

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

Form C-10  
May 27, 2008

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

Submit to appropriate District Office

☐ AMENDED REPORT  
RCVD JAN 4 '08  
OIL CONS. DIV.  
DIST. 3

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

<sup>1</sup> Operator Name and Address Four Star Oil & Gas P O. Box 36366 Houston, TX 77236		<sup>2</sup> OGRID Number 131994
<sup>3</sup> Property Code 303536	<sup>5</sup> Property Name Yager	<sup>6</sup> Well No. 1C
<sup>9</sup> Proposed Pool 1 Mesa Verde		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no C	Section 10	Township 31N	Range 7W	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line West	County San Juan
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<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
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Additional Well Information

<sup>11</sup> Work Type Code New Well	<sup>12</sup> Well Type Code Gas	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code Private	<sup>15</sup> Ground Level Elevation 6572
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 6050	<sup>18</sup> Formation Mesa Verde	<sup>19</sup> Contractor	<sup>20</sup> Spud Date 3/1/2008
Depth to Groundwater >300 ft.		Distance from nearest fresh water well >1000'		Distance from nearest surface water approx 2200'
Pit: Liner Synthetic X 12 mls thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Closed-Loop System <input type="checkbox"/> Drilling Method: Fresh Water X Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36#	400'	245 sxs	0
8 3/4"	7"	23#	2900'	450 sxs	0
6 1/4"	4 1/2"	11.6#	6050'	357 sxs	0

<sup>22</sup> 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.

NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Signature: <i>Pamela Rainey</i> Printed name: Pamela Rainey Title: Regulatory Specialist E-mail Address: prcx@chevron.com Date: 1/3/08	Phone: 281-561-4859	OIL CONSERVATION DIVISION Approved by: <i>[Signature]</i> Title: DEPUTY OIL & GAS INSPECTOR, DIST. 3 Approval Date: JAN 09 2008   Expiration Date: _____ Conditions of Approval Attached <input type="checkbox"/>
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State of New Mexico  
Energy, Minerals & Natural Resources Department

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

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30.045-34560	<sup>2</sup> Pool Code 72319	<sup>3</sup> Pool Name Blanco MESA VERDE (Pro Gas)
<sup>4</sup> Property Code 303536	<sup>5</sup> Property Name YAGER	<sup>6</sup> Well Number IC
<sup>7</sup> GRID No. 131994	<sup>8</sup> Operator Name FOUR STAR OIL & GAS, CO.	<sup>9</sup> Elevation 6572

<sup>10</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
C	10	31 N	7 W		660	NORTH	1980	WEST	SAN JUAN

<sup>11</sup> 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>12</sup> Dedicated Acres 820	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. R-6364.2. Sec 3 W 2 SE 4 E 2 S 44 NW 1/4 Sec 10
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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

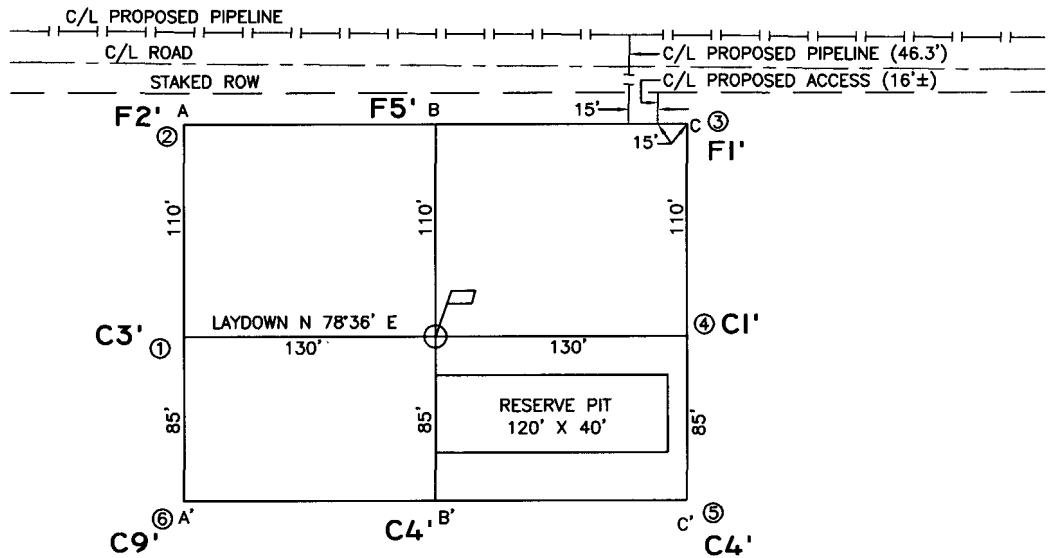
<div>16 N 89°48'51" E 2639.50'</div> <div>NAD 83 LAT: 36.919416° N LONG: 107.560623° W NAD 27 LAT: 36° 55.1646' N LONG: 107° 33.6009' W</div> <div>2635.80'</div>	<div>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Pamela Rainey 1/3/08 Signature Date Pamela Rainey Printed Name</div>
<div>2637.57'</div> <div>N 0°03'22" W</div> <div>2633.98'</div> <div>N 0°19'08" W</div> <div>S 89°50'31" W</div> <div>1980</div> <div>1660</div> <div>10</div> <div>5274.12'</div>	<div>18 SURVEYOR CERTIFICATION 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.  10/10/07 Date of Survey Signature and Seal of Professional Surveyor: ROBERT L. POUND NEW MEXICO LICENSED SURVEYOR 6846 Certificate Number 6846</div>

New Plat coming

BEFORE DIGGING  
CALL FOR UTILITY  
LINE LOCATION!



