

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

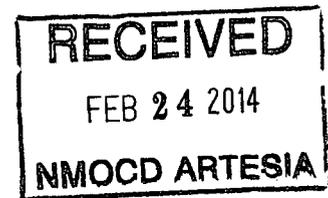
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. API #30-015-26348
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator VANGUARD PERMIAN LLC		6. State Oil & Gas Lease No.
3. Address of Operator 1209 SOUTH MAIN ST, LOVINGTON, NM 88260		7. Lease Name or Unit Agreement Name SOUTH CULEBRA BLUFF 23
4. Well Location Unit Letter <u>J</u> feet from the <u>1950</u> line and <u>SOUTH</u> feet from the <u>1750</u> line EAST Section <u>23</u> Township <u>23S</u> Range <u>28E</u> NMPM <u>EDDY</u> County		8. Well Number <u>7</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3002 GL		9. OGRID Number 258350
		10. Pool name or Wildcat EAST LOVING DELAWARE <i>LOVING BRUSHY CANYON; Del 10/18</i>

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input checked="" 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 type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <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.

SEE ATTACHMENT



Spud Date:

Rig Release Date:

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

SIGNATURE Gaye Heard TITLE AGENT DATE 2-21-14

Type or print name GAYE HEARD E-mail address: gheard@oilreportsinc.com PHONE: 575-393-2727

For State Use Only

APPROVED BY: T. C. Shepard TITLE "Geologist" DATE 2-14-2014
 Conditions of Approval (if any):

VANGUARD PERMIAN LLC

SOUTH CULEBRA BLUFF 23 #7

API #30-015-26348 SEC 23 t23s R28E

Procedure:

1. MIRU completion rig and test anchors.
2. Kill well with 2% KCL water, if necessary. Unseat pump and POOH w/ rods and pump.
3. ND WH and NU BOP. Release TAC and POOH w/ tubing. Lay out 2-7/8" tubing.
4. PU, strap and TIH with 4-3/4" bit, 5-1/2" casing scraper and 3-1/2" frac string tubing. Clean out hole to PBDT (6283') until clean returns, POOH
5. MI wireline w/ packoff. RIH CBP, GR/CCL & correlate.
6. Set the CBP @ ~6080'.
7. MU 3-1/8" casing guns set at 2 spf, 120° phasing (0.38" hole, 39.5" penetration).
8. Perforate as follows:
 - a. 5946' - 5950' (4', 8 shots)
 - b. 5960' - 5964' (4', 8 shots)
 - c. 5984' - 5988' (4', 8 shots)
 - d. 5998' - 6002' (4', 8 shots)
 - e. 6036' - 6040' (4', 8 shots)
 - f. 6050' - 6054' (4', 8 shots), total 48 shots
9. RD wireline.
10. PU a 5-1/2" Arrowset I packer and RIH to ~5920'. Load tubing/hole with 2 % KCL and set packer.
11. MIRU pump truck and test lines to 3500 psi.
12. Pump 2000 gals 15% NEFE acid with rock salt.
 - a. Pump 500 gal then pump 30 ball sealers over next 1000 gals.
 - b. Pump last 500 gals and flush to 6040'.
 - c. Record ISIP, 5 min, 10 min and 30 min.
13. RU swabber and swab well in to test acid job. Recover load and report fluid/gas entry.
14. RDMO completion rig.
15. Call out 3-500 bbl tanks & fill with 2% KCL water. Install frac valve in preparation for frac job down 3-1/2" tubing.
16. RU frac Co. and test lines & pump as per frac schedule.
17. Monitor ISIP, 5 min, 10 min, 15 min. Flowback until well dies.
18. Rig down frac valve and release frac tanks.
19. MIRU completion rig.
20. Release packer and POOH.
21. MI wireline w/ packoff. RIH CBP, GR/CCL & correlate.
22. Set the CBP @ ~5900'.
23. MU 3-1/8" casing guns set at 2 spf, 120° phasing (0.38" hole, 39.5" penetration).
24. Perforate as follows:
 - a. 5766' - 5772' (6', 12 shots)
 - b. 5786' - 5790' (4', 8 shots)
 - c. 5818' - 5824' (6', 12 shots)

VANGUARD PERMIAN LLC

SOUTH CULEBRA BLUFF 23 #7

API #30-015-26348 SEC 23 t23s R28E

- d. 5852' - 5856' (4', 8 shots)
- e. 5864' - 5870' (6', 12 shots)
- 25. RD wireline.
- 26. PU a 5-1/2" Arrowset packer and 3-1/2" tubing and RIH with tubing to ~5760' and set packer.
- 27. MIRU pump truck (with 2000 gals acid) and test lines to 4500 psi.
 - a. Pump 1000 gals 15% NEFE acid with 30 ball sealers.
 - b. Pump last 1000 gals and flush to 5870'.
 - c. Record ISIP, 5 min, 10 min and 30 min.
- 28. Wait at least 1 hr then RU swabber and swab well in to test acid job. Recover load and report fluid/gas entry, if possible.
- 29. RDMO completion rig.
- 30. Call out 3-500 bbl tanks & fill with 2% KCl water. Install frac valve in preparation for frac job down 3-1/2" tubing.
- 31. RU frac Co. and test lines & pump as per frac schedule.
- 32. Monitor ISIP, 5 min, 10 min, 15 min. Flowback until well dies.
- 33. Rig down frac valve and release frac tanks.
- 34. MIRU completion rig.
- 35. Load hole and release packer, POOH and lay out 3-1/2" frac string tubing.
- 36. PU a 4-3/4" bit, sand bailer and 2-7/8" tubing and RIH. Clean out the well as needed and knockout both CBP's, POOH.
- 37. RIH w/ 5-1/2" TAC, SN and 2-7/8" tubing. Set SN at ~6244'.
- 38. RIH w/ rods and pump.
- 39. RD & MO.
- 40. Turn well on to production.



SCB 23 #7

Loving East - 30-015-26348

Eddy County, New Mexico

PROPOSED COMPLETION - 2/2014

KB: 3016.9'

GL: 3002'

TOC @ surf

350 sxs

8 5/8" csg @ 542'

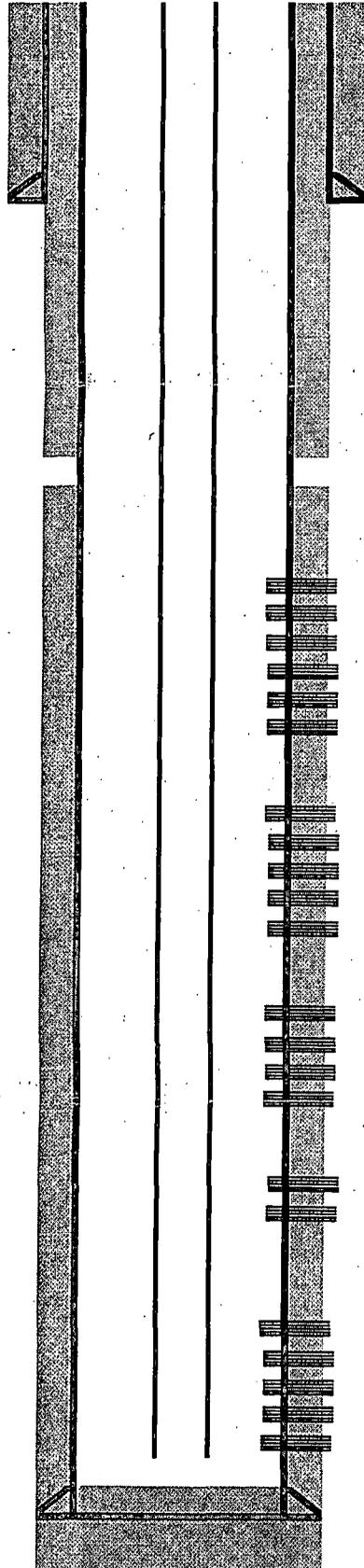
TOC @ surf

800 sxs in stage 2

DV Tool @ 3473'

1600 sxs in stage 1

5 1/2" csg @ 6300'



CASING PROGRAM

Depth	Size	Weight	Grade	I.D.	Collapse	Burst
542'	8 5/8"	24#	J-55	8.097	1,370	2,950
6300'	5 1/2"	15.5#	J-55	4.950	4,040	4,810

PRODUCTION TUBING

Depth	Size	Weight	Grade	Threads
6244'	2 7/8"	6.5#	J-55	EUE

Pardue Perforations:

Frac'd in 2005

- 4,685' - 4,700' (2 spf, 10 holes)
- 4,740' - 4,746' (2 spf, 12 shots)
- 4,758' - 4,768' (2 spf, 20 shots)
- 4,772' - 4,778' (2 spf, 12 shots)
- 4,782' - 4,788' (2 spf, 12 shots)
- 4,791' - 4,794' (2 spf, 6 shots) 104 total shots

Brushy Canyon AA Perforations:

- PROPOSED
- PROPOSED
- PROPOSED
- PROPOSED
- PROPOSED

- 5,766' - 5,772' (2 spf, 12 holes)
- 5,786' - 5,790' (2 spf, 8 holes)
- 5,818' - 5,824' (2 spf, 12 holes)
- 5,852' - 5,856' (2 spf, 8 holes)
- 5,864' - 5,870' (2 spf, 12 holes)

Brushy Canyon A Perforations:

- PROPOSED
- PROPOSED
- PROPOSED
- PROPOSED

- 5,946' - 5,950' (2 spf, 8 holes)
- 5,960' - 5,964' (2 spf, 8 holes)
- 5,984' - 5,988' (2 spf, 8 holes)
- 5,998' - 6,002' (2 spf, 8 holes)

Brushy Canyon B Perforations:

- PROPOSED
- PROPOSED

- 6,036' - 6,040' (2 spf, 8 holes)
- 6,050' - 6,054' (2 spf, 8 holes)

Brushy Canyon C & D Perforations:

Frac'd in 1990

- 6,138' - 6,148' (2 spf, 20 holes)
- 6,158' - 6,168' (2 spf, 20 holes)
- 6,178' - 6,181' (2 spf, 6 holes)
- 6,202' - 6,208' (2 spf, 12 holes)
- 6,230' - 6,240' (2 spf, 20 holes) 78 total shots

PBD = 6,283' FC

Note: This schematic is not to scale. For display purposes only.