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MAY 30 2008

Form 3160-3
(April 2004)

Bureau of Land Management
Farmington Field Office

FORM APPROVED
OMB NO 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of Work <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No NM-SF-078818-A
1b Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name
2. Name of Operator Chevron Midcontinent L P		7 If Unit or CA Agreement, Name and No.
3a Address P O Box 36366 Houston, TX 77236		8 Lease Name and Well No USA 5
3b Phone No. (include area code) 281-561-4859		9 API Well No 30-045-28854
4. Location of well (Report location clearly and in accordance with any State requirements *) At surface 965' FSL -735' FEL Lat 36 96774 Long. 108 14809 At proposed prod zone		10 Field and Pool, or Exploratory Basin Fruitland Coal
11 Sec , T , R , M , or Blk and Survey or Area Sec 24 T32N R13W		12 County or Parish San Juan County
13 State New Mexico		14 Distance in miles and direction from the nearest town or post office* 3 miles of LaPlata, New Mexico
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg unit line, if any) 800'	16 No. of acres in lease 2200	17 Spacing Unit dedicated to this well 320 E/2
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 135'	19 Proposed Depth 2150'	20 BLM/ BIA Bond No on file RLB0002888
21 Elevations (Show whether DF RT, GR, etc) 5944'	22 Aproximate date work will start* 6/1/2008	23 Estimated duration 30 days

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.3

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

The following, completed in accordance with the requirements of the Oil and Gas Order No. 1 shall be attached to this form.

- | | |
|--|---|
| 1 Well plat certified by a registered surveyor | 4 Bond to cover the operations unless covered by existing bond on file (see item 20 above) |
| 2 A Drilling Plan | 5 Operator certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/ or plans as may be required by the a authorized officer |

25 Signature <i>Pamela Rainey</i>	Name (Printed/ Typed) Pamela Rainey	Date 5/20/2008
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Title Regulatory Specialist

Approved By <i>[Signature]</i>	Name (Printed/ Typed)	Date 7/19/11
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Title AFM	Office FFO
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Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Conditions of approval, if any, are attached

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

*(Instructions on page 2)

* Submit Revised C-102
* Assign perforations into intended pool

NMOC

SEP 20 2011



H₂S POTENTIAL EXIST

**NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT**

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

DISTRICT II
1301 W. Grand Ave., Artesia, NM. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-28854		Pool Code 71629		Pool Name BASIN Fruitland Coal	
Property Code 7978 38821		Property Name USA		Well Number 5	
OGRID No 241333		Operator Name CHEVRON MIDCONTINENT L.P.		Elevation 5944	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	24	32-N	13-W		965	SOUTH	735	EAST	SAN JUAN

11 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
Dedicated Acres 5 1/2		Joint or Infill		Consolidation Code		Order No			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		17	
LOT 2 41.95 AC.		LOT 1 41.50 AC.	
LOT 3 41.50 AC.		LOT 4 41.10 AC.	
24		FD. 3 1/4" BC 1952 B.L.M.	
LAT: 36.96774° N. (NAD 83) LONG: 108.14809° W. (NAD 83) LAT: 36°58'03" 86716" N. (NAD 27) LONG: 108°08'53.11257" W. (NAD 27)		N 01-25-38 E 2507.59' (M)	
WITNESS CORNER FD. 3 1/4" BC. 1952 B.L.M.		N 38-12-10 W 2564 13' (W) FD 3 1/4" BC. 1952 B.L.M.	
		735' 965'	
		OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: Pamela Rainey 5/2/05 Printed Name: Pamela Rainey	
		18 SURVEYOR CERTIFICATION 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. APRIL 14 2008 RUSH Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	





CHEVRON
Mid-Continent Business Unit
Coal Bed Methane

USA #5

San Juan County, New Mexico
Sec 24 – T 32N – R 13W
Field: La Plata
API: 30-045-28854
CHEVNO:
WBS:

Date: April 3, 2008
Revised:

Prepared by: Anne Djuanda

Production Engineers: Anne Djuanda/ ahml@chevron.com Jim Micikas
(281) 561-4724/ micikjd@chevron.com
(281) 561-4860

Workover Engineer: Cuong Truong / CT
truonch@chevron.com
(281) 561-3872

Pumper: Nick Sherman
(970) 759-3361

STATUS: WELL WAS P&A'D IN 1994. BEFORE SI, IT PRODUCED AT 200 MSCF/D AND 300 BWPD INTO A VOL CONSTRAINED FACILITY SYSTEM IN 1993. WELL PEAKED AT 1000 MSCF/D 6 MONTHS UPON COMPLETION.

