

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
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
 30-015-34091

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 V-5789-1

7. Lease Name or Unit Agreement Name
 SUNDANCE 16 STATE

8. Well Number 1

9. OGRID Number 024010

10. Pool name or Wildcat
 POKER LAKE-DELAWARE,
 NORTH 50389

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
 V-F PETROLEUM INC.

3. Address of Operator
 P.O. BOX 1889, MIDLAND, TEXAS 79702

4. Well Location
 Unit Letter A : 660 feet from the NORTH line and 660 feet from the EAST line
 Section 16 Township 24-S Range 31-E NMPM EDDY County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3,488' GL

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.
- 04/27/05 Filing regulatory. Stake location and access road.
 - 04/29/05 Prepare to spud.
 - 04/30/05 MI Sweatt Const. Blade off road & loc. MIRU Auger Air. Spud well @ 11:30 p.m. MST 04/30/05. Cont drlg conductor hole past midnight. Drld to depth of 12'. RD Auger Air. WORT.
 - 05/18/05 MIRU Auger Air. Resumed drlg 6:30 p.m. MST. Deepened hole from depth of 12' to 14'. RD Auger Air. WORT.
 - 06/04/05 MIRU Auger Air. Resumed drlg 9:00 p.m. MST. Deepened hole from depth of 14' to 16'. RD Auger Air. WORT.
 - 06/22/05 MIRU Auger Air. Resumed drlg 1:30 p.m. MST. Deepened hole from depth of 16' to 18'. RD Auger Air. WORT.
 - 07/11/05 MIRU Auger Air. Resumed drlg 6:30 p.m. MST. Deepened hole from depth of 18' to 20'. RD Auger Air. WORT.
 - 07/29/05 MIRU Auger Air. Resumed drlg 6:00 p.m. MST. Deepened hole from depth of 20' to 22'. RD Auger Air. WORT.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE S.K. Lawlis TITLE VICE PRESIDENT DATE 08/01/05
 Type or print name S.K. LAWLIS E-mail address: sandy@vfpetroleum.com Telephone No. (432) 683-3344

(This space for State use)

APPROVED BY _____ FOR RECORDS ONLY TITLE _____ DATE AUG 04 2005
 Conditions of approval, if any: