

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Revised March 17, 1999

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address V-F Petroleum Inc. P.O. Box 1889 Midland, Texas 79702		<sup>2</sup> OGRID Number 24010
<sup>3</sup> Property Code	<sup>5</sup> Property Name Funk 49	<sup>4</sup> API Number 30-015-32903
		<sup>6</sup> Well No. 2

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	16S	26E		660	N	990	E	Eddy

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>9</sup> Proposed Pool 1  
POW (Morrow)

<sup>10</sup> Proposed Pool 2

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3,349'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 8,500'	<sup>18</sup> Formation Chester	<sup>19</sup> Contractor NA	<sup>20</sup> Spud Date 8/03

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	54	450	450	Surface
12 1/4	9 5/8	45	1,350	600	Surface
7 7/8	5 1/2	17	8,500	500	6,000'

Fresh Water Mud! *[Signature]*

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

It is proposed to drill a 17 1/2" hole to +/- 450' with FW, set 13 3/8" csg and cement csg back to surface. An 12 1/4" intermediate hole will be drilled to +/- 1,350' w/cut block system and 9 5/8" csg will be set and cemented back to surface. A 3,000 psi annular preventer and a 3,000 psi dual ram BOP will be used in the intermediate hole. A 7 7/8" hole will be drilled to TD w/ FW mud. 5 1/2" casing will be set @ TD and cemented. A 3,000 psi annular preventer and a 5,000 psi dual ram BOP will be used on the 7 7/8" hole. Mud up between 6,000 and 8,500' Several DST's may be run. No H2S is expected.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Larry N. Brazile</i> Printed name: Larry N. Brazile Title: Petroleum Engineer Date: July 23, 2003		OIL CONSERVATION DIVISION Approved by: <i>[Signature]</i> Title: District Supervisor Approval Date: JUL 27 2003 Expiration Date: JUL 27 2004 Conditions of Approval: Attached	
Phone: 432-683-3344			

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 83040	Pool Name POW (MORROW)
Property Code	Property Name FUNK 49	Well Number 2
OGRID No. 24010	Operator Name V-F PETROLEUM, INC.	Elevation 3351'

Surface Location

UL or lot No. A	Section 33	Township 16-S	Range 26-E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 990	East/West line EAST	County EDDY
--------------------	---------------	------------------	---------------	---------	----------------------	---------------------------	----------------------	------------------------	----------------

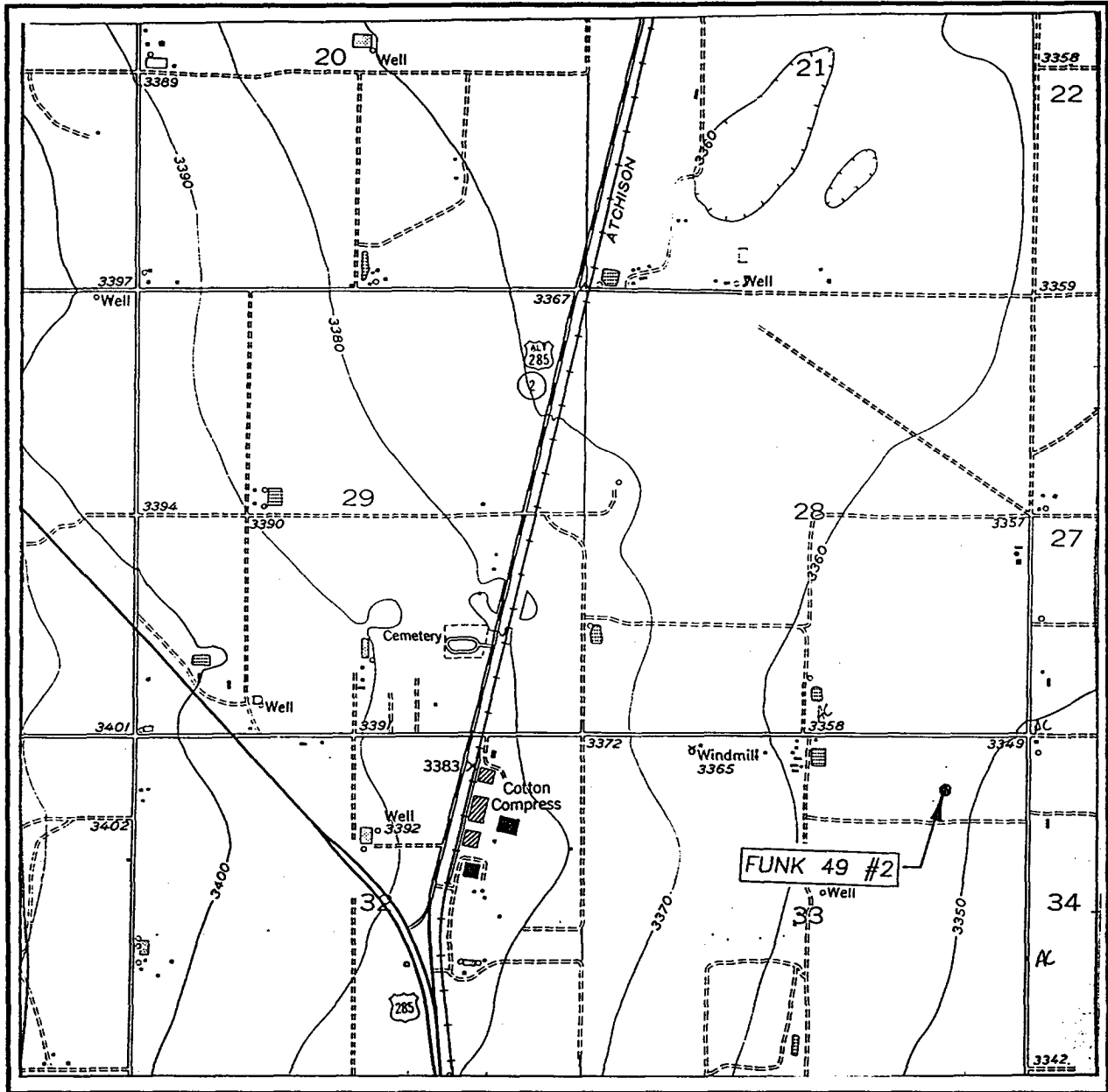
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320 N/2	Joint or Infill N	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature</p> <p>LARRY BRAZILE</p> <p>Printed Name</p> <p>PETROLEUM ENGINEER</p> <p>Title</p> <p>07/23/03</p> <p>Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JULY 17, 2003</p> <p>Date Surveyed</p> <p></p> <p>Signature of Professional Surveyor</p> <p>RONALD J. EIDSON</p> <p>Certificate No.</p> <p>3239</p> <p>12641</p>

