
4003	1.5
4480	1



DHC ALLOCATIONS PER DHC-3629
 GRAYBURG: 90% OIL, 50% GAS, 90% WATER
 SAN ANDRES: 10% OIL, 50% GAS, 10% WATER
 GRAYBURG IP: 0.9 BOPD, 5 MCFPD, 591 BWPD
 SAN ANDRES IP: 0.1 BOPD, 5 MCFPD, 66 BWPD

GRAYBURG PERFS: 3,720-3,723'; 3,806-3,809' (3 JSPF, 18 HOLES)

SAN ANDRES PERFS: 3,886-3,890' (3 JSPF, 12 HOLES)
 -ACIDIZE ALL PERFS W/ 2,500 GALS 15% NEFE
 -FRAC ALL PERFS W/ 106,060# 16/30 OTTAWA & 32,410# RESIN COATED SAND

CTBP @ 3,942'

SAN ANDRES PERFS: 3,954-3,976'; 3,980-4,004' (2 JSPF, 92 HOLES)
 -ACIDIZE W/ 3,500 GALS 15% NEFE

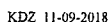
KDZ 11-09-2018

API NO. 30-025-37675

DHC ALLOCATIONS PER DHC-3629

GRAYBURG IP: 0.9 BOPD, 5 MCFPD, 591 BWPD
SAN ANDRES IP: 0.1 BOPD, 5 MCFPD, 66 BWPD

4480 1



BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Temporary Abandonment of Wells on Federal Lands Conditions of Approval

Definition: A temporarily abandoned well is a completion that is not capable of production in paying quantities but which may have future value. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Note: TA status "will be effective for a period up to 1 year from the date of NOI approval and can be renewed annually thereafter" per IM NM-2016-017.

1. A bridge plug (CIBP) or packer must be installed 50 to 100 feet above any open perforations or open hole. A CIBP must be capped with either a minimum of 25 sacks of cement if placed with tubing or 35 feet of cement if placed with a bailer. The top of the cement must be verified by tagging.
2. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. If the well does not pass the casing integrity test, then the operator shall, within 30 days, submit a procedure to either repair the casing or to plug and abandon the well.
3. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
4. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if it is not isolated by a packer.
5. A bradenhead test must be conducted. If the test indicates a problem, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
6. Submit a subsequent Sundry Notice (Form 3160-5) with the following information:
 - a. A well bore diagram with all perforations, CIBP's, and tops of cement on CIBP's.
 - b. A description of the temporary abandonment procedure.
 - c. A clear copy or the original of the pressure test chart.