Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMLC054687

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well	8. Well Name and No.
☒ Oil Well ☐ Gas Well ☐ Other	HUDSON FEDERAL 1 ✓

2. Name of Operator	Contact: ERIC SPRINKLE	9. API Well No.
V-F PETROLEUM INC. ✓	E-Mail: eric@vfpetroleum.com	30-025-25107 ✓

3a. Address P. O. BOX 1889 MIDLAND, TX 79702	3b. Phone No. (include area code) Ph: 432-683-3344	HOBBS OCD JAN 2 5 2016 RECEIVED	10. Field and Pool, or Exploratory MALJAMAR; ABO

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)* Sec 15 T17S R32E ✓ 1980 FSL 1980 FWL ✓	11. County or Parish, and State LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☒ Recomplete	☐ Other
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Phase 1: Perf, acidize and production test Yeso formation interval 6,670'-6,870'. If needed, fracture stimulate perorated interval and production test. Production testing should not last more than 6 months.

Phase 2: Set bridge plug at 6,650' w/ 35' cmt. Perf, acidize and production test Yeso formation interval 6,400'-6,600'. If needed, fracture stimulate perorated interval and production test. Production testing should not last more than 6 months.

Phase 3: Set bridge plug at 6,380' w/ 35' cmt. Perf, acidize and production test Yeso formation interval 6,130'-6,330'. If needed, fracture stimulate perorated interval and production test. Production testing should not last more than 6 months.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #328639 verified by the BLM Well Information System
For V-F PETROLEUM INC., sent to the Hobbs
Committed to AFMSS for processing by KENNETH RENNICK on 01/15/2016 ()

Name *(Printed/Typed)* ERIC SPRINKLE	Title PETROLEUM ENGINEER
Signature (Electronic Submission)	Date 01/15/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _ _ _ _ _ _ _ _ _ _ _ _	Title	**APPROVED**	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	**PETROLEUM ENGINEER** JAN 1 9 2016 Kenneth Rennick	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

MHB/OCD 2/3/2016   FEB 0 3 2016

Additional data for EC transaction #328639 that would not fit on the form

32. Additional remarks, continued

Phase 4: Set bridge plug at 5,800' w/ 35' cmt. Perf, acidize and production test Yeso formation interval 5,550'-5,620'. If needed, fracture stimulate perorated interval and production test. Production testing should not last more than 6 months.

Phase 5: Drill out all bridge plugs to 6,916' and production test all Yeso Intervals together. Production testing should not last more than 6 months.

Phase 6: Drill out cement retainer @ 6,916?, cement and CIBP @ 8,770?; clean out to depth of 10,365?. Isolate Wolfcamp perforations 9,747? ? 10,123? w/packer and swab test to obtain production information. If non-productive, permanently plug back well back to depth of 8,980? as per BLM stipulations.

Phase 7: Comingle all Yeso, Abo and Wolfcamp zones and return well to production.

Hudson Federal #1
30-025-25107
V-F Petroleum Inc.
Conditions of Approval

Notify BLM at 575-393-3612 (Lea County) a minimum of 24 hours prior to commencing work. If there is no response, leave a voice mail with the API#, workover purpose and a call back phone number.

Work is to be completed within 90 days from the date of approval.

1. Surface disturbance beyond the originally approved pad must have prior approval.

2. Closed loop system required.

3. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

4. Operator to have H2S monitoring equipment on location.

5. A minimum of a **3000 (3M) BOP** to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I **(3M Diagrams of Choke Manifold Equipment)**. The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

6. Operator shall conduct a Casing Integrity Test (CIT) before Perforating and Fracturing. Submit results to BLM via krennick@blm.gov. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails.

7. Operator is approved to complete work as proposed in **Phase 1 through 5** of the Sundry.

8. **Before Phase 6 and 7, Operator must send in an updated well bore schematic, Subsequent Sundry Report detailing work done, and completion report for the new formations. With this information, Operator also needs to send in a Sundry requesting approval to drill out to proposed depths as detailed in Phase 6. As well as include in the Sundry the request to down hole commingle as proposed in Phase 7.**

9. Before any down hole commingling is done **(Phase 7),** Operator must send in a gas analysis and a formation analysis per formation that is being commingled.

KGR 01192016