United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Box 1397, Roswell, New Mexico - 88201

IN REPLY
REFER TO:

RECEIVED

SEP 28 '87

O. C. D.
ARTESIA, OFFICE

C-SF

Form 9-331 C
(May 1963)

SUBMIT TRIPLICATE*
(Other instructions on reverse side)

RECEIVED
SEP 28 '87
O. C. D.
ARTESIA, OFFICE

Form approved.
Budget Bureau No. 42-R1425.

30-015-25813

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NM06766

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME: North Hackberry Yates

8. FARM OR LEASE NAME:

9. WELL NO.: 118

10. FIELD AND POOL, OR WILDCAT: North Hackberry Yates SE

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec24,T19S,R30E

1a. TYPE OF WORK: DRILL [XX] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [XX] GAS WELL [ ] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Chevron U.S.A. Inc.

3. ADDRESS OF OPERATOR: P.O. Box 670, Hobbs, NM 88240

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1415' FWL and 2367' FSL
At proposed prod. zone:

12. COUNTY OR PARISH: Eddy | 13. STATE: NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 12 miles South of Loco Hills

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 1593

16. NO. OF ACRES IN LEASE: 480' lease 720' unit

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 703

19. PROPOSED DEPTH: 2050

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3326'

22. APPROX. DATE WORK WILL START*: December 15, 1987

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24#	600	est 500 ft^3 to circ.
7 7/8	5 1/2	15.5#	2050	" 1000ft^3 to curculate

MUD PROGRAM: 0 - 600 FW/Spud 8.8ppg 35 visc. 9 ph
600 - 2050 BW-BW/Starch 10ppg, 31 vis, 10ph.

See Attached BOP drawing for 2000pgi working pressure.

POST ID#1
NL & API

Note: Administrative approval for unorthodox location has been applied for. 9-30-87

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED M. E. Akins TITLE STAFF DRILLING ENGINEER DATE AUGUST27, 1987

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISS

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	Lease	Well No.
Chevron U.S.A., Inc.	North Hackberry Yates Unit	118

Unit Letter	Section	Township	Range	County
K	24	19-S	30-E	Eddy

Actual Footage Location of Well: 2367 feet from the South line and 1415 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3326.0	YATES-SR	N. HACKBERRY YATES-SR	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

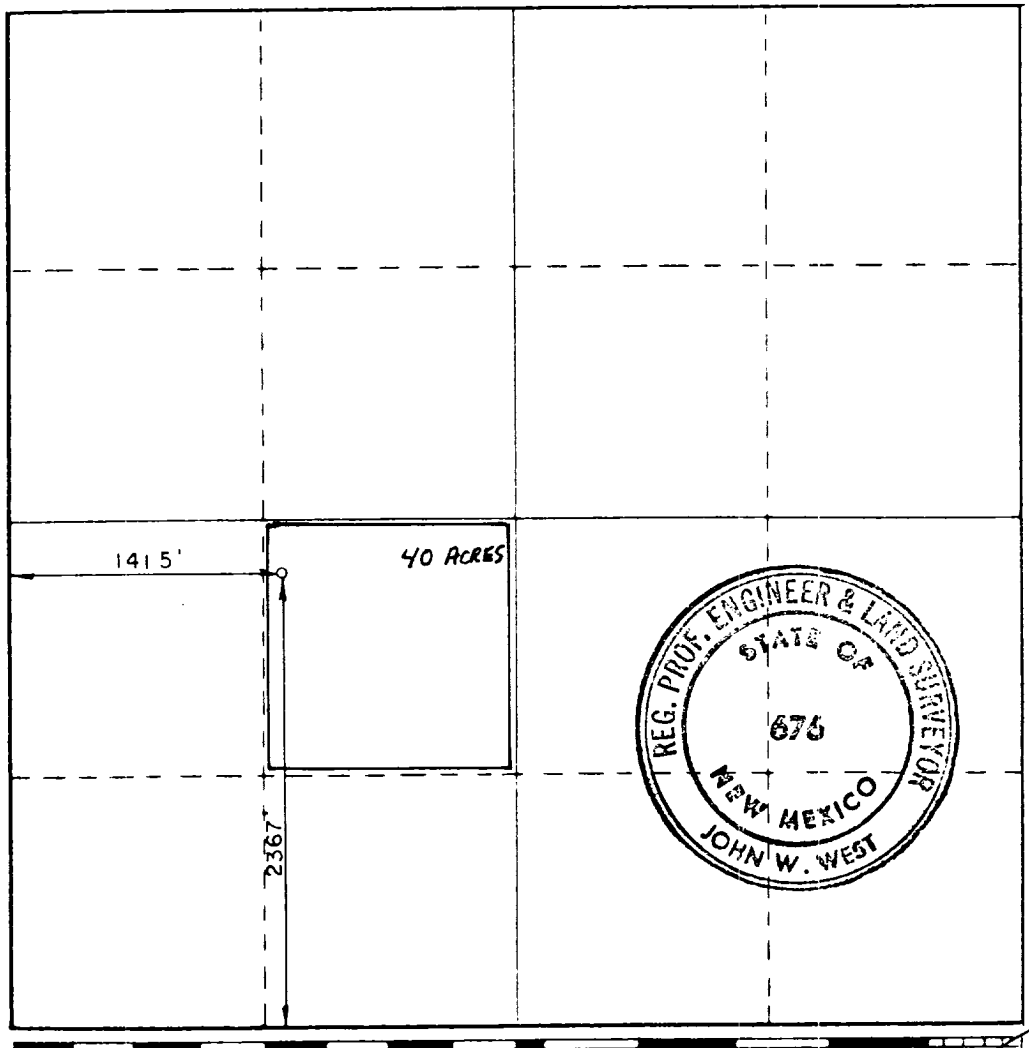
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. 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.

M. E. Akins

Name: M. E. Akins

Position: Staff Drilling Engineer

Company

Date: August 27, 1987

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: August 10, 1987

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

96560

Chevron U.S.A. Inc.
P.O. Box 670, Hobbs, NM 88240

Production Department
Hobbs Division

August 27, 1987

RE: APPLICATION TO DRILL
NORTH HACKBERRY YATES
UNIT #118
EDDY COUNTY, NEW MEXICO

Bureau of Land Management
P.O. Box 1778
Carlsbad, New Mexico 88240

Gentlemen:

The following is the planned drilling program and surface use plan for the NHYU #118.

Well: North Hackberry Yates Unit
1415' FWL & 2367' FSL
Section 24, T19S-$30E
Eddy County, New Mexico

A) Drilling Program: TD: 2050' w/ Rotary tools

1) Formation Tops:
Surface: Quaternary Alluvium & Bolson Deposits
Rustler 560
Base Salt 1560
Yates 1740

2) Estimated depths at which oil, gas or mineral or Expected
Oil - Yates 1800-1900'
Gas - None
Minerals - Potash 600-1560'

3) Pressure Control Equipment: A 2000 psi BOP with pipe rams, blind rams and a choke manifold will be nippled up and tested to 2000 psi. A rotating head will be used on top of the BOP. (See Exhibit A).

BOP system will be consistent with API RP 53. Test will be conducted prior to drill out from surface casing. BOPE will be functioned daily.

4) Casing Program

Surface: 0-600; 8 5/8" 24 # K55 ST&C. Cmt w/ 375 sx (500 ft^3) Class "C" w/ 2% CaCl2 mixed @ 14.8 ppg w/ 6.3 gal H20/sx for a 1.32 yield. Cement to be circulated to surface.

Production: 0-2050 5 1/2" 15.5 #K55 ST&C. Cmt w/ 750 sx (1000 ft^3) Class "C" w/ 2% CaCl2 and .5% FLA. Mixed at 14.8 ppg w/ 6.3 gal H20/sx for a 1.32 yield. Cement to be circulated to surface.

5) Mud Program

0-600' FW/SPUD 8.8 ppg 35 visc 9 ph

600-1800 BW 10 ppg 28 visc 10 ph

1800-2050 BW/Starch/Salt Gel 10.1 ppg 31 visc 10 ph

6) Core, Logs & Test

No cores or DST's are planned at this time.

Logs at TD will be
Run 1 GR/CNL/LDT 0-TD
Run 2 GR/DLL/MSFL 600-TD

Samples and drilling time will be logged from 1500'-TD.

7) Abnormal Conditions

Information obtained while drilling the NHYU #119 and #120 indicates a water flow of 50-100 BPH at 1750± feet can be anticipated. BHP of the water flow interval is estimated at 1300 psi (14.4 ppg). If this flow does occur the x-s water will be hauled to a public disposal. An ECP will possibly be run at 1700' to help assure protection of shallower horizons if the flow occurs. No H2S is anticipated, however, monitors will be operational by 600'.

8) Anticipated Start Date

We expect construction of location to start December 2, 1987 and spud on December 15, 1987.

B) Surface Use Plan

1) Existing Roads

a) Exhibit "B" is a map of existing roads or highways in the area.

Directions: From Carlsbad, New Mexico, proceed NE on HW 180 for approximately 14 miles. Turn left on HW 31 for 7½ miles. (Road will Y after potash plant and turn east.) Turn left on lease road (@ Chevron sign). Proceed up main travelled road for 2 miles (past battery and around injection house up arroyo). Turn right and proceed into location. (See Exhibits B and C).

2) Planned Access Road

a) 540' of 12' wide road will be constructed of 6" compacted and watered caliche. (See Exhibit D.)

b) 2'-6'x40' culverts will be installed in base of arroyo to facilitate uninterrupted drainage. (See Exhibit E.)

c) Road will be built along natural grade along existing trail. (See Exhibit E)

3) The nearest producing wells are Chevron's North Hackberry Yates Unit #104 and 109.

