

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. 30-025-22486 | <input checked="" type="checkbox"/> |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> | |
| 6. State Oil & Gas Lease No. | |
| 7. Lease Name or Unit Agreement Name COLE STATE | <input checked="" type="checkbox"/> |
| 8. Well Number 12 | <input checked="" type="checkbox"/> |
| 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

2. Name of Operator
VANGUARD PERMIAN LLC

3. Address of Operator
5847 SAN FELIPE SUITE 3000, HOUSTON, NM 77057

4. Well Location
 Unit Letter D : 990 feet from the NORTH line and 330 feet from the WEST line
 Section 16 Township 22S Range 37E NMPM LEA County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3393 GL

HOBS OGD

DEC 09 2014

RECEIVED

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

SUBSEQUENT REPORT OF:

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

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

REMOVE CIBP @ 3840 AND COMMINGLE AS PER DHC 4718

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 12-5-14

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

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 12/9/14
 Conditions of Approval (if any):

DEC 10 2014 [Signature]

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-4718
Order Date: November 13, 2014
Application Reference Number: pMAM1431741925

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

Attention: Randall Hicks

Cole State Well No. 12
API No. 30-025-22486
Unit D, 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 |

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 oil and gas production from each pool after testing will be divided by the combined tests to get a percentage for each pool.

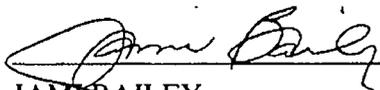
Assignment of allowable and allocation of production from the well shall be as follows:

| | | |
|-------------------------------|--------------|--------------|
| PENROSE SKELLY; GRAYBURG | Pct. Gas: 17 | Pct. Oil: 67 |
| EUNICE; SAN ANDRES, SOUTHWEST | Pct. Gas: 83 | Pct. Oil: 33 |

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.



JAMI BAILEY
Director

JB/mam

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



Cole State #12
Eunice Southwest -San Andres - 30-025-22486
Lea County, New Mexico
 PROPSD COMPLETION - 1/2014

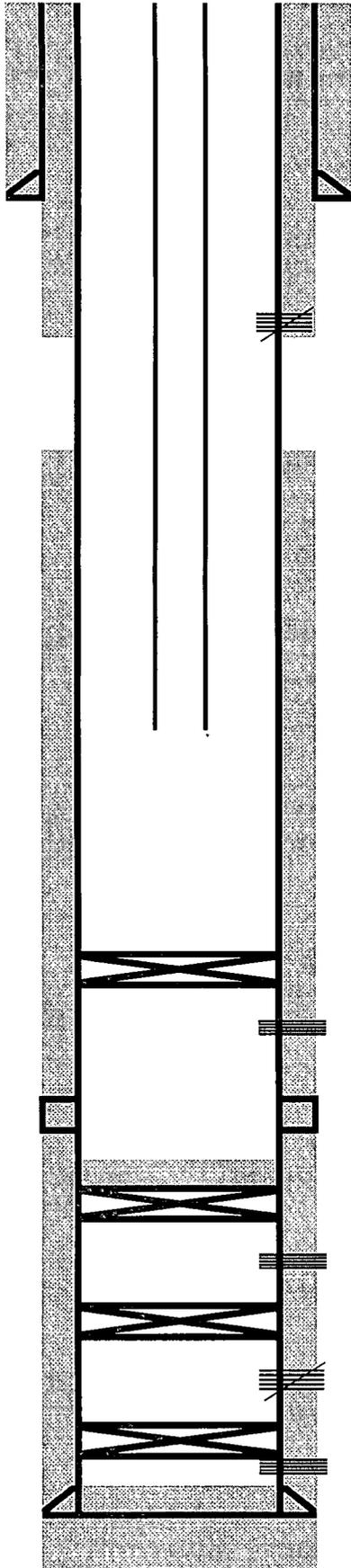
KB: -
 GL: 3393'

