

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 July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBS OCD AMENDED REPORT
DEC 28 2013

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

| | | |
|--|----------------------------------|---------------------------|
| 1. Operator Name and Address VANGUARD PERMIAN LLC P O BOX 1570 281 NORTH NM HIHWAY 248 EUNICE, NM 88231 | | 4. OGRID Number 258350 |
| 2. API Number 30-025-26457 | | 5. Well No. 3 |
| Property Code 301530 312410 | 3. Property Name GRIZZELL "B" | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| H | 8 | 22S | 37E | | 1830 | NORTH | 510 | 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

| | |
|--|--------------------|
| Pool Name Eunice; San Andres, Southwest | Pool Code 24180 |
|--|--------------------|

Additional Well Information

| | | | | |
|-----------------------|----------------------------|--|-----------------------|---|
| 11. Work Type P | 12. Well Type O | 13. Cable/Rotary | 14. Lease Type FEE | 15. Ground Level Elevation 3425.4 GR |
| 16. Multiple | 17. Proposed Depth 4500 | 18. Formation SAN ANDRES | 19. Contractor | 20. Spud Date |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|------------------|---------------|
| | 17 1/2 | 13 3/8 | 48# | 1162 | 700 SX Class C | Circ 120 sx |
| | 12 1/4 | 9 5/8 | 36# | 3900 | 1185 sx Lite 300 | Sx |
| | 8 3/4 | 7 | 20, 23, 26# | 7500 | 1250 sx Class H | TCMT 1840 |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

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: *Gaye Heard*

Printed name: GAYE HEARD

Title: AGENT

E-mail Address: gheard@oilreportsinc.com

Date: 12-19-13

Phone: 575-393-2727

| | |
|---------------------------------|---------------------------|
| OIL CONSERVATION DIVISION | |
| Approved By: <i>[Signature]</i> | |
| Title: Petroleum Engineer | |
| Approved Date: 12/26/13 | Expiration Date: 12/26/15 |
| Conditions of Approval Attached | |

