

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2008

Oil Conservation Division, III 07 2988 Submit to appropriate District Office
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED
HOBBS OCE

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|--|
| Operator Name and Address Vanguard Permian, LLC 7700 San Felipe, Ste 485 Houston TX 77063 | | ² OGRID Number 250350 |
| | | ³ API Number 30 - 025 - 358200000 |
| ¹ Property Code 26481 305157 | ² Property Name state A | ⁴ Well No. 7 |
| ⁵ Proposed Pool 1 Byers Hobbs; Queen (GAS) | | ⁶ Proposed Pool 2 |

7 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| A | 32 | 18-S | 38-E | | 760 | North | 500 | East | Lea |

8 Proposed 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

Additional Well Information


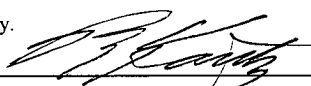
| | | | | |
|--|--|---|---|---|
| ¹¹ Work Type Code A P | ¹² Well Type Code G | ¹³ Cable/Rotary | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3,647' |
| ¹⁶ Multiple NO | ¹⁷ Proposed Depth 3,618 | ¹⁸ Formation Queen | ¹⁹ Contractor | ²⁰ Spud Date |

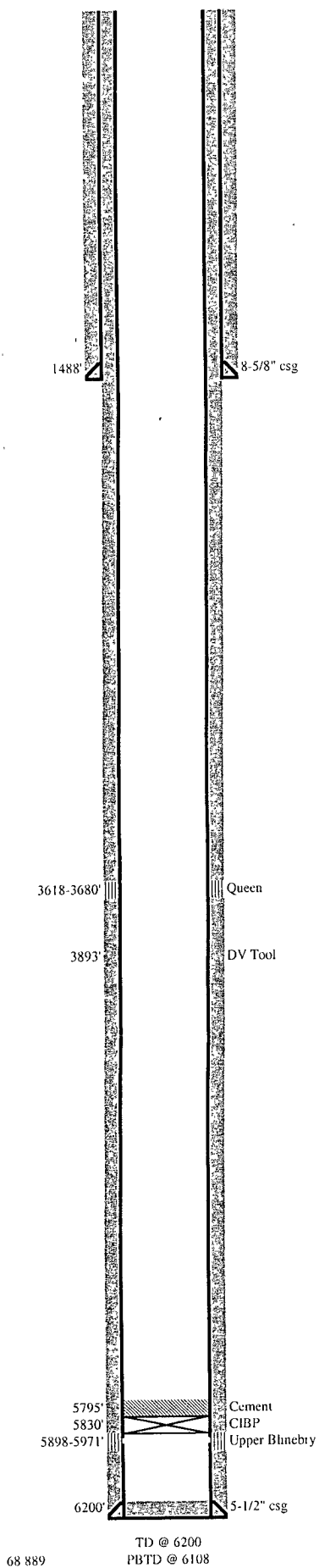
21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
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²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
Well originally completed in The Hobbs, Upper Blinery. Perfs: 5,898-5,911. Well is currently TA'd. CIBP at 5,830'. Top of cement at 5,795'.
Propose to selectively perforate the Queen formation from 3,618 to 3,680 ft, 2 SPF at 120° 0.41" penetrating loads. Acidize perforations with 2,000 gals 15-1. HCL, and fracture formation with 60,000 #s 16/30 Brady Sand.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Plugback**

| | | | |
|--|----------------------------|---|------------------|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. | | OIL CONSERVATION DIVISION | |
| Signature:  | | Approved by:  | |
| Printed name: Britt Pence | | Title: PETROLEUM ENGINEER | |
| Title: Vice President | | Approval Date: | Expiration Date: |
| E-mail Address: bpence@vnrllc.com | | JUN 12 2009 | |
| Date: 6-27-08 | Phone: 832-327-2252 | Conditions of Approval Attached <input type="checkbox"/> | |



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

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

| | | | |
|-----------------------------|--|---------------------|-------------------------------|
| *API Number 30-025-35820 | | *Pool Code 73600 | *Pool Name BYERS-QUEEN GAS |
| *Property Code | *Property Name STATE "A" | | *Well Number # 7 |
| *OGRID No. 258350 | *Operator Name VANGUARD PERMIAN, LLC. | | *Elevation 3647' 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 32 | 18S | 38E | | 760' | NORTH | | EAST | LEA |

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 80 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. R-13113-A |
|-------------------------------------|-------------------------------|----------------------------------|--------------------------------------|

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.

| | | | | |
|----|--|--|--|--|
| 16 | | | | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete, the best of my knowledge and belief, and that this organization either owns 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><i>Joe T. Janica</i> Signature Date Joe T. Janica 06/10/09 Printed Name</p> |
| | | | | |
| | | | | |
| | | | | |
| | | | | <p>¹⁸ 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>Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p> |
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