

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

RECEIVED  
CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
SEP 09 2009

HOBBSDO

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-025-03784
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator VANGUARD PERMIAN, LLC.		6. State Oil & Gas Lease No.
3. Address of Operator 7700 SAN FELIPE SUITE 485 HOUSTON, TEXAS 77063		7. Lease Name or Unit Agreement Name SKELLY "Q" STATE
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		8. Well Number # 4
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3825' GL		9. OGRID Number 258350
		10. Pool name or Wildcat LOVINGTON QUEEN- GAS

### 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: RECOMPLETE ☐

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.

07/28/09 Abandon Abo Zone and recomplete in Queen. Set CIBP AT 4370' and cap with 20' of cement with bailer.

SEE ATTACHED SHEETS FOR DETAIL

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 Joe T. Janica 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: [Signature] TITLE PETROLEUM ENGINEER DATE SEP 17 2009  
Conditions of Approval (if any):

2A Lovington Abo

# Skelly State #4

Elevation: DF 3838'  
GL 3825'  
Zero Point 3838'

44.5 &  
13-3/8" O.D. 36 # Csg. Set  
@ 265' w/ 265 Sks  
Top Cement Circulated

8-5/8 O.D. 32624 # Csg. Set  
@ 3343' w/ 600 Sks  
Top Cement - Surface

Approx. Top Queen

PERES 3884-3900 56 0.41 holes

SET CIBP AT 4370' with 20' of cement on top.

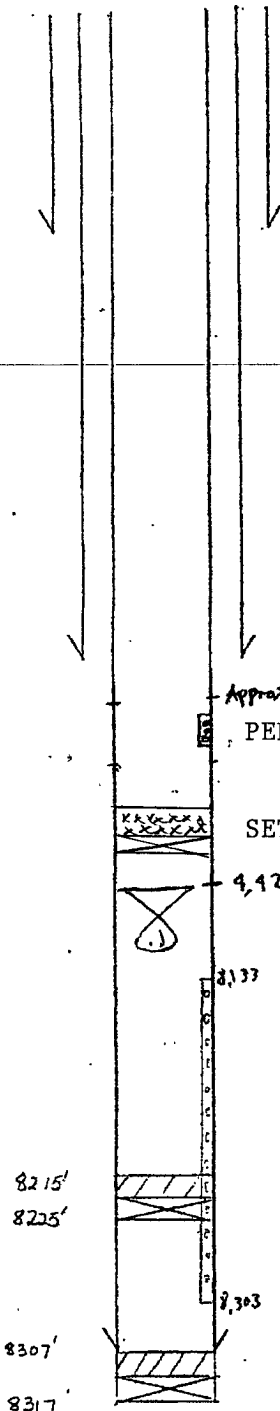
4,422 Top of Fur

## Depth Control Collars

8151  
8178  
8210+  
8238-  
8271  
8304

5 1/2 O.D. 17 # Csg. Set  
@ 8435' w/ 800 Sks  
Top Cement ~ Approx. 3,300'

8215' P.B.T.D.





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

**7/27/2009:** RU Enertech WL. CP 45 psig. OW & BWD. NDWH & RU wellhead pack-off. RIH w/ 4.65" GR tag fish @ 4420+ per WL. POH w/ tools. RBIH w/ 5-1/2" CIBP. Set plug @ 4370' per WL. POH w/ tools. RBIH w/ GR/CCL & pull log from 4370' to 3000' (e-mail log to engineer & drop hard copy off @ La Quinta Inn in Hobbs N.M. front desk to Juan Uzcategui for interpretation) POH w/ tools. RBIH w/ dump baler & spot 20' on CIBP @ 4370'. POH w/ baler. RD WL. NUWH. Leave well S/I. Set (2) 500 bbls frac tanks & fill each w/ 480 bbls Collier fresh water. SDFN.

Daily cost: \$5,650.00  
Cum cost: \$5,650.00

**7/28/2009:** MIRU Key Unit #312. CP 0 psig. NDWH & RUBOP (5000# manual dressed 3-1/2" & blind rams). RU Enertech WL RIH w/ 3-1/8" csg gun & perf 3884' thru 3900' premium shot .41" dia. 4 spf. 56 shots total (no noticeable pressure increase). POH w/ tools & RD WL. Rack & strap 4500' 3-1/2" workstring tbgs & prepare to run tbgs. PU & RIH w/ 5-1/2" arrowset ser. PKR. 122 jts 3-1/2" tbgs. PKR swinging @ 3800'+. Shut well in @ 16:00 hrs 0 psig. Installed gauge on offside valve to monitor pressure overnite. SDFN.

Daily cost: \$7950.00  
Cum cost: \$13,600.00

**7/29/2009:** OW CP 0, TP 0. PU & RIH w/ 3 jts 3-1/2" tbgs. bottom of PKR @ 3913'. RU BJ Ser to stimulate Queen 3884-3990'. Attempt to spot 1-1/2 bbls 15% HCL @ 3913' w/o success (blender operator error). LD 2 jts 3-1/2" tbgs & set PKR @ 3850'. Pressure up B/S to 500# OK. Acid Queen w/ 1000 gal 15% HCL NEFE using 75- RCN 7/8" SG 1.3 ball sealers to divert. Breakdown on water @ 3,097 psig/1 bpm. Start acid MTP 4471 psig (ball out), MTR 10.5 bpm. ATP 3235 psig, ATR 10 bpm. Flush w/ 32 bbls water. Start pre-pad & x-linker, Frac Queen w/ 55,574 lbs. 16/30 white sand in 6 stages ranging from .5 thru 5 lb sand concentrations. MTP 3600 psig, MTR 21.9 bpm. ATP 3235 psig, ATR 21.0 bpm. Flush w/ 31 bbls fresh water, bleed down B/S & shut well in. ISIP 2489 psig, 5 min 2289 psig, 10 min 2275 psig, 15 min 2261 psig, TLTBR 914 bbls. RD BJ Ser. 4 hr shut in TP 2200 psig. CP 0. Open well to frac tanks on 20/64th 1/2 choke. rec'd 118 bbls (1 hr) Left well open to frac tanks overnite on 10/64th rec'd 232 more bbls water @ 07:30 hrs 7/30/2009 TP 70 psig, CP 0 psig, Full open, well heading up & kicking water, acid gas & faint smell of methane, no oil yet. (350 bbls total) TLLTBR 564 bbls

Daily cost: \$26,450.00  
Cum cost: \$ 40,050.00

**7/30/2009:** Well flowing overnite to tanks on 10/64th 1/2" choke. TP 70 psig, CP 0, Have rec'd 350 bbls water total. TLLTBR 564 bbls. Knocked choke out of line & blew well down to tanks thru 2" line full open. Well heaved & kicked for 2 hrs & dyed. Rec'd 27 more bbls water, fair gas smell, no oil. TLLTBR 537 bbls. RU to swab. 24 runs total. SFL surface. EFL 1400'. 0 oil cut last run (water becoming darker), fair gas smell present. Rec'd 88 bbls more of water (115 total today) TLLTBR 449 bbls. SI & SDFN.

Daily cost: \$3450.00  
Cum cost: \$43,500.00

**7/31/2009:** TP 900 psig, CP 0 psig. Open well to tanks 2" full open (all water, some gas smell, 0 oil cut). rec'd 18 bbls wtr. TLLTBR 431 bbls. RU to swab 21 runs total. SFL 550' EFL 3000' 0 oil cut last run. good gas smell. rec'd 80 bbls wtr. TLLTBR 351 bbls. SI & SDFN

Daily cost: \$3500.00  
Cum cost: \$47,000.00

**8/01/2009:** TP 635 psig, CP 0 psig, Open well to tanks 2" full open (all water, good gas smell, 0 oil cut, rec'd 15 bbls. TLLTBR 336 bbls. RU to swab 20 runs total, SFL 700', EFL 3200', 0 oil cut last run. rec'd 75 bbls. TLLTBR 261 bbls. SI & SDFN

Daily cost: \$2,700.00  
Cum cost: \$49,700.00

**8/02/2009:** Sunday no activity.

**8/03/2009:** TP 580 psig, CP 0 psig. Open well to tanks 2" full open & blew well down. Unset PKR & POH laying down all 3-1/2" ws tbgs. LD PKR. Move in & strap production tbgs. PU & RIH w/ 1 jts 2-3/8" tbgs open ended, 2-3/8" SN, 1 jt 2-3/8" tbgs, 2-3/8" X 2-7/8" x-over. 100 jts 2-7/8" tbgs. EOT swinging @ 3210'. Well kicking & blowing fluid (water & gas). Returned flow to tanks & SDFN.

Daily cost: \$3,450.00  
Cum cost: \$53,150.00

**8/04/2009:** Well open to frac tanks overnite. Rec'd 7 bbls TLLTBR 244 bbls. Con't in hole w/ 30 more jts 2-7/8" tbgs. EOT @ 4148.00', SN 4117.00'. RDBOP & NUWH. Left well open to flowline. RDMO.

