

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 178306

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

1. Operator Name and Address CHEVRON U S A INC Attn: Sandy Stedman-Daniel Houston, TX 77252		2. OGRID Number 4323
		3. API Number 30-025-41546
4. Property Code 40288	5. Property Name RED HILLS 2 25 33	6. Well No. 001H

7. Surface Location

UL - Lot P	Section 2	Township 25S	Range 33E	Lot Idn	Feet From 330	N/S Line S	Feet From 340	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot A	Section 2	Township 25S	Range 33E	Lot Idn A	Feet From 330	N/S Line N	Feet From 340	E/W Line E	County Lea
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9. Pool Information

RED HILLS;UPPER BONE SPRING SHALE	97900
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3424
16. Multiple N	17. Proposed Depth 13906	18. Formation Bone Spring	19. Contractor	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	1225	1020	0
Int1	12.25	9.625	40	5050	1520	0
Prod	8.75	5.5	20	13906	2890	4550

Casing/Cement Program: Additional Comments

A pilot hole will be drilled to 9965'. An open hole cemented whipstock will be utilized with 2 7/8" tailpipe to plug the pilot hole after evaluation. Tail pipe will be cemented in place from pilot hole TD of 9965 to 50' above determined KOP. Hole Size - 8.75 set @ 9965 w/50 sx cmt.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

<p>23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/>, if applicable.</p> <p>Signature:</p> <p>Printed Name: Electronically filed by Denise Pinkerton</p> <p>Title: Regulatory Specialist</p> <p>Email Address: leakejd@chevron.com</p> <p>Date: 12/11/2013</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 12/11/2013</p> <p>Expiration Date: 12/11/2015</p> <p>Conditions of Approval Attached</p>
Phone: 432-687-7375	

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41546	2. Pool Code 97900	3. Pool Name RED HILLS;UPPER BONE SPRING SHALE
4. Property Code 40288	5. Property Name RED HILLS 2 25 33	6. Well No. 001H
7. OGRID No. 4323	8. Operator Name CHEVRON U S A INC	9. Elevation 3424

10. Surface Location

UL - Lot P	Section 2	Township 25S	Range 33E	Lot Idn	Feet From 330	N/S Line S	Feet From 340	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 2	Township 25S	Range 33E	Lot Idn	Feet From 330	N/S Line N	Feet From 340	E/W Line E	County Lea
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12. Dedicated Acres 159.83	13. Joint or Infill	14. Consolidation Code	15. Order No.
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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

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<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: RONALD EIDSON Date of Survey: 5/22/2013 Certificate Number: 3239</p>																	

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PERMIT COMMENTS

Operator Name and Address: CHEVRON U S A INC [4323] Attn: Sandy Stedman-Daniel Houston, TX 77252	API Number: 30-025-41546
	Well: RED HILLS 2 25 33 #001H

Created By	Comment	Comment Date
DPINKERTON	The plats will be scanned in and e-mailed today	12/11/2013
DPINKERTON	The plats will be scanned in and e-mailed today	12/11/2013

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PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: CHEVRON U S A INC [4323] Attn: Sandy Stedman-Daniel Houston, TX 77252	API Number: 30-025-41546
	Well: RED HILLS 2 25 33 #001H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	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
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	SURFACE & INTERMEDIATE CASING - Cement must circulate to surface
pkautz	PRODUCTION CASING - Cement must tie back into intermediate casing
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water