PROJECT SCOPE: RE-ENTER P&A'D WELL. RE-COMPLETE AND RETURN TO PRODUCTION

1. DRILL OUT 4 CEMENT PLUGS, THROUGH PLUG MUD, AND CEMENT RETAINER
2. CLEAN OUT TO PBTD.
3. TEST CASING TO 3500 PSI
4. RE PERF AND RE-FRAC BASAL COAL SECTION
5. PERF AND FRAC UPPER FRUITLAND COAL SECTION
6. LAND NEW 2-7/8" J-55 TUBING. LAND PUMP AND RODS.

Procedure

1. Install and test rig anchors. Record test results. Prepare workover pit. Comply w/ all *NMOC* BLM and Chevron HES Regulations.
2. PUT LO/TO on well. Bleed down any pressure if present
3. MI and R/U rig. Conduct safety meeting w/ all personnel on location



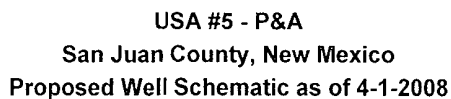
4. ND Wellhead, NU cleanout spool, BOP's with 1- 6" blooie line or 2- 3" flow back lines to pit. Pressure test BOP's. Record test.
5. PU 4-3/4" bladed bit, bit sub, 6 - 3-1/2" slick DC, 2-3/8" WS with 5-1/2" watermelon mill RIH with working string. Tag fill. Drill out PBTD to TD @ 2150'. C/O to new TD @ ~2150'. Break circulation. Circ hole clean with 2% KCl water w/ biocide.
 - a. Watch workstring weight and note if there is significant weight change from 2020' to 2100'. Cement plug #1 (see WBD) top may not be below retainer. **Record** approx TOC plug #1 if there is significant weight change.
6. Pump in with water with workstring and see if any pressure buildup is seen. Record pressure build up.
 - a. If vol of water pumped circ back, then shut down and RU wireline for CBL/CCL/GR log to verify integrity of cement behind 5-1/2" liner
 - b. If vol of water pumped is not circ back, then shut down and prepare for cement operations in steps 10-12
7. POOH with workstring
8. Test casing. Record test results at each stage for BLM records.
 - a. PU RBP and set to ~2000'. Load with 2% KCl water treated with biocide and test csg to 3000#.
 - b. RIH and latch on RBP and move up to 1200'. Load water and test csg
 - c. RIH and latch on RBP and move up to 400'. Load water and test csg
If casing doesn't test prepare for remediation plans.
9. POOH with RBP and workstring

Cement Operations, steps 10-12 (perform ONLY if 6b is seen)

10. RIH 5-1/2" cement retainer on 2-3/8" workstring POOH.
11. PU 2-3/8" workstring w/ snap-latch setting tool and sting onto cement retainer. Start pumping cement. Watch casing pressure. Shut down cement pumps when pressure is seen.
12. PU 4-3/4" bladed bit, bit sub and DC's on 2-3/8" workstring Drill out cement inside 5-1/2" liner to top of cement retainer PBTD @ ~2144'. Break circulation with 2% KCl water w/ biocide
13. RIH with wireline 4" HEGS and perf Basal coal 8 JSPF at 90deg at 2080'-2115' POOH after 2nd run
14. RD wireline. MIRU frac equipment Frac Basal Coal
15. RU wireline and set CBP @ 2010' with 4" HEGS and perf Upper Fruitland coal 3 JSPF at 90deg @ 1970'-1982', 1871'-1876', 1860'-1863', 1632'-1634' all inclusive. RD wireline
16. RU 4-3/4" bit, bit sub and 3-1/2" DC on 2-3/8" WS and drill out CBP @ 2010'. C/O to PBTD at 2144' and break circulation Report any frac sand and/or coal returns.
17. RU wireline and Protechnics. Run Protechnics spinner survey from 1620' to 2130'.



