

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsoad Field Office

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON HOBBS OCD**
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**RECEIVED
DEC 12 2019

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM57285
2. Name of Operator VANGUARD OPERATING LLC Contact: KYLE ZIMMERMANN E-Mail: kzimmerman@vnrenergy.com		6. If Indian, Allottee or Tribe Name
3a. Address 5847 SAN FELIPE, SUITE 3000 HOUSTON, TX 77057	3b. Phone No. (include area code) Ph: 432-202-0145	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 27 T19S R34E SWSW 660FSL 550FWL		8. Well Name and No. STIVASON FEDERAL 5
		9. API Well No. 30-025-30725-00-S1
		10. Field and Pool or Exploratory Area PEARL
		11. County or Parish, State LEA COUNTY, NM

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 is requesting to temporarily abandon (TA) this well to evaluate any future uphole recompleat opportunities. TA procedure is as follows:

1. MIRU WS. LD production equipment.
2. RU WL. Set 5-1/2" CIBP @ 4,468' (Top perf @ 4,518'). Cap w/ 35' of cement via bailer.
3. Contact BLM prior to running MIT test. Fill casing with treated water and pressure test to 500 psig for at least 30 minutes. Record pressure chart.
4. RD WS & WL.
5. File subsequent 3160-5 and MIT chart.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #494368 verified by the BLM Well Information System For VANGUARD OPERATING LLC, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 12/04/2019 (20PP0502SE)	
Name (Printed/Typed) KYLE ZIMMERMANN	Title OPERATIONS ENGINEER
Signature (Electronic Submission)	Date 12/03/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Jonathon Shepard</u>	Title <u>PE</u>	Date <u>DEC 05 2019</u>
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 <u>CFO</u>

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)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

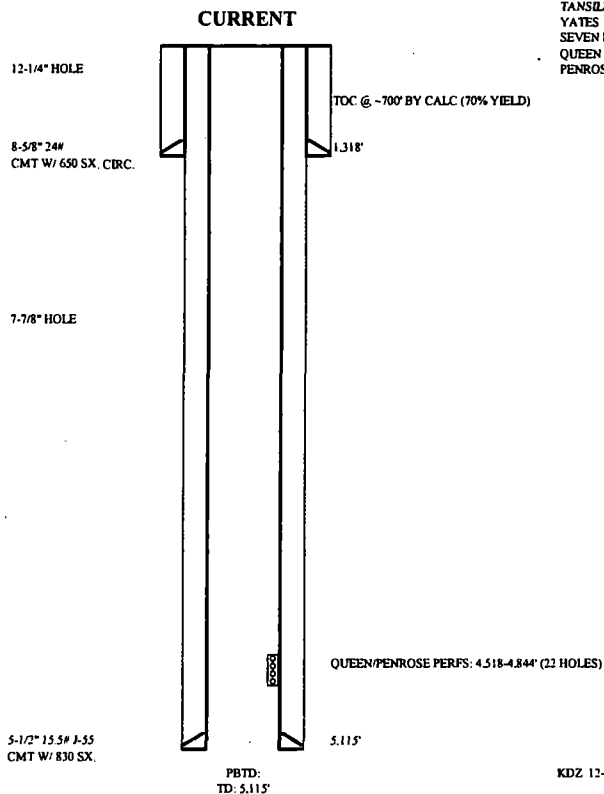
FOR RECORD ONLY

XZ NM OCD 12-18-19

LEASE/WELL: STIVASON FEDERAL #5
 LOCATION 660' FSL & 550' FWL
 M-SEC 27-T19S-R34E
 CO-ST: LEA COUNTY, NEW MEXICO
 FIELD: PEARL: QUEEN
 API NO. 30-025-30725

GR 3709
 SPUDED 11/5/1989
 COMPLETED 12/18/1989
 LAT 32.6258469
 LONG -103.5549545
 FORMATION TOPS PER C-105
 RUSTLER 1690
 SALT 1780
 TANSILL 3316
 YATES 3506
 SEVEN RIVERS 3823
 QUEEN 4489
 PENROSE 4802

INCLINATION SURVEY DATA
 MD (ft) Inclination (deg)
 488 0.25
 967 0.5
 1046 0.5
 1318 0.75
 1800 0.75
 2264 0.75
 2755 0.75
 3247 0.5
 3512 1.75
 3994 1.75
 4054 1
 4541 1
 5115 0.5

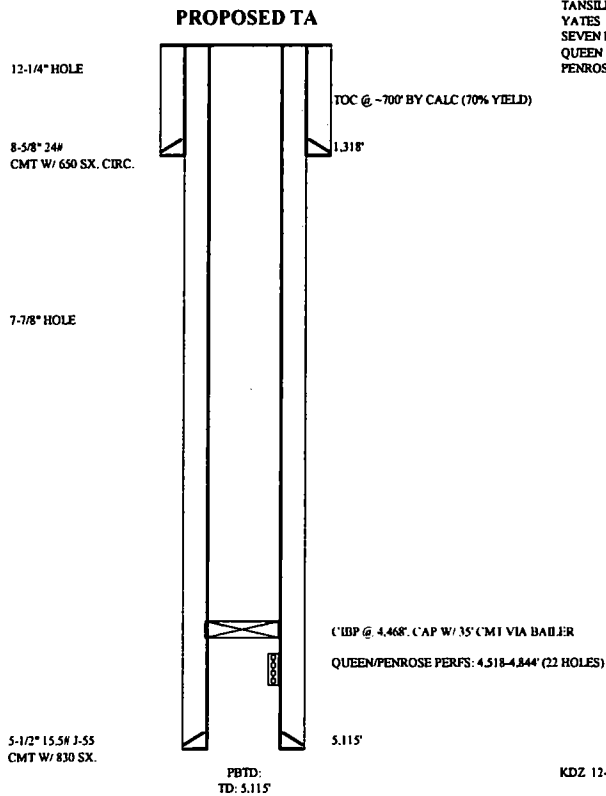


KDZ 12-03-2019

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MD (ft)	Inclination (deg)
488	0.25
967	0.5
1046	0.5
1318	0.75
1800	0.75
2264	0.75
2755	0.75
3247	0.5
3512	1.75
3994	1.75
4054	1
4541	1
5115	0.5



KDZ 12-03-2019

BUREAU OF LAND MANAGEMENT

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

Conditions of Approval for Temporary Abandonment of Wells

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) must be installed 50 to 100 feet above any open perforations or open hole. The 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.