

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



July 31, 2013

V-F Petroleum INC  
P O Box 1889  
Midland, TX 79702

RE: V-F Petroleum INC. OGRID #24010  
Angel 13 State #2, API # 30-025-35175, Lea County, New Mexico  
Cabot B State #1, API # 30-025-22497, Lea County, New Mexico  
Getty 1 State #1, API # 30-025-26372, Lea County, New Mexico

Gentlemen:

Per Oil Conservation Division, Hobbs office has reviewed paperwork sent in for these wells listed above. This paperwork cannot be approved, because V-F is out of compliance with your Inactive well list. Per OCD Rule 19.15.25.8 an operator that has 4 to 100 wells may have 2 wells on their Inactive well list. V-F Petroleum has 75 wells and 3 are on the Inactive well list.

OCD is asking V-F Petroleum to Shut-In the Angel 13 State #2 because you have been producing since June 2012 without an approved C-104. C-104 that was sent in at that time was DENIED for the same reason, the Inactive well list that is still out of compliance.

The Cabot B State #1 completion paperwork and form C-104, state that you have put this well on production in May 2013 after recompleting. OCD again is asking V-F Petroleum to Shut-in this well, because V-F is out of compliance with the Inactive well list.

The OCD Hobbs office has also received forms C-101 and C-102 for the Getty 1 State #1. Your intent states that you want to Re-entry this well and put it on as a disposal. At this time OCD cannot approve this C-101. You are not to start this Re-entry because of being out of compliance with the Inactive well list and you do not have an approved disposal order for this well.

**JUL 31 2013**

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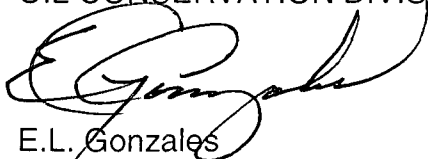
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OCD needs to have a response from V-F by August 15, to resolve this matter.

If you have further questions on this matter, please call Donna Mull (575) 393-6161 ex 115.

Respectfully yours,

OIL CONSERVATION DIVISION

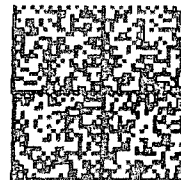
A handwritten signature in black ink, appearing to read 'E. Gonzales', written over the printed name.

E.L. Gonzales  
OCD District 1 Supervisor

Ec: Scott Dawson, Deputy Director  
Daniel Sanchez, OCD Compliance and Enforcement Manager  
Phillip Goetze, Engineering Bureau-Santa Fe  
Gabriel Wade, Assistant General Counsel-Santa Fe  
Donna Mull, Line Manager - Hobbs

EMNRD  
OIL CONSERVATION DIVISION  
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