State of New Mexico

Form C-101 Permit 60427

Energy, Minerals and Natural Resources

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

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

| | | De obliteir, offitbb if boile | | |
|------------------|--|-------------------------------|--|--|
| 1. | Operator Name and Address | 2. OGRID Number | | |
| c | 4323 | | | |
| 0.45 | 11111 S. WILCREST HOUSTON, TX 77099 | | | |
| 1 | HO031ON, 12 //099 | | | |
| 4. Property Code | 5. Property Name | 6. Well No. | | |
| 30022 | VACUUM GRAYBURG SAN ANDRES UN | IT 405 | | |

7. Surface Location

| 3 | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | Н | 1 | 18S | 34E | Н | 1910 | N | 40 | E | LEA |

8. Pool Information

| VACUUM;GRAYBURG-SAN ANDRES | 62180 |
|----------------------------|-------|
|----------------------------|-------|

Additional Well Information

| | 370 | | 2300 | naona nch | IIIIOIIII | LOIL . | 75.7 | |
|---------------------------------------|----------|----------------|------|--------------------------|-------------------|-------------------------------------|-------|------------------------------------|
| 9. Work Type New Well | 20160-0 | ell Type IL | | 11. Cable/Rotary | ′ | 12. Lease Type State | | 13. Ground Level Elevation 3977 |
| 14. Montiple N | 15. Prop | osed Depth | | 16. Formatio Grayburg | | 17. Contractor | | 18. Spud Date |
| Depth to Ground water 120 | | | D: | istance from neares | i fresh water wel | 1 | Di | istance to nearest surface water |
| Pit: Liner: Syntheti Closed Loop S | | mils thick | Clay | Pit Volume: | | rilling Method: resh Water Brine | Diese | l/Oil-based Gas/Air |

19. Proposed Casing and Cement Program

| Туре | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 14.75 | 11.75 | 42 | 1500 | 1010 | |
| Int1 | 11 | 8.625 | 24 | 2800 | 835 | |
| Prod | 7.875 | 5.5 | 15.5 | 5200 | 585 | |

Casing/Cement Program: Additional Comments

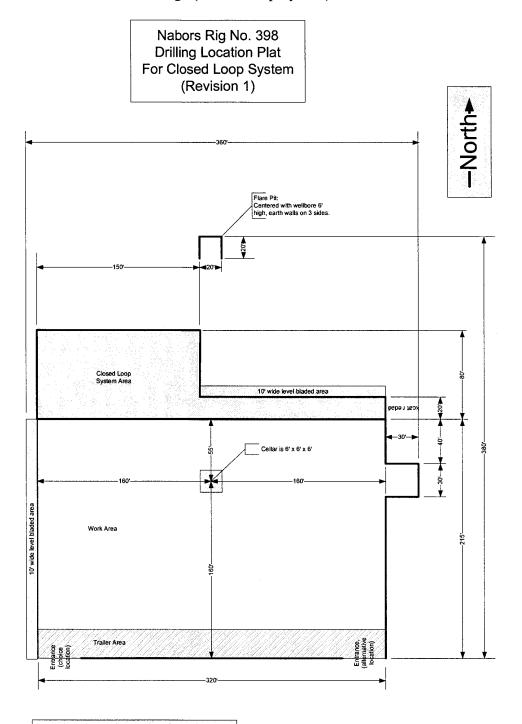
SURF: 755 SX, 13.5 PPG,1.74 FT3/SX,9.09 GAL/SX, CL C, 4% BENTONITE 0.1 PPS POLYFLAKE...255 SX,14.8 PPG,1.34 FT3/SX, 6.29 GAL/SX, CL C INTL:550 SX,14.8PPG,1.36 FT3/SX,6.43 GAL/SX, CL C...LEAD:185 SX,13.5 PPG, 1.73 FT3/SX, 9.08 GAL/SX, CL C, TAIL: 100 SX,14.8PPG,1.33 FT3/SX,6.3 GAL/SX, CL C PROD: 350 SX,12.4 PPG, 2.15 FT3/SX, 11.98 GAL/SX, 35:65 POX, CL H, TAIL: 235 SX, 14.2 PPG, 1.35 FT3/SX, 6.33 GAL/SX, 50:50 POZ CL H

Proposed Blowout Prevention Program

| | | | 52 |
|---------|------------------|---------------|--------------|
| Туре | Working Pressure | Test Pressure | Manufacturer |
| Annular | 3000 | 2500 | |
| Blind | 3000 | 2500 | |
| Pipe | 3000 | 2500 | |

| of my knowledge and belief. I further certify that the drilling pit | ven above is true and complete to the best veil be constructed according to | OIL CONSERVATION DIVISION | | | |
|--|--|------------------------------|----------------------------|--|--|
| NMOCD guidelines 🗐 a general pe OCD-approved plan 🗀 | ermit , or an (attached) alternative | Approved By: Chris Williams | | | |
| Printed Name: Electronically fil | ed by Denise Pinkerton | Title: District Supervisor | | | |
| Title: Regulatory Specialist | | Approved Date: 2/29/2008 | Expiration Date: 2/28/2010 | | |
| Email Address: leakejd@chevro | n.com | | Red 428 | | |
| Date: 9/18/2007 | Phone: 432-687-7375 | Conditions of Approval Attac | hed | | |

Pit information and Design (Closed Loop System)



Notes:

1. Flare pit should always be in North or Eastern corner of location, to take advantage of prevailing winds in the event of an H2S occurrence.

2. 20 wide roadway should be included to allow access to skip loader tracks from either end.

DISTRICT 1 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 1301 W. Grand Ave., Artesia, NM 88210 DISTRICT III 1000 Rio Bra DISTRICT IV

State of New Mexico Energy, Minerals and Natural Resources Department

Revised October Submit to Appropriate District Office

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

State Lease-4 copies Fee Lease-3 copies

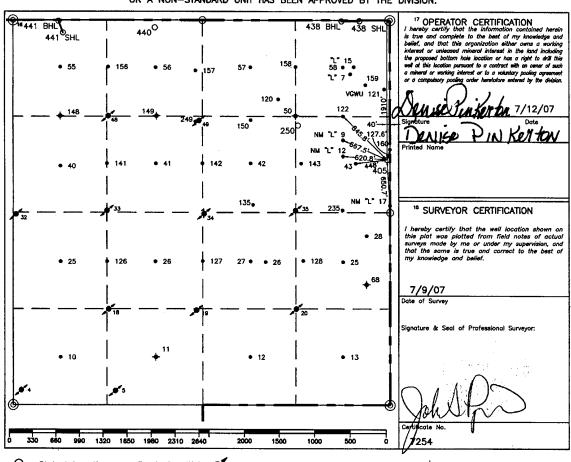
WELL LOCATION AND ACREAGE DEDICATION PLAT

| AMENDED | DEDADT |
|-------------|--------|
| AMENUEU | KEPUKI |

Form C-102

| | i i iidinibai | | | 621 | 80 Vac | uum Grayburg S | San Andres | | |
|-------------------|---------------|---|-----------------------|-------------|-------------------------|------------------|---------------|----------------|-------------|
| Property Cod | ie | ⁵ Property Nome ⁶ Well Number | | | | | | | |
| | | | | vacu | um Grayburg | San Andres Unit | | | 405 |
| 70GRID No. | | - | | | ⁵ Operator 1 | iame | | | 9 Elevation |
| _ 4323 | 3 | | | | CHEVRON | USA, INC. | | | 3977' |
| | | | | | ¹⁰ Surface l | ocation | | | |
| UL or lot no. | Section | Township | Range | Lot idn | Feet from the | North/South line | Feet from the | East/West line | County |
| н | 1 | 18-S | 34-E | | 1910' | North | 40' | East | Lea |
| | | | ¹¹ B | ottom Ho | le 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 | 7County |
| 12Dedicated Acres | 13,50 | int or Infill | ¹ Consolid | dation Code | ¹⁵ Order No. | 1 | 1 | | |

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.



O = Staked Location • = Producing Well = Injection Well • = Water Supply Well • = Plugged & Abandon Well (i) = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. (ii) = Found /4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

| State Plane Coord | • | Easting 795763.52 | |
|-------------------|----------------------|------------------------|-----------------|
| rining OTO 100.20 | | Editing 733703.32 | |
| Latitude 32°46' | 44.507" | Longitude 103'30'19.83 | 32" |
| Zone | North American Datum | Combined Grid Factor | Coordinate File |
| East | 1983 | 0.99979647 | Buckeye.Crd |
| Drawing File | | Field Book | |
| VGSAU-Sec1.D | wq | Lea #23, Pg. 76 | |

Permit Conditions of Approval

Operator: CHEVRON U S A INC , 4323
Well: VACUUM GRAYBURG SAN ANDRES UNIT #405
API: 30-025-38783

| OCD Reviewer | Condition |
|-----------------|---|
| IDKAUTZ | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| DMULL | NSL-5789, 02/25/08, 1910/N & 40/E, Vacuum Grayburg San Andres |