18. POOH. RD wireline Release same Send spinner surveys to production engineers and workover engineer listed above
19. POOH with 2-3/8" tubing and wireline re-entry guide.
20. PU Muleshoe and Seating Nipple and RIH with new 2-7/8" 6.5ppf J-55 tubing. Land well w/ EOT @ ~ 2130'
21. ND Cleanout spool, BOP, 6" blooie or 3" flow back lines. NU wellhead.
22. PU rods and 2" or 2-1/4" insert pump
23. Install new pumping unit.
24. Call pumper of new well conditions and notify to be on location to start up PU.
25. RD WO rig and MOL
26. Turn well to production



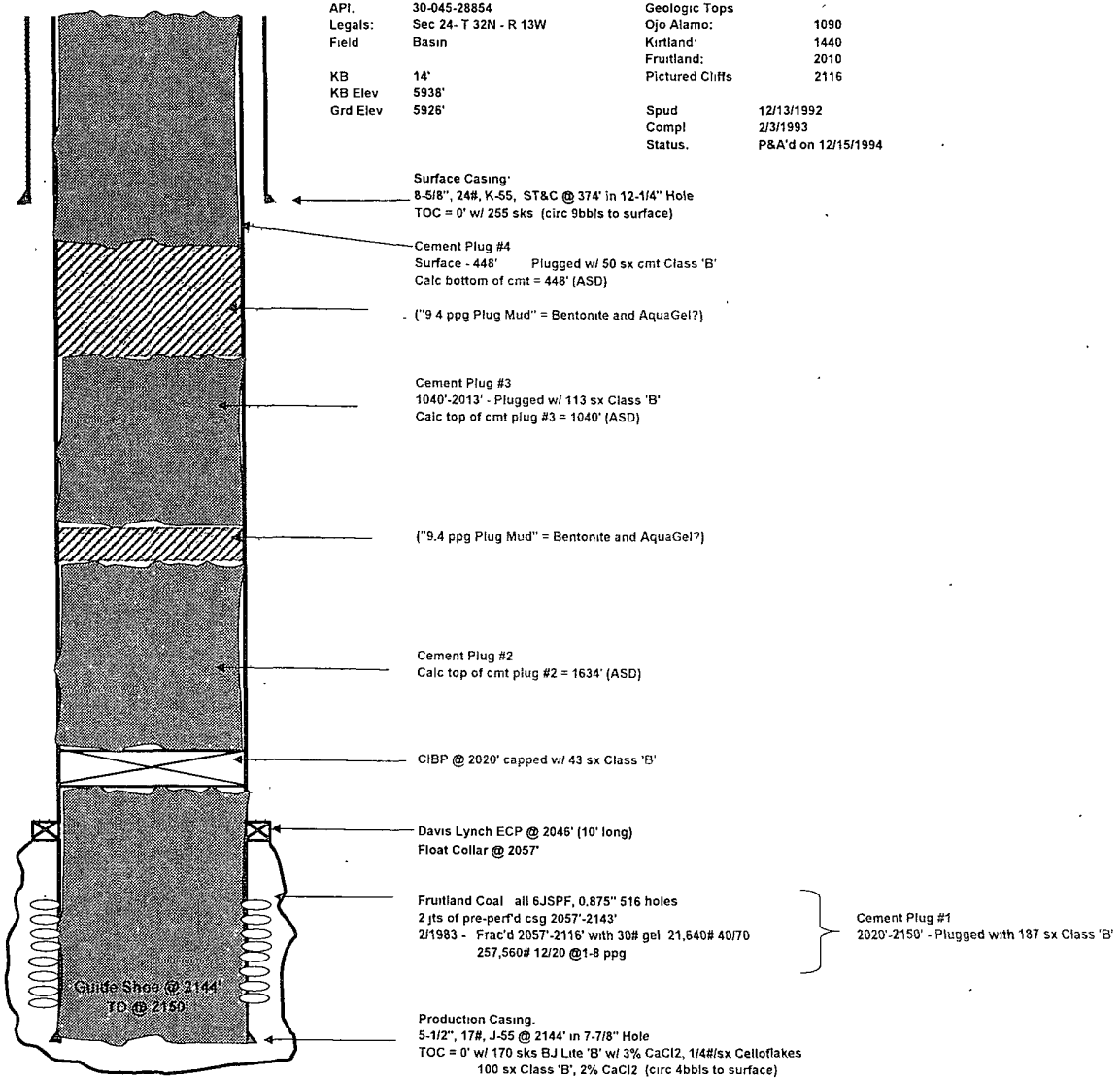
Spud 12/13/1992
Compl
Status: P&A'd on 12/15/1994

