

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

Form C-101
Revised November 14, 2012

Energy Minerals and Natural Resources

Oil Conservation Division

☐ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBS OCD

JAN 28 2013

RECEIVED

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

1. Operator Name and Address CHEVRON MIDCONTINENT, L.P. 15 SMITH ROAD MIDLAND, TEXAS 79705		2. OGRID Number 241333
		3. API Number 30-025-29546
4. Property Code	5. Property Name LOVINGTON DEEP STATE	6. Well No. 1

7. Surface Location

UL - Lot A	Section 1	Township 17-S	Range 35-E	Lot Idn	Feet from 823	N/S Line NORTH	Feet From 581	E/W Line EAST	County LEA
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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 SHOE BAR, SAN ANDRES, SOUTH WC-025 G-01 5173501A; SAN ANDRES	Pool Code NEW POOL 97999
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Additional Well Information

11. Work Type RECOMPLETE	12. Well Type OIL	13. Cable/Rotary	14. Lease Type STATE	15. Ground Level Elevation 3932' GL
16. Multiple	17. Proposed Depth	18. Formation SAN ANDRES	19. Contractor	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
			NO CHANGE			

Casing/Cement Program: Additional Comments

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Permit Expires 2 Years From Approval
Rate Unless Drilling Underway

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

NSL-2640

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 I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: <i>Denise Pinkerton</i>		OIL CONSERVATION DIVISION	
Printed name: DENISE PINKERTON		Approved By: <i>[Signature]</i>	
Title: REGULATORY SPECIALIST		Title: Petroleum Engineer	
E-mail Address: leakejd@chevron.com		Approved Date: JAN 30 2013	
Date: 01-23-2013		Expiration Date:	
Phone: 432-687-7375		Conditions of Approval Attached	

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State of New Mexico
Energy, Minerals & Natural Resources Department
HOBBS OCD
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
JAN 28 2013

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

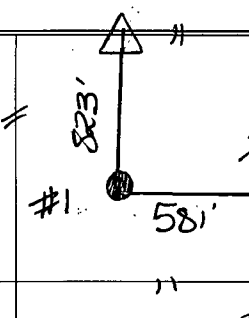
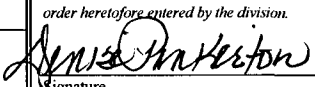
RECEIVED
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-29546	² Pool Code 97999	³ Pool Name WC-0256-01 5173501A; SAN ANDRES
⁴ Property Code	⁵ Property Name LOVINGTON DEEP STATE	⁶ Well Number 1
⁷ OGRID No. 241333	⁸ Operator Name CHEVRON MIDCONTINENT, L.P.	⁹ Elevation 3932'

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
A	1	17-S	35-E		823	NORTH	581	EAST	LEA

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
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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 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 01-23-2013 Date DENISE PINKERTON REGULATORY SPECIALIST Printed Name leakejd@chevron.com E-mail Address	
						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 belief. Date of Survey Signature and Seal of Professional Surveyor:	
						Certificate Number	

Well: Lovington Deep State No. 1
Field: Lovington
API No.: 30-025-29546
Lea County, New Mexico

Description of work: Find casing leak & P&A the 5-1/2" casing. (On P&A WBS)

Pre-Work:

1. Check Wellhead connections for pressure ratings and condition. Change out if necessary.
2. Utilize the rig move check list.
3. Check anchors and verify that pull test has been completed in the last 24 months.
4. Ensure location of & distance to power lines is in accordance with MCA SWP. Complete and electrical variance and electrical variance RUMS if necessary.
5. Ensure that location is of adequate build and construction.
6. Ensure that elevators and other lifting equipment are inspected. Caliper all lifting equipment at the beginning of each day or when sizes change.
7. When NU anything over and open wellhead (EPA, etc.) ensure the hole is covered to avoid dropping anything downhole
8. For wells to be worked on or drilled in an H2S field/area, include the anticipated maximum amount of H2S that an individual could be exposed to along with the ROE calculations for 100 ppm and 500 ppm (attached).
9. If the possibility of trapped pressure exists, check for possible obstruction by:
 - Pumping through the fish/tubular – this is not guaranteed with an old fish as the possibility of a hole above the obstruction could yield inconclusive results
 - Dummy run – make a dummy run through the fish/tubular with sandline, slickline, eline or rods to verify no obstruction. Prior to making any dummy run contact RE and discuss.

If unable to verify that there is no obstruction above the connection to be broken, or if there is an obstruction:

- Hot Tap at the connection to check for pressure and bleed off
- Observe and watch for signs / indicators of pressure as connection is being broken. Use mud bucket (with seals removed) and clear all non-essential personnel from the floor.

