

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

HOBBS OCD
RECEIVED
MAR 25 2014

Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised July 18, 2013

WELL API NO. 30-025-34856
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name COLE STATE
8. Well Number 8
9. OGRID Number 258350
10. Pool name or Wildcat PENROSE SKELLY GRAYBURG

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 [X] Gas Well [] Other []
2. Name of Operator VANGUARD PERMIAN LLC
3. Address of Operator 5847 SAN FELIPE, SUITE 3000, HOUSTON, TEXAS 77057
4. Well Location Unit Letter G : 2240 feet from the NORTH line and 2310 feet from the EAST line
Section 16 Township 22S Range 37E NMPM LEA County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3404 GR

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: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [X] 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.

6-7-13 - 6-28-13

MIRU PU and unhang well, pull out production equipment, make cleanout run with bit and scraper. Set composite bridge plug At 3760. RU wireline and perforate Grayburg (50350) interval 3634-3636, 3644-3646, 3670-3672, 3712-3714, 3742-3744 with 4 spf, 120 phasing, 56 shots. Pump 2000 gals 15% NEFE acid to break down perforations. Frac well with 86,132 lbs propanat. Run production equipment and put well on production.

24 hrs test: Penrose Skelly Grayburg (50350) - 26 BOPD, 51 MCF

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 Gaye Heard TITLE AGENT DATE 3-21-14

Type or print name GAYE HEARD E-mail address: gheard@oilreportsinc.com PHONE: 575-393-2727

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 09/18/14

Conditions of Approval (if any):

Zone Temporarily Plugged (ZTP) Eunice San Andres SW

SEP 19 2014

[Signature]