PROPOSED
Re-perf and Re-frac Basal Coal section
8 JSPF 90deg
2080'-2115'

Revised by.
Date



USA #5 - P&A
San Juan County, New Mexico
Current Well Schematic as of 4-3-2008



Prepared by: Anne Djuanda
Date: 8/31/2007

Revised by: Anne Djuanda
Date: 4/3/2008

30045288540000

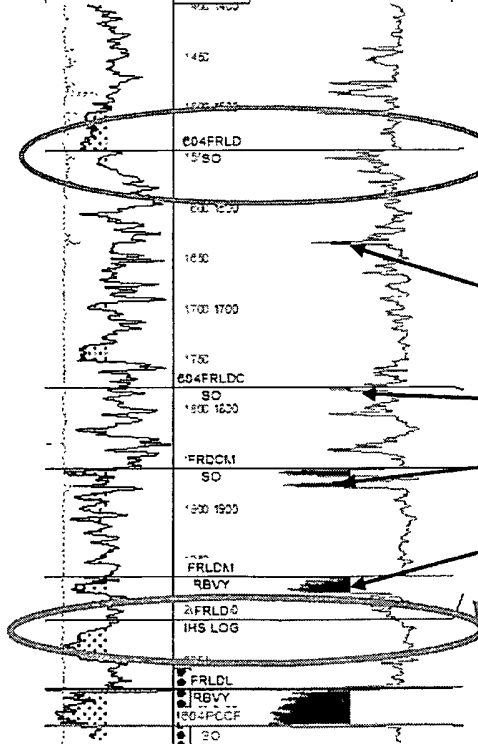


HEC
U S A E
NW14 SE14

Twp 32 N - Range 13 W - Sec 24

Correlation	Depth	Density
GR	TVD	RI-OS
2000 GAF 200.000		GOS
CALI	QVD	DR-ONA
N		
SRNA	10	PH-ONA
200		
		PH-ONA
		PH-ONA

•Top Fruitland formation
of 2010' supplied to
NMOCD was incorrect
(based on
erroneous data received
from IHS)



•Corrected Top Fruitland
is 1542' for USA 5

coal seams clearly indicate Fruitland
Formation is shallower than initially
reported by CVX to NMOCD



USA #5 - P&A
San Juan County, New Mexico

Proposed Well Schematic

API 30-045-28854
Legals Sec 24- T 32N - R 13W
Field. Basin
KB 14'
KB Elev 5938'
Grd Elev 5926'

Geologic Tops:
Ojo Alamo 1090
Kirtland. 1440
Fruitland. 1542
Pictured Cliffs: 2116

Spud 12/13/1992
Compl: 2/3/1993
Status P&A'd on 12/15/1994

Surface Casing
8-5/8", 24#, K-55, ST&C @ 374' in 12-1/4" Hole
TOC = 0' w/ 255 sks (circ 9bbls to surface)

PROPOSED
Tbg details: 2-7/8" 6.5ppf J-55
Rod pumped
Approx EOT = 2130'

PROPOSED
Perf and Frac Upper Coal section
3 JSPF, 120deg
1632'-1634', 1860'-1863', 1871'-1876', 1970'-1982'

Davis Lynch ECP @ 2046' (10' long)
Float Collar @ 2057'

Fruitland Coal all 6JSPF, 0.875" 516 holes
2 jts of pre-perf'd csg 2057'-2143'
2/1983 - Frac'd with 30# gel 21,640# 40/70
257,560# 12/20 @ 1-8 ppg

PROPOSED
Re-perf and Re-frac Basal Coal section
8 JSPF, 90deg
2080'-2115'

Production Casing
5-1/2", 17#, J-55 @ 2144' in 7-7/8" Hole
TOC = 0' w/ 170 sks BJ Lite 'B' w/ 3% CaCl₂, 1/4#/sx Celloflakes
100 sx Class 'B', 2% CaCl₂ (circ 4bbls to surface)

PBTD = 2144'
TD = 2150'





USA #5 - P&A
San Juan County, New Mexico

Current Well Schematic

