

Submit 3 Copies To Appropriate District Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-34091
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-5789-1
7. Lease Name or Unit Agreement Name SUNDANCE 16 STATE
8. Well Number 1
9. OGRID Number 024010
10. Pool name or Wildcat POKER LAKE-DELAWARE, NORTH 50389

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator V-F PETROLEUM INC.	RECEIVED
3. Address of Operator P.O. BOX 1889, MIDLAND, TEXAS 79702	DEC 28 2005 OCD-ARTESIA
4. Well Location Unit Letter <u>A</u> : <u>660</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>EAST</u> 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 <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ 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: <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)

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 12/27/05
Type or print name S.K. LAWLIS E-mail address: sandy@vfpetroleum.com Telephone No. (432) 683-3344

(This space for State use)

FOR RECORDS ONLY

APPROVED BY _____ TITLE _____ DATE DEC 30 2005

Conditions of approval, if any:

04/27/05 Filing regulatory. Stake location and access road.

04/29/05 Prepare to spud.

04/30/05 MI Sweatt Const. Blade off road & loc. MIRU Auger Air. Spud well @ 11:30 p.m. MST 04/30/05. Cont drlg conductor 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.

06/22/05 MIRU Auger Air. Resumed drlg 1:30 p.m. MST. Deepened hole from depth of 16' to 18'. RD Auger Air. WORT.

07/11/05 MIRU Auger Air. Resumed drlg 6:30 p.m. MST. Deepened hole from depth of 18' to 20'. RD Auger Air. WORT.

07/29/05 MIRU Auger Air. Resumed drlg 6:00 p.m. MST. Deepened hole from depth of 20' to 22'. RD Auger Air. WORT.

08/16/05 MIRU Auger Air. Resumed drlg 6:30 p.m. MST. Deepened hole from depth of 22' to 24'. RD Auger Air. WORT.

09/03/05 MIRU Ace Rat Hole Service, Inc. Resumed drlg 6:30 p.m. MST. Deepened hole from depth of 24' to 26'. RD Ace Rat Hole. WORT.

09/21/05 MIRU Ace Rat Hole Service, Inc. Resumed drlg 6:00 p.m. MST. Deepened hole from depth of 26' to 28'. RD Ace Rat Hole. WORT.

10/10/05 MIRU Ace Rat Hole Service, Inc. Ream and drill 26" hole to 40'. Run and cement 42' of 20" steel conductor pipe. Drill rat hole and mouse hole. RD Ace Rat Hole. WORT.

10/26/05 MIRU JW Drilling Rig #1. Resumed drlg 17 1/2" surface hole to 89' at 4:45 a.m. CSDST 10/27/05.

10/28/05 Drlg 17 1/2" surface hole @ depth of 652'.
Run and set 13 3/8" 48#, H-40, 8rd STC surface csg to 652'. Cemented w/360 sxs Class "C" cmt followed by 270 sxs Class "C" neet cmt. Circ 100 sxs of cmt to the pit. WOC 24 hrs. NU on 13 3/8" csg while WOC. Press test BOP & surface csg to 1,000#.

11/07/05 Drlg ahead 12 1/4" intermediate hole to 4,290'.

11/08/05 Run and set 95 jts 8 5/8" csg to 4,290'. Cmt w/1690 sxs 35/65.6 "C" tailed w/200 sxs Class "C" neet. Cmt circ to surface. Circ 125 sx cmt to surface. WOC 24 hrs. Test "B" csg to 3,000# successfully. Installed mud cross and BOP's. NU same. Tested csg, BOP blind rams and choke manifold system to 1,500# for 30 mins successfully.

11/13/05 Drlg ahead 7 7/8" production hole @ depth of 7,278'.

11/14/05 -

11/19/05 Drlg ahead 7 7/8" production hole to 8,355' TD.

11/21/05 Run and set 186 Jts. 5 1/2", 17#, J-55, 8rd LTC, API production casing to 8,355'.
Cmt w/420 sacks of Class "C" Lite (35-65-6) followed by 710 sacks of Class "C" Super Modified CSE cement. Had complete circulation during cementing and displacement. Est TOC 4,000'. Rel rig. WOCT.

12/06/05 -

12/09/05 Install BOP. TIH w/4 1/2 bit & scraper. Tag PBTD @ 8,310'. Press test csg to 3,000# for 15 min.

12/10/05 - TIH with 4 3/4" bit and scraper. Circulate hole with KCl water. Press test csg to 3,000# psi for 15 minutes. TOH. Run GR/CCL/CBL log from 8,303' to top of cmt @ 5,700'. Perf 8,172' - 8,194' w/2.41 jet SPF using 4" hollow steel carrier phased @ 120°. Stimulate well with 1,800 gallons 7 1/2% HCl acid and swab back. Frac well dwn 5 1/2" csg w/36,000 gal lightning 3,000 gel wtr pad plus 20,000 gals 30# linear gel containing 44,820# of 16/30 white sand plus 24,160# Super LC resin coated 16/20 white sand. Bleed back 400 bbls of frac water.

12/18/05 -

12/26/05 Place well on artificial lift.