Submit 5 Copies 10 Appropriate District State of New Mexico Form C-103 Office Energy, Minerals and Natural Resources May 27, 2004 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 District II 30-015-34091 OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 District III 5. Indicate Type of Lease 1220 South St. Francis Dr. 1000 Rio Brazos Rd., Aztec, NM 87410 STATE X Santa Fe, NM 87505 FEE District IV 1220 S. St. Francis Dr., Santa Fe, NM 6. State Oil & Gas Lease No. 87505 V-5789-1 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well Gas Well Other **SUNDANCE 16 STATE** 8. Well Number 1 2. Name of Operator 9. OGRID Number 024010 RECEIVED V-F PETROLEUM INC. JUN 0 8 2005 3. Address of Operator 10. Pool name or Wildcat AUD:AATERM P.O. BOX 1889, MIDLAND, TEXAS 79702 POKER LAKE-DELAWARE. NORTH 50389 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 Depth to Groundwater Pit type _Distance from nearest fresh water well__ Distance from nearest surface water Pit Liner Thickness: Below-Grade Tank: Volume bbls; Construction Material 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK □ PLUG AND ABANDON REMEDIAL WORK ALTERING CASING □ П **TEMPORARILY ABANDON CHANGE PLANS** COMMENCE DRILLING OPNS.☑ P AND A PULL OR ALTER CASING MULTIPLE COMPL CASING/CEMENT JOB OTHER: OTHER: 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. MI Sweatt Const. Blade off road & loc. MIRU Auger Air. Spud well @ 11:30 p.m. MST 04/30/05. Cont drlg conductor 04/30/05 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. 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 QCD-approved plan . **SIGNATURE** TITLE VICE PRESIDENT DATE 06/06/05 S.K. LAWLIS Type or print name E-mail address: sandy@vfpetroleum.com Telephone No. (432) 683-3344 (This space for State use) DATE UN 1 3 2005 APPPROVED BY FOR RECORDS GINEE

Conditions of approval, if any: