

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

**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

**State of New Mexico**  
**Energy Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 South St. Francis Dr.**

Form C-101  
Revised July 18, 2013

AMENDED REPORT

**Santa Fe, NM 87505**

**HOBBS OCD**

APR 28 2016

RECEIVED

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

<sup>1</sup> Operator Name and Address <b>V-F Petroleum Inc. P.O. Box 1889 Midland, Texas 79702</b>		<sup>2</sup> OGRID Number <b>24010</b> ✓
		<sup>3</sup> API Number <b>30-025-43231</b> ✓
<sup>4</sup> Property Code <b>316204</b> ✓	<sup>5</sup> Property Name <b>DMT 7 Fee</b> ✓	<sup>6</sup> Well No. <b>2</b> ✓

**7. Surface Location**

UL - Lot <b>A</b>	Section <b>7</b>	Township <b>15-S</b>	Range <b>38-E</b>	Lot Idn	Feet from <b>1,200</b>	N/S Line <b>N</b>	Feet From <b>1,300</b>	E/W Line <b>E</b>	County <b>Lea</b> ✓
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**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
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**9. Pool Information**

Pool Name <b>Denton; Wolfcamp</b>	Pool Code <b>17290</b>
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**Additional Well Information**

<sup>11</sup> Work Type <b>N</b> ✓	<sup>12</sup> Well Type <b>O</b> ✓	<sup>13</sup> Cable/Rotary <b>R</b>	<sup>14</sup> Lease Type <b>P</b> ✓	<sup>15</sup> Ground Level Elevation <b>3,773'</b> ✓
<sup>16</sup> Multiple <b>No</b> ✓	<sup>17</sup> Proposed Depth <b>9,800'</b> ✓	<sup>18</sup> Formation <b>Wolfcamp</b>	<sup>19</sup> Contractor	<sup>20</sup> Spud Date
Depth to Ground water <b>45'</b>	Distance from nearest fresh water well <b>1017'</b>	Distance to nearest surface water		

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

**21. 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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**22. Proposed Blowout Prevention Program**

Type <b>Ram</b>	Working Pressure <b>3,000#</b>	Test Pressure <b>6,000#</b>	Manufacturer <b>Schaffer</b>
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<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  and/or 19.15.14.9 (B) NMAC , if applicable.

Signature:

*Eric Sprinkle*

Printed name: Eric Sprinkle

Title: Petroleum Engineer

E-mail Address: eric@vfpetroleum.com

Date: 04/25/2016

Phone: 432-683-3344

**OIL CONSERVATION DIVISION**

Approved By:

*[Signature]*  
**Petroleum Engineer**

Title:

Approved Date: **5/12/2016**

Expiration Date: **5/12/2018**

See attached NMOCD  
Conditions of Approval

*[Handwritten initials]*

CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-025-43232	V-F PETROLEUM Inc.	DMT 7 FEE # 003

Applicable conditions of approval marked with XXXXXX

Administrative Orders Required

XXXXXXX	Will require administrative order for non-standard location prior to placing the well on production

Other wells

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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 tie back into intermediate casing --
XXXXXXX	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement

Lost Circulation

XXXXXXX	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186

Continued

Water flows

XXXXXXX	Must notify OCD Hobbs Office of any water flow in the Salado formation at 575-370-3186. Report depth and flow rate.

Stage Tool

XXXXXXX	Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186
XXXXXXX	If using Stage Tool on Surface casing, Stage Tool must be greater than 350' and a minimum 200 feet above surface shoe.
XXXXXXX	When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.

Pits

XXXXXXX	If using a pit for drilling and completions, must have an approved pit form prior to spudding the well

Completion & Production

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Gas Capture Plan

XXXXXXX	The New! Gas Capture Plan (GCP) notice is posted on the NMOCD website under Announcements. The Plan became effective May 1, 2016. A copy of the GCP form is included with the NOTICE and is also in our FORMS section under Unnumbered Forms. Please review filing dates for all applicable activities currently approved or pending and submit accordingly. Failure to file a GCP may jeopardize the operator's ability to obtain C-129 approval to flare gas after the initial 60-day completion period.
*	REQUIRES NSL CAN ONLY DEDICATED