4) No tank batteries or permanent production equipment other than a pump unit should be required. Flowline will be routed down new road and linked with the route of present flowlines from other wells. (See Exhibit F).

5) Water for drilling and completion of this well will be purchased from a supplier and transported by truck to the well site.

6) Caliche as needed will be obtained from BLM pit located in SW ¼ of SW ¼ of Section 20, T19S, R30E Eddy County, New Mexico. (See Exhibit C.) This pit has obtained archaeological clearance.

7) Methods of Handling Waste Disposal

a) Drill cutting will be buried in sump hole.

b) Upon completion of this well, the sump hole will be de-watered and hauled to a public disposal, and the sump hole will be allowed to dry.

c) Current laws and regulations pertaining to the disposal of human waste will be complied with.

d) Trash, waste paper, garbage and junk will be held in a trash bin until completion of well and then hauled to a public disposal.

9) Well Site Layout

a) Exhibit G shows the relative location of mud pits, sump pit, and the location of major rig components.

b) See Exhibit D for planned cut and fill on the pad.

c) The sump hole will be plastic line.

d) The outline area of the wellsite and pit areas have been staked. The access road has been centerline flagged.

e) A fence has been constructed along the east edge of the location to help assure that the archeological site will not be disturbed.

10) Plans for Restoration

a) After completion of the well, all pits will be dewatered and fenced. After drying, the pits will be buried. The location will be cleaned of all trash and debris and left as aesthetically pleasing as possible.

b) After abandonment of this well, the well pad and unneeded access road will be ripped to promote revegetation. Rehabilitation will be accomplished within 90 days.

11) Other Information

a) Topography: Land surface is on the edge of a ridge with arroyo on three sides (north, west and south). The east side is bordered by a sand dune.

b) Soil: Sandy loam and caliche.

c) Flora and Fauna: Vegetation is generally mesquite, creosote bush and catclaw. Wildlife is typical of semiarid desert land including coyotes, rabbits, rodents, reptiles and birds.

d) Pond and streams: Hackberry Lake is approximately ½ mile south of the location.

e) Residences and Other Structures: There are no dwellings in the immediate area of the proposed location.

f) Land Use: Land is used for hunting in season and grazing.

g) Surface Ownership: The well site is on Federal Land under the Bureau of Land Management.

h) Cultural Resources: (See Exhibit H)

12) Operators Representative

N.G. Merkley (Senior Drilling Representative)
Chevron U.S.A. Inc.
P.O. Box 670
Hobbs, New Mexico 88240
Phone (505) 393-4121

13) Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Chevron U.S.A. Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

27 Aug '87
Date

M. E. Akins
M. E. Akins
Staff Drlg. Engr.

TLP/ds

Attachments

HOBBS DIVISION

Chevron U.S.A. Inc.
Southern Region--Exploration Land & Production

CLASS THREE PREVENTER

2000 PSI WP

The blowout preventor shall be nipplied up as needed and a spare set of drill pipe rams shall be on location. The ram preventors may be two singles or a double type. If full opening flanged outlets are on the side of the rams, then they may be used for connecting the choke line (4") and the kill line (2"). A set of spare flange bolts and nuts will be on location at all times for all flanges used.

The substructure height shall be sufficient to install a rotating blowout preventor.

The accumulator shall be equipped with two pumps. One shall be powered with air, the other will be powered with electricity. Each pump shall be capable of fluid charging the total accumulator from precharge pressure to rated pressure within 2 minutes. The minimum nitrogen precharge pressure shall be 750psi. The pressurized fluid volume stored in the accumulators shall be sufficient to close all pressure operated devices simultaneously within 15 seconds; after closure, the remaining accumulator pressure shall be not less than 1500 psi with the remaining accumulator fluid volume at lease 50 percent of the original.

A remote closing manifold located on the rig floor shall be operational. The closing manifold and remote shall have a seperate control for each pressure-operated device. Controls are to be labeled as to device and opened or closed. All controls are to be left in the open position when not in use. A pressure reducer and regulator will be provided for operating the annular preventer. All lines from the accumulator to the preventor will be rated to the same pressure rating of the preventor. The accumulator shall be placed away from the rig floor, the distance is specified in contract. Hydraulic fluid must meet RP-53 specifications.

The choke manifold and all lines are to be supported by metal stands and securely anchored. The choke flow line, relief lines and choke lines shall be as straight as possible and without sharp turns.

The choke flow line valves and kill line valves and all ram preventors must be equipped with stem extension, universal joints if needed, and hand wheels which extend beyond the edge of the substructure constructed to facilitate easy operation from outside the substructure. All other valves shall be equipted with handles.

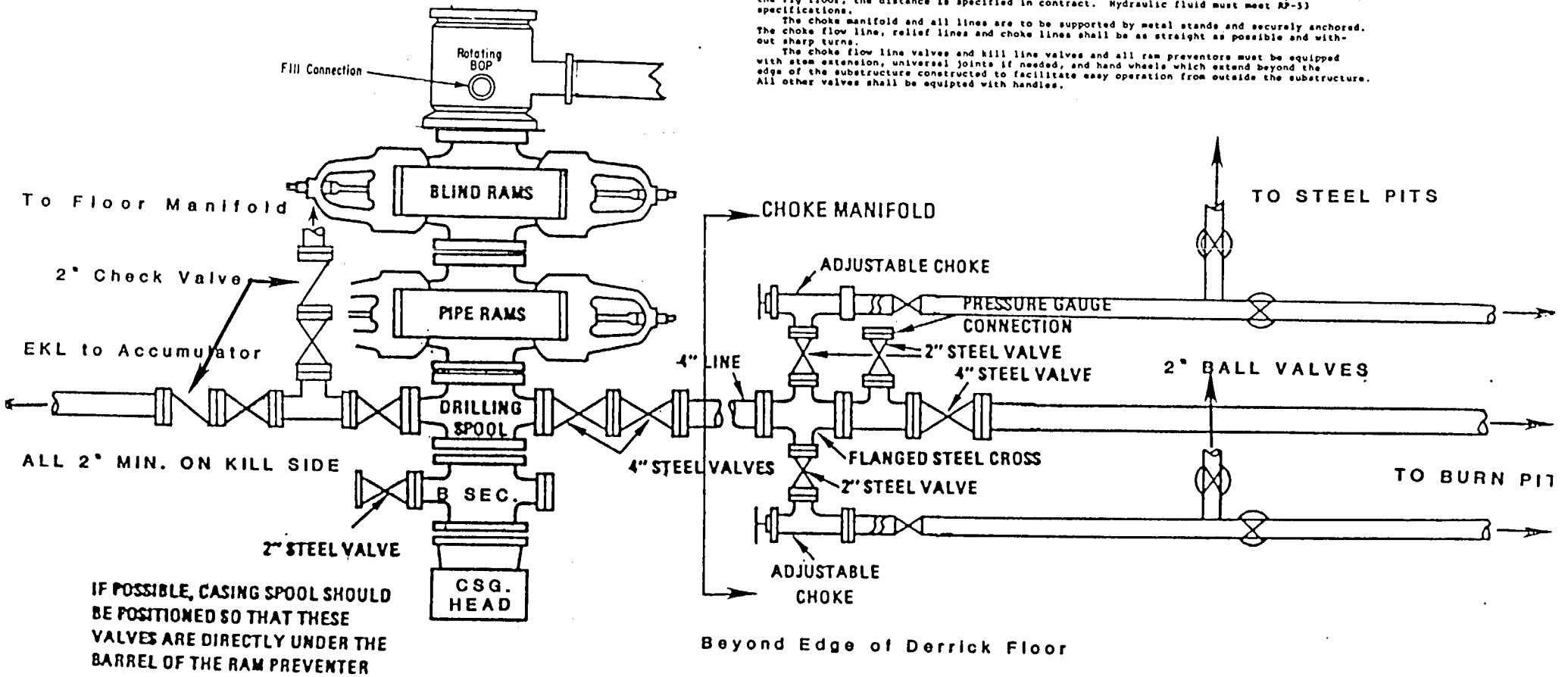
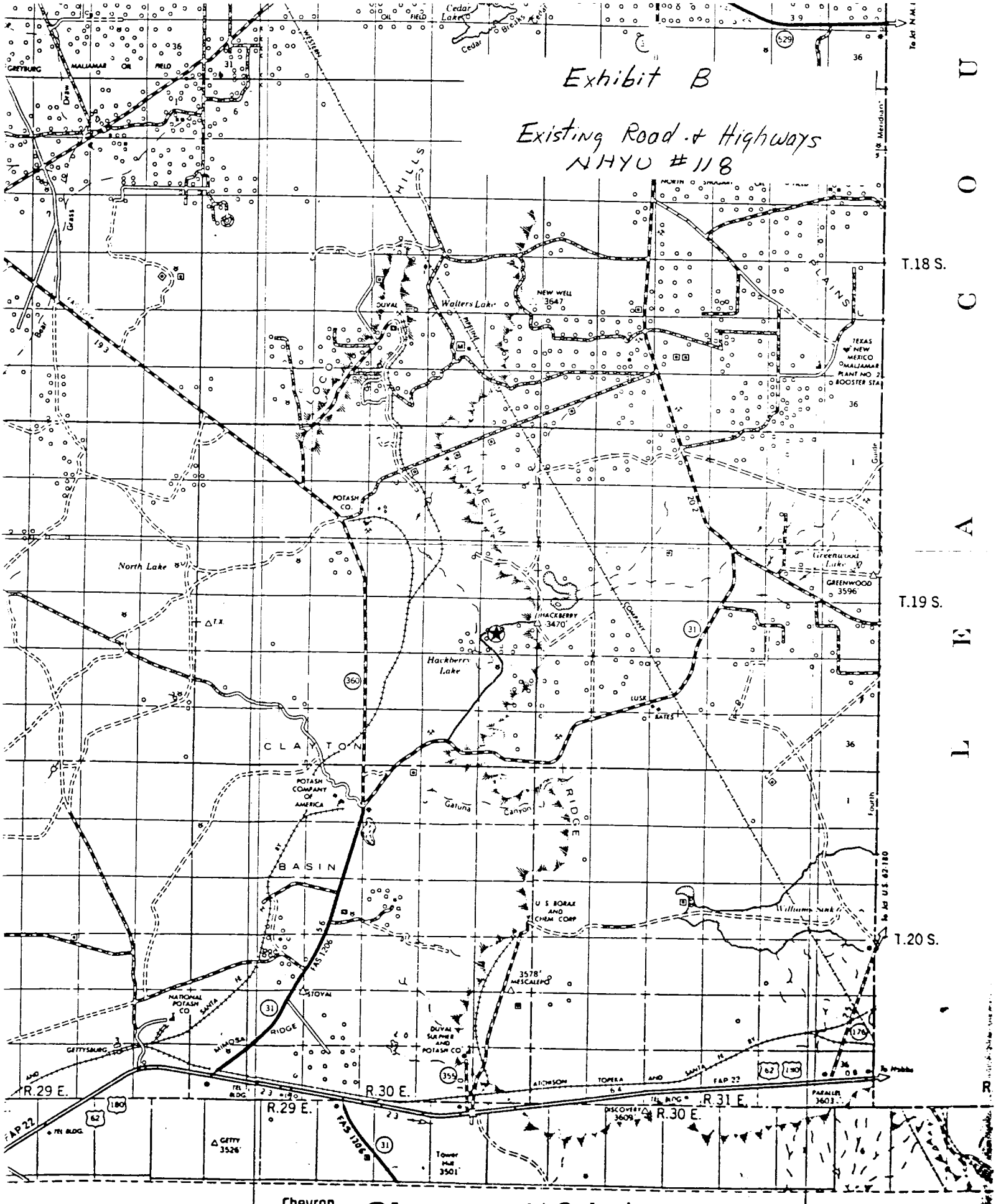


Exhibit A.



Chevron

Chevron U.S.A. Inc.

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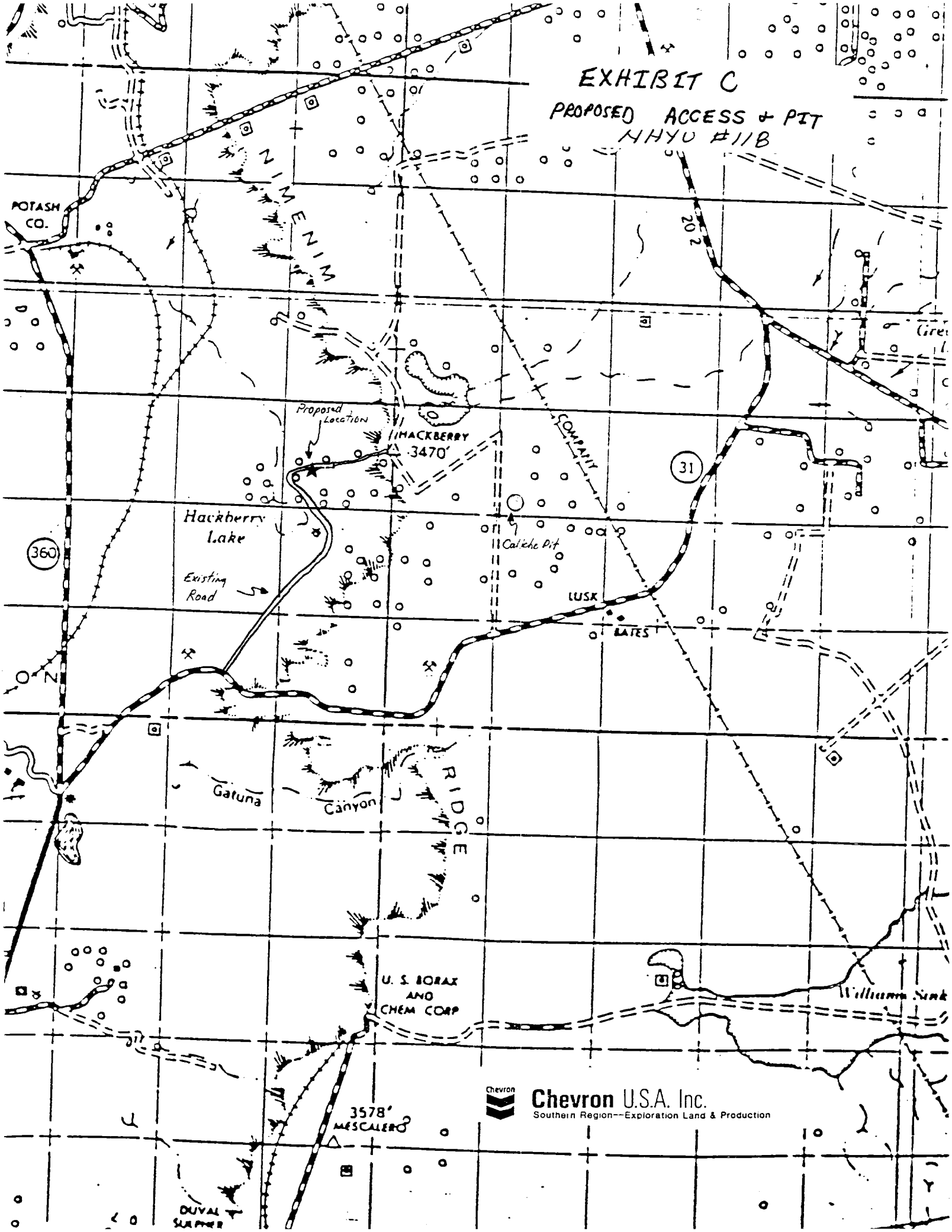