TOC @ surf
 500 sxs

9 5/8" csg @ 1196

TOC @ 2350'
 855 sxs

5 1/2" csg @ 7350



CASING PROGRAM

| Depth | Size | Weight | Grade | I.D. | Collapse | Burst |
|-------|--------|-----------|-------|-------|----------|-------|
| 1196 | 9 5/8" | 32.3# | H-40 | 9.001 | 1,400 | 2,270 |
| 7350 | 5 1/2" | 15.5#&17# | K-55 | 4.892 | 4,910 | 5,320 |

PRODUCTION TUBING

| Depth | Size | Weight | Grade | Threads |
|---------|--------|--------|-------|---------|
| unknown | 2-3/8" | 4.7# | J-55 | EUE |

Squeeze perms @ 1250' - 1251'
 in 1999

Grayburg Perforations:

- 3644' - 3652' (2spf, 16 shots)
- 3666' - 3672' (2 spf, 12 shots)
- 3692' - 3700' (2 spf, 16 shots)
- 3725' - 3730' (2 spf, 10 shots)
- 3770' - 3784' (2 spf, 28 shots) - 82 shots total

CIBP @ 3840'

San Andres Perforations:
 3,870' - 3,884'

DV Tool @ 4068'

CIBP @ 6640' - 35' of cmt on top

Abo
 6772' - 7011'

Mccormick - Squeezed in 1976
 7134' - 7260'

Montoya
 7307' - 7338'

PBDT = 6,605' FC

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



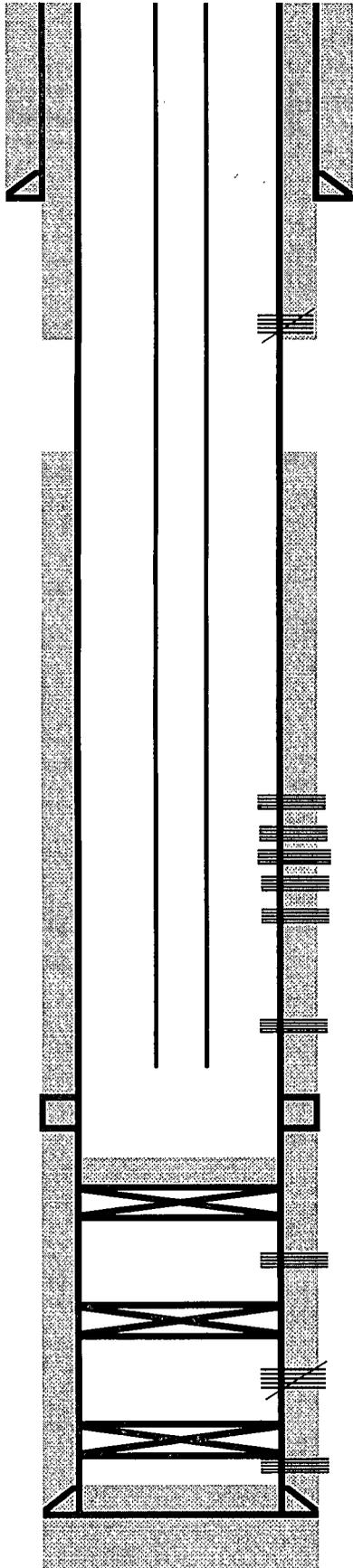
Cole State #12
Eunice Southwest -San Andres - 30-025-22486
Lea County, New Mexico
 COMINGLED COMPLETION - 12/2014

KB: -
 GL: 3393'
 TOC @ surf
 500 sxs

9 5/8" csg @ 1196

TOC @ 2350'
 855 sxs

5 1/2" csg @ 7350



CASING PROGRAM

| <u>Depth</u> | <u>Size</u> | <u>Weight</u> | <u>Grade</u> | <u>I.D.</u> | <u>Collapse</u> | <u>Burst</u> |
|--------------|-------------|---------------|--------------|-------------|-----------------|--------------|
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|--------------|-------------|---------------|--------------|----------------|
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DHC - 4718

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