District I 1625 N French Dr, Hobbs, NM 88240 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

May 27, 20 Submit to appropriate District Offi

Form C-10

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

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		AME:	ΝDED	REPO	F

RCVD DEC 17'07

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

			ERMIT TO A ZONE) DRII	LL, RE-EN	TER,	DEEPEN,		IL CONS	. DIV	
ILUGDA	ick, o	K ADD	Operator Name	and Addre	:SS				² OGRID N	Jumber	1 (
			Four Star Oil &	k Gas Co				131994	<u>DIST.</u>	. 3	<u> </u>
			P O. Box 3 Houston, TX					30-043	³ API-Nu: ニース ロ	mber	\vdash
³ Proper	rty Code				⁵ Property	Name		130-04	<u> </u>	⁶ Well N	10 1
	3536	2			Yage				1	2B	
	⁹ Proposed Pool 1 Mesa Verde							10 Prop	posed Pool 2		
⁷ Surface	Locatio	n	IVICSA VCIGO				<u> </u>		1		1
UL or lot no	Section	Township	Range	Lot	ŧ	om the	North/South line	Feet from the	East/West	lme	County
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			tion If Differen				X 4/0 41	T B (S)	7 (2)	, 1	
UL or lot no	Section 20	Township 32N	Range 6W	Lot		om the 63	North/South line South	Feet from the 660	East/West East	line	County San Juan
Additiona		Informa							1		
	Type Code		12 Well Type Coo Gas	le	13 Cabl	e/Rotary		14 Lease Type Code Private	i	15 Ground	Level Elevation 6793
	Well		17 Proposed Dep	.h	18 Fot	mation		19 Contractor		20	Spud Date
1	N _		6000			Verde				3	3/1/2007
Depth to Grou	ndwater	>300'		Distanc	e from nearest fre	sh water	well >1000'	Distance fro	m nearest sur	face wate	er appx 300'
	Synthetic d-Loop Sys		s thick Clay	Pıt Volı	imebbls		Drilling <u>Meth</u> Fresh Wate	<u>od:</u> er X Brine □ Die	sel/Oil-based	☐ Ga	s/Air 🔲
²¹ Propose	ed Casi	ng and (Cement Prog	ram							
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			i	PRIC	OR TO	CAS	ING & C	EMENT			
best of my kn	owledge ar	id belief I i	on given above is in further certify that	rue and co	omplete to the ling pit will be			CONSERVA	í	VISIO	Ņ
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Printed name.						Title	RESULT OFF	& GAS INSPECT	OR, DIST. Expiration D		1
Title Regulatory Specialist E-mail Address prex@chevron.com						Appro	oval Date JEC	2 0 2007	EVALUATION D	att	

DEC 2 0 2007 PV

Phone 281-561-4859

Date: 12/13/07

HOLD CHOK FUN dikectional É as dvilled C-102.

Conditions of Approval Attached

DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240

N 88°58'14" W

2652.361

State of New Mexico Energy, Minerals & Natural Resources Department

Revised October 12, 2005 Submit to Appropriate District Office

1301 W. Grand Avenue, Artesia, N.M. 88210 DISTRICT III 1000 Rio Brazos Rd., Aztec, N.M. 87410

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

State Lease - 4 Copies Fee Lease - 3 Copies

Form C-102

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, N.M. 87505

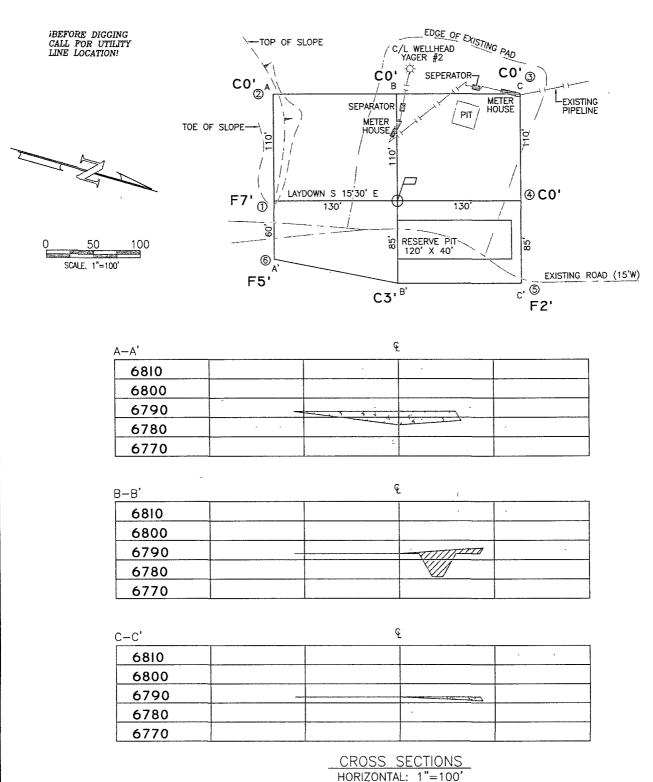
☐ AMENDED REPORT

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UL or lot no.	Section	Township	Range	Lot Idn	Feet from t	ne No	orth/Sou	th line	Fee	t from the	East/Wes	t line	County	
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E/2 320														,
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		OR A N	ION-STA	NDARD I	UNIT HAS	BEEN	APPF	ROVED	BY	THE DI	VISION			
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°21			1	ΔT· 36° !	NAD 27 57.6614' N	082			8.29		融//	L,		T
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2591.871

LAT: 36° 57.6614' N LONG: 107° 28.5631' W

S 89°50'02" W



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

LEASE: Y	AGER 2B					
		SL, 999				
FOOTAGES	S: 2263'	FSL, 660	O' FEL	(BOTT	OM)	
SEC20	TWN	32 N	_RNG	6 W	_N.M.F	ν.М.
LAT: N 36	.961028°	LONG: w	107.47	′6656°	(NAD	83)
LAT: N 36	°57.6614	LONG: W	107°28	3.5631	(NAD	27)
ELEVATION	N: 6793					

CHEVRON MIDCONTINENT, LP. HOUSTON, TEXAS

SURVEYED: 9/11/07	REV. DATE: 11/12/07	APP. BY R.L.P.
DRAWN BY: H.S.	DATE DRAWN: 9/19/07	FILE NAME: 7921002

UNITED FIELD SERVICES INC.

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

EIGHT POINT DRILLING PLAN

1. ESTIMATED FORMATION TOPS (KB):

Formation	Depth TVD
Picture Cliffs Sst	3100
Lewis Shale	4600
Mesa Verde (Cliff House)	5200
Mesa Verde (Menefee)	5500
Mesa Verde (Point Lookout)	5800
And the state of t	6200' MD /
TD	6,000' TVD

2. NOTABLE ZONES AND PLAN FOR PROTECTION:

Gas or Oil Zones	Water Zones	Coal Zones
Lewis Shale	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.

4. SUPPLEMENTAL DRILLING EQUIPMENT AND CASING INFORMATION:

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

Hole	O.D.	Weight	Grade	Age	Connection	GL Setting
Size		(lb/ft)				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	6200' MD /
				1		6000' TVD

Surface casing will be cemented to the surface with ~290 cu. ft. (~245 sx) Mountain G Premium cmt (1.2 ft3/sx yield, 15.6 ppg, & 5.24 gps) with 2% CaCl2 and ½#/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 & ½#/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 \sim 520 cu. ft. (\sim 366 sx) 50/50 Poz Premium w/ $\frac{1}{4}$ /sx Poly-E-Flake, 5 lbm/sk Gilsonite, 0.8% Halad \otimes -9, 0.1% HR-5, 13.1 ppg for a yield of 1.41 Cu. ft. per sx.

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	рН
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 (H₂S, 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.

