

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

RECEIVED
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
JUN 02 2009
HOBBSOCD

WELL API NO. 300-25-03784
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 685368
7. Lease Name or Unit Agreement Name Skelly Q State
8. Well Number 4
9. OGRID Number 258350
10. Pool name or Wildcat Lovington ABO
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3838' DF

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
7700 San Felipe, Suite 485 Houston, TX 77063

4. Well Location

Unit Letter O : 330 feet from the South line and 1650 feet from the East line
Section 36 Township 16S Range 36E NMPM County LEA

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Unsuccessful work over – Fish in hole ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

A submersible pump failure required to workover the well. Workover was unsuccessful – spent approximately \$213,000 and 10 days in fishing job, unable to retrieve the ESP and some tubing. Well is shut in.

See attached workover report.

DENIED

Well communicated @ surface.
Needs to be repaired or plugged by.
9-1-09
asmt.

Start Date:

01/08/09

End Date:

01/21/09

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

SIGNATURE

Britt Pence

TITLE

Vice President

DATE

5/29/09

Type or print name

Britt Pence

E-mail address:

b.pence@vnrllc.com

PHONE:

(832) 327-2252

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):



Skelly Q State #4 (API 30025037840000) – Workover Report

1/08/2009: MIRU Lucky rig #438. OW & BWD. POH w/ 52 jts 2-7/8" tbg spooling cable. Tbg stuck. Worked tbg w/o success up or dwn. (noticed some carbonate scaling probably from slip stream). RU Crane Acidizing & spot 450 gals 15% HCL across 5700' to 6120' & leave to soak overnite.

Dailly cost: \$7200.00

1/09/2009: DTL. OW. Work tbg 30 min w/o success moving up, but could move dwn. RBIH w/ 52 jts 2-7/8" tbg & strapping on Reda cable. RDBOPs & NUWH. Leave well unhooked to topside drive & locked out. RDMO.

Daily cost: \$3280.00
Cum cost: \$10,840.00

1/10/2008: RU Crane Acid. Pmp 1250 gals 15% HCL around backside & up tbg into steel pit. @ 1/2 bpm, 125 psig. Flush w/ 150 bbls fresh wtr. @ 1.5 bpm, 175 psig. RD Crane.

Daily cost: \$4250.00
Cum cost: \$14,730.00

1-11-12-2008: No activity.

1/13/2008: MIRU Lucky Rig # 438. OW & BWD. NDWH & RUBOPs. POH w/ 52 jts 2-7/8" tbg spooling cable. Tbg stuck. Worked tbg w/o success. RU Gray W/L. RIH to freepoint. Found SN @ 6208'. Found tbg stuck from SN to 4700' (cable?). Chem cut tbg 1/2 jt above SN (6190'). Attempt to POH w/ 2-7/8" tbg. Moves tbg up 20' @ 115K total pull. Con't to work tbg w/o success. Secure well. SDFN

Daily cost: \$15,500.00
Cum cost: \$30,230.00

1/14/2008: DTL OW. Worked tbg 30 min w/o success. RU Gray W/L. RIH & chem cut 2-7/8" tbg @ 4645'. RD W/L. POH w/ 148 jts 2-7/8" tbg spooling cable. found reda cable burned apart @ 3050' (did not loose cable). Round trip 4-1/2" impressioon block on 2-7/8" tbg found cable to be on top of fish, Rack & strap 240 jts 2-7/8" ws tbg (7500'). PU & RIH w/ 1-1/4" cable spear, bumper sub, 3-3/4" jars, 6- 3-1/2" DCs, accel., & 114 jts 2-7/8" ws tbg. Spear swinging @ 3775'. Secure well & SDFN.

Daily cost \$17,200.00
Cum cost: \$47,430.00

1/15/2008: DTL, OW & BWD. Con't in hole w/ 28 more jts 2-7/8" ws tbg. Tag fish @ 4658' per tally. Rotate tools & catch cable. Pull up & break loose @ 20K over. Repeat process w/ no overpull. POH w/ tbg & tools. Rec'd 15 to 20' of densely packed reda cable. Tripped same tools. Rec'd 4-5' strung out reda cable. LD cable spear. PU 4-11/16" overshot w/ 2-7/8" grapple on same BHA & 114 jts 2-7/8" ws tbg. Tool swinging @ 3775'. Secure well & SDFN.

Daily cost: \$13,090.00

Cum cost: \$60,520.00

1/16/2009: DTL. OW. Con't in hole w/ 28 more jts 2-7/8" ws tbg. Latch onto fish a @ 4655' . Try to move down w/o success. Begin to jar @ 100K , very tight @ 4577' & 4545'. Unable to move w/ top of tools @ 4142'. Secure well & SDFN.

Daily cost: \$10,450.00

Cum cost: \$70,970.00

1/17/2009: DTL. OW. RU Gray W/L. RIH w/ free point. Could go no further than 4458', obstruction in tbg (probably reda cable). Backed-off @ top of 1st collar. (4422' W/L meas.) RD W/L. POH w/ ws tbg & LD tools. Secure well, SDFN. (Tools in hole: 4-3/4" OS w/ 2-7/8" grapple, 2-3/8" bumper sub, 3-3/4" National oil jars, 3-1/2" DC)

Daily cost: \$9970.00

Cum cost: \$80,940.00

1/18-19/2009: No activity

1/20/2009: DTL. OW. RIH w/ 4-3/4" cutrite shoe, 3 jts 4-1/2" WP, 3-3/4" oil jars, 6- 3-1/2" DCs, 3-3/4" accel., & 131 jts 2-7/8" ws tbg. Tag tight spot @ 4386' & could not move down (sticky). RU 2.5 ser. rev unit & catch circ. w/ 22 bbls fresh wtr. Lost circ. to braiden head. All fluid being pmpd onto ground. POH laying down all ws tbg & tools. Secure well & SDFN. Release all rentals.

Daily cost: \$12000.00

Cum cost: \$92,940.00

1/21/2009: DTL & OW. RIH w/ 2-7/8" production tbg, 140 jts & 70 jts, come out laying down. RDBOPs & NUWH w/ 1 jt 2-7/8" tbg thru wellhead. RDMO.

Daily cost: \$4450.00

Cum cost: \$97,390.00

SKELLY Q STATE #4 - AFE TO ACTUAL

AFE #...	Cost center.....	AFE description.....	Account...	8/8 budget	8/8 actual	Co WI%	Net budget	Net actual	
930001	103116000	SKELLY Q STATE LEASE	FISH ESP IN SKELLY Q STATE #4	888.026	20,000	29,256	100%	20,000	29,256
				888.027		5,810	100%	-	5,810
				888.028	500		100%	500	-
				888.031	1,000	786	100%	1,000	786
				888.032	500	639	100%	500	639
				888.037	2,000	4,635	100%	2,000	4,635
				888.040	500	2,392	100%	500	2,392
				888.041	20,000	124,191	100%	20,000	124,191
				888.042	15,000	12,592	100%	15,000	12,592
				888.049	25,000	20,475	100%	25,000	20,475
				888.056	5,000	6,679	100%	5,000	6,679
				888.057	2,000		100%	2,000	-
				888.062	8,500	6,207	100%	8,500	6,207
					100,000	213,662		100,000	213,662