

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

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

Form C-103  
Revised July 18, 2013

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-015-26730
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD		5. Indicate Type of Lease STATE <input 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 HADSON FEDERAL
4. Well Location Unit Letter <u>G</u> : <u>2,540</u> feet from the <u>NORTH</u> line and <u>2,310</u> feet from the <u>EAST</u> line Section <u>11</u> Township <u>19S</u> Range <u>31E</u> NMPM County <u>EDDY</u>		8. Well Number <u>3</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,586 GR		9. OGRID Number 258350
		10. Pool name or Wildcat SWD; YATES-SEVEN RIVERS

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

Well failed its required MIT on 06/08/2017. MIRU well service unit on 07/10/2017. TOH w/ injection tbg and pkr, redress pkr and RBIH. Pressure up on csg, but would not hold pressure. Isolate csg leak between 72-82' from surface. Run CBL on 07/12/2017 and verify cement circulated to surface behind 5-1/2" csg. Set RBP @ 324', cap w/ 2 sx sand, set pkr @ 10' and sqz 50 sx class C cmt. On 7/17/2017, TOH w/ pkr, TIH w/ 4-1/2" bit, tag TOC @ 62', drill out cmt to 74'. TOH w/ bit. Circ sand off RBP, TIH and retrieve RBP. TOH w/ RBP. TIH w/ injection tbg and 5-1/2" AD-1 pkr. Set pkr @ 2,592'. Pressure up on csg to 500 psi, held for 30 min. Contact NMOCD to set up official MIT.

On 07/26/2017, conduct official MIT. Pressure up to 520 psi for 30 minutes. Well passed MIT. Verbal approval given by Richard Inge to begin injection.

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 Kyle Zimmermann TITLE Operations Engineer I DATE 08/04/2017

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

For State Use Only

APPROVED BY: Richard Inge TITLE COMPLIANCE OFFICER DATE 8/11/17  
Conditions of Approval (if any):