- 3 -



Project: SAN JUAN BASIN NAD 27

Site: YAGER
Well: YAGER 10
Wellbore: Wellbore #1
Plan: plan 2 (YAGER 10/Wellbore #1)



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target	
1	0.0	0.00	0 00	0.0	0.0	0.0	0 00	0.00	0.0	•	
2	400.0	0 00	0.00	400 0	0 0	0.0	0.00	0 00	0.0		
3	10518	19 55	17.50	1039.2	105 0	33.1	3.00	17.50	110 1		
4	4099.1	19.55	17 50	3910.8	1077.8	339.9	0.00	0.00	1130 1		
5	4750.9	0 00	0.00	4550 0	1182.8	373.0	3.00	180.00	1240 2	LEWIS YAGER 10	
6	5350 9	0.00	0.00	5150 0	1182.8	373 0	0.00	0 00	1240 2	MESAVERDE 10	
7	6200 9	0.00	0 00	6000.0	1182.8	373.0	0.00	0 00	1240 2	PBHL YAGER 10	

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name EOD YAGER 10	TVD 2950 0	+N/-S 1182.8	+E/-W 373.0	Northing 2170458.20	Easting 604758.30	Shape Point
LEWIS YAGER 10 MESAVERDE 10	4550.0	1182.8	373 0	2170458.20	604758 30	Point
PBHL YAGER 10	5150.0 6000 0	1182.8 1182 8	0,00	2170458 20 2170458.20		Point Circle (Radius, 100 0)

PROJECT DETAILS: SAN JUAN BASIN NAD 27

Geodetic System. US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)

Ellipsoid: Clarke 1866

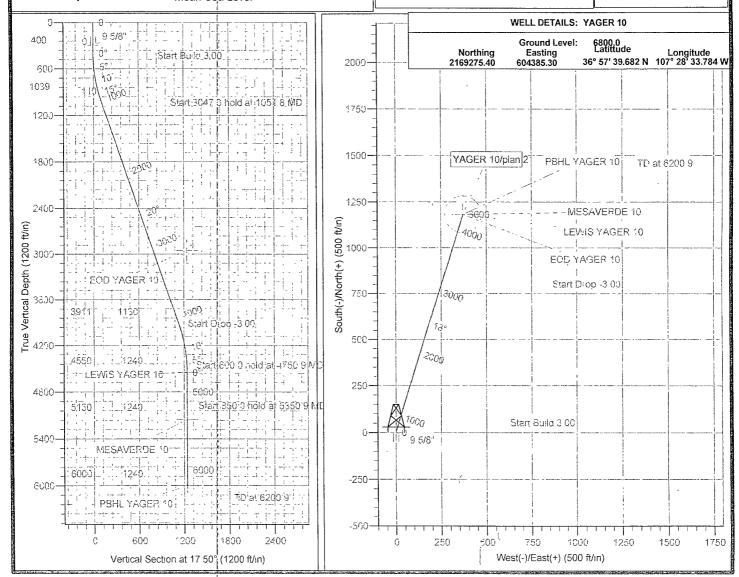
System Datum: New Mexico West 3003 Mean Sea Level

REFERENCE INFORMATION

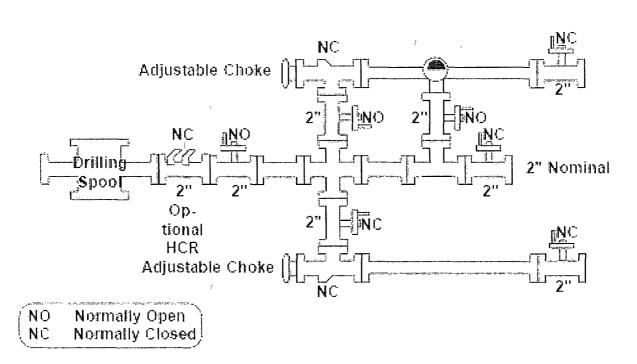
Co-ordinate (N/E) Reference Well YAGER 10, Gnd North
Vertical (TVD) Reference WELL @ 6816 0ft (Onginal Well Ele
Section (VS) Reference Siot - (0 0 N 0 E)
Measured Depth Reference Calculation Method
Minimum Curvature



Azimuths to Grid North True North -0 21' Magnetic North 10 09' Magnetic Field Strength: 51274 8sn1 Dip Angle, 63 82' Date 2007/09/13 Model BGGM2007



CLASS III CHOKE SCHEMATIC



CLASS III BOP SCHEMATIC

