

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

HOBBS OCD

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

|   |
|---|
| WELL API NO.<br>30-025-22497  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.<br>VB-1378   |
| 7. Lease Name or Unit Agreement Name<br>CABOT B STATE   |
| 8. Well Number 1  |
| 9. OGRID Number 024010  |
| 10. Pool name or Wildcat<br>NORTH BAGLEY PERMO PENN   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>4,243' GR                                     |

**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 D : 660' feet from the NORTH line and 510 feet from the WEST line  
Section 35 14 Township 11-S Range 33-E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
4,243' 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 \_\_\_\_\_ No pit will be used \_\_\_\_\_

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 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: RE-ENTRY <input checked="" 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 Sandy Lawlis TITLE VICE PRESIDENT DATE 07/24/13  
Type or print name SANDY LAWLIS E-mail address: skl@vfpetroleum.com Telephone No. (432) 683-3344

(This space for State use)

Petroleum Engineer

AUG 20 2013

APPROVED BY [Signature] TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of approval, if any:

03/28/13 3MI backhoe & welder. Dig out cellar. Nipple up on 12 3/4" - 8 5/8" & 4 1/2" csg. Set guyline anchors. RU Basic WSU & reverse unit. SDFN & Holiday.

03/29/13 - SDF Holiday.  
03/30/13

03/31/13 SDF Holiday. Pick up 3 7/8" & 3 1/8". Pick up drill collar at 10:00 p.m. 03/31/13. Start drlg cmt plug @ 11:00 p.m. 3/31/13. Drlg ahead in cmt at 12:00 midnight 3/31/13. Drill cmt to 45', fell thru plug. Circ hole clean. PU drill collars. Tag cmt plug @ 275'. Drill cmt to 300'. Cont drlg.

04/01/13 Drill cmt plugs. Tag cmt plug @ 1,575'. Power swivel failed. RD power swivel. SWI. SDFN.

04/02/13 RU power swivel. Drl cmt plugs. Circ hole clean. TOH. SWI. SDFN.

04/03/13 Latch onto 4 1/2" csg. Back off csg 485'. TOH w/485' of 4 1/2" csg. LD jt w/perf hole. TIH w/4 1/2" csg. Screw into csg @ 485'. Set slips on 4 1/2" csg. Back off 4 1/2" WH. SWI. SDFN.

04/04/13 Install WH on 4 1/2" csg. Install BOP. TIH w/3 7/8" bit & 10 3 1/8" drill collars. Tag cmt plug 6,610'. RU power swivel. Drl cmt to 6,700'. Circ hole clean. SWI. SDFN.

04/05/13 Drl cmt to 5,980'. Circ hole clean. Test csg to 500#. No leak. TIH. Tag plug @ 8,830'. Displace wellbore w/treated fresh wtr. Drl to 8,856'. Lost circ. Pull bit to 8,700'. SWI. SDFN.

04/06/13- SDFW.  
04/07/13

04/08/13 Fin drlg CIBP. Circ hole clean. TIH. Tag CIBP @ 9,450'. Drl CIBP loosing 20 bbls per hour fluid while drlg. Circ ball sealers. Tag 3<sup>rd</sup> BP @ 9,460'. (Note: only two BP shown on regulatory reports.) Drl on BP for 2 hrs. Circ hole clean. SWI. SDFN.

04/09/13 Drill on BP.. TOH. Bit completely worn out. TIH w/new 3 7/8" bit. Drill on bridge plug. Circ hole clean. SWI.

04/10/13 Drill on plug for 1 hr. Well went on hard vacuum. Attempt to drill on plug for 1 hr w/no movement. TOH. TIH w/3 3/4" lead impression block. TOH. Had impression of what appeared to be profile nipple. TIH w/retrieving tool for Baker style profile nipple. Work on latch onto profile nipple. Unable to do so. SWI. SDFN.

04/11/13 TIH w/tapered tap, bumper sub, 4 drl clrs. Screw tapered tap onto fish. Work to rel pkr. Rel pkr & pull up. Pipe came free. TOH. Did not have pkr. SWI. SDFN.

04/12/13 TIH w/2 3/8" cplg. Bumper sub and drill collars. Tag pkr @ 9,455'. Could not push pkr TOH. Had 2 5/8" impression on tbg cplg. SWI. SDFN & Weekend.

04/13/13 - SDFW.  
04/14/13

04/15/13 Bleed off press. TIH w/overshot jars, bumper subs, drill collars & accelerator. Had cut right on ID of overshot. Work overshot over fish. Work fish dwn hole to 9,845'. TOH. Did not have fish. SWI. SDFN.

