

Submit 1 Copy 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
October 13, 2009

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

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.)		WELL API NO. 30-025-01310 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>Inj</u>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator VPR Operating, LLC ✓		6. State Oil & Gas Lease No.
3. Address of Operator PO Box 2769, Hobbs, New Mexico 88241		7. Lease Name or Unit Agreement Name MALMAR UNIT ✓
4. Well Location Unit Letter <u>L</u> : <u>1980</u> feet from the <u>SOUTH</u> line and <u>684</u> feet from the <u>WEST</u> line Section <u>7</u> Township <u>17S</u> Range <u>33E</u> NMPM LEA County		8. Well Number 306 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4233		9. OGRID Number <u>266091</u>
		10. Pool name or Wildcat MALJAMAR; Grayburg, SA ✓

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: ☐

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.

VPR Operating LLC will plug and abandon the Malmar 306 with the following procedure.

- A] Set CIBP @ 4,100', with 35' of cement on top.
- B] Perforate 5-1/2" casing @ 2550'.
- C] Squeeze perforations @ 2550' w/ 25 sx Class C.
- D] WOC and tag plug.
- E] Perforate 5-1/2" casing @ 1350'.
- F] Squeeze perforations @ 1350' with 50 sacks Class C.
- G] WOC and tag plug.
- H] Perforate 5-1/2" casing @ 375'.
- I] Squeeze/circulate to surface w/ 110 sx Class C.
- J] Cut off well head

K] Install approved NMOCD dry hole marker.

L] Clean and level location.

The Oil Conservation Division **Must be notified 24 hours prior** to the beginning of plugging operations

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 Royce Eades TITLE Agent DATE 4/20/10
Type or print name Royce Eades E-mail address: royceeades@penrocoil.com PHONE: 575-492-1236

For State Use Only

APPROVED BY: [Signature] TITLE OC FIELD REPRESENTATIVE / STAFF MANAGER DATE APR 22 2010 Conditions
Approval (if any):

Mal-Mar Unit 306
 SE/NW Sec 7 T17S R33E
 1980' FNL, 2028' FWL Unit F
MALMAR UNIT
 Lea County New Mexico

Tops: Anhy-
 Salt -
 B. Salt -
 Yates-
 Queen-
 Grey Burg-
 San Andres-
 Cores:
 Unknown

TOS 1350

TOC @ 3000

Surface Casing

8 5/8", 24#, H-40, ST&C, set @ 304' KB.
 250 sxs Cmt, TOC unknown

Production Casing

5 1/2", 14#, J-55, ST&C, set @ 4,494' KB.
 Pumped 300 sxs Cmt, TOC unknown

Tubing

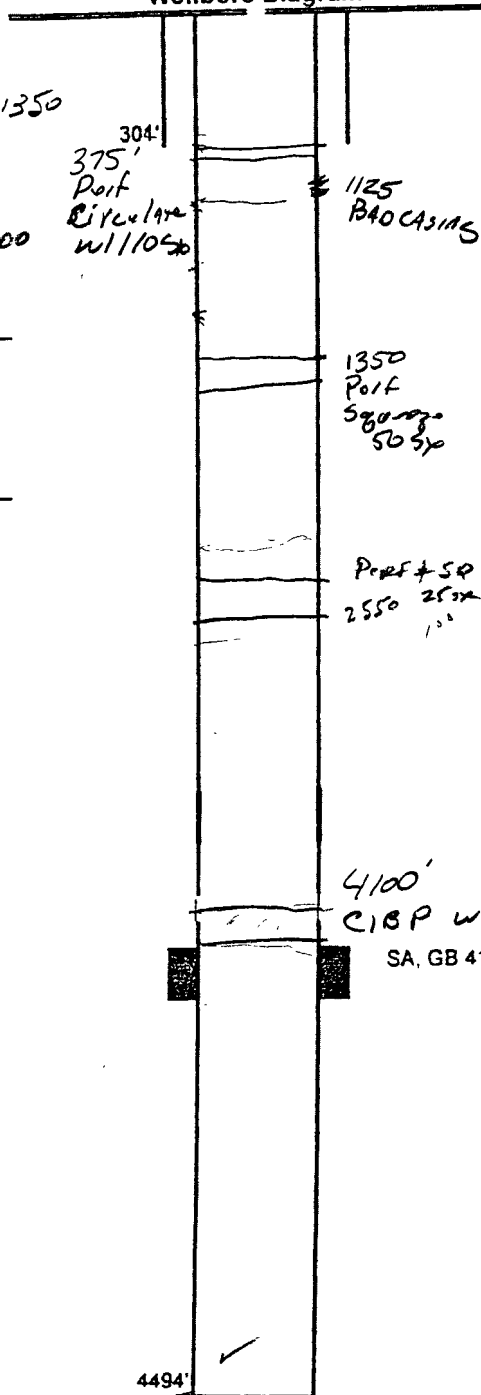
Perforations

Grayburg / San Andres
 4183-90', 4258-61', 4266-70', 4271-78'
 4286-89', 4305-08', 4311-14'

IP: 47 bopd 0 bwpd

MAR Oil and Gas

Wellbore Diagram



WELL HISTORY

Drilled by Santiago Oil and Gas Company
 Well Name: Phillips Sprague # 8
 Orig: Completion Acidize 3500 gls Frac
 w/35,000 gls ref oil and 80,000 # sand
 Max pressure 7700 psig
 4/1/62 Unitized New Oper Great Western Orig
 New Name: Malmar Ut Tr 3 # 7-6
 7-63 well pulled and cleaned out packer
 set @ 4067' well connected to injection sys
 11/1/73 New Oper Shenandoah Oil Co
 2/1/79 New Oper SRC (same name)
 2-79 Found bradenhead to surface with
 valve exposed
 2-80 Repalce injection tubing with 4200'
 2 3/8" plastic coded tbg, packer Baker
 Model AD
 6-81 Injected 127 bwpd @ 2500 psig
 10/13/90 New Oper Penroc Oil Co
 1/1/97 New Oper SAGA Petroleum LLC
 8/1/01 New Oper Tipton Oil and Gas
 Well is temporarily abandoned WIW

180 RH