

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

WELL API NO. API #30-025-37828
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. BO-3480
7. Lease Name or Unit Agreement Name COLE STATE
8. Well Number 23
9. OGRID Number 258350
10. Pool name or Wildcat See Below

**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  **HOBBS OGD**

2. Name of Operator  
VA NGUARD PER MAIN LLC **OCT 28 2014**

3. Address of Operator  
5847 San Felipe, Suite 3000, Houston, Texas 77057 **RECEIVED**

4. Well Location  
 Unit Letter E : 1650 feet from the North line and 990 feet from the West line  
 Section 16 Township 29S Range 37E NMPM Lea County ✓

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3391 GL

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 checked="" type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/> DHC- 3780A	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input 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.

Penrose Skelly Grayburg  
 Eunice San Andres. Southwest  
 Eumont Yates Seven Rivers Queen

Set CIBP @ 3600 and commingle the well as per DHC-3780-A

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 Colleen Germany TITLE Agent DATE 10-24-14

Type or print name Colleen Germany E-mail address: cgermany@oilreportsinc.com PHONE: 575-393-2727

**For State Use Only**

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 10/28/14  
 Conditions of Approval (if any):

OCT 28 2014 *hw*



**Cole State #23**  
**P. Skelly/Graygurg/San Andres - 30-025-37828**  
**Lea County, New Mexico**  
 COMINGLED COMPLETION - 10/2014

KB: 3401'  
 GL: 3391'

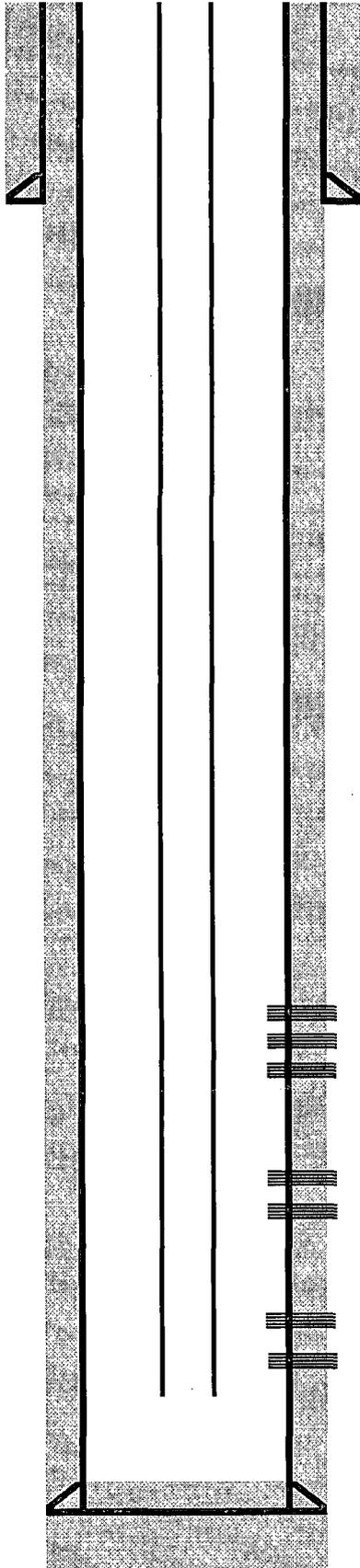
TOC @ surf  
 330 sxs

8 5/8" csg @ 862

TOC @ surface  
 680 sxs

Marker Jt  
 3444.6' - 3465.6'

5 1/2" csg @ 4148



**CASING PROGRAM**

Depth	Size	Weight	Grade	I.D.	Collapse	Burst
862	8 5/8"	24#	K-55	8.097	1,370	2,950
4148	5 1/2"	17#	K-55	4.892	4,910	5,320

**PRODUCTION TUBING**

Depth	Size	Weight	Grade	Threads
4000	2 7/8"	6.5#	J-55	EUE

DHC-3780A

Eumont; Y,7R,Qu Perforations 45 holes:

- 3,470' - 3,474' (4', 12 holes)
- 3,520' - 3,528' (8', 24 holes)
- 3,551' - 3,554' (3', 9 holes)

Grayburg Perforations 16 holes:

- 3,678' - 3,682' (8 holes)
- 3,812' - 3,816' (8 holes)

San Andres Perforations 98 holes:

- 3,838' - 3,842' (8 holes)
- 3,870' - 3,920' (50 holes)
- 3,960' - 4,000' (40 holes)

PBTD = 4,107' FC

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey, Division Director  
Oil Conservation Division



Administrative Order DHC-3780-A  
Order Date: August 6, 2014  
Application Reference Number: pMAM1419752654

Vanguard Permian, LLC  
5847 San Felipe Street Suite 3000  
Houston, Texas 77057

Attention: Randall Hicks

Cole State Well No. 23  
API No. 30-025-37828  
Unit E, Section 16, Township 22 South, Range 37 East, NMPM  
Lea County, New Mexico

Pool	PENROSE SKELLY; GRAYBURG	Oil	50350
Names:	EUNICE; SAN ANDRES, SOUTHWEST	Oil	24180
	EUMONT; YATES-7 RVRS-QUEEN	Oil	22800

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the well shall be based on the well test method. The percentage of oil and gas production in the commingled Penrose Skelly; Grayburg and Eunice; San Andres is based on Division Order 3780. The oil and gas production from the three pools after testing will be divided by the combined tests to get a percentage for each pool.

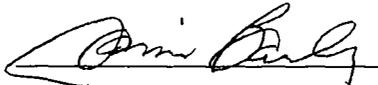
Assignment of allowable and allocation of production from the well shall be as follows:

PENROSE SKELLY; GRAYBURG	Pct. Gas: 68	Pct. Oil: 80
EUNICE; SAN ANDRES, SOUTHWEST	Pct. Gas: 32	Pct. Oil: 20

REMARKS: The operator shall notify the Division's district I office upon implementation of commingling operations.

This Order is subject to like approval from the New Mexico State Land Office.

Pursuant to 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMIBAILEY  
Director

JB/mam

cc: New Mexico Oil Conservation Division – Artesia  
New Mexico State Land Office – Oil, Gas, and Minerals