DEC 30 2013

VANGUARD PERMIAN LLC

GRIZZELL "B" #3

H 8 T.22S R37E API# 30-025-26457

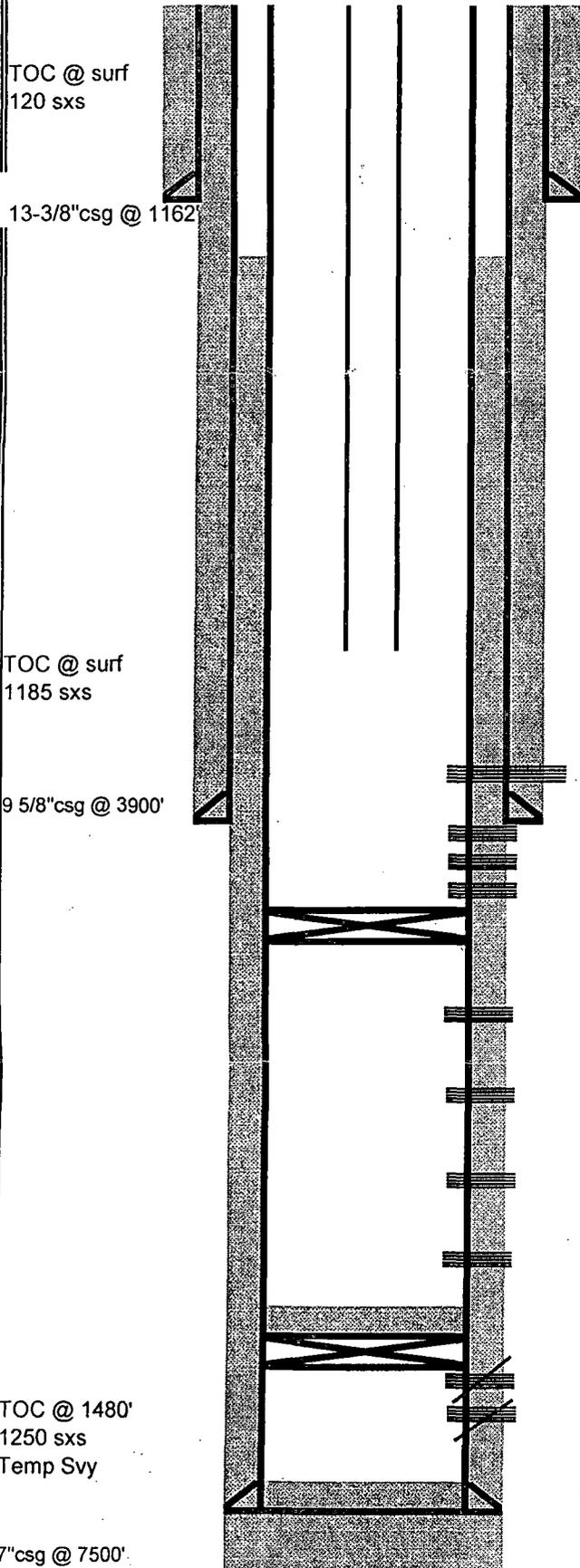
1. MIRU completion rig and test anchors.
2. Unseat pump and POOH.w/ rods and pump.
3. ND WH and NU BOP. Kill well with 2% KCL water, if necessary. Release TAC and POOH w/ tubing.
4. PU, strap and TIH with 6" bit, 7" casing scraper & 2-7/8" tubing. Clean out hole to ~4500' until clean returns, POOH.
5. MIRU wireline.
6. MU a 7" CIBP and RIH to ~4500', set same
7. MU 3-1/8" casing guns and perforate as follows:
 - a. 4066' – 4082', (16', 1 spf, 120°, 16 holes)
 - b. 3994' – 4054', (60', 1 spf, 120°, 60 holes)
8. RD wireline.
9. PU a 7" packer and RIH with 2-7/8" tubing.
10. Set packer at 3985' and test to 500 psi.
11. MIRU pump truck (with 4500 gals acid) and test lines to 2500 psi.
 - a. Pump 3000 gals 15% NEFE acid with 60 ball sealers.
 - b. Pump 1000 gal then drop 20 balls.
 - c. Pump last 500 gals and flush to 4082'.
 - d. Record ISIP, 5 min, 10 min and 30 min.
12. SI for 1 hr then RU swabber and swab well in to test acid job. Recover load and report fluid/gas entry.
13. Release packer and POOH.
14. MIRU wireline
15. MU 3-1/8" casing guns and perforate as follows:
 - a. 3926' – 3942', (16', 1 spf, 120°, 16 holes)
 - b. 3910' – 3920', (10', 1 spf, 120°, 10 holes)
 - c. 3820' – 3870', (50', 1 spf, 120°, 50 holes) – Guns need to penetrate 7" casing and 9-5/8" casing
16. RD wireline
17. PU a RBP and RIH with both RBP and packer on 2-7/8" tubing.
18. Set RBP @ 3950', pull back up and set packer at 3810'.
19. MIRU pump truck (with 4500 gals acid) and test lines to 3500 psi.
 - a. Pump 2000 gals 15% NEFE acid with 3000 lbs rock salt.
 - b. Pump another 1000 gals acid with 2000 lbs rock salt.
 - c. Pump 1000 gal acid and 1000 lbs rock salt.
 - d. Pump last 500 gals and flush to 5636'.
 - e. Record ISIP, 5 min, 10 min and 30 min.
20. SI 1 hr. then RU swabber and swab well in to test acid job. Recover load and report fluid/gas entry.
21. Release packer and retrieve RBP, POOH laying out RBP and Packer.
22. RIH w/ 7" TAC, SN and 2-7/8" tubing. Contact Mike Jones for SN setting depth.
23. RIH w/ rods and pump.
24. RD & MO.
25. Turn well on to production.



VANGUARD
PERMIAN, LLC

Grizzell B #3
Blnbry/Drnk/W.Abo/Pdk - 30-025-26457

Lea County, New Mexico
PROPOSED COMPLETION - 12/2013



CASING PROGRAM

| Depth | Size | Weight | Grade | I.D. | Collapse | Burst |
|-------|---------|-------------|-------|--------|----------|-------|
| 1162' | 13-3/8" | 48# | H-40 | 12.715 | 770 | 1730 |
| 3900' | 9 5/8" | 36# | K-55 | 8.912 | 2,020 | 3,520 |
| 7500' | 7" | 20,#23#,26# | K-55 | 6.276 | 2,270 | 3,740 |

PRODUCTION TUBING

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

San Andres Perforations:

- 3820' - 3870'
- 3910' - 3920'
- 3926' - 3942'
- 3994' - 4054'
- 4066' - 4082'

PROPOSED
PROPOSED
PROPOSED
PROPOSED
PROPOSED

CIBP @ 4500'

Paddock Perforations:

- 5,106' - 5,200'

Blinbry Perforations:

- 5,495' - 5,910'

Drinkard Perforations:

- 6,423' - 6,496'

Wantz Abo Perforations:

- 6,782' - 7,004'

CIBP @ 7065', capped w/ 10' cmt

Fusselman Perforations:

