

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.
NM 32636

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
VANGUARD PERMIAN LLC

3a. Address
1209 SOUTH MAIN, LOVINGTON, NM 88260

3b. Phone No. (include area code)
575-393-2727

7. If Unit of CA/Agreement, Name and/or No.
TELEDYNE 12 FEDERAL

8. Well Name and No.

1

9. API Well No.
30-015-33930

10. Field and Pool or Exploratory Area
EAST HERRADURA BEND DELAWARE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UNIT M SEC 12 T23S R28E 990/S & 990/W

11. County or Parish, State
LEA COUNTY NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

PERF & ACIDIZE

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 recomplete 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 recompletion 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.)

SEE ATTACHMENT

HOBBS OCD

MAY 19 2014

RECEIVED

Accepted for record
NMOCD

TC5
5-23-2014

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED
MAY 22 2014
NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

GAYE HEARD

Title AGENT

Signature

Gaye Heard

Date 02/07/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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)

VANGUARD PERMIAN LLC

TELEDYNE 12 FEDERAL #1

API #30-015-33930 UNIT M Sec 12 T23S R28E 990/S & 990/W

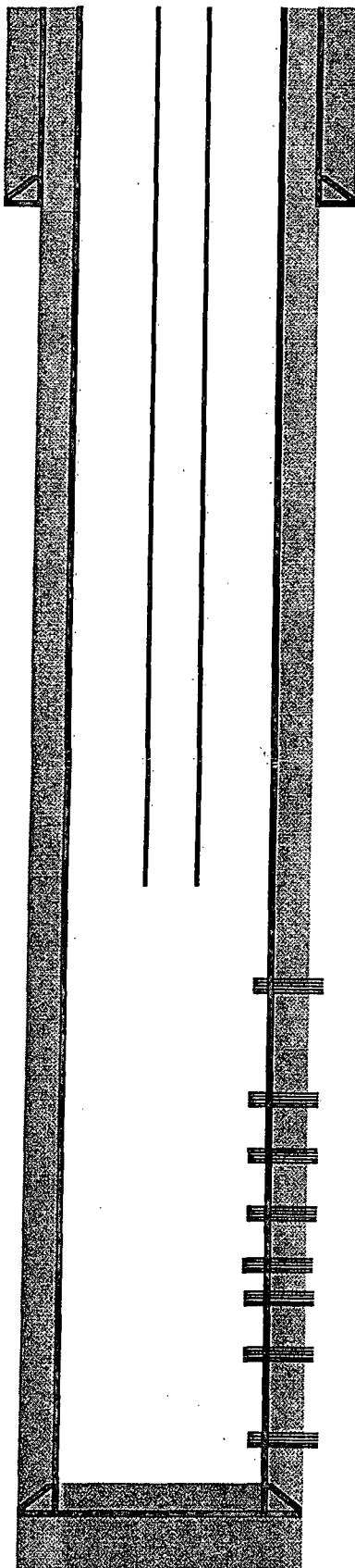
We plan to drill out the CIBP below the Pardue and add some perforations to Brushy Canyon AA, A B & C. We do not intend to re fracture these zones again as they were frac when well was first completed.

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.
4. PU, strap and TIH with 4-3/4" bit & 2-7/8" tubing. Drill out CIBP at 4781' and at 4815', clean out hole to ~6300' until clean returns, POOH and stand back tubing.
5. MI wireline w/ packoff. RIH w/ GR/CCL & correlate to the Precision Gamma/Neu/Den Log dated 8-Jul-2005.
6. MU 3-1/8" slick casing guns set at 4spf, 120° phasing (0.40" hole, 21" penetration).
7. Perforate as follows:
 - a. 5858' – 5864' (6', 4 spf, 24 shots)
 - b. 5980' – 5983' (3', 4 spf, 12 shots)
 - c. 6023' – 6043' (20', 4 spf, 80 shots)
 - d. 6091' – 6096' (5', 4 spf, 20 shots)
 - e. 6162' – 6171' (9', 4 spf, 36 shots) for a total of 172 shots
8. RD wireline.
9. PU a 5-1/2" Arrowset packer and RIH with tubing to ~6250'.
10. MIRU pump truck (with 4000 gals acid) and test lines to 4500 psi.
 - a. Spot 500 gals of acid across perforations. Load tubing with 2 % KCl and set packer at 5830'.
 - b. Pump 1000 gals 15% NEFE acid with 2000# rock salt for diversion.
 - c. Pump another 1000 gal then pump another 2000# rock salt
 - d. Pump last 1500 gals and flush to 6250'.
 - e. Record ISIP, 5 min, 10 min and 30 min.
11. RU swabber and swab well in to test acid job. Recover load and report fluid/gas entry, if possible.
12. Load hole if possible (may be on vacuum) then release Arrowset packer, ensure well is stable, POOH, lay out packer.
13. RIH w/ 5-1/2" TAC, SN and 2-7/8" tubing. Set SN at ~6100', discuss with Mike Jones before setting.
14. RIH w/ rods and pump.
15. RD & MO.
16. Turn well on to production.



