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District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

HOBBS OCD  
JUN 11 2014  
RECEIVED

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 July 18, 2013

☐ 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> . API Number 30-025-41908
<sup>4</sup> . Property Code 313354	<sup>5</sup> . Property Name Denton 7 State	<sup>6</sup> . Well No. 1

<sup>7</sup>. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
1	7	15-S	38-E		1,800'	S	880'	E	Lea

<sup>8</sup>. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

<sup>9</sup>. Pool Information

Pool Name Denton; Wolfcamp, East	Pool Code 17290 17300
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Additional Well Information

<sup>11</sup> . Work Type N	<sup>12</sup> . Well Type O	<sup>13</sup> . Cable/Rotary R	<sup>14</sup> . Lease Type S	<sup>15</sup> . Ground Level Elevation 3,773' GL
<sup>16</sup> . Multiple No	<sup>17</sup> . Proposed Depth 9,800'	<sup>18</sup> . Formation Wolfcamp	<sup>19</sup> . Contractor O'Ryan Drilling	<sup>20</sup> . Spud Date ASAP
Depth to Ground water 45'		Distance from nearest fresh water well 1,500'		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

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

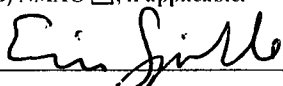
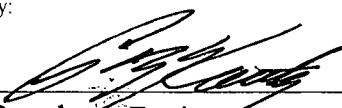
Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17 1/2"	13 3/8"	48#	400'	360	Surface
Intermediate	12 1/4"	9 5/8"	40#	5,200'	1,215	Surface
Production	8 3/4"	5 1/2"	17#	9,800'	735	4,800'

Casing/Cement Program: Additional Comments

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<sup>22</sup>. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Ram	3,000#	6,000#	Schaffer

<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 I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature:  Printed name: Eric Sprinkle Title: Engineering Technician E-mail Address: eric@vfpetroleum.com Date: 06/10/2014	OIL CONSERVATION DIVISION	
	Approved By: 	
	Title: Petroleum Engineer	
	Approved Date: 06/11/14	Expiration Date: 06/11/16
	Conditions of Approval Attached <sup>c</sup>	

See Attached  
Conditions of Approval

JUN 2 2014

# CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-025-41908	V-F Petroleum Inc.	Denton 7 State # 001

Applicable conditions of approval marked with XXXXXX

## Administrative Orders Required

None	

## Other wells

None	

## Drilling

XXXXXXX	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

## Casing

XXXXXXX	SURFACE & INTERMEDIATE(1) CASING - Cement must circulate to surface --
XXXXXXX	PRODUCTION CASING - Cement must circulate to surface --
	North Area
XXXXXXX	Surface casing <u>minimum setting depth</u> of 350' and at least 50' into the red beds whichever is greater.