

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

<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.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD <input type="checkbox"/>		WELL API NO. 30-015-26730
2. Name of Operator VANGUARD OPERATING, LLC		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 5847 SAN FELIPE, STE. 3000, HOUSTON, TEXAS, 77057		6. State Oil & Gas Lease No.
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>		7. Lease Name or Unit Agreement Name HADSON FEDERAL
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,586 GR		8. Well Number <u>3</u>
		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> PERFORM REMEDIAL WORK <input 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"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input checked="" 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.

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):