

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

RECORD CLEAN

HOBBS OGD
RECEIVED
 FEB 18 2018

| | |
|---|---|
| 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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | 7. Lease Name or Unit Agreement Name H S TURNER |
| 2. Name of Operator VANGUARD OPERATING, LLC. | 8. Well Number #10 |
| 3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401 | 9. OGRID Number 258350 |
| 4. Well Location Unit Letter <u>N</u> : <u>1110</u> feet from the <u>SOUTH</u> line and <u>2130</u> feet from the <u>West</u> line Section <u>29</u> Township <u>21-S</u> Range <u>37-E</u> NMPM Lea County | 10. Pool name or Wildcat Blinebry Oil & Gas (6660) Tubb Oil & Gas (60240) |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3396' GL | |

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 ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB
 OTHER: Drill CBP & DHC as per DHC-202-0

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.

Since its recompletion on 12/30/13, this well has been producing only from the Upper Blinebry perms, (5526'-5734') with the lower Blinebry perms (5835'-5864') & Tubb perms (6063'-6227') SI below a CBP @ 5781'.

On 2/18/14, MIRUSU. TOH w/rods, pump, & tbg. CO to 5-1/2" CBP @ 5781'. Drilled CBP @ 5781' & CO to 6414'. On 2/21/14, landed tbg @ 6280'. Ran pump, & rods. Initiated commingled production of Blinebry & Tubb as per State order DHC-202-0. Released rig on 2/22/14. See attached wellbore diagram. Since additional Blinebry was added to the commingle, the commingle allocations had to be changed from the original order. These allocations will be in effect starting from this work, which was completed on 12/22/14. See the attached calculations.

| <u>POOL</u> | <u>OIL</u> | <u>GAS</u> |
|-------------|------------|------------|
| Blinebry | 73% | 61% |
| Tubb | 27% | 39% |

Spud Date: 3/30/07

Drilling Rig Release Date: 4/14/07

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

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 2/17/18

Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: Karen Sharp TITLE Staff Mgr DATE 3-1-18
 Conditions of Approval (if any):

VANGUARD OPERATING, LLC
H S TURNER #10
 Blinebry Oil & Gas (6660) & Tubb Oil & Gas (60240)
 N Section 29 T21S R37E
 2/17/2018
 API#: 30-025-38296

Commingle Allocation Calculations

In October 2013, the Lower Blinebry & Tubb were producing DHC & each pool was allocated 16 BOPM, 664 MCF/M, & 237 BWPM as per State order DHC-202-0,.

On 12/30/13, additional Blinebry (Upper) was completed & placed on line alone for a test. In January 2014, the Upper Blinebry, alone, tested for 28 BOPM, 356 MCF/M, & 168 BWPM.

On 2/22/14, the Upper Blinebry, was downhole commingled with the Lower Blinebry & Tubb. The new pool allocations were then calculated as follows:

| | <u>Upper Blinebry</u> | + | <u>Total DHC</u> | | <u>Total</u> |
|----------------------|-----------------------|---|------------------|---|--------------|
| | Jan. 2014 | | Oct. 2013 | | |
| Total Oil (bbls/m) | 28 | + | 32 | = | 60 bbls/m |
| Total Gas (mcf/m) | 356 | + | 1328 | = | 1684 mcf/m |
| Total Water (bbls/m) | 168 | + | 474 | = | 642 bbls/m |

OIL ALLOCATION

Blinebry = 28 + 16 = 44 BOPM

Tubb = 16 BOPM

Total oil = 60 BOPM

% Blinebry = $\frac{44}{60} = \underline{73\%}$

% Tubb = $\frac{16}{60} = \underline{27\%}$

GAS ALLOCATION

Blinebry = 356 + 664 = 1020 MCF/M

Tubb = 664 MCF/M

Total gas = 1684 MCF/M

% Blinebry = $\frac{1020}{1684} = \underline{61\%}$

% Tubb = $\frac{664}{1684} = \underline{39\%}$

WATER ALLOCATION

Blinebry = 168 + 237 = 405 BWPM

Tubb = 237 BWPM

Total gas = 642 BWPM

% Blinebry = $\frac{405}{642} = \underline{63\%}$

% Tubb = $\frac{237}{642} = \underline{37\%}$

District I

1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone: (505) 748-1293 Fax: (505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form O-1012
Permit 47474

HOBBS OCD
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WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|--|--|
| 1. API Number 30-025-38296 | 2. Pool Code 60240 | 3. Pool Name TUBB OIL AND GAS (OIL) |
| 4. Property Code 301557 | 5. Property Name H S TURNER | 6. Well No. 010 |
| 7. OGRID No 227588 | 8. Operator Name RANGE OPERATING NEW MEXICO INC | 9. Elevation 3467 |

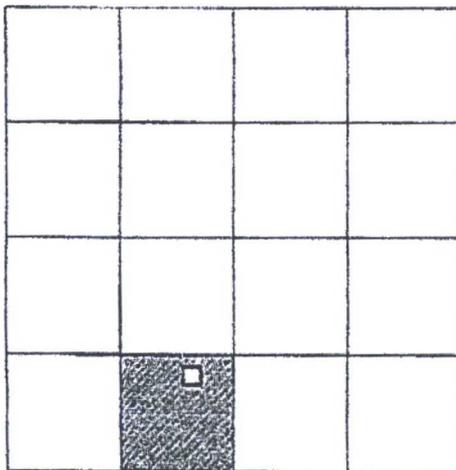
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| N | 29 | 21S | 37E | | 1110 | S | 2130 | W | LEA |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|------------------------------|---------|---------------------|-------|------------------------|-----------|----------|---------------|----------|--------|
| 12. Dedicated Acres 40.00 | | 13. Joint or Infill | | 14. Consolidation Code | | | 15. Order No. | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

