

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

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBS OCD

JAN 17 2012

RECEIVED

WELL API NO. 30-025-26593
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB1040
7. Lease Name or Unit Agreement Name UNO MAS
8. Well Number 1
9. OGRID Number 024010
10. Pool name or Wildcat 85215 Shoobar Mississippian South (Gas) <i>(85215)</i>

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 C : 660 feet from the NORTH line and 1,980 feet from the WEST line
Section 12 Township 17-S Range 35-E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,936' GR

Pit or Below-grade Tank Application or Closure

Pit type NONE 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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: RETURN WELL TO PRODUCTION <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.

(SEE BACK)

Re-Entry

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 01/10/12
Type or print name S.K. LAWLIS E-mail address: skl@vfpetroleum.com Telephone No. (432) 683-3344

(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE JAN 24 2012

Conditions of approval, if any:

JAN 24 2012

Report date

10/29/11 MI backhoe roustabout crew & welder. Dig out cellar w/backhoe. Cut off dry hole marker. Install 11" 3,000# WH. Level loc & repaired road.

11/01/11 RU Basic WSU. Install BOP. RU reverse unit plus cuttings tanks. Spud well at 5pm MDST October 31, 2011 and drl cmt inside 9 5/8" csg. Drl cmt stringers to 1,520' at 1:00 a.m. 11/01/11.

11/02/11 Drl cmt to 1,605'. Clean out to 4,300'.

11/03/11 Circ heavy mud & wash down. Tag cmt to plug @ 4,900'. Drill cmt @ 5,030'.

11/04/11 Drill cmt to 5,935'. Tag top of 4 1/2" csg.

11/05/11 Wash over & mill off 3' of 4 1/2" casing.

11/06/11 Latch onto 4 1/2" csg.

11/08/11 Run 4 1/2" lead seal csg bowl. 1 jt 4 1/2" 11.6# L-80 csg. 1 4 1/2" x 5 1/2" cross over & 5 1/2" csg. Latch onto 4 1/2" csg w/csg bowl.

11/09/11 MI & unload 6,000' of 5 1/2" 17# csg. RU csg crew. Run 4 1/2" lead seal csg bowl. 1 jt 4 1/2" 11.6# L-80 csg. 1 4 1/2" x 5 1/2" cross over & 5 1/2" csg.

11/17/11 WOCT.

11/18/11 MIRU WSU. Unload & rack 13,100' 2 7/8" EUE L-80 tbg. Install BOP.

11/19/11 TIH w/3 7/8" bit, 6 3/8" drl cllrs on 2 7/8" EUE L-80 tbg. Tag cmt plug @ 5,934'. Wash & drill cmt to 8,300'.

11/20/11 SDFW.

11/21/11 Drlg cmt:

11/22/11 Drl & wash cmt to 12,900'.

11/23/11 RU Perforators. Run GR/CBL/CCL.RD Perforators. Start in hole w/3 7/8" bit, 6 3/8" drl collars & tbg.

11/24/11- SDF Thxg.

11/27/11

11/28/11 TIH.

11/29/11 Drill bridge plug to 13,090'

11/30/11 Circ hole w/brine wtr. TOH. LD drl clrs & bit. TIH w/ pkr., and tools. Set pkr, test csg by tbg annulus No leak.

12/01/11 RU slickline unit. Set plug in profile nipple. Rel On & Off tool. Displace csg by tbg annulus w/pkr fluid. Relatch On & Off tool. Remove BOP. Flng well up. RD rel WSU. RU slickline unit. Equalize plug in profile nipple. Press incr to 400# in surf. Retrieve plug from profile nipple. Bleed off press. No flow. RD slickline unit. MI swbg unit. Lve well SI.

12/02/11 Swb well -rec oil and water

12/03/11 Flow'd condensate. Make 1 swb run. RD swbg unit. RU slickline. Run BHP bombs. Hang bombs in SN RD slick line unit.

12/04/11- SI for BHP build up.

12/07/11

12/08/11 MI WL truck. Retrieve BHP bombs. Lve well SI. RD rel WL

12/09/11- SI WO frac crew.

12/12/11

12/13/11 MI & set frac tanks.

12/14/11- Filling frac tanks.

12/15/11

12/16/11- Sand fracture Mississippian zones 13,024' - 13,034' and 13,040' - 13,044' with 33,000 gallons gelled x link KCl water containing 3,300# 100 mesh sand plus 73,020# 18/40 versa prop. Start flow back.

12/17/11- Flwg back frac fluid.

12/24/11

12/25/11- Selling gas into sales line

12/27/11

12/28/11 Swabbing. Turn gas to sales line .SDFN.

12/29/11 - Well flwg into gas sales line.

01/02/12

01/03/12- SWI. Install low press sep on gas sales line. Open well to gas sales line.

01/06/12

01/07/12- Well open to gas sales line. Fin tank btry. Clean loc & swb tank. Lve well open to gas sales line.

01/09/12

01/10/12 MIRU slick line unit. Run weight bar on slick line. Tag top of fill. RD SLU. Open well to sales line.