

Revised March 23, 2017

RECEIVED: 9/12/19	REVIEWER:	TYPE: DHC	APP NO: pPRG1927031647
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505
RECORDS CLEANUP

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: **VANGUARD OPERATING, LLC**OGRID Number: **258350**Well Name: **CHALK FEDERAL #2** Pool: **RED LAKE, GLORIETA-**API: **30-015-29706****YESO & RED LAKE, QUEEN-GRAYBURG-SAN ANDRES**Pool Code: **51120 & 51300**

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PROPORTION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☒ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application
Content
Complete

- 3) CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mike Pippin

Print or Type Name

Date 8/7/19

505-327-4573

Phone Number

Signature

e-mail Address: mike@pippinllc.com

VANGUARD OPERATING, LLC
Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) mike@pippinllc.com

August 7, 2019

NMOCD
Attention: Mike McMillan
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: RECORDS CLEANUP
C-107A TO COMMINGLE TWO POOLS
CHALK FEDERAL #2 – API#: 30-015-29706
Unit Letter "F" Section 5 T18S R27E
Eddy County, New Mexico

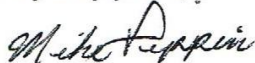
Dear Mr. McMillan,

The referenced oil well was opened in both the Red Lake, Glorieta-Yeso (51120) and the Red Lake, Queen-Grayburg-San Andres (51300) in December 2000. On 12/26/2000, the well was completed in and only initially producing from the Red Lake, Queen-Grayburg-San Andres (51300) with a RBP set between the two pools at 2515'. On 9/23/2001, additional San Andres was perfed and the RBP at 2515' removed resulting in the DHC of the two pools. All production since 9/23/2001 has been given to the Red Lake, Queen-Grayburg-San Andres (51300) although the two pools were actually DHC. Interests in these two pools are identical. The BLM has been notified of this Records Cleanup.

The production allocations were calculated using the monthly production numbers both before and after the removal of the RBP. See the attached calculations.

Please contact me at 505-327-4573 should you have any questions.

Very truly yours,



Mike Pippin

Petroleum Engineer

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Grande Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

VANGUARD OPERATING, LLC **RECORD CLEANUP** c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401
Operator Address

CHALK FEDERAL #2 **F SEC 5 T18S R27E** **Eddy**
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 258350 Property Code 315552 API No. 30-015-29706 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	RED LAKE; Queen-Grayburg-San Andres		RED LAKE; Glorieta-Yeso
Pool Code	51300		51120
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1645'-2463'		2784'-3050'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	690 psi		851 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.4		37.8
Producing, Shut-In or New Zone	Producing		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	See attached Calculations Date: August 2001 RATES: 370 BOPM 1035 MCF/M 628 BWPM	Date: Rates:	See attached Calculations Date: October, 2001 Rates: 43 BOPM 62 MCF/M 1224 BWPM
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 90% 94%	Oil Gas % %	Oil Gas 10% 6%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

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

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE August 7, 2019

TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. (505) 327-4573

E-MAIL ADDRESS mike@pippinllc.com

CHALK FEDERAL #2

Current

RECORDS CLEANUP

Red Lake, Queen-Grayburg-San Andres

Red Lake, Glorieta-Yeso

(F) Section 5, T-18-S, R-27-E, Eddy County, NM

Today's Date: 8/7/19
Spud: 10/10/2000
Completed: 12/26/2000
Elevation: 3496' GL

12-1/4" hole

8-5/8" 24# J-55 Csg @ 1168'
Cmt w/575 sxs (Circ cmt)

San Andres @ 1370'

San Andres Perfs: 1645'-1914'

Glorieta @ 2710'

September 2001
San Andres Perfs: 2252'-2463'

Yeso @ 2910'

Yeso Perfs: 2784'-3050'

7-7/8" hole

PBTD 3184'

TD 3221'

5-1/2" 14# Csg @ 3219'
Cmt with 550 sx, (Circ Cmt)

P.M. Pippin 8/7/19



September 3, 2019

State of New Mexico
Oil Conservation Division
Attn: Adrienne Sandoval, Director
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Chalk Federal 2 Commingle Application

Dear Ms. Sandoval,

Grizzly Operating, LLC, as Operator, confirms the ownership in the Chalk Federal #002 (API# 30-015-29706) is uniform in the Red Lake; Queen-Grayburg-San Andres and Red Lake; Glorieta-Yeso pools.

If you have any questions or concerns, please contact me by phone or email below.

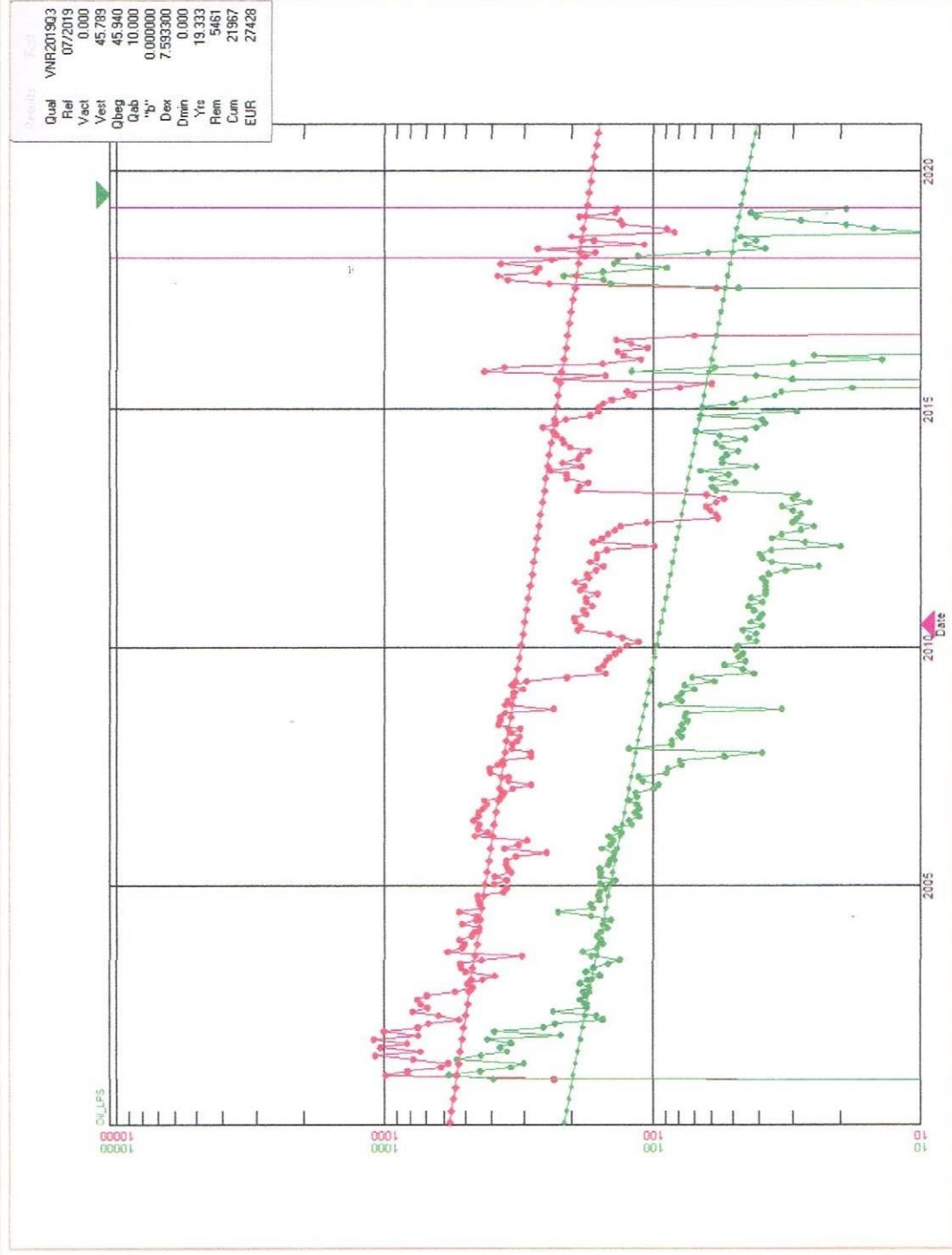
Sincerely,

Scott Hartman
Senior Landman
832-377-2264
shartman@grizzlyenergyllc.com

CHALK FEDERAL #2

Production (Monthly)

30-015-29706 F Sec 5, T18S R27E



VANGUARD OPERATING, LLC
CHALK FEDERAL #2
Red Lake; Glorieta-Yeso (51120)
Red Lake, Queen-Grayburg-San Andres (51300)
F Section, 5 T18S R27E
9/6/2019
API#: 30-015-29706

RECORDS CLEANUP

Commingle Allocation Calculations

In December, 2000, the (upper zone) Red Lake, Queen-Grayburg-San Andres (51300) was 1st delivered as a new well. On 9/23/01, the lower zone, Red Lake, Glorieta-Yeso (51200) was 1st delivered and downhole commingled with the upper zone. In August 2001 (before the lower zone production & DHC), the San Andres production was 370 BOPM, 1035 MCF/M, & 628 BWPM. In October 2001, (after the DHC), the DHC well produced 413 BOPM, 1097 MCF/M, & 1852 BWPM.

	DHC Total	-	Upper Zone (SA)	=	Lower Zone (Yeso)
Oil (bbls/mo)	413	-	370	=	43
Gas (mcf/mo)	1097	-	1035	=	62
Water (bbls/mo)	1852	-	628	=	1224

OIL

Upper Zone (SA) = 370 BOPM

Total oil = 413 BOPM

$$\% \text{ Upper Zone} = \frac{370}{413} = \underline{\underline{90\%}}$$

Lower Zone (Yeso) = 43 BOPM

$$\% \text{ Lower Zone} = \frac{43}{413} = \underline{\underline{10\%}}$$

GAS

Upper Zone (SA) = 1035 MCF/M

Total gas = 1097 MCF/M

$$\% \text{ Upper Zone} = \frac{1035}{1097} = \underline{\underline{94\%}}$$

Lower Zone (Yeso) = 62 MCF/M

$$\% \text{ Lower Zone} = \frac{62}{1097} = \underline{\underline{06\%}}$$

WATER

Upper Zone (SA) = 628 BWPM

Total water = 1852 BWPM

$$\% \text{ Upper Zone} = \frac{628}{1852} = \underline{\underline{34\%}}$$

Lower Zone (Yeso) = 1224 BWPM

$$\% \text{ Lower Zone} = \frac{1224}{1852} = \underline{\underline{66\%}}$$

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.5. Lease Serial No.
NMNM97122

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
CHALK FEDERAL 29. API Well No.
50-015-2970610. Field and Pool or Exploratory Area
RED LAKE,Q-GB-SA 51300

11. County or Parish, State

EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
VANGUARD OPERATING, LLCContact: MIKE PIPPIN
E-Mail: mike@pippinllc.com3a. Address
3104 N SULLIVAN
FARMINGTON, NM 874013b. Phone No. (include area code)
Ph: 505-327-4573

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

Sec 5 T18S R27E SENW 1980FNL 2310FWL

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

TYPE OF SUBMISSION	TYPE OF ACTION				
<input 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 checked="" 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 checked="" type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling	
	<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.

THIS IS THE RECORDS CLEANUP FOR A WELL THAT HAS BEEN DHC FOR 18 YEARS BUT ITS PRODUCTION ATTRIBUTED TO ONLY ONE POOL. CHRIS WALLS REQUESTED THIS APPROACH TO THE RECORDS PROBLEM.

This oil well was opened in both the Red Lake, Glorieta-Yeso and the Red Lake, Queen-Grayburg-San Andres in December 2000. On 12/26/00, the well was completed in and only initially producing from the Red Lake, Queen-Grayburg-San Andres with a RBP set between the two pools at 2515'. On 9/23/2001, additional San Andres was perfed and the RBP at 2515' removed resulting in the DHC of the two pools. However, all production since 9/23/2001 has been given to the Red Lake, Queen-Grayburg-San Andres although the two pools were actually DHC. Interests in these two pools are identical. We have applied for a (Records Cleanup) DHC order from the State. See the attached WBD, allocation calculations, C-107A, & production curve.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #477060 verified by the BLM Well Information System
For VANGUARD OPERATING, LLC, sent to the Carlsbad**

Name (Printed/Typed) MIKE PIPPIN

Title PETROLEUM ENGINEER

Signature (Electronic Submission)

Date 08/07/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
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 _____	

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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #477060 that would not fit on the form

32. Additional remarks, continued

The production allocations were calculated using the monthly production numbers both before and after the removal of the RBP.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other				5. Lease Serial No. NMNM97122	
b. Type of Completion <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input checked="" type="checkbox"/> Diff. Resvr. Other _____				6. If Indian, Allottee or Tribe Name	
2. Name of Operator VANGUARD OPERATING, LLC				8. Lease Name and Well No. CHALK FEDERAL 2	
3. Address C/O MIKE PIPPIN 3104 N SULLIVAN FARMINGTON, NM 87401				9. API Well No. 30-015-29706	
3a. Phone No. (include area code) Ph: 505-327-4573				10. Field and Pool, or Exploratory RED LAKE, GL-YESO 51120	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface SENW 1980FNL 2310FWL At top prod interval reported below SENW 1980FNL 2310FWL At total depth SENW 1980FNL 2310FWL				11. Sec., T., R., M., or Block and Survey or Area Sec 5 T18S R27E Mer	
14. Date Spudded 10/10/2000				15. Date T.D. Reached 10/16/2000	
16. Date Completed <input type="checkbox"/> D & A <input type="checkbox"/> Ready to Prod. 12/26/2000				17. Elevations (DF, KB, RT, GL)* 3496 GL	
18. Total Depth: MD TVD 3221		19. Plug Back T.D.: MD TVD 3184		20. Depth Bridge Plug Set: MD TVD	
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) LDT-CNL-GR, DLL-GR				22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit analysis)	