Procedure:

1. MIRU PU. Check wellhead pressure, and kill well as necessary.
2. Pull and lay down rods and pump. Inspect rods for signs of wear, corrosion, scale, etc. Note any rod damage in WellView. (Will run back in hole with rods that pass inspection, send excess rods, if any, to 1788 yard – see attached rod string design)
3. ND wellhead. NU 5,000 psi BOP with 2-3/8" pipe rams over blinds with hydrill on top. Unset TAC. RIH with 1 joint of tubing and 9-5/8" packer. Set packer. Test BOP to 250 psi low / 500 psi high.
4. POOH with packer & continue to TOH with 2-3/8" tubing while scanning. Lay down bad joints. Lay down packer. Inspect packer and repair. (Will need at least 168 jts of tubing, send any excess to 1788 yard)

Well: Lovington Deep State No. 1
Field: Lovington
API No.: 30-025-29546
Lea County, New Mexico

5. Change out BOP rams to 2-7/8" rams. RIH with 1 joint of tubing and 9-5/8" packer. Set packer. Test BOP to 250 psi low / 500 psi high.
6. RU wireline. Make dummy run w/ gauge ring to 11,050'. If clear, continue to step 7. If cannot get down, RIH with a 4-5/8" MTB on the end of 2-7/8" work string, making a cleanout run to 11,050'.
7. PU 5-1/2" packer and RBP on 2-7/8" work string. Set RBP @ 10,000'. Test RBP, test back side. If there is a leak, find & establish pump-in rate and pressure.
8. RU wireline. Get on depth with Schlumberger's 'Simultaneous Compensated Neutron Litho Density' log dated 3/30/86 (copy attached). Set CIBP at 11,042'.
9. Dump bail 13sxs cement plug across DV tool (Class H, 1.06 cuft/sk, 16.4 ppg) from 11,042' – 10,942'. POH.
10. PU CIBP. Get on depth with Schlumberger's 'Simultaneous Compensated Neutron Litho Density' log dated 3/30/86 (copy attached). Set CIBP at 10,650'.
11. Dump bail 5 sxs, 35' of cement (Class H, 1.06 cuft/sk, 16.4 ppg) on top of CIBP.
12. PU CIBP. Get on depth with Schlumberger's 'Simultaneous Compensated Neutron Litho Density' log dated 3/30/86 (copy attached). Set CIBP at 10,100'.
13. Dump bail 35' of cement (Class H, 1.06 cuft/sk, 16.4 ppg) on top of CIBP.
14. Rig down wireline.
15. TIH with 2-7/8" work string open ended and spot 9.5 ppg abandonment fluid from 10,015' – 7,500' (Abandonment fluid must be mixed at 25 sx of gel per 100 bbls of brine water). Pull up hole to 7,500'.
16. Spot balanced cement plug (Class H, 1.06 cuft/sk, 16.4 ppg, 62 sxs) from 7,500' – 7,000'. Pull uphole to 7,000' and reverse circulate clean.
17. Spot 9.5 ppg abandonment fluid from 7,000' – 5,750' (Abandonment fluid must be mixed at 25 sx of gel per 100 bbls of brine water). Pull uphole to 5,750'.
18. RU wireline. Get on depth with Schlumberger's 'Simultaneous Compensated Neutron Litho Density' log dated 3/30/86 (copy attached). Perf the 5-1/2" liner at 5,750'.
19. Rig Down Wireline
20. Attempt to pump cement (Class C, 1.36 cuft/sk, 13.1 ppg) into 5-1/2" annulus.
21. Spot balanced cement plug (Class C, 1.36 cuft/sk, 13.1 ppg, 77 sxs) from 5,750' – 5,150'. Pull uphole to 5,150' and reverse circulate clean.
22. Allow cement to set, RIH w/ tubing OE and tag TOC. Test to 530# for 30 minutes to ensure plug is holding.
23. POOH with 2-7/8" work string.

Well: Lovington Deep State No. 1
Field: Lovington
API No.: 30-025-29546
Lea County, New Mexico

Description of work: Recomplete in the SA. (On separate WBS, not on P&A WBS)

1. Rig up wireline truck. Get on depth with Schlumberger's 'Borehole Compensated Sonic Log' dated 3/31/86 (copy attached). RU Lubricator, close blind rams and test lubricator to 500 psi. RIH with Baker Hughes 4-1/2" EHC Predator XP. Perforate the 9-5/8" casing with 2 JSPF (90 degree phasing) as follows:
 - 4,867' – 4,877' (20 total holes)
 - 4,916' – 4,926' (20 total holes)
 - 4,950' – 4,958' (16 total holes)
 - 5,009' – 5,016' (14 total holes)
2. POOH with perforating gun.
3. Rig down wireline truck. Prepare to acid stimulate.
4. RIH with 9-5/8" treating packer on 2-7/8" workstring. Test tubing to 6,000 psi below slips while RIH.
5. Set packer at 4,767'.
6. Acidize San Andres perms from 4,867 – 5,016' with 4,000 gal 15% HCL. Divert using 105, 1.2 SG 7/8" bio-balls and drop in groups of 15. Pump acid at 6-8 BPM. Max Pressure = 5,000 psi. Displace acid with FW to bottom perf at 5,016'. Monitor casing pressure for communication around packer.
7. Shut-in for 2 hours to allow acid to spend and bio-balls to break.
8. Flow or swab load back monitoring fluid entry and oil cut.
9. Release packer. POOH with packer and work string.
10. Change out BOP rams to 2-3/8" rams. RIH with 1 joint of tubing and 9-5/8" packer. Set packer. Test BOP to 250 psi low / 500 psi high.
11. PU and RIH with 2-3/8" production tubing as per ALCR recommendation.
12. RD BOP and install WH.
13. RIH with pump and rods as per ALCR.
14. Put on production and test.

RRW 10/19/2012

Contacts:

Lovington Deep State No. 1 Wellbore Diagram

Created: 09/20/11 By: PTB
 Updated: By:
 Lease: Lovington Deep State
 Field:
 Surf. Loc.: 823' FNL & 581' FEL
 Bot. Loc.:
 County: Lea St.: NM
 Status: Producer

Well #: 1 St. Lse:
 API: 30-025-29546
 Unit Ltr.: A Section: 1
 TSHR/Rng: 17S / 35E
 Unit Ltr.: Section:
 TSHR/Rng:
 Directions: Buckeye, NM
 Chevno: IE9321

Surface Casing

Size: 13-3/8"
 Wt., Grd.: 48#, H-40
 Depth: 464'
 Sxs Cmt: 550
 Circulate: Yes; 25 sx
 TOC: Surface
 Hole Size: 17-1/2"

KB: 3952'
 DF:
 GL: 3932'
 Ini. Spud: 01/30/86
 Ini. Comp.: 07/01/86

Intermediate Casing

Size: 9-5/8"
 Wt., Grd.: 40#, L-80 & K-55
 Depth: 5695'
 Sxs Cmt: 3,300
 Circulate: Yes; 50 sx
 TOC: Surface
 Hole Size: 12-1/4"

DV Tool @ 10,992'

Production Casing

Size: 5-1/2"
 Wt., Grd.: 17#, S-95&L-80
 Depth: 12,825'
 Sxs Cmt: 550 sx
 TOC: 6885' - CBL
 Hole Size: 8-3/4"

Perforations

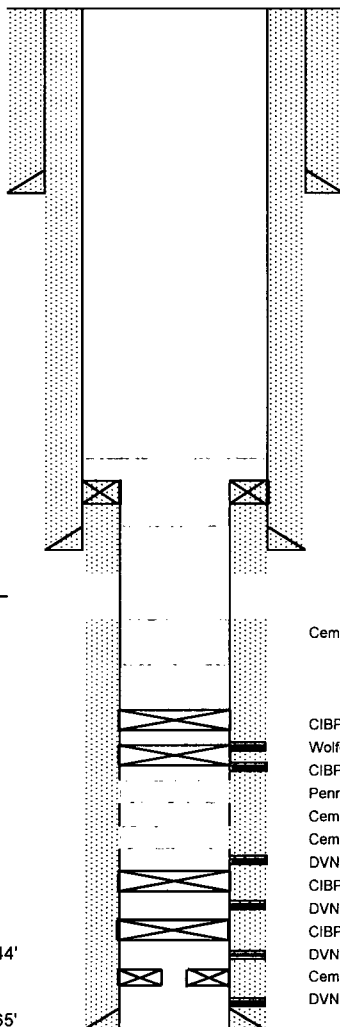
Producing: 4,867 - 5,016'

Detailed Perfs:

4,867 - 77', 4,916 - 26', 4,950 - 58'
 5,009 - 16'

Squeezed:

10,128 - 64', 10,196 - 220', 10,221 - 44'
 10,245 - 60', 10,261 - 72'
 10,273 - 305', 10,348 - 68'
 10,694 - 704', 10,720 - 50', 10,761 - 65'
 12,589 - 601', 12,609 - 13', 12,613 - 19'
 12,623 - 25', 12,629 - 31', 12,632 - 41', 12,645 - 49'
 12,657', 12,658 - 67', 12,674 - 79', 12,685 - 91'
 12,742 - 48', 12,757 - 61', 12,770 - 80'
 12,784 - 802'



Cement plug from 5,150' - 5,350'
 Liner top @ 5241'

Cement plug from 7,000' - 7,500'

CIBP @ 10,100' capped w/ 35' cmt.
 Wolfcamp Perfs: 10,128"-10,368' (added 11/93)
 CIBP @ 10,650' capped w/ 35' cmt.
 Penn Perfs: 10,694"-10,765' (added 3/89)
 Cement plug across DV tool from 10,942' - 11,042'
 Cement Retainer @ 12,510' capped w/ 25' cmt
 DVN Perfs: 12,589'-12,641'
 CIBP @ 12,648'
 DVN Perfs: 12,657'
 CIBP @ 12,725'
 DVN Perfs: 12,742'-12,761' (sqz'd)
 Cement Retainer @ 12,767'
 DVN Perfs: 12,770'-12,802' (sqz'd)