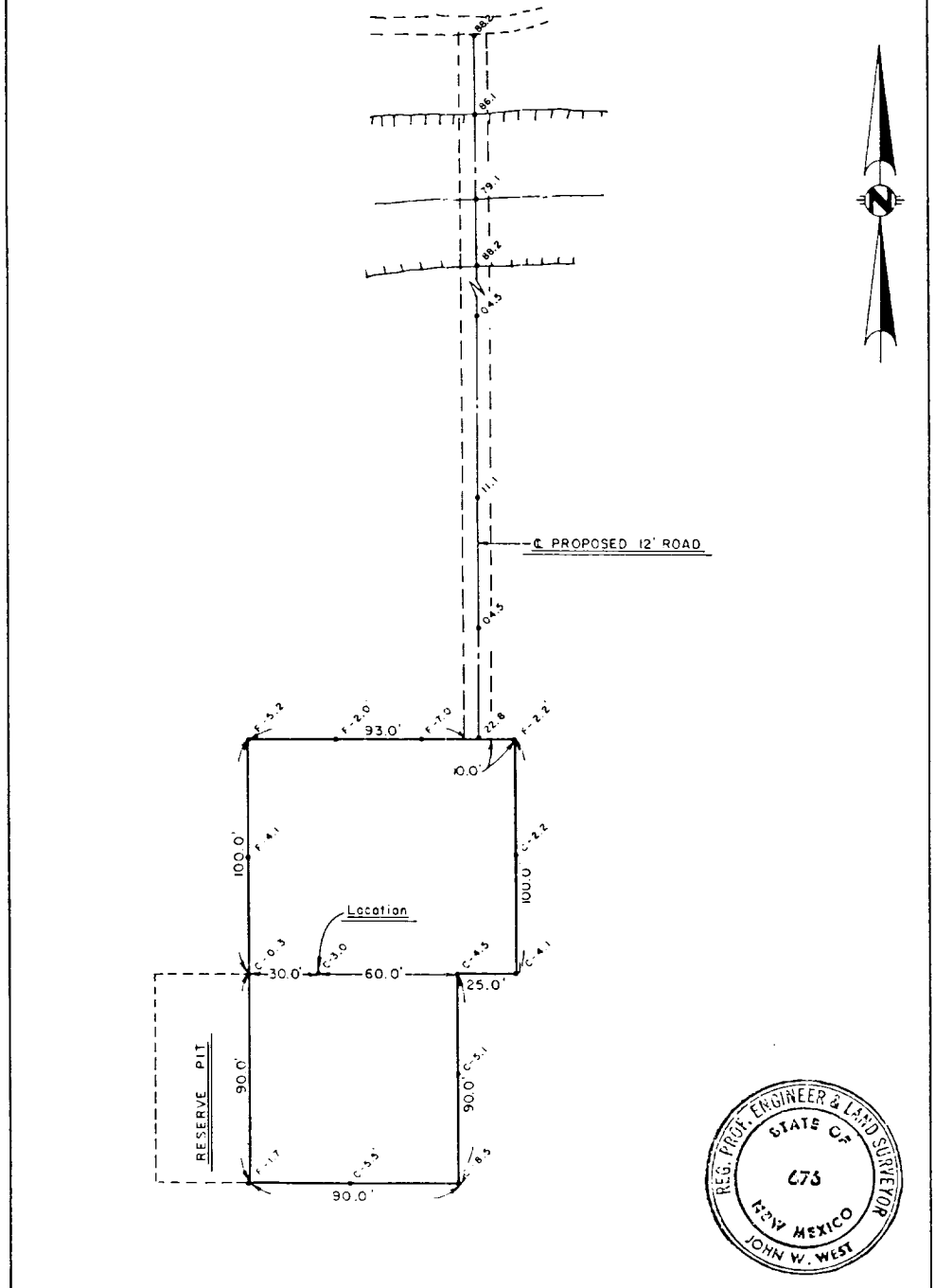
EXHIBIT C
PROPOSED ACCESS & PIT
NHYU #11B
POTASH CO.
ZIMENIM
202
Proposed Location
HACKBERRY
3470'
COMPANY
31
Hackberry Lake
Caliche Pit
360
Existing Road
LUSK
BATES
Galuna Canyon
RIDGE
U. S. BORAX AND CHEM CORP
Williams Sink
3578'
MESCALERO
DUVAL
Chevron U.S.A. Inc.
Southern Region--Exploration Land & Production

EXHIBIT D

Chevron U.S.A. Inc.

Southern Region--Exploration Land & Production

102785



I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE SURVEY MADE UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

JOHN W WEST, NM PE & LS No 676
TEXAS RPS No 1138
RONALD J EIDSON, NM L.S. No 3239
TEXAS R P S No 1883

Chevron U.S.A., Inc.

Proposed well pad for the North Backberry No. 118, located in Section 24, T-19-S, R-30-E, N.M.P.M., Eddy County, New Mexico.

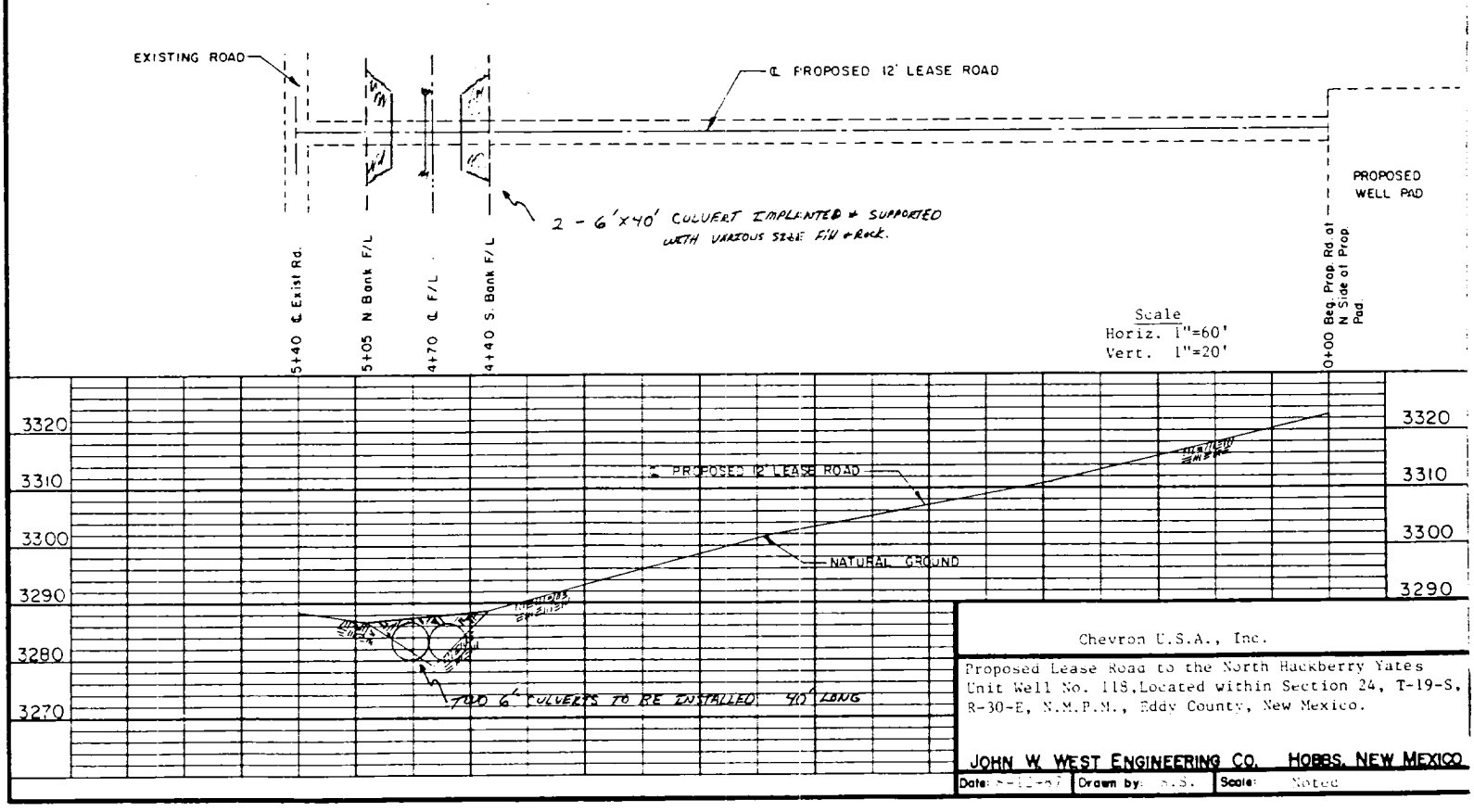
JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS HOBBS, NEW MEXICO

Scale 1"=50'	Drawn By S. Stanfield
Date 8-12-1982 Ck	Sheet 1 of 1 Sheets

EXHIBIT E

86192

SECTION 24, TOWNSHIP 19 SOUTH, RANGE 30 EAST, N.M.P.M.
EDDY COUNTY NEW MEXICO



Chevron U.S.A., Inc.

