

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 August 1, 2011

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

NOV 04 2016

WELL API NO. 30-025-05249
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 Mexico F ✓
8. Well Number 4 SWD ✓
9. OGRID Number 258350
10. Pool name or Wildcat Denton, Devonian
4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>2</u> Township <u>15S</u> Range <u>37E</u> NMPM County <u>Lea</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3823' RKB ✓

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 SWD

2. Name of Operator
Vanguard Operating LLC ✓

3. Address of Operator
5847 San Felipe St. Ste. 3000, Houston, TX 77057

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" 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 type="checkbox"/>		SUBSEQUENT RI REMEDIAL WORK <input type="checkbox"/> INT TO P&A <input checked="" type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P&A NR _____ CASING/CEMENT JOB <input type="checkbox"/> P&A R _____	
OTHER: <input type="checkbox"/>		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.

- Notify OCD 24 hrs prior to MIRU to P&A due to what appears to be parted casing at 3473', the following procedure is requested:
- RIH with 2 3/8" WS & mule shoe to top of fish @ 10,600'.
- Spot 25 x class "H" cmt @ 10,600' - 10,400' WOC & tag (TOF).
- Circ hole w/MLF spot 80 x class "H" cmt @ 9575' - 9160' WOC & tag (sqz'd perms F/9210' - 9500').
- Spot 20 sx cmt F/8188' - 8085' WOC & tag (sqz'd perms).
- Spot 20 sx cmt F/6225' - 6125' (Glorieta).
- Perf @ 4830' (9 5/8" shoe, San Andres) spot 100 sx's cmt @ 4830' - 4730' WOC & tag.
- Sqz 125 sx cmt @ 3500' - 3050' csg part, (Yates) WOC & tag.
- Perf @ 2150' sqz 50 sx's cmt 2150' - 2050' (Anhydrite).
- Perf @ 375' sqz 50 sx's cmt 375' - 275' (13 3/8" shoe) WOC & tag.
- Perf @ 100' circ cmt to surf vis 5 1/2" x 9 5/8" csg ann
- Cut off wellheads ensure cmt @ surf on all 3 strings. Install dry hole marker.

Spud Date:

NOTIFY OCD 24 HOURS PRIOR TO BEGINNING PLUGGING OPERATIONS

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Jimmy Bagley* TITLE Agent DATE 11/02/2016

Type or print name Jimmy Bagley E-mail address: sunsetwellservice@yahoo.com PHONE: 432-561-8600

For State Use Only

APPROVED BY: FOR RECORD ONLY TITLE _____ DATE 11/9/2016

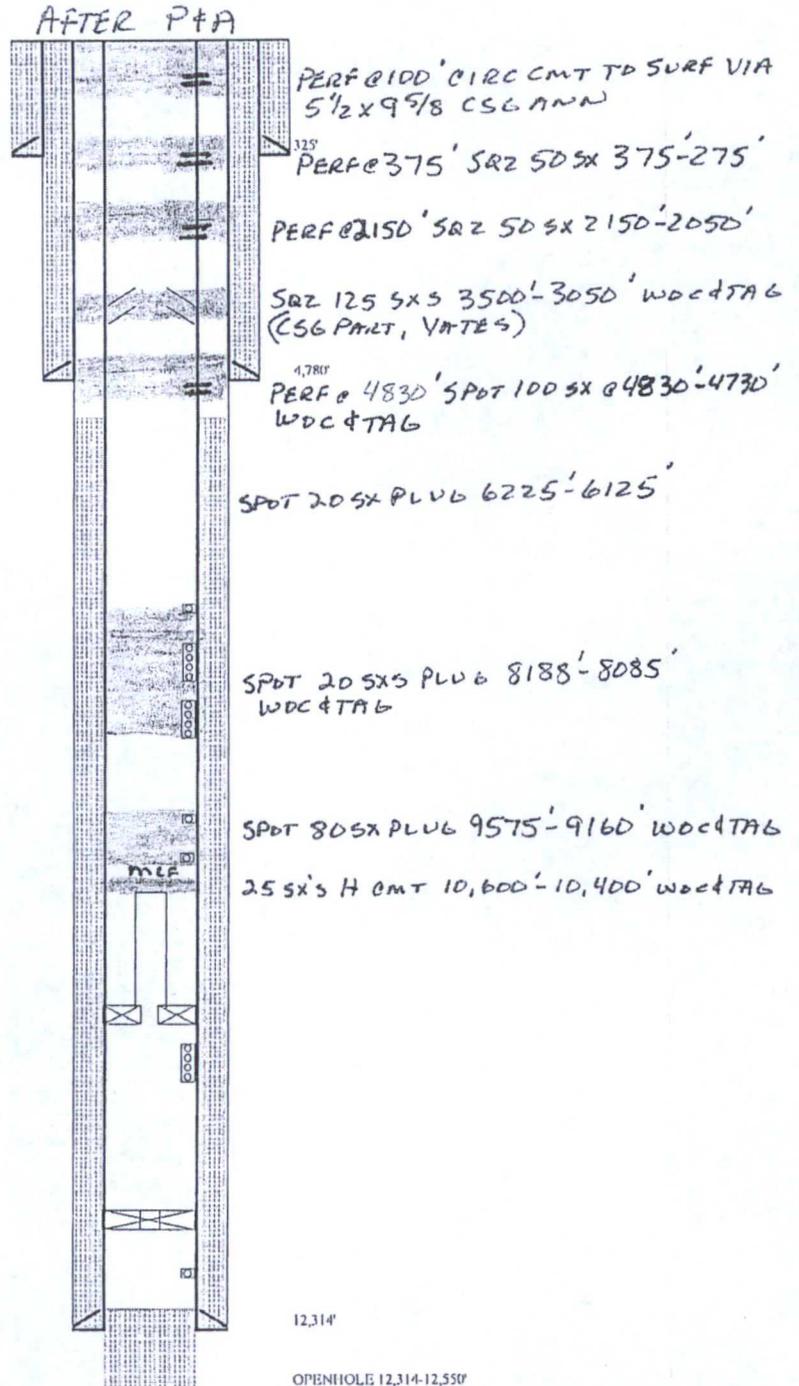
Conditions of Approval (if any):
Remedial work pending

LEASE/WELL: MEXICO F #4
 LOCATION: 660' FNL & 660' FWL
 D-2-15S-37E
 CO/ST: LBA COUNTY, NEW MEXICO
 FIELD: DENTON DEVONIAN
 API NO: 30-025-05249

13-3/8" 44.5#
 CMT W/ 300 SX. CIRC.

9-5/8" 40# (863') & 36# (3,917')
 CMT W/ 1,650 SX. CIRC.

5-1/2" 20# (3,233') & 17# (9,081')
 CMT W/ 150 SX ORIGINALLY (1,925 SX TOTAL)



PBTD: 12,300'
 TD: 12,550'

Daily Operations—03/29/2016 to 04/06/2016

Objective: Attempt to Repair SWD for MIT Failure

03/29/2016: Safety meeting over housekeeping on location. Move rig from Loving to Lovington. Unset packer but it started to drag out, kept working it, moved it up 25' then it stopped, had 18' of free travel, RU kill truck, pumped 77 bbls of soapy water down back side and loaded the hole, BOP did not hold, called for another BOP and changed it, pumped 34 more bbls. Kept working the tbg but did not come free. RU rotary wire line truck, ran free point tool, tagged on something @ 3475', did not go thru this spot, backed off the tbg @ 3453', RD wire line truck, TOOH and LD 112 2-7/8 jts. Came out with the pin (we have collar looking up). Tally the tbg- added up to 3467'. Closed well in, shut down. Daily Cost Est \$13,900. Cum Cost Est \$13,900.

03/30/2016: Safety meeting about picking up tbg from pipe racks. Set 410 jts work string on pipe racks and tally it, PU ported sub, put one joint below ported sub, PU 109 jts. Tagged top of fish and screw back on to it, pulled 85 points but did not move up, RU rotary wire line truck, could not go past that same spot @ 3453', backed the tbg again, RD wire line truck, TOH with the tbg, only the ported sub came out, the joint below the ported sub stayed in the hole, PU 2-7/8 screw-on sub, bumper sub, hydraulic jars, 3 drill collars, energizer sub. Ran 13 stands, wind was blowing too hard, closed well in, shut down. Daily Cost Est \$18,300. Cum Cost Est \$32,200.

03/31/2016: Crew to location held safety meeting. Open well up, TIH with remaining 39 stands, screw on to fish, jarred on fish only 2 times and lost the fish, TOH with the tbg- the threads on the screw on sub came out stripped, called for a spear, PU spear with 2.439 grapple, TIH with tbg. Latched on to the fish again, started jarring, moved the fish up about 90', then something came loose, TOH with tbg. Brought out just one joint, the threads got stripped also. Closed well in, shut down. Daily Cost Est \$13,300. Cum Cost Est \$45,500.

04/01/2016: Crew to location held safety meeting. PU spear with cut-rite on spearhead, TIH with tbg. Tagged TOF @ 3340', worked spear into fish, jarred for 30 min and something came loose, TOH with tbg. Brought out the last joint, the SN and part of the packer (packer mandrel parted and brought the top slips with it). Ran a 4-3/4" drill bit, tagged remaining part of the fish @ 3367'. TOH with the tbg. LD drill bit, PU spear again, TIH with tbg. Tagged TOF, could not latch on it, RU kill truck, pumped down tbg. Worked the spear in 7' more, latched on fish, jarred on it and moved up 14' and then stopped, fish is now @ 3350', left 90 points tension on fish, closed well in, SDFWE. Daily Cost Est \$13,300. Cum Cost Est \$58,800.

04/04/2016: Crew to location held safety meeting. Open well up, tbg was on vac. Fish still had all 90 points tension on it, continue jarring, fish slowly started to move up, finally jumped free, TOH with the tbg. LD the fish, **packer was missing 2 sets of slips, some pieces of casing came stuck on packer**, closed well in, SDON. Daily Cost Est \$10,800. Cum Cost Est \$69,600.

04/05/2016: Crew to location held safety meeting. PU 4-3/4 drill bit, bumper sub, hydraulic jars, 3 drill collars and energizer. TIH with tbg and tagged @ 3422', could not go thru, TOH and LD drill bit, PU 4-3/4 csg swage but it would not go in. PU 4-1/2 csg swage, TIH with tbg, worked the swage from 3422' down to 3498', did not go past this spot, TOH, LD csg. Swedge. PU 2-7/8 notched collar, TIH with tbg, tagged @ 3473', pumped 16 bls. down tbg. and well got loaded, could not go past 3473'. Closed well in. SDON. Daily Cost Est \$9,000. Cum Cost Est \$78,600.

04/06/2016: Crew to location held safety meeting. Open well up, TOH with tbg, LD 2-7/8 notched collar, PU 2-3/8 notched collar and 10 jts 2-3/8 tbg. TIH with tbg tagged @ 3473', **worked tbg down to 3498', could not go past this spot**, TOH and LD all work string, LD drill collars, jars, energizer and bumper sub, also LD the 10. 2-3/8 jts. ND BOP, flanged well up with only 2 jts. Closed well in, RDMO. Daily Cost Est \$10,600. Cum Cost Est \$89,200.