

Oil Cons.
N.M. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

REVISED

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPlicate - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 V-F PETROLEUM INC.

3a. Address
 P.O. BOX 1889, MIDLAND, TEXAS 79702

3b. Phone No. (include area code)
 (915) 683-3344

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1,580' FNL & 760' FWL SECTION 33, T-17-S, R-31-E

5. Lease Serial No.
 LC 029420-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
 DENALI "33" FEDERAL NO. 2

9. API Well No.
 30-015-32164

10. Field and Pool, or Exploratory Area
 CEDAR LAKE EAST (MORROW)

11. County or Parish, State

EDDY COUNTY, NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

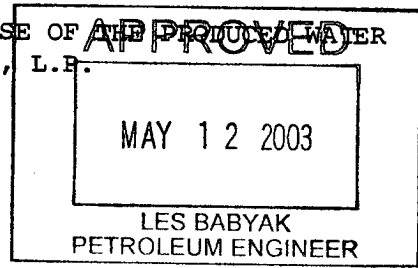
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EFFECTIVE IMMEDIATELY, V-F PETROLEUM INC. PROPOSES TO DISPOSE OF ~~THE PRODUCED WATER~~ FROM THE TANK BATTERY BY TRUCK HAULING VIA PLAINS MARKETING, L.P.

DISPOSAL WELLS USED BY PLAINS MARKETING, L.P. *

TYPE	NAME	LOCATION
PRIMARY	LOCO HILLS SWD	1 MILE NORTH OF LOCO HILLS, NM
SECONDARY	ROHMER SWD	3 MILES SE OF CARLSBAD, NM



*SOURCE-PLAINS MARKETING DISPATCHER 1-800-238-8629

APPLICATION RETURNED FOR ADDITIONAL INFORMATION - SEE ATTACHED

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
 S.K. LAWLIS

Title
 VICE PRESIDENT

Signature *S.K. Lawlis*

Date
 01/27/03



THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EXAMPLE

SUPERIOR FEDERAL NO. 8

Sec. 1-T20S-R29E

**Application of Dispose water
in accordance with Order No. 7**

1. Name of formation producing water on the lease.

Strawn

2. Amount of water produced from each formation in barrels per day.

1 barrel per day.

3. A water analysis of produced water from each zone showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates.

See attached

4. How water is stored on the lease.

Water is stored in 210 barrel fiberglass tank

5. How water is moved to disposal facility.

Trucked by Scurlock-Permian

6. Operator' Name of disposal facility

Lease name or well name and number

Location by 1/4 1/4, section, township, and range of the disposal system.

The appropriate NMOCD permit number.

Scurlock-Permian Corporation

Rohmer No. 1 (SWD No. 1)

SE/4 NW/4 Sec. 23-T22S-R27E

New Mexico State Disposal Order No. NM-505

**SUBJECT TO
LIKE APPROVAL
BY NMOCD**

**BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
505-627-0272**

**Disposal of Produced Water From Federal Wells
Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted sandstone brown, Federal Std. 595-20318, or 30318, within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a wire screen to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- S. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.

Denali "33" Federal No. 2
Sec. 33 T-17S, R-31E
Application to Dispose Water
In accordance with Order No. 7

1. Name of formation producing water on this lease
Morrow
2. Amount of water produced from each formation in barrels per day.
40 Barrels per day
3. Water Analysis
See Attached
4. How is water stored on the lease?
300 Barrel fiberglass tank
5. How is water moved to disposal facility
Trucked by Plains Marketing LP
6. Operator Name of disposal facility
Loco Hills Water Disposal Company
Brine Water SWD No. 1
SW/4 SW/4 Sec. 16 T-17-S, R-30-E
New Mexico State Disposal Order No. NM-505

Attn: Wayne Luna
 Fax # 915-683-3352

B J Services Water Analysis

Artesia District Laboratory
 (505)-746-3140

Date: 10-Dec-02	Test #:
Company: VF Petroleum	Well #: # 2
Lease: Denali 33 Fed.	County: Eddy
State: NM	Formation: Morrow
Depth: 11,700	Source:

pH	6.88	Temp (F):	66.7
Specific Gravity	1.030		

CATIONS	mg/l	me/l	ppm
Sodium (calc.)	32512	1414.2	31565
Calcium	1123	56.0	1090
Magnesium	170	14.0	165
Barium	< 25	---	---
Potassium	< 10	---	---
Iron	243	8.7	236

ANIONS	mg/l	me/l	ppm
Chloride	26000	733.4	25243
Sulfate	728	15.2	707
Carbonate	< 1	---	---
Bicarbonate	45750	749.9	44417
Total Dissolved Solids(calc.)	108526		103423
Total Hardness as CaCO3	3504	70.0	3402

COMMENTS: Resistivity (ohm-meters--calc.) 0.135323

SCALE ANALYSIS:

CaCO3 Factor	51368100 Calcium Carbonate Scale Probability →	Probable
CaSO4 Factor	842100 Calcium Sulfate Scale Probability →	Remote

Stiff Plot

