

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101
Revised November 14, 2012

HOBBS OCD

Energy Minerals and Natural Resources

Oil Conservation Division

AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

MAY 29 2013

RECEIVED

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

| | | |
|--|--|---|
| ¹ Operator Name and Address Vanguard Permian LLC PO Box 1570 281 North NM Highway 248 Eunice, NM 88231 | | ² OGRID Number 258350 |
| | | ³ API Number 30-025-34856 |
| ⁴ Property Code 013624 | ⁵ Property Name Cole State | ⁶ Well No. 8 |

⁷ Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| G | 16 | 22S | 37E | | 2240 | North | 2310 | East | Lea |

⁸ Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | | | | | | | | | |

⁹ Pool Information

| | | |
|---|-------------------------------------|--|
| Penrose ; Skelly Grayburg Eunice Monument Grayburg-San Andres | ¹⁰ Pool Name Grayburg | ¹¹ Pool Code 50350 23000 |
|---|-------------------------------------|--|

Additional Well Information

| | | | | |
|---------------------------------------|---------------------------------------|--|-------------------------------------|---|
| ¹¹ Work Type Workover P | ¹² Well Type OIL | ¹³ Cable/Rotary | ¹⁴ Lease Type State | ¹⁵ Ground Level Elevation 3404 GR |
| ¹⁶ Multiple | ¹⁷ Proposed Depth 3744' | ¹⁸ Formation Greyburg | ¹⁹ Contractor Choctaw | ²⁰ Spud Date |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

²¹ Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| | 12 1/4" | 8 5/8" | 24# | 416' | 270 | Surface |
| | 7 7/8" | 5 1/2" | 15.5# | 4150' | 1100 | Surface |

Casing/Cement Program: Additional Comments

Permit Expires 2 Years From Approved Date Unless Drilling Underway

²² Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------|------------------|---------------|--------------|
| | | | |

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
 I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC , if applicable.
 Signature: *Mike Jones*

Printed name: Mike Jones
 Title: Foreman
 E-mail Address: mjones@vnrllc.com

Date: 5/29/2013 Phone: 575-390-4611

OIL CONSERVATION DIVISION

Approved By: *[Signature]*
 Title: Petroleum Engineer

Approved Date: 05/30/13 Expiration Date: 05/30/15

Conditions of Approval Attached

MAY 30 2013

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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 August 1, 2011
Submit one copy to appropriate
District Office

MAY 29 2013

AMENDED REPORT

RECEIVED
WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|---|--|------------------------------------|-----------------------------------|
| ¹ API Number 30-025-34856 | | ² Pool Code 23000 50350 Penrose, Skelly - Emmie Monument Grayburg-San Andres | | ³ Pool Name Grayborg | |
| ⁴ Property Code 013024 | | ⁵ Property Name Cole State | | | ⁶ Well Number 8 |
| ⁷ OGRID No. 258350 | | ⁸ Operator Name Vanguard Permian LLC | | | ⁹ Elevation 3404 GR |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| G | 16 | 22S | 37E | | 2240 | North | 2310 | 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 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
| | | | |

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 <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> 660' 2310' </div> | <p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a 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.</i></p> <p>Signature: <i>Mike Jones</i> Date: 5/29/2013</p> <p>Mike Jones Printed Name</p> <p>mjones@vnrllc.com E-mail Address</p> | | |
| | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> | | |
| | <p>Certificate Number</p> | | |