E-Signed By: Linda Stiles
Title: Sr Engineering Tech
Date: 2/27/2007

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

Surveyed By: Gary Eidson
Date of Survey: 12/12/2006
Certificate Number: 12541

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District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3470 Fax (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form U-104
Permit 47474

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|--|--|
| 1. API Number 30-025-38296 | 2. Pool Code 6660 | 3. Pool Name BLINEBRY OIL AND GAS (OIL) |
| 4. Property Code 301557 | 5. Property Name H S TURNER | 6. Well No. 010 |
| 7. OGRID No 227588 | 8. Operator Name RANGE OPERATING NEW MEXICO INC | 9. Elevation 3467 |

10. Surface Location

| UL - Lot | Section | Township | Range | Lot kth | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| N | 29 | 21S | 37E | | 1110 | S | 2130 | W | LEA |

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| | | |
|--|---|--|
| | OPERATOR CERTIFICATION | |
| | <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i></p> | |
| | <p>E-Signed By: Linda Stiles Title: Sr Engineering Tech Date: 2/27/2007</p> | |
| | SURVEYOR CERTIFICATION | |
| <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</i></p> | | |
| <p>Surveyed By: Gary Eidson Date of Survey: 12/12/2006 Certificate Number: 12541</p> | | |

LEASE/WELL: HS TURNER #10
 LOCATION 110' FSL & 2,130' FWL
 N-SEC 29-T21S-R37E
 CO/ST: LEA COUNTY, NEW MEXICO
 FIELD: BLINEBRY OIL & GAS
 TUBB OIL & GAS
 API NO. 30-025-38296

GR 3467
 SPUDDED 3/30/2007
 COMPLETED 4/27/2007 ORIGINAL BLINEBRY/TUBB COMPLI
 12/30/2013 BLINEBRY PAY-ADD
 2/21/2014 DHC
 LAT 32.4456711
 LONG -103.186699

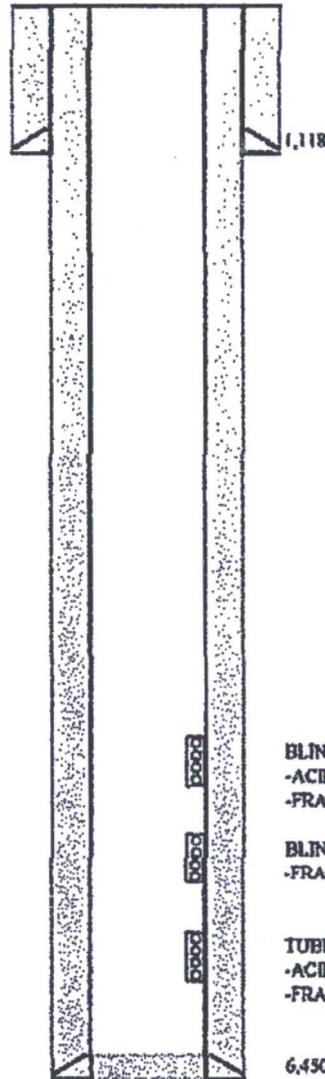
FORMATION TOPS PER C-105

| | |
|--------------|------|
| ANHYDRITE | 1206 |
| YATES | 2639 |
| SEVEN RIVERS | 2843 |
| QUEEN | 3309 |
| GRAYBURG | 3634 |
| SAN ANDRES | 3864 |
| GLORIETA | 5081 |
| PADDOCK | 5215 |
| BLINEBRY | 5435 |
| TUBB | 6057 |
| DRINKARD | 6242 |

ORIGINAL COMMINGLE ALLOCATIONS PER HOB-0202:
 BLINEBRY: 50% OIL, 50% GAS, 50% WATER
 TUBB: 50% OIL, 50% GAS, 50% WATER

12-1/4" HOLE

8-5/8" 24# J-55
 CMT W/ 500 SX. CIRC.



7-7/8" HOLE

5-1/2" 17# J-55
 CMT W/ 700 SX.

PBTD: 6,439'
 TD: 6,506'

BLINEBRY PERFS: 5,526-5,530'; 5,660-5,662'; 5,728-5,734' (36 HOLES)
 -ACIDIZE W/ 2,500 GALS 15% NEFE
 -FRAC W/ 93,220# (60,780# 20/40 BRADY & 32,440# GARNET)

BLINEBRY PERFS: 5,835-5,839'; 5,861-5,864' (21 HOLES)
 -FRAC W/ 50,000# 16/30 OTTAWA & 30,000# 16/30 RC SAND IN 1,474 BBLs DYNAFRAC XL

TUBB PERFS: 6,063-6,066'; 6,186-6,189'; 6,224-6,227' (27 HOLES)
 -ACIDIZE W/ 1,500 GALS 15% NEFE
 -FRAC W/ 91,500# 16/30 OTTAWA & 40,000# 16/30 RC SAND IN 2,152 BBLs DYNAFRAC XL

6,450'

KDZ 02-16-2018