

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 87240  
 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  
 DEC 13 2016  
 RECEIVED

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

Form C-103  
 Revised July 18, 2013

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
9. OGRID Number 258350
10. Pool name or Wildcat DENTON, DEVONIAN

**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, STE. 3000, HOUSTON, TX 77057

4. Well Location  
 Unit Letter D : 660 feet from the NORTH line and 660 feet from the WEST line  
 Section 2 Township 15S Range 37E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3,823' RKB

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 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"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		E-PERMITTING <SWD <input type="checkbox"/> INJECTION> CONVERSION <input type="checkbox"/> RBDMS <input type="checkbox"/> RETURN TO <input type="checkbox"/> TA <input type="checkbox"/> CSNG <input type="checkbox"/> ENVIRO <input type="checkbox"/> CHG LOC <input type="checkbox"/> INT TO P&A <input checked="" type="checkbox"/> P&A NR <input type="checkbox"/> P&A R <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.

On 11/17/2016, Vanguard Operating, LLC began remedial work to repair parted production casing at ~3,473'. Detailed description of daily work performed is attached. Attempts to mill through the 5-1/2" casing stub were unsuccessful. The production casing was then pulled and 3,460' of 5-1/2" casing was recovered. Attempts to wash over the casing stub and cut down to good casing were also unsuccessful. The bottom of the wellbore is completely plugged off and the well will circulate fluid. In order to avoid potentially damaging the intermediate casing string, Vanguard Operating, LLC requested and received permission from Maxey Brown on 12/12/2016 to amend the plugging procedure as follows:

1. Notify OCD 24 hours prior to beginning plugging operations.
2. RIH w/ 2-7/8" workstring, tag bottom (casing stub). Spot 100 sx cmt @ tagged depth. WOC & tag.
3. Spot 50 sx cmt 2150'-2050' (Anhydrite).
4. Spot 50 sx cmt 375'-275' (13-3/8" casing shoe). WOC & tag.
5. Fill from 100'-surf w/ cmt.
6. Cut off wellheads, ensure cmt @ surface behind both 9-5/8" and 13-3/8" strings. Install dry hole marker.

Spud Date:  Rig Release Date:

**The Oil Conservation Division  
 MUST BE NOTIFIED 24 Hours  
 Prior to the beginning of operations**

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

SIGNATURE Kyle Zimmermann TITLE Operations Engineer I DATE 12/12/2016

Type or print name Kyle Zimmermann E-mail address: kzimmerman@vnrlc.com PHONE: 432-202-0145

APPROVED BY: Maxey Brown TITLE AD/II DATE 12/13/2016

Conditions of Approval (if any):



LEASE/WELL: MEXICO F #4  
 LOCATION: 667 FNL & 667 FWL  
 D-2-158-37E  
 COUNTY: LEA COUNTY, NEW MEXICO  
 FIELD: DENTON DEVONIAN  
 API NO: 30-025-05349

DF: 3,823  
 SPUDDED: 10/3/1951  
 COMPLETED: 2/28/1952  
 LAT (27): 33 0518761  
 LONG(127): -101.1774292

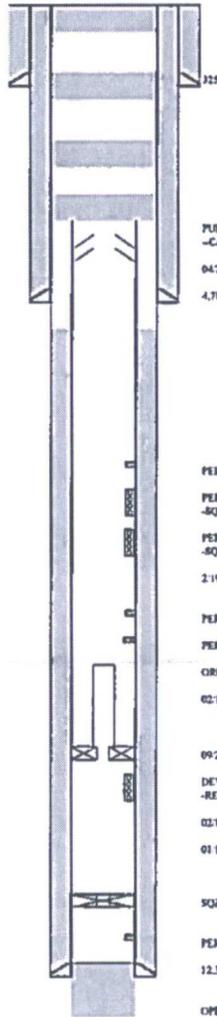
FORMATION TOPS PER C-105  
 ANHYDRITE: 2,130  
 YATES: 3,128  
 SAN ANDRES: 4,646  
 OLORIETA: 6,225  
 TURBID: 7,342  
 ARKO: 8,027  
 PENN: 10,130  
 MISSISSIPPIAN: 11,347  
 DEVONIAN: 12,162

AFTER P&A

13-3/4" 44.54  
 CMT W/ 300 SX, CIRC.

9-5/8" 40# (843) & 36# (3,917)  
 CMT W/ 3,650 SX, CIRC.