Proposed Lease Road to the North Hackberry Yates Unit Well No. 118, Located within Section 24, T-19-S, R-30-E, N.M.P.M., Eddy County, New Mexico.

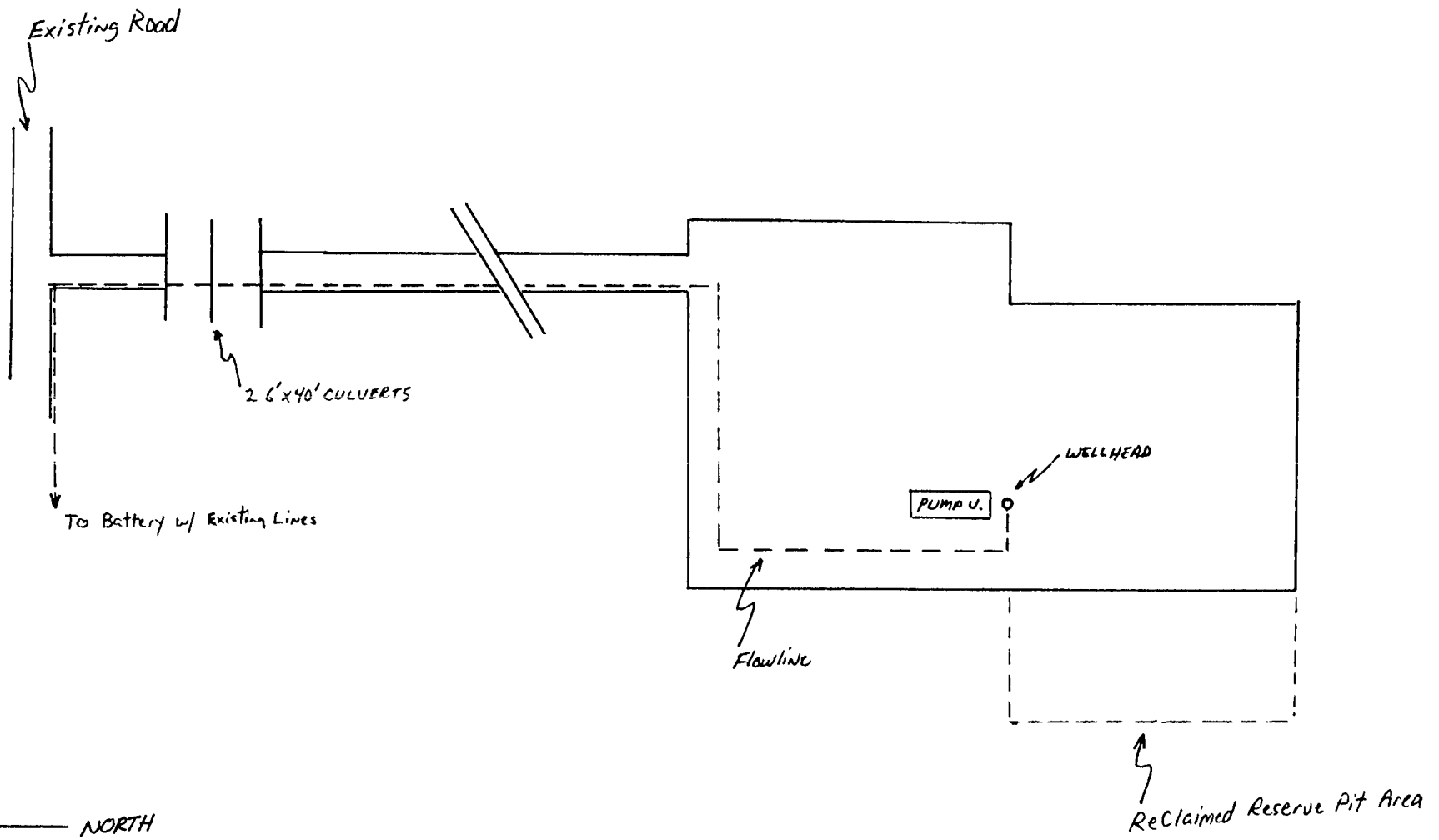
JOHN W. WEST ENGINEERING CO. HOBBS, NEW MEXICO

Date: 5-12-87 | Drawn by: S.S. | Scale: Noted

Chevron

Chevron U.S.A. Inc.
Southern Region--Exploration Land & Production

EXHIBIT F



Chevron U.S.A. Inc.
Southern Region--Exploration Land & Production

Chevron U.S.A. Inc.

Southern Region--Exploration Land & Production

EXHIBIT G