04/16/13 GIH w/overshot & fishing string. Latch onto fish @ 9,840'. TOH. Rec pkr. LD pkr & fishing tools. Start TIH w/3 7/8" bit & drill collars. Ran 8,000' of tbg. SWI. SDFN.

04/17/13 Fin TIH. Tag plug back TD @ 10,132'. Swb well 4 hrs. Rec 24 bbls wtr. IFL 8,900'. FFL 8,700'. Swbg depth 9,800'. Pull 2 stands tbg. SD due to high winds.

04/18/13 TOH. Ld drl clrs & bit. RUPerforators. Perf Strawn Zone RD. TIH w/Arrow Set 1-X pkr, on-off tool, SN, tbg. ostion pkr.. SWI. SDFN.

04/19/13 RU acid truck. Spot acid.. Move & set pkr. Displace acid w/fresh wtr & biocide. Swb well. Rel On & Off tool. Pull ljtbg SWI. SDFN.

04/20/13 - SDFW.  
04/21/13

04/22/13 Bleed off press. Lower tbg & relatch On & Off tool. Swb wel. Rec 61 bbls fluid. SWI. SDFN.

04/23/13 Swb well Rel pkr. TOH. TIH w/RBP. Set RBP. SWI. SDFN.

04/24/13 Swab well. TOH. TIH w/pkr. Isolate csg leak. Get inject rate 2 1/2 bpm @ 1,500#. Spot 2 sxs sand on top of RBP. TOH. SWI. SDFN.

04/25/13 TIH w/cmt retainer. RU cmt truck. Set retainer.'. Sq well w/100 sxs Class "C" cmt. Flush w/32 bbls fresh wtr. Rel from cmt retainer. TOH. SWI. SDF WOC.

04/26/13 - SD WOC.  
04/29/13

04/30/13 TIH w/wash over shoe w/diamond catchers inside and wash over cmt retainer. Push retainer down hole to 3,850'. Shoe plugged. Swb tbg dry. TOH. Recover cmt retainer. Left nose cone off of retainer in hole. SWI. SDFN.

05/01/13 TIH w/magnet. Recover metal shavings & rust on face of magnet. TIH w/wash over shoe w/diamond catcher inside. Push and wash cmt stringers to 3,950'. Tag top of sand. Wash sand to 3,960'. Circ hole clean. TOH. Rec remainder of cmt retainer in wash over shoe. SWI. SDFN.

05/02/13 Ld drill collars out of derrick. TIH w/washover shoe. Press test 4 1/2" csg to 500#. No leak. Wash sand off top of RBP at 4,999'. Displace hole w/clean fresh wtr plus biocide. TOH. TIH w/pkr & retrieving tool for RBP. Set pkr @ 3,820'. Swb tbg dry. SWI. SDFN.

05/03/13 SITP 0. SICP 0. Make 1 swb run. Had no fl entry overnight. Rel pkr. SD due to high winds.

05/04/13 Lower tbg to RBP @ 4,999'. Latch onto & rel RBP. TOH. LD tbg on TOH. Make up pmpg BHA. Start TIH. Hit Obstruction. TOH. SWI. SDFN & Weekend.

05/05/13 - SDFW.  
05/06/13

05/07/13 TIH w/csg w/csg swedge, bumper sub, jars, and drill collars. Swedge on tight spot.. SWI. SDFN.

05/08/13 Swedge on csg. Could not make hole. TOH. TIH w/ larger csg swedge. Ran swedge thru tight spot w/no restrictions. TOH. Start TIH w/pmpg BHA. Run tbg. SWI. SDFN.

05/09/13 Cont TIH w/tbg. Space out tbg string. Remove BOP. Set TAC.. Fling well up. Start TIH w/pmp & rds. Run all rds. SWI. SDFN.

05/10/13 Fin TIH w/fiberglass rods. Space out rd string. Seat pmp. Ck pmp action w/WSU. Clamp off rds. RD rel WSU.

05/11/13 - WO PU.  
05/16/13

05/17/13 MI 2 3/8" tbg for flowline & roustabout crew. Make tie in @ tank btry. Install pmpg manifold @ WH. Start laying flowline.

05/18/13 Fin flowline. MI & set PU & gas engine. Hang rds on PU. Lve well pmpg.

05/19/13- Producing at the daily rate of 6 BOPD, 40 BWPD and 18 MCFD.  
06/25/13

06/26/13 - Producing at the daily rate of 10 BOPD, 38 BWPD and 36 MCFD.  
07/24/13