

DISTRICT I  
1625 N. French Drive Hobbs, NM 88240  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025697687
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-1923
7. Lease Name or Unit Agreement Name Merchants "A"
8. Well No. 1
9. Pool name or Wildcat Wilson-Bone Spring, Gas South

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 <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	
2. Name of Operator V-F Petroleum Inc.	
3. Address of Operator P.O. Box 1889 Midland, Tx 79702	
4. Well Location Unit Letter <u>L</u> : <u>1980</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>30</u> Township <u>21-S</u> Range <u>35-E</u> NMPM <u>Lea</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3,614 GL	

11. 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <u>Recompletion</u> <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. 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.

1. Pull all production equipment
2. Install B.O.P.
3. Set CIBP @ 8,300'. Dump 35' cement on CIBP.
4. Test BOP to 1,000# PSI.
5. Perforate & test various intervals in the Brushy Canyon Zone 8,000' - 8,150'.
6. Perforate & test various intervals in the Cherry Canyon Zone 6,200' - 6,900'.
7. Return well to production from any zone that test oil & gas in commercial volumes.  
Estimated starting date 12/1/99.

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

SIGNATURE Wayne Luna TITLE Production Superintendent DATE 10-16-99  
TYPE OR PRINT NAME Wayne Luna TELEPHONE NO. 915-683-3344

(This space for State Use)

ORIGINAL SIGNED BY CHRIS WILLIAMS  
DISTRICT I SUPERVISOR

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE 10-16-99

CONDITIONS OF APPROVAL, IF ANY: