

DISTRICT I

P.O. Box 1980 Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Depart

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-101
Revised February 10, 1999

Instructions on bac
Submit to Appropriate District Office
State Lease - 6 Copie
Fee Lease - 5 Copie

AMENDED REPORT

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

| | | |
|--|--|------------------------------|
| 1 Operator Name and Address CHEVRON USA INC 15 SMITH ROAD, MIDLAND, TX 79705 | | 2 OGRID Number 4323 |
| 4 Property Code 20070 | | 3 API Number 30-025-35067 |
| 5 Property Name MONUMENT STATE | | 6 Well No. 28 |

| 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 |
| E | 23 | 19-S | 36-E | | 2310' | 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 |
| 9 Proposed Pool 1 MONUMENT ABO | | | | | 10 Proposed Pool 2 MONUMENT DRINKARD | | | | |

| | | | | |
|------------------------|----------------------------|-----------------------------|-------------------------|---------------------------------------|
| 11 Work Type Code P | 12 Well Type Code O | 13 Rotary or C.T. ROTARY | 14 Lease Type Code S | 15 Ground Level Elevation 3747' DF |
| 16 Multiple No | 17 Proposed Depth 7495' | 18 Formation ABO | 19 Contractor | 20 Spud Date 11/15/2002 |

| 21 Proposed Casing and Cement Program | | | | | |
|---------------------------------------|----------------|-----------------|---------------|-----------------|----------|
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
| NO CHANGE | | | | | |
| | | | | | |
| | | | | | |

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.

CHEVRON U.S.A. INC PROPOSES TO RECOMPLETE THE SUBJECT WELL IN THE UPPER ABO & DRINKARD. THIS WELL IS CURRENTLY COMPLETED IN THE LOWER ABO. PRODUCTION FROM THIS WELL QUICKLY DECLINED AFTER FIRST PRODUCTION & IS CURRENTLY TA'D. NEW PERFS WILL BE ADDED TO THE ABO SHALE SECTION. IF THIS COMPLETION PROVES TO BE NON-PRODUCTIVE, THEN THE WELL WILL BE COMPLETED IN THE DRINKARD FORMATION. THE INTENDED PROCEDURE & WELLBORE DIAGRAM IS ATTACHED FOR YOUR APPROVAL.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Plug-Back

| | | | |
|---|------------------------|--|------------------|
| 23 I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. | | OIL CONSERVATION DIVISION ORIGINAL SIGNED BY PAUL F. KAUTZ PETROLEUM ENGINEER | |
| Signature <i>Denise Leake</i> | | Approved By: | |
| Printed Name Denise Leake | | Title: | |
| Title Regulatory Specialist | | Approval Date: | Expiration Date: |
| Date 11/1/2002 | Telephone 915-687-7375 | Conditions of Approval: NOV 13 2002 | |

RECOMMENDED MAKEOVER PROCEDURE

Well: State 23 #28
Field: Monument
Proposal: Recompletion in the upper ABO and Drinkard
WBS: UWPWB-

1. MIRU PU. Kill well as needed w/ 2% KCl water. ND well head and NU BOP and test.
2. RIH with Perf. Gun and perforate 7078'-7096', 7050'-7062', 7042'-7046', and 6954'-6964'.
3. ROOH
4. RIH with 5 ½" RBP and PPkr.
5. Set RBP at 7100' and PPkr at 7070'.
6. Swab well. If no fluid production, stimulate with 200 gals. 20% HCl at max rate of ½ BPM and max pressure of 3500 psi and re-swab.
7. Retrieve RBP and set at 7070'.
8. PUH and set PPkr at 7035'.
9. Swab well. If no fluid production, stimulate with 200 gals. 20% HCl at max rate of ½ BPM and max pressure of 3500 psi and re-swab.
10. Retrieve RBP and set at 6970'.
11. PUH and set PPkr at 6950'.
12. S wab well. If no fluid production, stimulate with 200 gals. 20% HCl at max rate of ½ BPM and max pressure of 3500 psi and re-swab.
13. Report findings to Midland PE.

Contingency Plan

1. RIH with 5 ½" CIBP and set at 6940'.
2. Pressure test to 500# for 30 min.
3. POH.
4. RIH with Perf. Gun and perforate from 6901'-6905', 6884'-6891', 6834'-6850', 6824'-6828', 6765'-6802', and 6750'-6754'.
5. POOH.
6. RIH with 5 ½" RBP and PPkr.
7. Set RBP at 6910' and PPkr at 6896'.
8. Swab well. If no fluid production, stimulate with 200 gals. 20% HCl at max rate of ½ BPM and max pressure of 3500 psi and re-swab.
9. Retrieve RBP and set at 6896'.
10. PUH and set PPkr at 6880'.
11. S wab well. If no fluid production, stimulate with 200 gals. 20% HCl at max rate of ½ BPM and max pressure of 3500 psi and re-swab.
12. Retrieve RBP and set at 6858'.
13. PUH and set PPkr at 6815'.
14. S wab well. If no fluid production, stimulate with 200 gals. 20% HCl at max rate of ½ BPM and max pressure of 3500 psi and re-swab.
15. Retrieve RBP and set at 6815'.
16. PUH and set PPkr at 6759'.
17. S wab well. If no fluid production, stimulate with 200 gals. 20% HCl at max rate of ½ BPM and max pressure of 3500 psi and re-swab.
18. Retrieve RBP and set at 6759'.
19. PUH and set PPkr at 6745'.
20. Report findings to Midland PE.

**If recompletion in the ABO and Drinkard is unsuccessful, TA well for future waterflood use.

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Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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Form C-102

Revised February 10, 1999

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 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|------------------------------|---------------------------------------|-----------------------------|
| 1 API Number 30-025-35067 | 2 Pool Code 46970 | 3 Pool Name MONUMENT ABO |
| 4 Property Code 20070 | 5 Property Name MONUMENT STATE #23 | 6 Well No. 28 |
| 7 OGRID Number 4323 | 8 Operator Name CHEVRON USA INC | 9 Elevation 3747' DF |

10 Surface Location

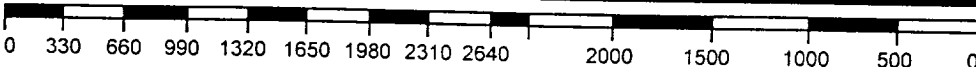
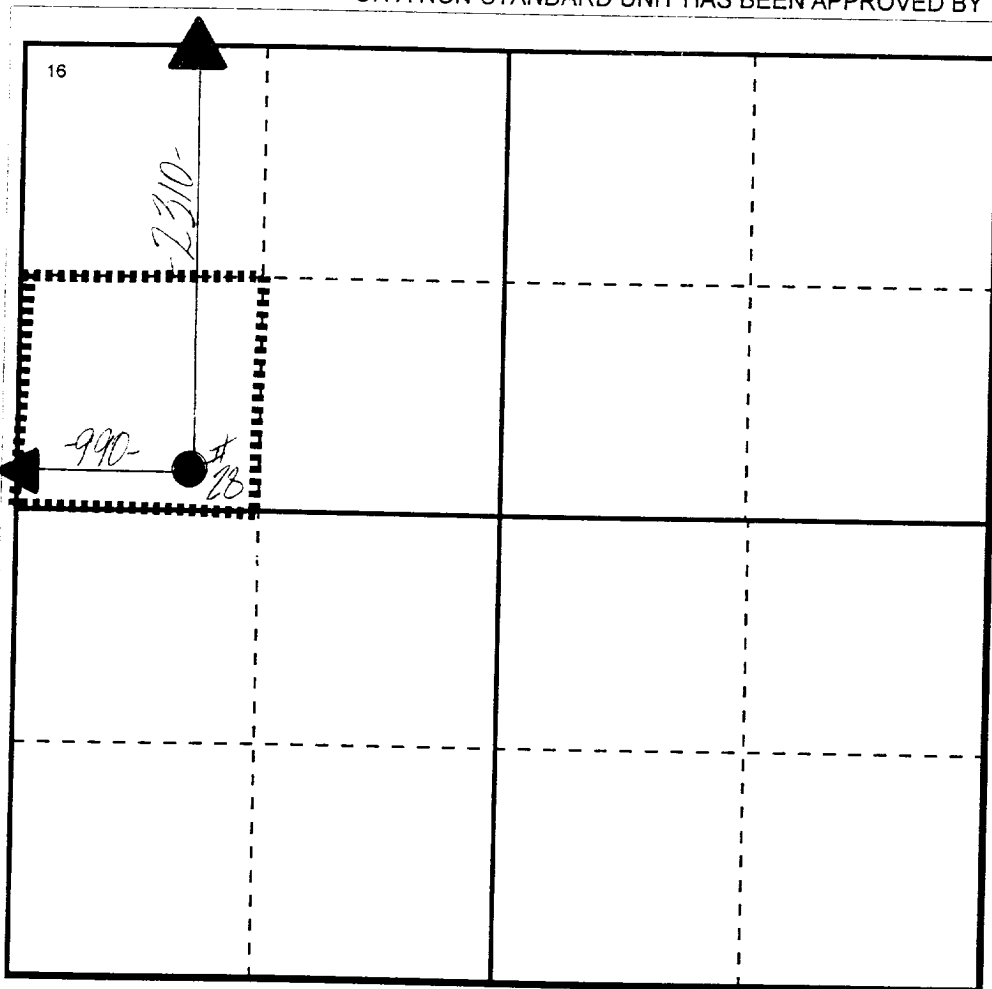
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11 Bottom Hole Location If Different From Surface

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| | | | | | | | | | |

| | | | |
|-------------------------|--------------------------|-----------------------|--------------|
| 12 Dedicated Acre 40 | 13 Joint or Infill No | 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



17 OPERATOR CERTIFICATION

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

Signature
Denise Leake

Printed Name
Denise Leake

Positio
Regulatory Specialist

Date
11/1/2002

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.

Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No.

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|------------------------------|--|------------------------------------|--|----------------------------------|--|
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| 4 Property Code 20070 | | 5 Property Name MONUMENT STATE | | 6 Well No. 28 | |
| OGRID Number 4323 | | 8 Operator Name CHEVRON USA INC | | 9 Elevation 3747' DF | |

10 Surface Location

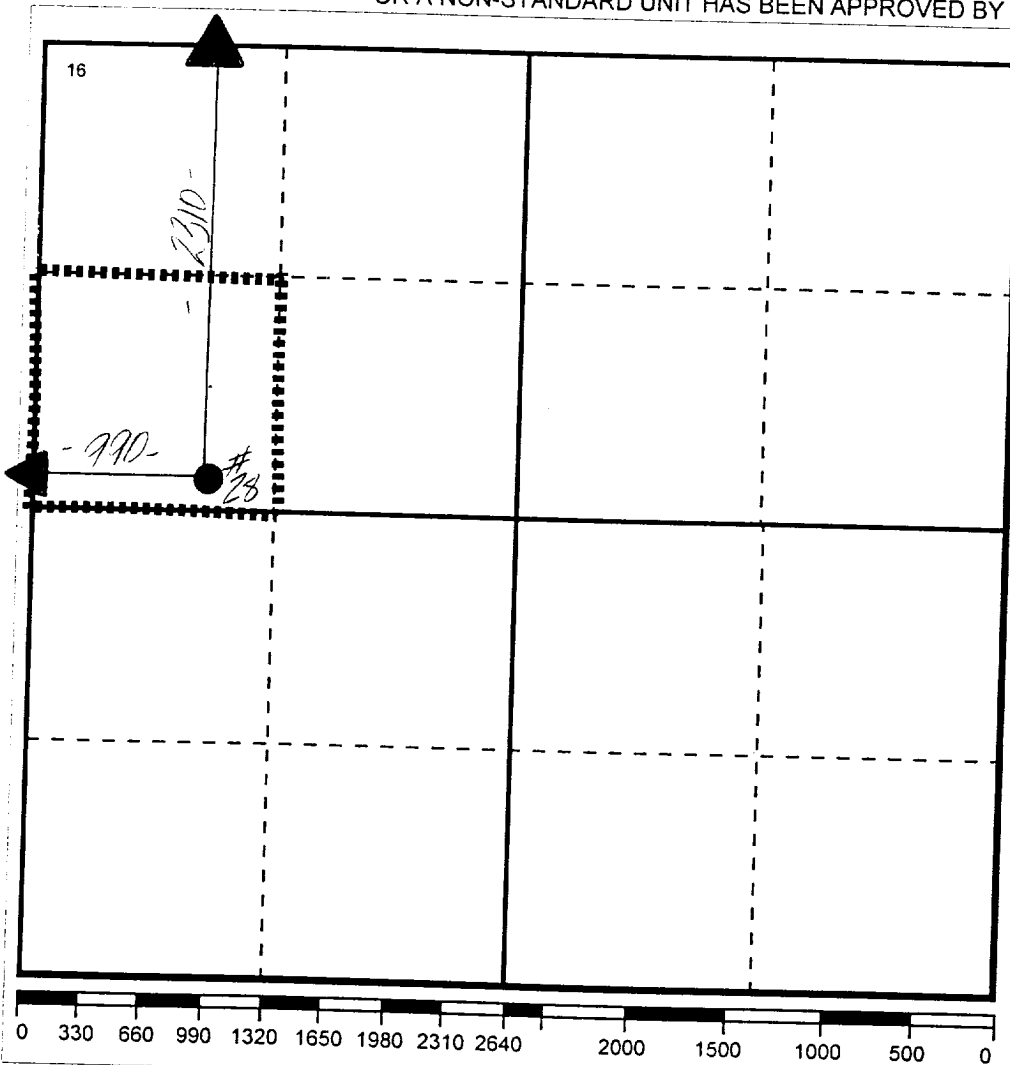
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I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: *Denise Leake*
Printed Name: Denise Leake
Position: Regulatory Specialist
Date: 11/1/2002

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.

Date Surveyed: _____
Signature & Seal of Professional Surveyor: _____
Certificate No.: _____