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	8.625 J-55	24.0	0	1168		575		0	0
7.875	5.500 K-55	14.0	0	3219		550		0	0

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	2952							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
RED LAKE, Q-GRY-SA 51300	1645	2784	2784 TO 3050		24	OPEN
RED LAKE, GL-YESO 51120	2784		1645 TO 1914		24	OPEN
C)			2252 TO 2462		21	OPEN
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
2784 TO 3050	4000 GAL 15% NEFE
1645 TO 1914	400 GAL 15% NENE, 56,000 GAL VIKING 25 FLUID + 100,360# 16/30
2252 TO 2462	4000 GAL 15% HCL + 20,000 GAL GELLED & HEATED 20% HCL + 30,000 40# LINEAR GEL + 5000 GAL 15% NEFE

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/14/2000	12/26/2000	24		18.0	30.0	120.0			ELECTRIC PUMPING UNIT
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL 18	Gas MCF 30	Water BBL 120	Gas:Oil Ratio 1667	Well Status POW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/14/2000	10/01/2001	744		42.0	62.0	1224.0			ELECTRIC PUMPING UNIT
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL 1	Gas MCF 2	Water BBL 39	Gas:Oil Ratio	Well Status POW	

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #477243 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas(*Sold, used for fuel, vented, etc.*)
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
SAN ANDRES GLORIETA-YESO	1645 2784	1964 3035	OIL & GAS OIL & GAS	SAN ANDRES GLORIETA YESO	1645 2784

32. Additional remarks (include plugging procedure):

THIS IS THE RECORDS CLEANUP FOR A WELL THAT HAS BEEN DHC FOR 18 YEARS BUT ITS PRODUCTION ATTRIBUTED TO ONLY ONE POOL. CHRIS WALLS REQUESTED THIS APPROACH TO THE RECORDS PROBLEM.

This oil well was opened in both the Red Lake, Glorieta-Yeso and the Red Lake, Queen-Grayburg-San Andres in December 2000. On 12/26/00, the well was completed in and only initially producing from the Red Lake, Queen-Grayburg-San Andres with a RBP set between the two pools at 2515'. On 9/23/01, additional San Andres was perfered and the RBP at 2515' removed resulting in the DHC of the two pools. However, all production since

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notice for plugging and cement verification
6. Core Analysis
- 7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

**Electronic Submission #477243 Verified by the BLM Well Information System.
For VANGUARD OPERATING, LLC, sent to the Carlsbad**

Name(*please print*) MIKE PIPPIN

Title PETROLEUM ENGINEER

Signature _____ (Electronic Submission)

Date 08/08/2019

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.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

Additional data for transaction #477243 that would not fit on the form

32. Additional remarks, continued

9/23/2001 has been given to the Red Lake, Queen-Grayburg-San Andres although the two pools were actually DHC. Interests in these two pools are identical. We have applied for a Records Cleanup DHC order from the State. See the attached WBD, allocation calculations, C-107A, and production curve. The production allocations were calculated u

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RECEIVED
Revised February 16, 1994
Submit to Appropriate District Office
State 1994 - 4 Copies
Fee Lease - 3 Copies
APR 21 1997
BY:

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-29706	Pool Code 5-11-20 51300	Pool Name Red Lake Qn-GB-SA
Property Code	Property Name CHALK FEDERAL	Well Number 2
OGRID No. 020451	Operator Name SDX RESOURCES, INC.	Elevation 3496

