

State of New Mexico
Energy, Minerals and Natural Resources

RECEIVED

OIL CONSERVATION DIVISION

JAN 22 2010

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBSCOCD

WELL API NO. 30-025-01298	✓
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 MALMAR UNIT	✓
8. Well Number 416	✓
9. OGRID Number 266091	✓
10. Pool name or Wildcat MALJAMAR; Grayburg; San Andres	✓

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
VPR Operating, LLC ✓

3. Address of Operator
PO Box 2769, Hobbs, New Mexico 88241

4. Well Location

Unit Letter _____ P _____ : 660 feet from the SOUTH line and 660 feet from the EAST line

Section 7 Township 17S Range 33E NMPM LEA County ✓

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4,208' GL

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: MIT Testing [After repairs]
☒

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.

1/21/10 – Test annulus with Gandy Corporation pump truck. 60 minute clock/30 minute chart [attached]. Start 400 psi, final 380 psi. Packer @ 4,187'. Witnessed by Maxie Brown, NMOCD.

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

[Signature]

TITLE Agent

DATE 1/22/10

Type or print name M.Y. Merchant

E-mail address:

mymerchant@penrocoil.com

PHONE: 574-492-1236

For State Use Only

APPROVED BY:

[Signature]

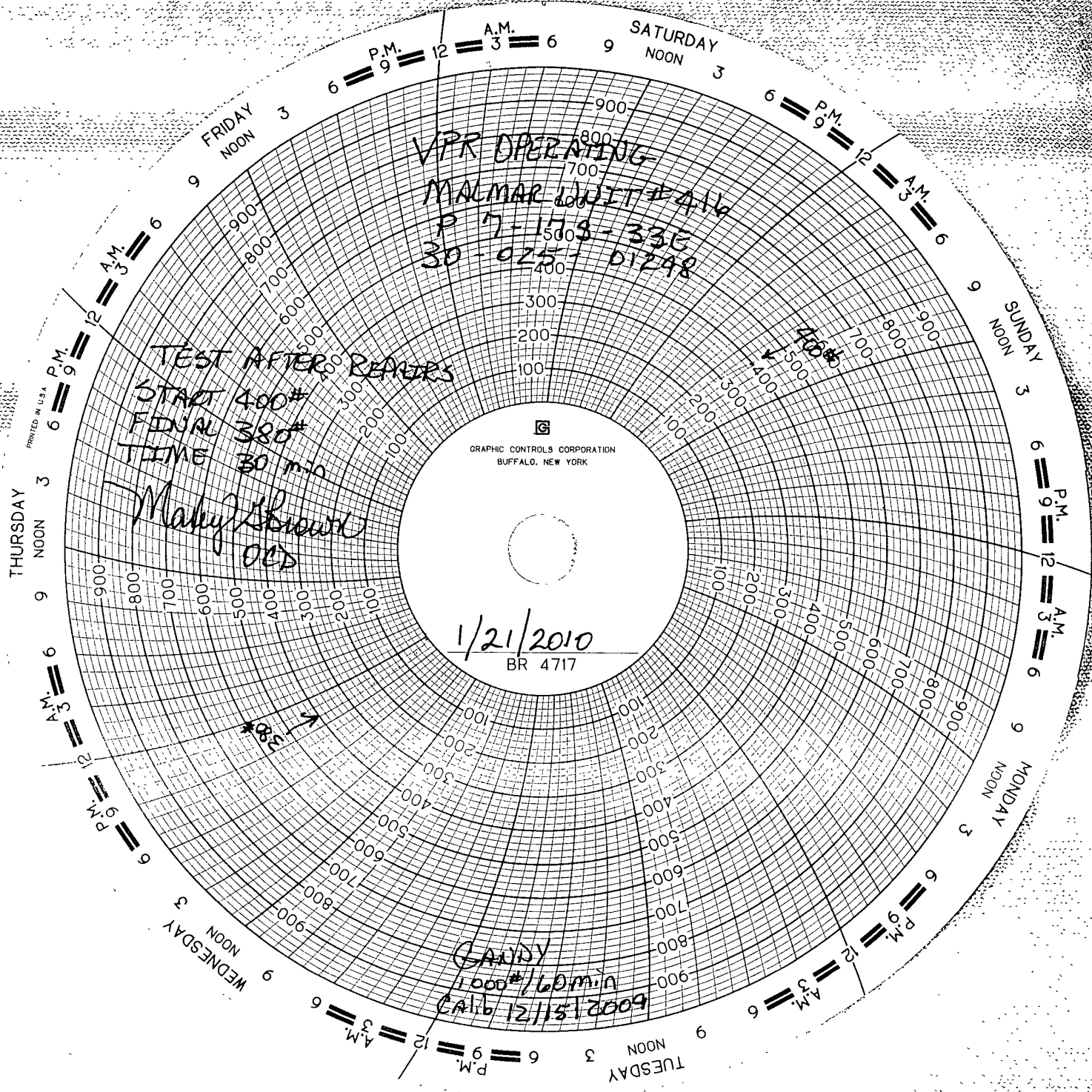
TITLE

DISTRICT 1 SUPERVISOR

DATE

JAN 26 2010

Conditions of Approval (if any):



VPR OPERATING
MALMAR UNIT #416
P 7-173-33E
30-025-01248

TEST AFTER REPAIRS
START 400#
FINAL 380#
TIME 30 min

Marty Brown
OCD

1/21/2010
BR 4717

CANDY
1000#/60min
CAL 12/15/2009