

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

RECEIVED State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

DEC 06 2018
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-41165
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name KERSEY STATE
8. Well Number 6
9. OGRID Number 258350
10. Pool name or Wildcat Artesia; GL-Yeso; Artesia; Qn-Gb-SA

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3672' GL
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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.)	
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐	
2. Name of Operator VANGUARD OPERATING, LLC	
3. Address of Operator 5847 SAN FELIPE, STE. 3000, HOUSTON, TEXAS, 77057	
4. Well Location Unit Letter <u>P</u> : <u>930</u> feet from the <u>SOUTH</u> line and <u>860</u> feet from the <u>EAST</u> line Section <u>32</u> Township <u>17S</u> Range <u>28E</u> NMPM County <u>EDDY</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3672' GL	

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: Recomplete Well to San Andres ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

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.

Vanguard Operating, LLC would like to recomplete this Yeso oil well to the San Andres & DHC as follows: MIRUSU. TOH w/ rods, pump, tbg. Set a 5-1/2" CBP @ 3,525' & pressure test csg to 3,500 psig. Bleed pressure and chart csg integrity test at 1,000 psig for 30 minutes. (Existing Yeso perfs are @ 3,575'-4,836'). Perforate lower San Andres @ ~3,200'-3,500' w/ 35 holes. MIRU frac company. Stimulate with 1,000 gals 15% HCL & frac w/ ~30,000# 100 mesh & ~272,370# 40/70 Ottawa sand in slick water. Spot 500 gals 15% HCL across stage 2 perforations.

Set a 5-1/2" CBP @ 3,150' & PT to 3,500 psig. Perf middle San Andres @ 2,857'-3,085' w/ 33 holes. Stimulate w/ 1,000 gals 15% HCL & frac w/ ~30,000# 100 mesh & ~227,220# 40/70 Ottawa sand in slick water. Spot 500 gals 15% HCL across stage 3 perforations.

Set a 5-1/2" CBP @ 2,800' & PT to 3,500 psig. Perf upper San Andres @ 2,474'-2,749' w/ 31 holes. Stimulate w/ 1,500 gals 15% HCL & frac w/ ~30,000# 100 mesh & ~201,180# 40/70 Ottawa sand in slick water.

CO after frac and drill out CBP's @ 2,800' & 3,150'. CO to CBP @ 3,525'. Run 2-7/8" J-55 production tbg & land @ 3,475'. Run pump and rods. Release workover rig. Complete as a single San Andres oil well. See the attached proposed wellbore diagram. Following a test of the San Andres and approval of the DHC application, the CBP @ 3,525' will be removed and the well will be DHC.

Spud Date: 07/03/2013

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 DATE 12/06/2018

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

For State Use Only

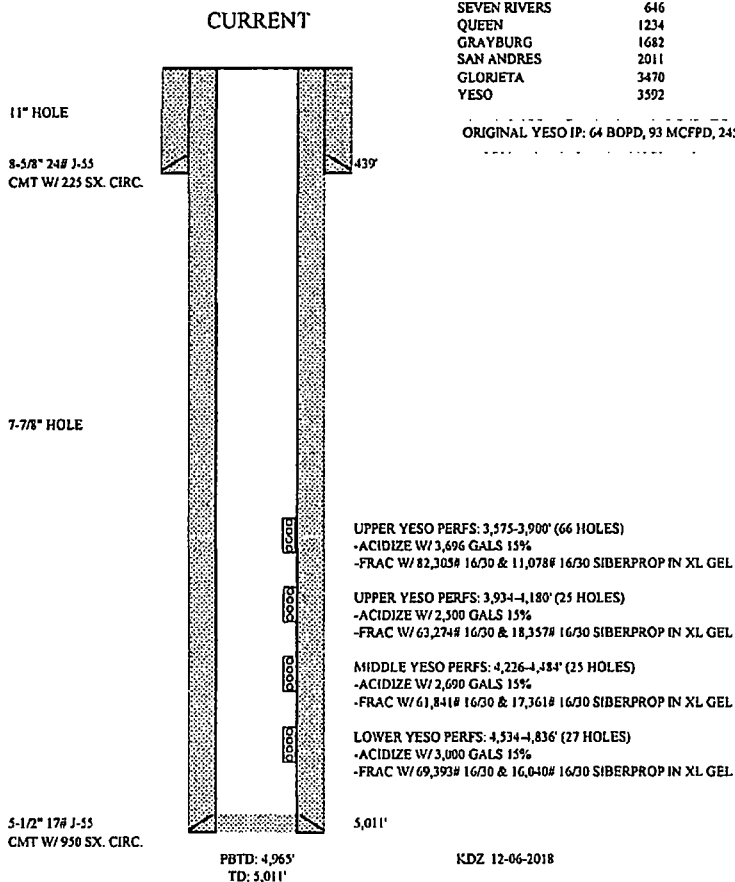
APPROVED BY: Raymond R. Padany TITLE Geologist DATE 12/6/18

Conditions of Approval (if any):

LEASE/WELL: KERSEY STATE #6
 LOCATION 930' FSL & 860' FEL
 P-32-T175-R28E
 CO/ST: EDDY COUNTY, NEW MEXICO
 FIELD: ARTESIA; GLORIETA-YESO
 API NO. 30-013-41163

GR 3672
 SPUDDED 7/3/2013
 COMPLETED 7/23/2013 ORIGINAL YESO COMPLETION
 LAT 32.7862625
 LONG -104.1921158
 FORMATION TOPS PER C-105
 YATES 399
 SEVEN RIVERS 646
 QUEEN 1234
 GRAYBURG 1682
 SAN ANDRES 2011
 GLORIETA 3470
 YESO 3592
 ORIGINAL YESO IP: 64 BOPD, 93 MCFPD, 245 BWPD

DEVIATION SURVEY DATA		
MD (ft)	Inclination (deg)	Azimuth (deg)
492	0.4	309.5
522	0.6	318.8
604	2.5	295.4
701	3.9	288.6
797	5.3	286.3
893	5	287
989	4.6	288.7
1085	5.3	281.2
1182	5.8	281.3
1278	5.8	280.3
1374	5.2	279.6
1470	4.9	279.6
1567	4.7	280.5
1663	4.6	281.2
1759	2.9	269.4
1855	1.5	259.2
1951	0.6	151.1
2048	0.6	142.8
2144	0.6	155.2
2240	0.7	150.2
2336	0.8	148.8
2432	0.8	155.2
2528	0.9	161
2624	0.4	33
2720	0.4	34.9
2817	0.4	35.8
2912	0.4	27.2
3009	0.4	19.3
3105	0.4	30.5
3201	0.8	26
3297	0.9	23.1
3394	0.3	320.4
3490	0.3	289.4
3586	0.4	309.7
3682	0.6	305.8
3779	0.4	134.4



LEASE/WELL: KERSEY STATE #6

LOCATION 930' FSL & 860' FEL
P-32-T175-R28E

COST: EDDY COUNTY, NEW MEXICO

FIELD: ARTESIA; GLORIETA-YESO

API NO. 30-015-41165

GR 3672

SPUDED 7/3/2013

COMPLETED 7/23/2013 ORIGINAL YESO COMPLETION

LAT 32.7862625

LONG -104.1921138

FORMATION TOPS PER C-105

YATES 399

SEVEN RIVERS 646

QUEEN 1234

GRAYBURG 1682

SAN ANDRES 2011

GLORIETA 3470

YESO 3592

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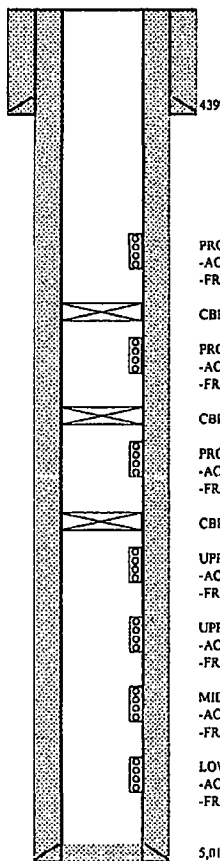
PROPOSED WORKOVER

11" HOLE

8-5/8" 24# J-55
CMT W/ 225 SX. CIRC.

7-7/8" HOLE

5-1/2" 17# J-55
CMT W/ 950 SX. CIRC.



PROPOSED UPPER SAN ANDRES PERFS: 2,474'-2,749' (31 HOLES)
-ACIDIZE W/ 2,000 GALS 15% HCL
-FRAC W/ ~30,000# 100 MESH & 201,180# 40/70 OTTAWA

CBP @ 2,800'

PROPOSED MIDDLE SAN ANDRES PERFS: 2,857-3,085' (33 HOLES)
-ACIDIZE W/ 1,500 GALS 15% HCL
-FRAC W/ ~30,000# 100 MESH & 222,220# 40/70 OTTAWA

CBP @ 3,150'

PROPOSED LOWER SAN ANDRES PERFS: 3,200-3,500' (35 HOLES)
-ACIDIZE W/ 1,000 GALS 15% HCL
-FRAC W/ ~30,000# 100 MESH & 272,370# 40/70 OTTAWA

CBP @ 3,525'

UPPER YESO PERFS: 3,575-3,900' (66 HOLES)
-ACIDIZE W/ 3,600 GALS 15%
-FRAC W/ 82,704# 16/30 & 11,078# 16/30 SIBERPROP IN XL GEL

UPPER YESO PERFS: 3,934-4,180' (25 HOLES)
-ACIDIZE W/ 2,500 GALS 15%
-FRAC W/ 63,274# 16/30 & 18,357# 16/30 SIBERPROP IN XL GEL

MIDDLE YESO PERFS: 4,226-4,484' (25 HOLES)
-ACIDIZE W/ 2,690 GALS 15%
-FRAC W/ 61,841# 16/30 & 17,361# 16/30 SIBERPROP IN XL GEL

LOWER YESO PERFS: 4,534-4,836' (27 HOLES)
-ACIDIZE W/ 3,000 GALS 15%
-FRAC W/ 69,393# 16/30 & 16,040# 16/30 SIBERPROP IN XL GEL

PBTD: 4,965'
TD: 5,011'

KDZ 12-06-2018