5-1/2" 20# (3,237) & 17# (9,081)  
 CMT W/ 150 SX ORIGINALLY (1,925 SX TOTAL)



FILL 100% SURFACE, ENTIRE CMT CIRCULATED BEHIND 6-5/8" CSG.  
 3227  
 SPOT 50 SX 375-375' WDC & TAG  
 SPOT 50 SX 2,158-2,800'  
 SPOT 100 SX @ CASING RTU'B @ ~3,650', WDC & TAG  
 PULLED 3,467 OF 5-1/2" CASING 12/7/2016.  
 -CANNOT PUMP DOWN PRODUCTION CSG (WELL IS PLUGGED OFF) CAN CIRCULATE ABOVE CSG STUB  
 04/2016 COULD NOT GET PAST 3,499', DAILY REPORTS ATTACHED  
 4,787  
 PERF SQZ HOLES @ 8,135; 8,137; 8,138' CMT W/ 800 SX, FOUND TOC @ 5,007  
 PERFS: 0,210-0,216' (7 HOLES)  
 -SQZD W/ 100 SX  
 PERFS: 0,264-0,251' (13 HOLES)  
 -SQZD W/ 125 SX  
 2,198 SQZ 100 SX THRU CMT RETAINER @ 9,360'  
 PERF SQZ HOLES @ 9,385; 9,387; 9,389' CMT W/ 300 SX  
 PERF SQZ HOLES @ 9,440; 9,490; 9,500' CMT W/ 400 SX  
 ORIGINAL 5-1/2" TOC @ 9,575 BY TS  
 02-1988 LOCATE CSG LEAK 10,510-11,109', SQZ W/ 100 SX  
 09-2004 LEFT FISH OF PICKL ON OFF TOOL, 41 7/8 (-1,377) OF 2-3/8" YBNG TOF @ -10,600' PSR @ 11,994'  
 DEVONIAN PERFS: 12,168-12,217' (140 HOLES)  
 -RE-PERF 02-1988 12,168-12,235' (134 HOLES)  
 03-1988 PUSH BUNK TO 12,240'  
 01-1963 SQZ OPENHOLE SECTION (12,314-12,550') W/ 140 SX THRU CMT RETAINER @ 12,224'  
 SQZ NEW OPENHOLE SECTION (12,314-12,414') W/ 135 SX THRU CMT RETAINER @ 12,240'  
 PERF SQZ HOLES @ 12,119'; 12,140'; 12,141' CMT W/ 275 SX.  
 12,314'  
 OPENHOLE 12,314-12,550'

POTD: 12,300'  
 TD: 12,350'

KDZ: 12-13-2016

## Daily Operations Summary—11/17/2016 to 12/12/2016

Objective: Attempt to Repair Production Casing in order to P&A Wellbore

11/17/2016: AOL, hold safety meeting (how to make up tools). MIRU PU, NDWH and NUBOP. Make up 4.625 impression block and 2 7/8 seat nipple, PU 110 jts of 2-7/8 tbg. TIH w/ impression block. Started dragging @ 3455' it would take about 2pts then lose, then set 10 pts at 3,462', LD 1 jt and block began dragging. POOH w/ 109 jts, LD impression block, it didn't have any real deep gouges it showed nothing. Secured well and SDON.

11/18/2016: AOL, hold safety meeting (how to make up tools). Make up 4.25 impression block and 2 7/8 seating nipple, RIH w/ 110 jts of 2-7/8 tbg. Tagged @ 3,465' stack out on it 16 pts, went down about 2", it took couple pts to get off of it. POOH w/ 110 jts. LD impression block- it had deep gouges on one side and some lighter ones directly opposite of that one. RD tongs and floor, then NDBOP, and PU 6' sub with collars and NU (6" X 3k) flange and drop slips and pack off wellhead, then dug around wellhead and exposed the flange (11" X 3k) and broke all bolts loose, lubed and tighten back. ND flange and sub and RU floor and tongs. RIH w/ 108 jts of 2-7/8 tubing. POOH and LD 108 jts on racks, RD tongs and floor. PU 2 jts and NU flange (6" X 3k) and drop slips and pack off wellhead, NU gate valve. Clean location, secure well, and shut down.

