

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-101
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address V-F Petroleum Inc., P.O. Box 1889, Midland, Texas 79702		² OGRID Number 024010 ✓
³ Property Code 019280 ✓	⁵ Property Name Gann	⁴ API Number 30 - 025-26349
⁹ Proposed Pool 1 Undesignated Caudill Atoka gas		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	9	15-S	36-E		860'	North	990'	West	Lea

⁸ 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

Additional Well Information

¹¹ Work Type Code DP	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3,930.6'
¹⁶ Multiple No	¹⁷ Proposed Depth 12,200'	¹⁸ Formation Atoka	¹⁹ Contractor N/A	²⁰ Spud Date 11/20/06
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> ___mils thick Clay <input type="checkbox"/> Pit Volume: ___bbls Drilling: ___				
Closed-Loop System <input type="checkbox"/> No Pits Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ 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"	48#	400'	425	Surface
11"	8 5/8"	24 & 32#	4,700'	2,050	Surface
7 7/8"	5 1/2"	17#	13,685'	1,950	6,500'

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.

Present producing zone Caudill - Permo Upper Pennsylvania 10,291' - 10,314'. Producing 0 oil per day and 5 MCFD gas.

Proposal:

1. Squeeze cement Penn perms. Drill out cement and CIBP @ 12,010'.
2. Expose Atoka perforations 12,054' - 12,103' and 12,228' - 12,244'.
3. Set CIBP at 12,200'. CAP with cement.
4. Add Atoka perforations 12,031' - 12,036'/12,079' - 12,081' and 12,107' - 12,011'. Total perforated interval 12,031' - 12,111'.
5. Acidize and sand frac interval as needed to attain commercial production rate.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Plug back

²³ 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 NMOC guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature:

Printed name: S.K. Lawlis

Title: Vice President

E-mail Address:

Date: 10/31/06

Phone: (432) 683-3344

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

JAN 08 2007

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

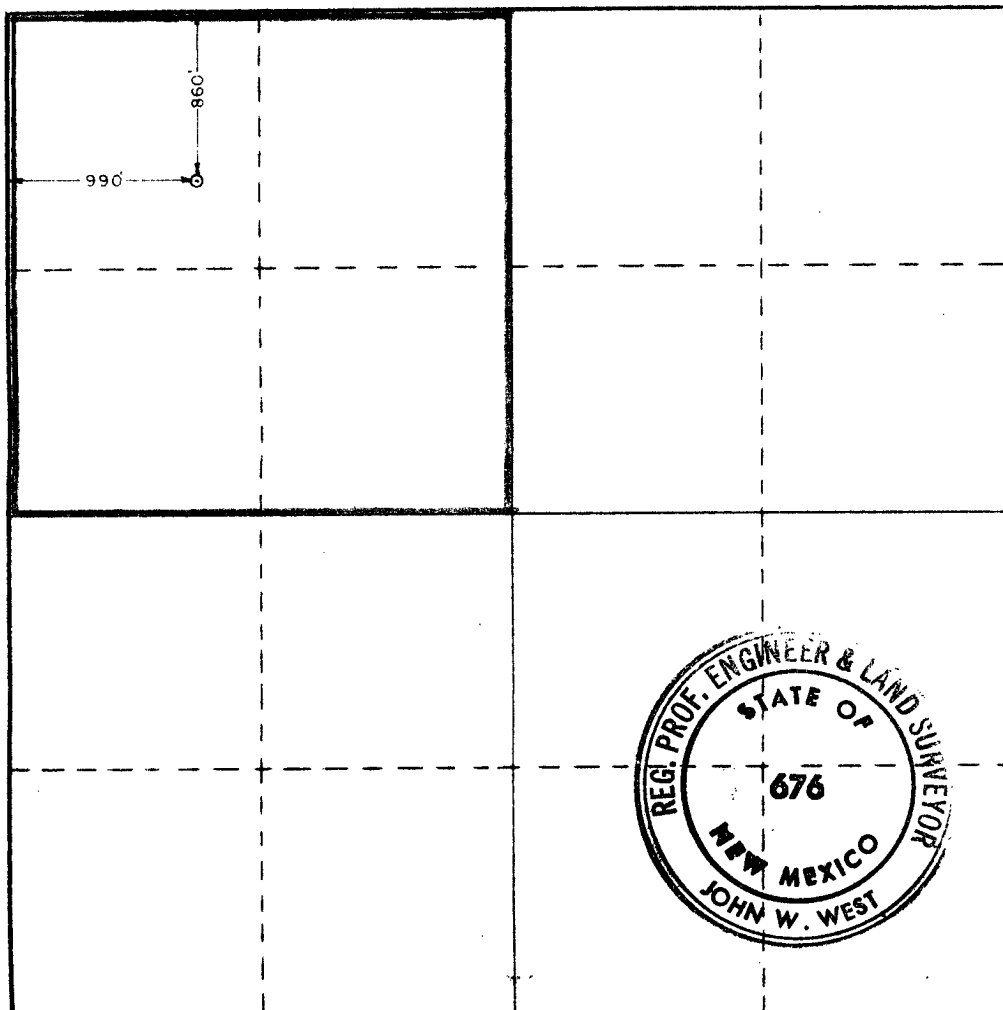
Operator V-F Petroleum Inc.		Lease Gann		Well No. 1
Unit Letter D	Section 9	Township 15 South	Range 36 East	County Lea
Actual Footage Location of Well: 860 feet from the North line and 990 feet from the West line				
Ground Level Elev. 3930.6	Producing Formation Atoka	Pool Undesignated Caudill Atoka gas	Dedicated Acreage: 1.60 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

S.K. Lawlis

Name

S.K. Lawlis

Position

Vice President

Company

V-F Petroleum Inc.

Date

10/31/06

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 knowledge and belief.

Date Surveyed

June 4, 1979

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No.

John W. West

676

Ronald J. Eidson

3239

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500