Daily cost: \$1960.00  
Cum cost: \$55,110.00

**8/05/2009:** Waiting on pumping unit.

**8/06/2009:** 07:30 hrs. Found well head leaking around tbgs pack-off, situation became much worse over 2 hrs. Hooked up 2 vacuum trucks to backside valves & pulled pressure down. RU Lucky P/U #312. NDWH & RUBOPs w/ TIW valve on 2-7/8" tbgs. Leave well flowing to bttry via backside overnite. SDFN

Daily cost: \$3790.00  
Cum cost: \$58,900.00

**8/07/2009:** BWD. RDBOPs. NUWH w/ new 2-7/8" X 5-1/2" female slip type Larkin tbgs head on our 600 series csg flange. RIH w/ 1" X 6" strainer nipple, 2" X 1-1/2" X 18' RHBC pmp. 3/4" X 1' LS (back-off), 162- 3/4" grade D weatherford rods, 5- 3/4" subs (2,2,4,6,8'), 1-1/4" X 22' PR w/ 12' PRL.Space pmp RDMO. Waiting on pumping unit.

Daily cost \$4350.00  
Cum cost \$63,250.00

**8/08/2009:** Attempt to set 320 Lufkin 320 D pmpng unit. Found bad wrist pin (in for repair of seal assembly)

**8/09/2009:** no activity.

**8/10/2009:** Set 320 lufkin pmpng unit. HWO & spaced out pmp. Left well pmpng to bttry on auto 40%.

Daily cost: \$3850.00  
Cum cost: \$67,100.00

**8/11/2009:** Found well w/ bridle thrown from head 19:30 hrs 8/10/2009. Partial test (6 hrs) 0 oil, 11 wtr, 56 mcf (csg open to bttry 24 hrs). RU Lucky P/U 314. POH w/ rods & pmp. found pmp stuck in open position. RBIH w/ .8 MM undersize plunger and identical pmp & same rod string. Loaded tbg & left well pmpng to bttry. RDMO @ 13:30 hrs. OK. Found well not pmpng @ 17:30 hrs. shut well down & open to bttry. Inspected material found in pmp. (appears to be a type of drilling mud, probably was circ. behind csg when well was drilled?)

Daily cost: \$2200.00  
Cum cost: \$69,300.00

**8/12/2009:** RU to swab. 19 runs total. SFL surface, EFL 3800' 0 oil cut last run, 75 bbls wtr. gas presence faded away. approx. 1-1/2 solids in bottom of swab tank. S/I & SDFN.

Daily cost: \$4050.00  
Cum cost: \$73,350.00

**8/13/2009:** TP 0, CP 0, 1st swab run fluid @ 3800' (appear to have perfs plugged). Prepare to acidize. POH w/ 2-7/8" tbg & BHA. RBIH w/ 2-7/8" X 5-1/2" Arrowset Ser. PKR., 2-7/8" SN. & 119 jts 2-7/8" tbg. set PKR @ 3810'. Load B/S @ test 500# OK. RU Crain Acidizing. & pmp 2000 gals 20% HCL NEFE w/ clay stabilizer usinig 80 ball sealers to divert (no ball action) ATP 110 psig, ATR 6.0 bpm, MTP 300 psig, MTR 6.4 bpm. flush w/ 33 bbls 2% KCL ISIP vac. TLTBR 78 bbls. TLLTBR 296 bbls. RD Crain. SI & SDFN.

Daily cost: \$7700.00  
Cum cost: \$81,050.00

**8/14/2009:** TP 450 psig, CP 0, OW & BWD to frac tank. RU to swab. 9 runs total SFL 2200' EFL 2500'. 0 oil cut last run, methane gas present. 54 bbls wtr. TLLTBR 242 bbls. RD swab. Release PKR. POH w/ tbg & tools. RIH w/ 1 jt 2-3/8 OEMJ, 2-3/8" SN, 1 jt 2-3/8" tbg, 2-3/8" X 2-7/8" change over, 129 jts 2-7/8" tbg. RDBOPs & NUWH, EOT 4148', SN 4085'. RIH w/ 1" X 6" strainer nipple, 2" X 1-1/2" X 16' RHBC pmp, 3/4" X 1' LS (back off). 161- 3/4" 'D' rods, 4- 3/4" subs (2,2,4,8'), 1-1/4" X 22' PR w/ 12' PRL. HWO & space pmp. Load tbg w/ 12 bbls wtr. & leave well pmpng to bttry. RDMO

Daily cost: \$9800.00  
Cum cost: \$90,850.00

**8/15/2009:** Well pmpng OK. Found oil dump @ heater leaking by. some gas & wtr to oil tank (made repairs) Well test 0 oil, 40 wtr, 25 mcf?. TLLTBR 202 bbls

**8/16/2009:** Well test: 0 oil, 52 wtr, 49 mcf. TLLTBR 150 bbls

**8/17/2009:** Well test: 0 oil, 47 wtr, 73 mcf. FL 3860' (foam above perfs). TLLTBR 103 bbls. (no oil present @ wellhead sample).

**8/18/2009:** Well test: 0 oil, 35 wtr, 70 mcf FL same. TLLTBR 68 bbls

**8/19/2009:** Well test: 0 oil, 14 wtr, 69 mcf. TLLTBR 54 bbls. Well is pmped off @ Auto 30%.