0 50 100  
SCALE: 1"=100'



A-A' ℄

6590	..	..	..	..
6580	..	..	..	..
6570	..	..	..	..
6560	..	..	..	..
6550	..	..	..	..

B-B' ℄

6590	..	..	..	..
6580	..	..	..	..
6570	..	..	..	..
6560	..	..	..	..
6550	..	..	..	..

C-C' ℄

6590	..	..	..	..
6580	..	..	..	..
6570	..	..	..	..
6560	..	..	..	..
6550	..	..	..	..

CROSS SECTIONS  
HORIZONTAL: 1"=100'  
VERTICAL: 1"=50'

LEASE: YAGER IC

FOOTAGE: 660' FNL, 1980' FWL (SURFACE)  
SEC. 10 TWN. 31 N RNG. 7 W N.M.P.M.  
LAT: N 36.919416° LONG: W 107.560623° (NAD 83)  
LAT: N 36°55.1646' LONG: W 107°33.6009' (NAD 27)  
ELEVATION: 6572

FOUR STAR OIL & GAS, CO.  
HOUSTON, TEXAS

SURVEYED: 10/10/07

REV. DATE:

APP. BY R.L.P.

DRAWN BY: H.S.

DATE DRAWN: 10/12/07

FILE NAME: 7922C01



P.O. BOX 3651  
FARMINGTON, NM 87499  
OFFICE: (505) 334-0408

**Chevron Midcontinent, L.P.**  
**Yager 1C**  
**726' FNL, 635' FEL**  
**NE/4 NW/4. Sec 10 T31N R7W**  
**Rio Arriba County, NM**

**EIGHT POINT DRILLING PLAN**

**1. ESTIMATED FORMATION TOPS (KB):**

Formation	Depth
Kirtland Fm (Upper)	2,300'
Fruitland Coal	3,130'
Picture Cliffs Sst	3,340'
Lewis Shale	3,440'
Mesa Verde (Menefee)	5,450'
Mesa Verde (Point Lookout)	5,750'
TD	6,050'

**2. NOTABLE ZONES AND PLAN FOR PROTECTION:**

Gas or Oil Zones	Water Zones	Coal Zones
Lewis Shale / Chacra	Ojo Alamo	Fruitland
Mesaverde	Kirtland	

**Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the engineer's recommendations.**

**3. PRESSURE CONTROL EQUIPMENT:**

Maximum anticipated pressure is ~ 2700 psi.

Pressure control equipment shall be in accordance with BLM minimum standards.

One 11" 3M double ram preventer and one 11" 3M annular preventer will be used. The double ram preventer will be equipped with pipe rams on bottom and blind rams on top. All BOPs meet API 16D. One Shaffer 7 station accumulator, API 16E. One 3" 5M choke manifold. The choke and kill lines will be connected to outlets below the bottom rams, utilizing either the ram body outlet or a drilling spool with side outlets. Tests will be recorded on IADC log. Please refer to attached schematic. Test procedure and frequency shall be in accordance with BLM minimum standards for 3000 psi equipment, per BLM Oil & Gas Order #2.

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**4. SUPPLEMENTAL DRILLING EQUIPMENT AND CASING INFORMATION:**

**Casing Information:** All casing will be new pipe and tested to 1500 psi.

Hole Size	O.D.	Weight (lb/ft)	Grade	Age	Connection	GL Setting Depth
12-1/4"	9-5/8"	36#	J-55	New	LTC	400'
8-3/4"	7"	23#	N-80	New	LTC	2900'
6-1/4"	4-1/2"	11.6#	N-80	New	LTC	6050'

**Surface casing** will be cemented to the surface with ~290 cu. ft. (~245 sx) Mountain G Premium cmt (1.2 ft<sup>3</sup>/sx yield, 15.6 ppg, & 5.24 gps) with 2% CaCl<sub>2</sub> and 1/4#/sx Poly-E-Flake. Volume based on 100% excess. We plan to run a minimum of at least 3 centralizers. A wiper plug will be displaced to within 20' of the shoe. WOC = 8 hours minimum. Surface casing will be tested to 500 psi for 15 minutes.

Cementing equipment will include a guide shoe, one shoe jt and float collar. Centralizers will be placed on the bottom four joints.

**Intermediate casing** will be cemented to surface. Total cement = 756 cu. ft. Volumes are calculated at 75% excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. WOC = 8 hours minimum. Test to 1000 psi for 15 minutes.

Lead cement will be ~540cu. ft. (~290 sx) Halliburton Light Premium w/ 5#/sx gilsonite, 12.4 ppg for a yield of 1.89 cu. ft. per sx.

Tail cement will be ~184 cu. ft. (~160 sx) 50/50 Poz Standard w/ 5#/sx gilsonite & 1/4#/sx Poly-E-Flake, 13.5 ppg for a yield of 1.30 Cu. ft. per sx.

Cementing equipment will include a guide shoe, one shoe jt and float collar will be run 20' off bottom. We plan on running at least 10 centralizers.

**Production casing** will be cemented up to 500' inside the intermediate casing with a single stage. Volumes are calculated at 50% excess. If necessary, a CBL will be run during completion operations to insure cement coverage inside the 7" intermediate casing. Casing will be pressure tested to 6000 psi during completion operations.

Primary cement will be ~504 cu. ft. (~357 sx) 50/50 Poz Premium w/ 1/4#/sx Poly-E-Flake, 5 lbm/sk Gilsonite, 0.8% Halad ®-9, 0.1% HR-5, 13.1 ppg for a yield of 1.41 Cu. ft. per sx.

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Cementing equipment will include a guide shoe, one shoe jt and float collar will be run as close as to the bottom as we can with a centralized shoe joint and next five joints. Centralizers will be run across the producing zones.

**5. CIRCULATING MEDIUM AND MUD TYPE:**

Depth	Type	Wt./ppg	Viscosity	Fluid Loss	pH
Spud – 400'	WBM	8.4 – 8.8	32 – 38	NC	9-9.5
400' – 2900'	WBM	8.4 – 9.0	28 – 42	10-12	9-10
2900' – TD	Air &/or Air/mist	n/a	n/a	n/a	n/a

Lost circulation and absorption material will be on location.

**6. ANTICIPATED TYPE AND AMOUNT OF LOGGING, CORING, AND TESTING:**

Open hole logs are planned. No cores or drill stem tests are planned.

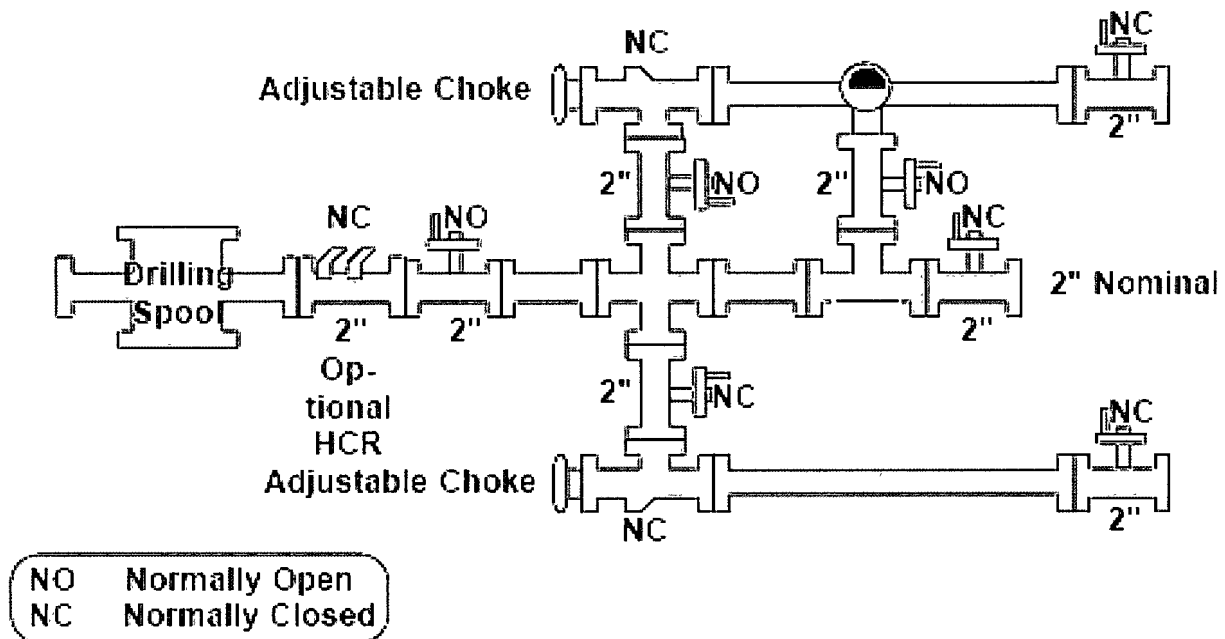
**7. EXPECTED BOTTOM HOLE PRESSURE AND ANY ANTICIPATED ABNORMAL PRESSURE, TEMPERATURES, OR OTHER HAZARDS (H<sub>2</sub>S, STEAM, ETC.) AND ASSOCIATED CONTINGENCY PLANS:**

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be less than ~2700 psi.

**8. OTHER:**

It is expected it will take approximately ten (7) days to drill and ten (10) days to complete the well. Completion will start approximately one month after the spud and will include hydraulic fracturing.

### CLASS III CHOKE SCHEMATIC



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726' FNL, 635' FEL  
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**CLASS III BOP SCHEMATIC**

