

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

WELL API NO. 30-025-27005	✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	✓
6. State Oil & Gas Lease No. E10775	
7. Lease Name or Unit Agreement Name Arco State	✓
8. Well Number 1	✓
9. OGRID Number 24010	✓
10. Pool name or Wildcat Dean: Permo Penn	✓

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 **HOBBS OCD** ✓

2. Name of Operator
V-F PETROLEUM INC.

3. Address of Operator
P.O. Box 1889, Midland, Texas 79702

FEB 26 2018

RECEIVED

4. Well Location

Unit Letter **L**: **1980** feet from the **South** line and **660** feet from the **West** line

Section **35** Township **15-S** Range **36-E** NMPM **Lea** County ✓

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,879' KB

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 checked="" type="checkbox"/>
TEMPORARILY ABANDON	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>	MULTIPLE COMPL	<input type="checkbox"/>
DOWNHOLE COMMINGLE	<input type="checkbox"/>	CLOSED-LOOP SYSTEM	<input type="checkbox"/>
OTHER:	<input type="checkbox"/>		<input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK	INT TO PA <u>PM</u>
COMMENCE DRILLING OPERATIONS	P&A NR
CASING/CEMENT JOB	P&A R
OTHER:	1

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.

Plugging Procedure per Maxey Brown, NM OCD District II

Set cement retainer @ 7,170'

Squeeze through retainer with 200 sx cement or until 5,000# squeeze pressure is reached

Set 25 sk cement plug @ 4,926' - WOC and tag

Set 25 sk cement plug @ 3,154'

Set 25 sk cement plug @ 2,100'

Perf 5 1/2" casing @ 397'

Circulate cement to 3' inside and outside 5 1/2" casing

All plugs are subject to TOC being above 2,000'. If not, 5 1/2" casing will be perforated @ the selected depths.

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

SIGNATURE *Eric Sprinkle* TITLE Petroleum Engineer DATE 2/22/2018

Type or print name Eric Sprinkle E-mail address: eric@vfpetroleum.com PHONE: 432-683-3344

For State Use Only

APPROVED BY: *Mark Whitman* TITLE Petroleum Engr. Specialist DATE 02/26/2018

Conditions of Approval (if any):

CURRENT

ARCO STATE NO. 1
30-025-27005
L-36-15S-36E

12 3/4" @ 347' w/ 400 sx. Circ

T. Salt 2118'
B. Salt 3130'
Yates 3154'
SA 4760'

8 5/8" @ 4876'

Cmt'd in 2 stages: DV Tool at 2022'

1st stage 1600 sx

2nd stage 2500 sx CircA

Encountered water flow in salt section at 2673'. Came out the ground
in 2 places 185' NE of wellbore when BOP was shut

Sundown Energy
Kochia AAM State #1 30-025-28905
O-35-15S-36E
SWD Perfs 13,800' - 14,500'

Perfs 11,481-11,544'
OH 13,650' - 692'
5 1/2" @ 13,650' w/1300 sx.

TD 10,692'