

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

CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

SEP 09 2009

HOBBSOCD

WELL API NO.	30-025-03784 ✓
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	SKELLY "Q" STATE ✓
8. Well Number #	4 ✓
9. OGRID Number	258350 ✓
10. Pool name or Wildcat	LOVINGTON QUEEN- GAS
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	3825' GL

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, TEXAS 77063

4. Well Location
Unit Letter 0 : 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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: Repair casing leak ☐

OTHER: Repair casing leak ☒

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.

01/20/09 To repair leak in the surface casing excavated cellar and found spacer spool on production casing (Above surface head) that had rotted nipple on production riser, replaced nipple and found surface head and riser to be OK.

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

TITLE

Permit Eng.

DATE 09/04/09

Type or print name

Joe T. Janica

E-mail address: joejanica@valornet.com

PHONE: 575-391-8503

For State Use Only

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

SEP 15 2009

Conditions of Approval (if any):

Joe Janica

From: Juan Uzcategui [Juzcategui@vnrlc.com]
Sent: Thursday, September 03, 2009 11:20 AM
To: joejanica@valornet.com
Cc: Painter, Newt
Subject: C-104 & C-105 Skelly "Q" State # 4

Joe,

I am forwarding to you an email in which it is reported that the leak that happened on the 01/20/09 in the Skelly Q State #4 was repaired. The leak was due to a bad piece in the wellhead. Please advise what we need to do to get approval from the OCD. Thanks.

Juan A. Uzcategui
Operations Engineer

Vanguard Natural Resources, LLC
7700 San Felipe, Suite 485
Houston TX 77063
Phone: (832) 327 2241
Fax: (832) 327-2260
Mobile: (281) 827-0828
E-mail: juzcategui@vnrlc.com