Teledyne 12-2 Fed #1
Herradura Bend Delaware, East- 30-015-33930
Eddy County, New Mexico
PROPOSED COMPLETION - 1/2014

KB: 13'
GL: 2999'
TOC @ surf
550 sxs
12-1/4" Hole
8 5/8" csg @ 591



TOC @ surf
1415 sxs

CASING PROGRAM						
Depth	Size	Weight	Grade	I.D.	Collapse	Burst
591	8 5/8"	24#	J-55	8.097	1,370	2,950
6487	5 1/2"	15.5#	J-55	4.950	4,040	4,810

PRODUCTION TUBING				
Depth	Size	Weight	Grade	Threads
unknown	2 7/8"	6.5#	J-55	EUE

Max Temp from log: 116° F

Brushy Canyon Pardue Perforations:
4,757' - 4,763' (3 spf, 18 holes) Frac w/ 75,000#

Brushy Canyon AA Perforations 18 holes:
5858' - 5864' (4 SPF, 24 HOLES) PROPOSED
5,866' - 5,876' (3 spf, 9 holes) Frac w/ 62,379#

5,912' - 5,922' (3 spf, 9 holes)
Brushy Canyon A & B Perforations:
5980' - 5983' (4 SPF, 12 HOLES) PROPOSED
6023' - 6043' (4 SPF, 80 HOLES) PROPOSED
6,060' - 6,066' (3 spf, 6 holes) Frac w/ 68,500#
6091' - 6096' (4 SPF, 20 HOLES) PROPOSED

Brushy Canyon C Perforations:
6162' - 6171' (4 SPF, 36 HOLES) PROPOSED
6,182' - 6,192' (3 spf, 6 holes) Frac'd with D zone

Brushy Canyon D Perforations:
6,240' - 6,250' (3 spf, 6 holes) Frac w/ 63,771#

PBTD = 6,399'

5 1/2" csg @ 6487

7-7/8" Hole

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



Teledyne 12-2 Fed #1
Herradura Bend Delaware, East- 30-015-33930

Eddy County, New Mexico

CURRENT COMPLETION - 1/2014

KB: 13'

GL: 2999'

TOC @ surf

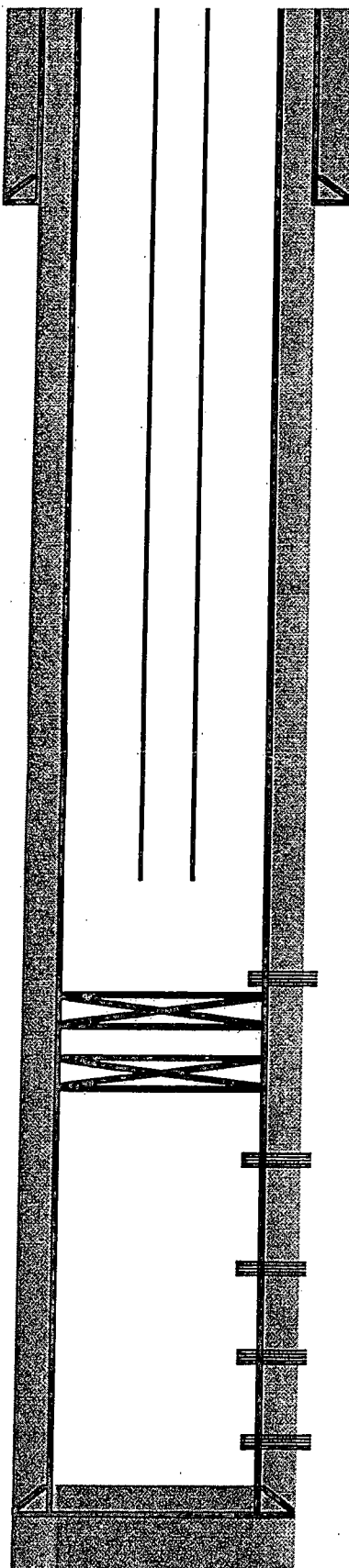
550 sxs

12-1/4" Hole

8 5/8" csg @ 591

TOC @ surf

1415 sxs



CASING PROGRAM						
Depth	Size	Weight	Grade	I.D.	Collapse	Burst
591	8 5/8"	24#	J-55	8.097	1,370	2,950
6487	5 1/2"	15.5#	J-55	4.950	4,040	4,810

PRODUCTION TUBING				
Depth	Size	Weight	Grade	Threads
unknown	2 7/8"	6.5#	J-55	EUE

Max Temp from log: 116° F

Brushy Canyon Pardue Perforations:

4,757' - 4,763' (3 spf, 18 holes) Frac w/ 75,000#

CIBP 4781'

CIBP 4815' - did not test

Brushy Canyon AA Perforations 18 holes:

5,866' - 5,876' (3 spf, 9 holes)

5,912' - 5,922' (3 spf, 9 holes)

Brushy Canyon A & B Perforations:

6,060' - 6,066' (3 spf, 6 holes) Frac w/ 68,500#

Brushy Canyon C Perforations:

6,182' - 6,192' (3 spf, 6 holes) Frac'd with D zone

Brushy Canyon D Perforations:

6,240' - 6,250' (3 spf, 6 holes) Frac w/ 63,771#

PBTD = 6,399'

5 1/2" csg @ 6487

7-7/8" Hole

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

Teledyne 12 Federal 1
30-015-33930
Vanguard Permian LLC
May 09, 2014
Conditions of Approval

Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.

Work to be completed by August 09, 2014.

- 1. Operator is approved to drill out the CIBPs at 4,781' and 4,815'.**
- 2. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails.**
- 3. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.**
- 4. Surface disturbance beyond the originally approved pad must have prior approval.**
- 5. Closed loop system required.**
- 6. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 7. Operator to have H2S monitoring equipment on location.**
- 8. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
- 9. Subsequent sundry required detailing work done. Operator to include well bore schematic of current well condition when work is complete.**

JAM 050914