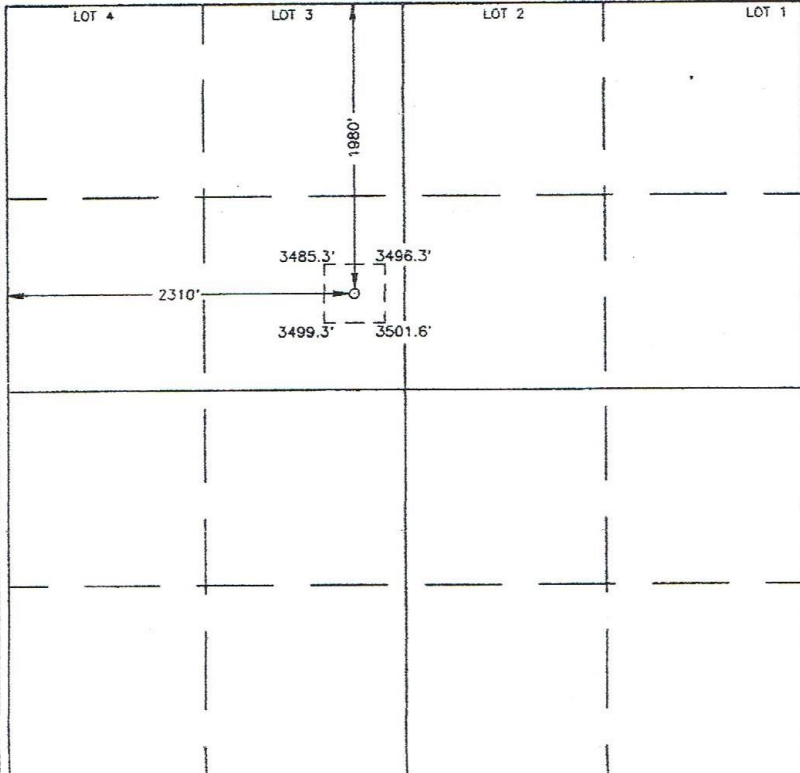
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	5	18 S	27 E		1980	NORTH	2310	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein to true and complete to the best of my knowledge and belief.</p> <p><i>Chuck Morgan</i> Signature Chuck Morgan Printed Name Engineer Title April 29, 1997 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>APRIL 14, 1997 Date Surveyed Signature of Surveyor Professional Surveyor NEW MEXICO 67-1-0662 Certificate No. JOHN B. WEST 676 RONALD E. EIDSON 3239 PROFESSIONAL SURVEYOR EIDSON 12641</p>
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District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
RECORDS CLEANUP

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-29706	² Pool Code 51120	³ Pool Name Red Lake, Glorieta-Yeso
⁴ Property Code 315552	⁵ Property Name CHALK FEDERAL	⁶ Well Number 2
⁷ OGRID No. 258350	⁸ Operator Name VANGUARD OPERATING, LLC.	⁹ Elevation 3496' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	5	18-S	27-E		1980	NORTH	2310	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Mike Pippin</u> Date: <u>8/6/19</u></p> <p>Mike Pippin Printed Name</p>
	<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>4/14/97</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Ronald J. Eidson</p> <p>3299</p> <p>Certificate Number</p>

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704		² OGRID Number 020451
⁴ API Number 30 - 0 15-29706		³ Reason for Filing Code NW
⁷ Property Code 20819	⁵ Pool Name Red Lake, QN-GB-SA	⁶ Pool Code 51300
⁸ Property Name Chalk Federal		⁹ Well Number 2

II. ¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
F	5	18S	27E		1980	North	2310	West	Eddy

¹¹ Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
F									
¹² Loe Code F	¹³ Producing Method Code Pmp	¹⁴ Gas Connection Date 12/14/00	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
034019	Phillips - Trucks 4001 Penbrook Odessa, TX 79762	2819703	O	
36785	Duke Energy Field Service 4001 Penbrook Odessa, TX 79762	2819826	G	

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
28446764	2819704

V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBTD	²⁹ Perforations	³⁰ DHC, DC, MC
10/10/00	12/26/00	3221	3184	1645-1914	
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
12-1/4"	8-5/8" 24#	1168	375 Lite 200 C		
7-7/8"	5-1/2" 14#	3219	250 35/65 POZ + 300 C		
	2-7/8" Tbg	2452			

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
12/14/00	12/14/00	12/26/00	24		
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method
	18	120	30		Pmp

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Bonnie Atwater</i>	Approved by: ORIGINAL SIGNED BY TIM W. GUM	DISTRICT II SUPERVISOR	
Printed name: Bonnie Atwater	Title: <i>BAG</i>		
Title: Regulatory Tech	Approval Date: FEB 12 2001		
Date: 01/31/01	Phone: 915/685-1761		

⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

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	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature: <u>Mike Pippin</u> Date: <u>8/6/19</u></p> <p>Mike Pippin Printed Name</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>4/14/97</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Ronald J. Eidson</p> <p>3299</p> <p>Certificate Number</p>