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'  
ESPUELA, N.M.

SEC. 33 TWP. 16-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FNL & 990' FEL

ELEVATION 3351'

OPERATOR V-F PETROLEUM, INC.

LEASE FUNK 49

U.S.G.S. TOPOGRAPHIC MAP  
ESPUELA, N.M.

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

V-F Petroleum Inc  
Funk 49 #2

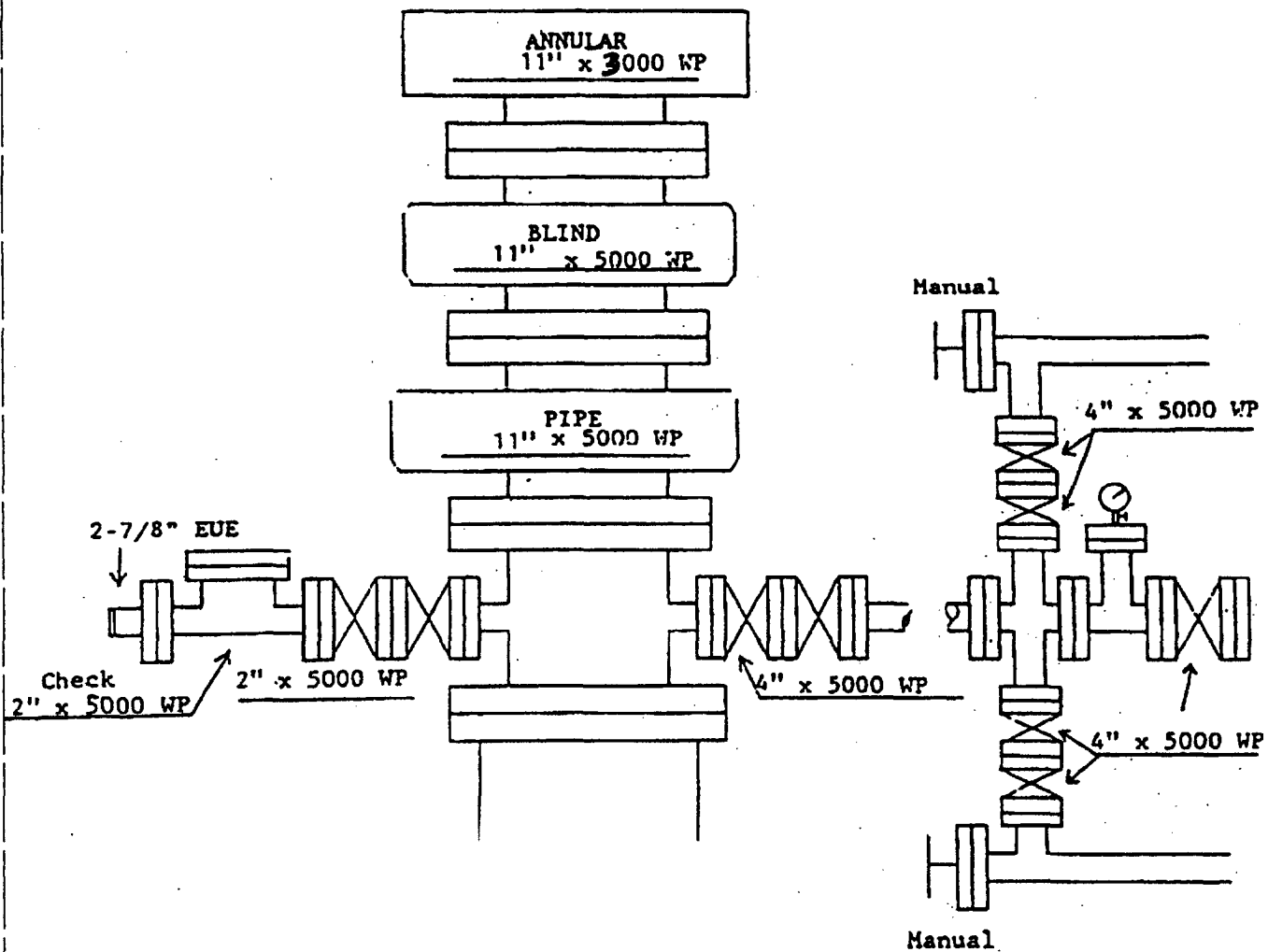


Exhibit 1