11/19/2016: Crew drove to location, had safety meeting (exposed to H2S, pinch points, hit by pressure). Bled off well, had no pressure, unflanged well and LD 2 joints 2-7/8" J-55, NUBOP, RU working floor and power tongs, tallied 120 joints 2-7/8" J-55, picked up ran in the hole with, 110 joints 2-7/8" J-55, tagged bottom @ 3,465', laid down top joint, picked up 10' and 6' 2-7/8" N80 subs, rigged up pump truck on casing, set flow back pit on location, rigged up flow line from well head to the flow back pit, pumped 20 bbl fresh water broke circulation, pumped 16 bbl FW, got bottoms up to surface, flow line plugged up with scale, unplugged flow line, attempt, to circulate again, flow line plugged up again, unplugged flow line, attempt to break circulation, tubing plugged up, went down hole with tubing, we didn't tag bottom, laid down 10' and 6' 2-7/8" subs, picked up 1 joint 2-7/8" J-55, tagged up @ 3,475', worked tubing down hole, went down to 3,480', unable to get any deeper, pull out of the hole with wet string, laid down 65 joints 2-7/8" J-55, closed well in, crew drove back home, shut down.

11/22/2016: Crew drove to location, had safety meeting (H2S, strained back, hit by pressure). Bled off well, had no pressure, pulled out of the hole, laid down rest of the tubing, 45 joints 2-7/8" J-55. Moved all tubing out of the way, unloaded 150 joints L-80 on piperacks. Took off thread protectors, tallied all tubing and BHA. Picked up and ran in the hole with 4-9/16" mill shoe, 2 joints of 4-1/2" washpipe, xover bushing, 3-3/4" hydraulic jars, 6 3-1/2" drill collars, top sub, 100 joints 2-7/8" L80, picked up power swivel with 1 joint, nipped up JU stripper, pumped 20 barrels of fresh water, broke circulation, power swivel broke down. Cleaned out from 3444' down to 3475', circulated well clean with 180 barrels of fresh water. Pulled out of the hole with 1 joint, closed well in, shut down.

11/23/2016: Crew drove to location, had 10 minute safety meeting, (H2S, hit by pressure, caught with rotating equipment). Bled off well, had no pressure, pumped 15 bbl fresh water broke circulation, clean out from 3475' down to 3488', mill down to 3499', unable to get any deeper, circulated well clean, laid down power swivel with 1 joint + 1 more joint, nipple down JU stripper, pulled out of the hole with 100 joints, top sub, 6 - 3 1/2" drill collars, 3 3/4" hydraulic jars, top bushing, 2 joints 4-1/2" of wash pipe, 4-9/16" shoe. Had pieces of tubing stuck inside the shoe, and shoe is worn out. Closed well in, crew drove back home, shut down.

11/28/2016: Crew drove to location, had safety meeting, (H2S, pinch points, hit by pressure). Bled off well, had no pressure, picked up ran in the hole with, 4-11/16" mill shoe, 2 joints of 4-1/2" wash pipe, x over bushing, 3-3/4" hydraulic jars, 6 3-1/2" drill collars, top sub, 101 joints 2-7/8" L80, picked up power swivel with 1 joint, nipple up JU stripper, pumped 10 bbl fresh water, broke circulation, (conventional ) mill over some pipe and casing, from 3499' down to 3506' it fall through and lost circulation, pumped 75 bbl / fresh water, regained circulation, switch pump to revers, clean out from 3506' down to 3608', mill down to 3609', unable to get any deeper, circulated well clean, laid down power swivel with 1 joint, plus one more joint, nipple down JU stripper, pulled out of the hole with, 70 joints 2-7/8" L80, ran out of daylight, closed well in, crew drove back home, shut down.

11/29/2016: Crew drove to location, had safety meeting, (H2S, pinch points, trip and fall). Bled off well, had no pressure, pulled out of the hole with the rest of the tubing, 34 joints 2-7/8" L80, top sub, 6 3-1/2" drill collars, 3-3/4" hydraulic jars, top bushing,

2 joints of 4-1/2" wash pipe, and 4-11/16" mill shoe. We had pieces of casing inside the mill shoe. PU & RIH w/ 4-5/8" lead impression block, 113 joints 2 7/8" L80, set all weight @ 3560', pulled out of the hole with, 113 joints and lead block. We lost all lead of the impression block. Picked up and ran in the hole with 4-5/8" mill shoe, 4 joints of 4-1/2" wash pipe, top bushing, 3-3/4" hydraulic jars, 6 3-1/2" drill collars, top sub, 98 joints 2-7/8" L-80. Picked up power swivel with 1 joint, nipples up JU stripper, broke circulation with 10 barrels of fresh water. Washed over from 3423' down to 3474', milled down to 3486', cleaned out down to 3579'. Circulated well clean, pulled out the hole 1 joint, closed well in, crew drove back home, shut down.

11/30/2016: Crew drove to location, had safety meeting (exposed to H2S, caught with rotating equipment, trip and fall). Bled off well, had no pressure, broke circulation with 10 barrels of fresh water. Washed over from 3579' down to 3650', unable to make any more hole, circulated well clean, laid down power swivel with 1 joint plus 5 more joints. Nipped down JU stripper, pulled out of the hole with 100 joints 2 7/8" L80, top sub, 6 3-1/2" drill collars, 3-3/4" hydraulic jars, top bushing, 4 joints of 4-1/2" wash pipe, 4-5/8" mill shoe. Closed well in, crew drove back home, shut down.

12/01/2016: Crew drove to location, had safety meeting, (H2S PPE, pinch points, hit by pressure). Bled off well, had no pressure, picked up, ran in the hole with, 4-5/8" mill shoe, 4 joints of 4-1/2" wash pipe, top bushing, 3-3/4" hydraulic jars, 6 3-1/2" drill collars, top sub, 100 joints 2 7/8" L80, picked up 5 joints 2 7/8" L80, tagged bottom @ 3612', laid down top joint, picked up power swivel with 1 joint, nipple up JU stripper, broke circulation, mill over some junk from 3612' down to 3636', unable to get any deeper, circulated well clean, laid down power swivel + 5 joints 2 7/8" L80, nipple down JU stripper, pulled out of the hole with 100 joints 2 7/8" L-80, top sub, 6 3-1/2" drill collars, 3-3/4" hydraulic jars, top bushing, 4 joints of 4 1/2" wash pipe and 4 5/8" mill shoe. We had some junk stuck inside shoe and wash pipe, cleaned out wash pipe, picked up ran in the hole with 4 5/8" mill shoe, 4 joints of 4 1/2" wash pipe, top bushing, 3 3/4" hydraulic jars, 6 - 3 1/2" drill collars, top sub, 20 joints 2 7/8" L80, closed well in, crew drove back home, shut down.

12/02/2016: Crew drove to location, had safety meeting (H2S, hit by tubing or power tongs, hit by pressure). Bled off well, had no pressure, ran in the hole with 100 joints 2-7/8" L80. Picked up 4 joints and power swivel with 1 joint. Nipped up JU stripper, broke circulation, milled down from 3634' to 3658'. Unable to make more hole. Circulated well clean, laid down power swivel with 1 joint plus 5 more joints. Nipped down JU stripper, pulled out of the hole with 100 joints 2-7/8" L-80, top sub, 6 3-1/2" drill collars, 3-3/4" hydraulic jars, top bushing, 4 joints of 4-1/2" wash pipe, 4-5/8" mill shoe. There was junk inside shoe and wash pipe. Closed well in, crew drove back home, shut down.

12/05/2016: Crew drove to location, had safety meeting, (H2S, hit by tubing or drill collars, hit by pressure). Bled off well, had no pressure, picked up ran in the hole with, 3-7/8" drill bit, bit sub, 3-3/4" hydraulic jars, 6 3-1/2" drill collars, top sub, 100 joints 2-7/8" L80 from derrick, picked up 9 joints 2-7/8" L-80 from pipe racks, picked up power swivel with 1 joint, nipple up JU stripper, broke circulation, drill out from 3635' down to 3656', unable to get any deeper, circulated well clean, laid down power swivel with 1 joint plus 9 more joints, nipple down JU stripper, pulled out of the hole with 100 joints 2 7/8" L80, top sub, 6 - 3 1/2" drill collars, 3 3/4" hydraulic jars, bit sub, and drill bit, closed well in, rigged down power tongs and working floor, crew drove back home.

12/06/2016: Crew drove to location, had safety meeting (exposed to H2S, pinch points, hit by suspended loads, hit by pressure). Bled off 9-5/8" intermediate casing, starting to flow back. Rigged up flow line into reverse pit, flowed well back into the pit for 30 to 35 minutes. Unflanged 5-1/2" casing, picked up and ran in the hole with 5-1/2" spear, and lift sub. Latched on to 5-1/2" casing. Pulled up to 75,000 lbs to get slips off the well head. Stand by, waited on casing crew for 1-1/2 hours. Nipped up 11- 3 x 9" spool and 9" BOP. Rigged up working floor and casing crew, pulled out of the hole with 1 joint of 5 1/2" casing. Unable to pull anymore casing due to needing lift nubbins. Picked up a 6' x 5-1/2" sub with fishing tools, screwed back on to 5-1/2" casing. Closed well in, stand by waited on trucking to unload drill collars, wash pipe, pad walk on location. Crew drove back home, shut down.

12/07/2016: Crew drove to location, had safety meeting (exposed to H2S, hit by pressure, hit by suspended loads, pinch points, hit by casing). Bled off well, had no pressure, rigged up reverse unit on tubing, circulated well clean for 1 1/2 hours to get rid of oil and gas. Rigged down reverse unit, rigged up casing crew, pulled out of the hole with 8' x 2-7/8" N80 sub, top sub, 5-1/2" spear. Pulled out of the hole laid down 69 joints of 5-1/2" SSPC casing, 20 joints of 5 1/2" 8 rd EUE and 2 pieces of casing = 3460' recovered. Rigged down casing crew, tallied drill collars, wash pipe, x overs, shoe, and jars, stand by, waited on 7-5/8" bowl and slips for 1 hour, picked up 8-3/4" millshoe, 2 joints of 7 5/8" wash pipe. Closed well in, crew drove back home, shut down.

12/08/2016: Crew drove to location, had safety meeting (H2S, suspended loads, hit by pressure). Picked up and ran in the hole with 8-3/4" mill shoe, 8 joints of 7-5/8" wash pipe, 7-5/8" top bushing, 5 3/4" x over, 4-1/4" hydraulic jars, 6 4-1/2" drill collars,

3-1/8" top sub, 93 joints 2-7/8" L-80, tagged bottom @ 3379' worked tubing down to 3412', attempt to pull tubing up the hole, tubing got stuck, rigged up revers unit, circulated well clean, (reverse) rigged down reverse unit, pulled out of the hole and laid down 6 joints, ran in the hole with 6 joints from derrick, picked up power swivel with 1 joint, nipple up JU stripper, broke circulation, clean out well from 3412' down to 3632', mill over some junk from 3632' down to 3643', circulated well clean, pulled up the hole 1 joint, closed well in, crew drove back home, shut down.

12/09/2016: Crew drove to location, had safety meeting (H2S, hit by pressure, hit by tubing, trip and fall). Bled off well, had no pressure, broke circulation, mill over some junk from 3639' down to 3645', unable to get any deeper, could not get a cut on good pipe. Circulated well clean, laid down power swivel with 1 joint + 1 more joint, nipple down JU stripper, pulled out of the hole with 100 joints 2 7/8" L80, top sub, 6 - 4 1/2" drill collars, 4 1/4" hydraulic jars, x over, top bushing, 8 joints of 7 5/8" wash pipe, 8 5/8" mill shoe. Found that we had 2 pieces of 5 1/2" casing inside shoe. Closed well in, crew drove back home, shut down.

12/12/2016: Crew drove to location, had safety meeting (H2S, pinch points, hit by pressure). Bled off well, had no pressure, picked up ran in the hole with, 8-5/8" mill shoe, 6 joints of 7-5/8" wash pipe, stand by waiting on orders for 2 hours. **Odessa office spoke with Maxey Brown of NMOCD and received permission to plug shallow.** Orders are to rig down and release all rentals. Ran in the hole with 2 more joints of wash pipe, pulled out of hole and laid down all 7 5/8" wash pipe and 8 5/8" mill shoe, changed equipment back to 2-7/8", ran in the hole with 6 4-1/2" drill collars, pulled out of the hole and laid down all 4-1/2" drill collars, ran in the hole with 6 3-1/8" drill collars, pulled out of the hole and laid down all 3-1/8" drill collars, changed equipment back to 4-1/2", ran in the hole with 4 joints of 4-1/2" wash pipe, pulled out of the hole and laid down all 4-1/2" wash pipe, used forklift to move all wash pipe and drill collars out of the way, and load truck with all over size equipment, ran in the hole with 100 joints 2-7/8" L80, pulled out of the hole and laid down all 2-7/8" L-80 tubing closed well in, crew drove back home, shut down.