- 7,081' - 7,086'
- 7,124' - 7,184'

PBTD = 7,465'

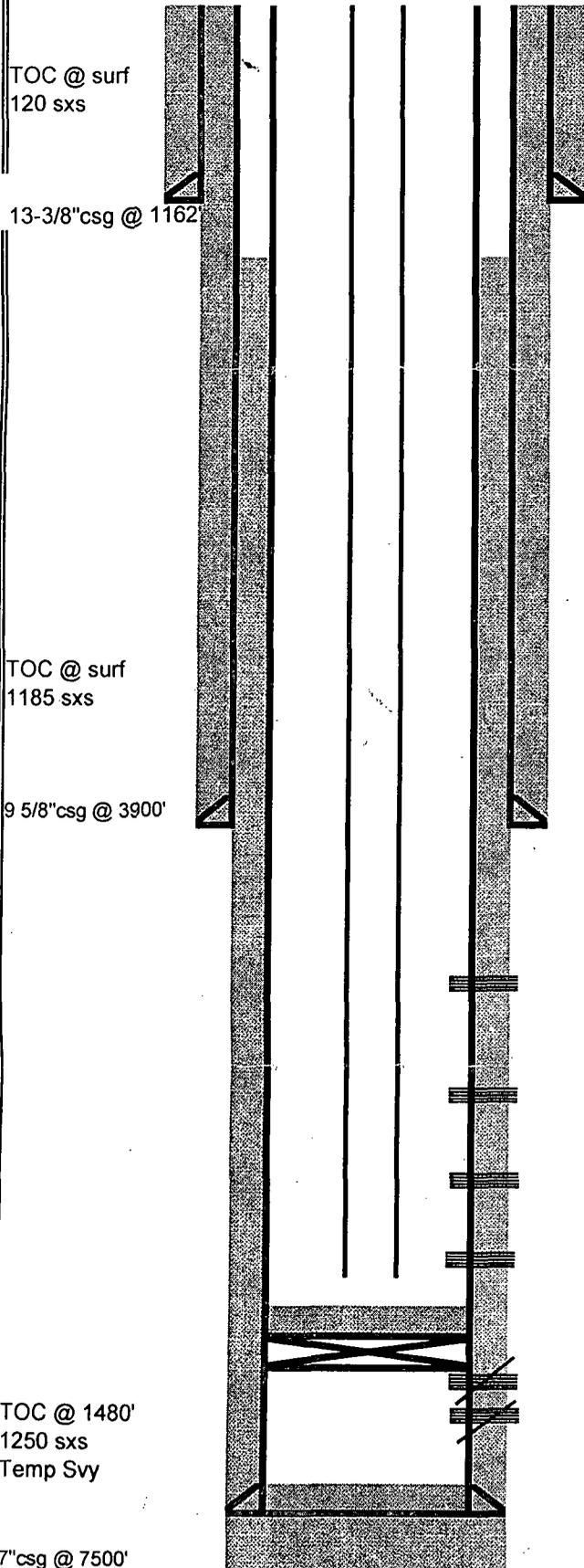
Note: This schematic is not to scale. For display purposes only.



VANGUARD
PERMIAN, LLC

Grizzell B #3
Blinbry/Drnk/W.Abo/Pdk - 30-025-26457

Lea County, New Mexico
CURRENT COMPLETION - 12/2013



CASING PROGRAM

| <u>Depth</u> | <u>Size</u> | <u>Weight</u> | <u>Grade</u> | <u>I.D.</u> | <u>Collapse</u> | <u>Burst</u> |
|--------------|-------------|---------------|--------------|-------------|-----------------|--------------|
| 1162' | 13-3/8" | 48# | H-40 | 12.715 | 770 | 1730 |
| 3900' | 9 5/8" | 36# | K-55 | 8.912 | 2,020 | 3,520 |
| 7500' | 7" | 20,#23#,26# | K-55 | 6.276 | 2,270 | 3,740 |

PRODUCTION TUBING

| <u>Depth</u> | <u>Size</u> | <u>Weight</u> | <u>Grade</u> | <u>Threads</u> |
|--------------|-------------|---------------|--------------|----------------|
| 6800.00 | 2 7/8" | 6.5# | J-55 | EUE |

Paddock Perforations:
5,106' - 5,200'

Blinbry Perforations:
5,495' - 5,910'

Drinkard Perforations:
6,423' - 6,496'

Wantz Abo Perforations:
6,782' - 7,004'

CIBP @ 7065', capped w/ 10' cmt

Fusselman Perforations:
7,081' - 7,086'
7,124' - 7,184'

PBTB = 7,465'

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