

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-37674
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator VANGUARD OPERATING, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 5847 SAN FELIPE, STE. 3000, HOUSTON, TEXAS, 77057		7. Lease Name or Unit Agreement Name Staley State
4. Well Location Unit Letter <u>H</u> : <u>2,310</u> feet from the <u>NORTH</u> line and <u>990</u> feet from the <u>EAST</u> line Section <u>30</u> Township <u>17S</u> Range <u>28E</u> NMPM County <u>EDDY</u>		8. Well Number <u>14</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3,588' GL</u>		9. OGRID Number 258350
10. Pool name or Wildcat Red Lake; Glorieta-Yeso NE (96836) Red Lake; San Andres (97253)		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input checked="" type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: DHC for pre-approved pools <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Vanguard Operating, LLC plans to downhole commingle (DHC) this San Andres oil well as follows:

- MIRUSU.
- RIH w/ 4-3/4" bit on 2-7/8" tbg and DO CBP @ 3,202'. CO to original PBTD (4,788').
- Run production tbg and land @ ~4,700' and run pump and rods.
- Produce well as a DHC well.

DHC-4727

This work was previously submitted under the prior operator (LRE Operating) on an approved sundry dated 03/23/2015 and the well has an approved DHC order in place—DHC-4P727. The San Andres perforations are 1,972-3,024' and the Yeso perms are 3,314-4,650'. The pool allocations will be determined using a former test of the Yeso, the current test of the San Andres and a test of the new commingled production, and will be submitted on a subsequent sundry. Downhole commingling increases total remaining reserves through production efficiency and the ownership in these two pools is identical.

Spud Date: 06/19/2010 Rig Release Date:

NM OIL CONSERVATION
 ARTESIA DISTRICT
 DEC 06 2018

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

RECEIVED

SIGNATURE *Kyle Zimmermann* TITLE Operations Engineer DATE 12/06/2018

Type or print name Kyle Zimmermann E-mail address: kzimmerman@vnrenergy.com PHONE: 432-202-0145

For State Use Only

APPROVED BY: *Rusty Klein* TITLE Business Ops Spec A DATE 12-11-2018

Conditions of Approval (if any):

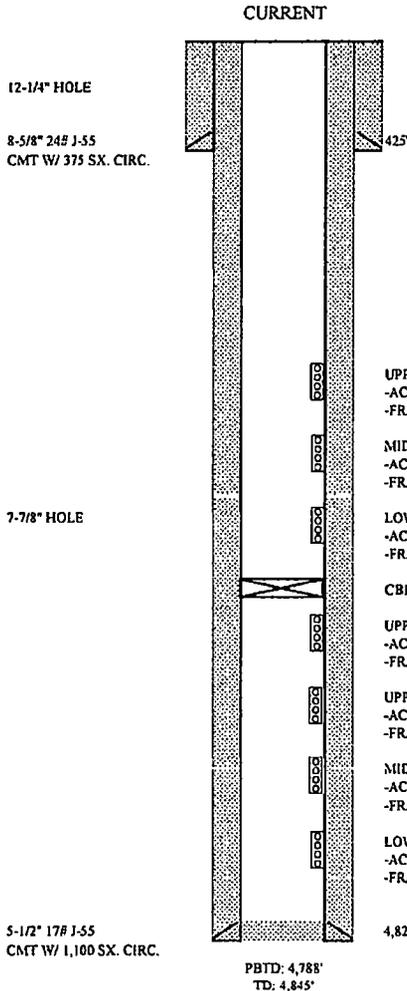
LEASE/WELL: STALEY STATE #014
 LOCATION 2,310' FNL & 990' FEL
 H-30-17S-28E
 CO/ST: EDDY COUNTY, NEW MEXICO
 FIELD: RED LAKE, GLORIETA-YESO, NE
 RED LAKE, SAN ANDRES
 API NO. 30-015-37674

GR 3588
 SPUDDED 6/19/2010
 COMPLETED 7/26/2010 ORIGINAL YESO COMPLETION
 1/26/2015 SAN ANDRES RECOMPLETION
 LAT 32.8060036
 LONG -104.2095947

DEVIATION SURVEY DATA	
MD (ft)	Inclination (deg)
440	0.5
946	0.25
1446	0.25
1925	0.5
2431	0.75
2869	0.75
3374	1
4231	1.25
4737	1.75
4831	1.5

FORMATION TOPS PER C-105	
QUEEN	1053
GRAYBURG	1476
SAN ANDRES	1788
GLORIETA	3180
YESO	3299
TUBB	4708

WELL CAN BE DHC'D AS PER DHC-4727
 YESO IP: 44 BOPD, 90 MCFPD, 111 BWPD
 SAN ANDRES IP: 75 BOPD, 200 MCFPD, 200 BWPD



UPPER SAN ANDRES PERFS: 1,972-2,240' (30 HOLES)
 -ACIDIZE W/ 2,047 GALS 7.5%
 -FRAC W/ 29,406# 100 MESH & 205,010# 40/70 WISCONSIN SAND IN SW

MIDDLE SAN ANDRES PERFS: 2,358-2,662' (30 HOLES)
 -ACIDIZE W/ 2,003 7.5%
 -FRAC W/ 31,649# 100 MESH & 256,650# 40/70 WISCONSIN SAND IN SW

LOWER SAN ANDRES PERFS: 2,730-3,024' (30 HOLES)
 -ACIDIZE W/ 1,541 GALS 7.5%
 -FRAC W/ 32,537# 100 MESH & 262,923# 40/70 WISCONSIN SAND IN SW

CBP @ 3,202'

UPPER YESO PERFS: 3,314-3,503' (48 HOLES)
 -ACIDIZE W/ 6,594 GALS 15% NEFE
 -FRAC W/ 85,937# 16/30 & 33,258# 16/30 SUPER LC SAND IN 20# XL GEL

UPPER YESO PERFS: 3,567-3,857' (52 HOLES)
 -ACIDIZE W/ 3,500 GALS 15% NEFE
 -FRAC W/ 94,410# 16/30 & 44,198# 16/30 SUPER LC SAND IN 20# XL GEL

MIDDLE YESO PERFS: 3,896-4,228' (48 HOLES)
 -ACIDIZE W/ 3,500 GALS 15% NEFE
 -FRAC W/ 101,808# 16/30 & 49,238# 16/30 SUPER LC SAND IN 20# XL GEL

LOWER YESO PERFS: 4,278-4,650' (36 HOLES)
 -ACIDIZE W/ 3,500 GALS 15% NEFE
 -FRAC W/ 112,336# 16/30 & 49,864# 16/30 SUPER LC SAND IN 20# XL GEL

KDZ 12-06-2018

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