

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 81 N. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised August 1, 2011

HOBBS-OCD
JUL 09 2013
RECEIVED

WELL API NO. 30-025-33681	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Cole State	
8. Well Number 7	
9. OGRID Number 258350	
10. Pool name or Wildcat Penrose; Skelly Grayburg	
4. Well Location Unit Letter <u>H</u> : 2300 feet from the <u>North</u> line and <u>920</u> feet from the <u>East</u> line Section <u>16</u> Township <u>22S</u> Range <u>37E</u> NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3407	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" 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 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"/>	
DOWNHOLE COMMINGLE <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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- MIRU PU, ND WH. Kill with lease water if necessary. POOH & LD rods & tbg.
- RIH with bit & scraper & CO to TD (PBD=4050', lowest perf=3878"). POOH.
- RIH with Arrow Set packer and set at 3760'.
- RU pump truck and test lines to 2500 psi.
- Pump 2000 gals of 15% HCl acid into San Andres formation.
- Swab well to test San Andres production.
- Release packer and reverse circulate lease water to kill well and clean hole. POOH with tbg & packer.
- RU wireline and RIH with CBP & set @ 3750' & dump sand. Test casing and packer to 3000#s.
- RIH with wireline & perf 3632-34' (2'), 3654-58' (4'), 3672-78' (6'), 3686-88' (2'), 3702-06' (4'), 3720-22' (2'), 3750-54' (4'), 3760-64' (4'), with 3 SPF (84 holes), 43" holes, 120 deg. RDMO wireline.
- Call out 4 - 500 bbl frac tanks & fill with 2% KCl water. Install frac valve in preparation for frac job.
- RU frac Co. and test lines & pump as per frac schedule.
- Monitor ISIP, 10 min., 15 min. Flowback until well dies. Haul off water & release tanks.
- RIH with tbg & drill out composite BP, circulate hole clean, POOH.
- RIH with tbg, SN, TAC and upsized pump & set @ 3580'. RTP & test rates.

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bryan Kindred TITLE Workover Foreman DATE July 7, 2013

Type or print name Bryan Kindred E-mail address: bkindred@vnrllc.com PHONE: 575-602-1788

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE JUL 10 2013

Conditions of Approval (if any):

JUL 10 2013