New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: NM 96855
6. If Indian, Allottee or Tribe Name: N/A
7. If Unit or CA, Agreement Designation: N/A
8. Well Name and No.: N. LUSK "29" FEDERAL #1
9. API Well No.: 30-025-34673
10. Field and Pool, or exploratory Area: NORTH LUSK;STRAWN
11. County or Parish, State: LEA, NM

1. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other
2. Name of Operator: Chevron U.S.A. Inc.
3. Address and Telephone No.: P.O. Box 1150, Midland, TX 79702 (915)687-7148
4. Location of Well (Footage, Sec., T., R., M., or Survey Description): 330' FSL & 2005' FWL UNIT N
SEC. 29, T18S, R32E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
[ ] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[X] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other COMMENCE DRILLING	[ ] Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

SPUDDED 17-1/2" HOLE 8/17/99. DRILLED TO 517', SET 13-3/8" CSG. CMTD W/550 SX CL "C", CIRC TO SURF. DRILLED TO 4270', SET 9-5/8" CSG. CMTD W/1700 SX CL "C", CIRC TO SURF. DRILLED TO 11,860', SET 5-1/2" CSG @ 11,851'. CMTD W/1230 SX CL "H". WOC 207-1/2 HRS. TSTD 3000 PSI - OK. TOC @ 4070'.

ACCEPTED FOR RECORD
OCT 13 1999

14. I hereby certify that the foregoing is true and correct
Signed J.K. Ripley Title REGULATORY O.A. Date 10/6/99

(This space for Federal or State office use)
Approved by Chris Williams Title DISTRICT 1 SUPERVISOR Date OCT 20 1999
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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.

* See Instruction on Reverse Side

Amended

Form 3160-3
(July 1992)

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE (Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Chevron U.S.A. Inc.

3. ADDRESS AND TELEPHONE NO.: P.O. Box 1150, Midland, TX 79702 (915) 687-7148

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 330' FSL & 2005' FWL UNIT N
At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.: NM 96855

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT AGREEMENT NAME: N/A

8. FARM OR LEASE NAME, WELL NO.: N. LUSK "29" FEDERAL #1

9. API WELL NO.: 30-025-34673

10. FIELD AND POOL, OR WILDCAT: NORTH LUSK;STRAWN

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC. 29, T18S, R32E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

12. COUNTY OR PARISH: LEA

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
330'		40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
	12,000'	ROTARY

21. ELEVATIONS (Show whether DF,RT, GR, etc.): 3705'

22. APPROX. DATE WORK WILL START*: 8/20/99

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	54.5#	500'	CIRCULATED
12-1/4"	9-5/8"	36#	4,000'	CIRCULATED
8-3/4"	5-1/2"	17#	12,000'	CIRCULATED

MUD PROGRAM:
0'- 500' FRESH WATER 8.8 PPG
500'- 4,000' BRINE WATER 10.0 PPG
4,000'-12.000' CUT BRINE WATER 8.8-10.2 PPG

BOPE EQUIPMENT: SEE ATTACHED

******PLEASE EXPEDITE******

OPER. OGRID NO. 4323
PROPERTY NO. 24728
POOL CODE 96678
EFF. DATE 8-10-99
API NO. 30-025-34673

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED J. K. Ripley TITLE REGULATORY OA DATE 8/3/99

(This space for Federal or State office use)

PERMIT NO. Chris Williams APPROVAL DATE DISTRICT I SUPERVISOR AUG 09 1999

APPROVED
PETER W. CHESTER
AUG 05 1999
BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA

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:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-34673	96678	NORTH LUSK;STRAWN

Property Code	Property Name	Well Number
24728	N. LUSK "29" FEDERAL	1

OGRID No.	Operator Name	Elevation
4323	CHEVRON U.S.A. PRODUCTION COMPANY	3705

Surface Location

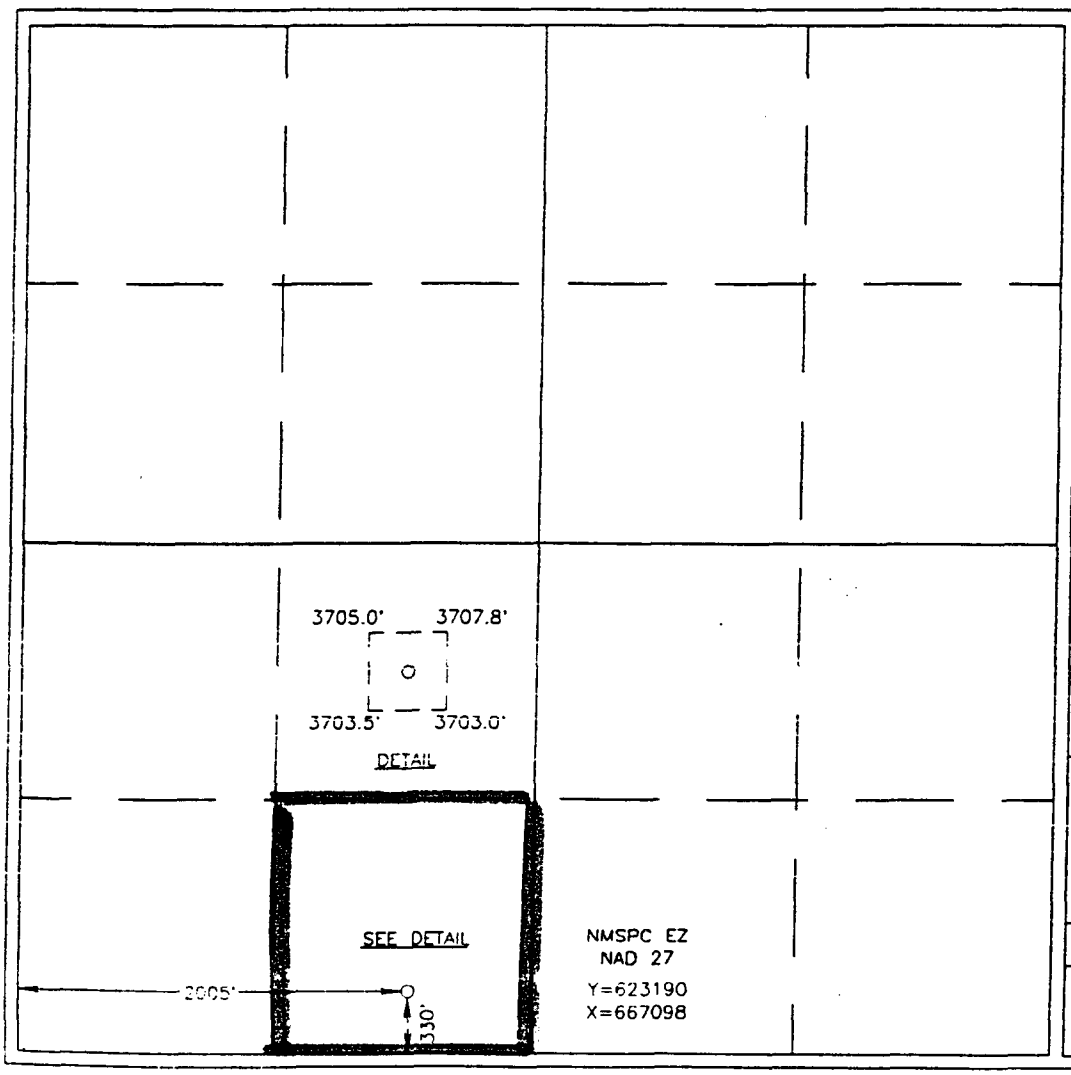
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	29	18 S	32 E		330	SOUTH	2005	WEST	LEA

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	Joint or Infill	Consolidation Code	Order No.
40			

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



OPERATOR CERTIFICATION

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

J.K. Ripley
Signature

J. K. RIPLEY
Printed Name

REGULATORY O.A.
Title

8/3/99
Date

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 supervison, and that the same is true and correct to the best of my belief.

APRIL 27, 1999
Date Surveyed

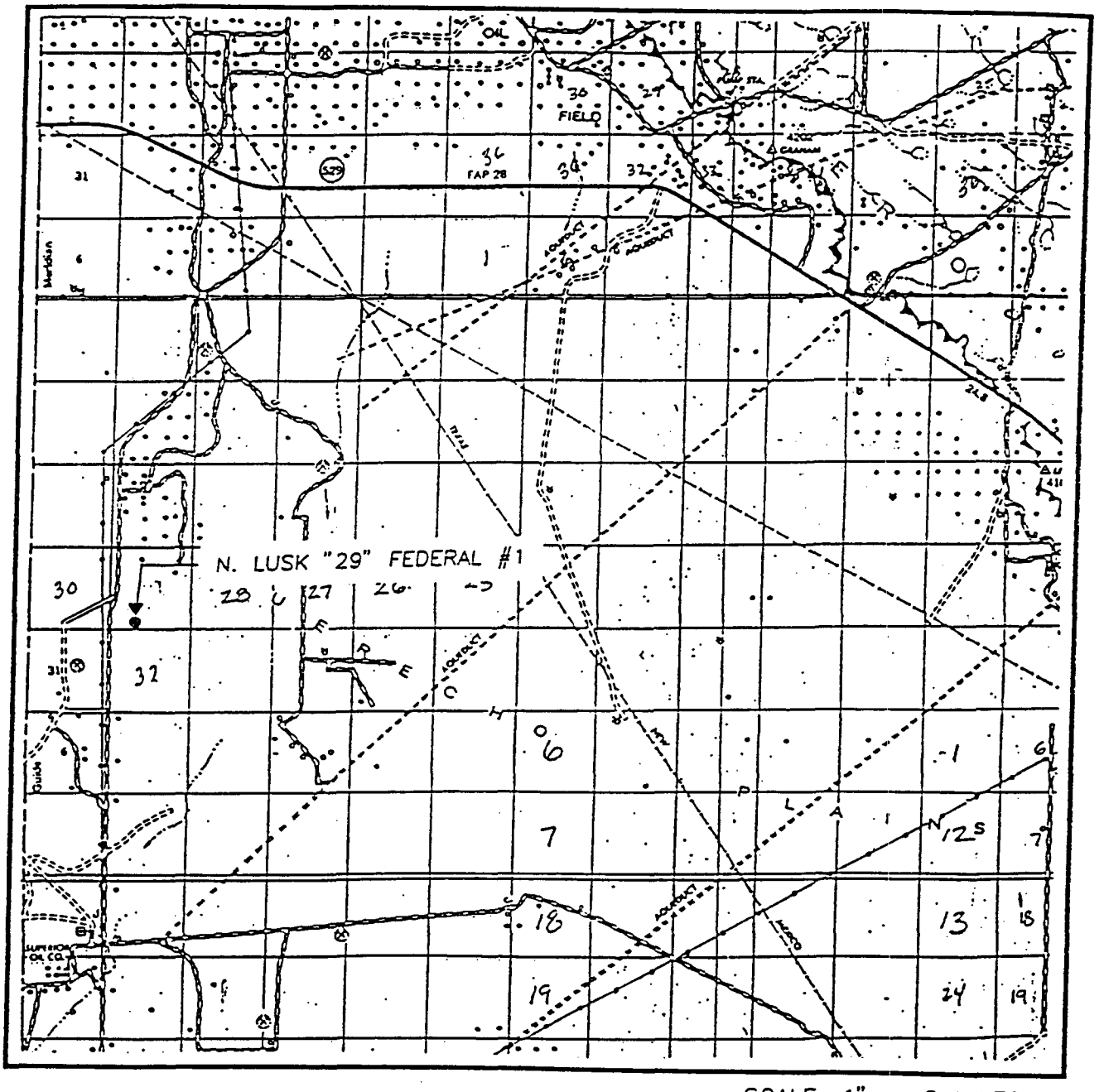
DMCC
Signature & Seal of Professional Surveyor

RONALD J. EIDSON
NEW MEXICO
3239
REGISTERED PROFESSIONAL SURVEYOR

4-29-99
98-11-0332

Certificate No. RONALD J. EIDSON 3239
GARY L. JONES 12641
JOHN W. McDONALD 12185

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 29 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 330' FSL & 2005' FWL

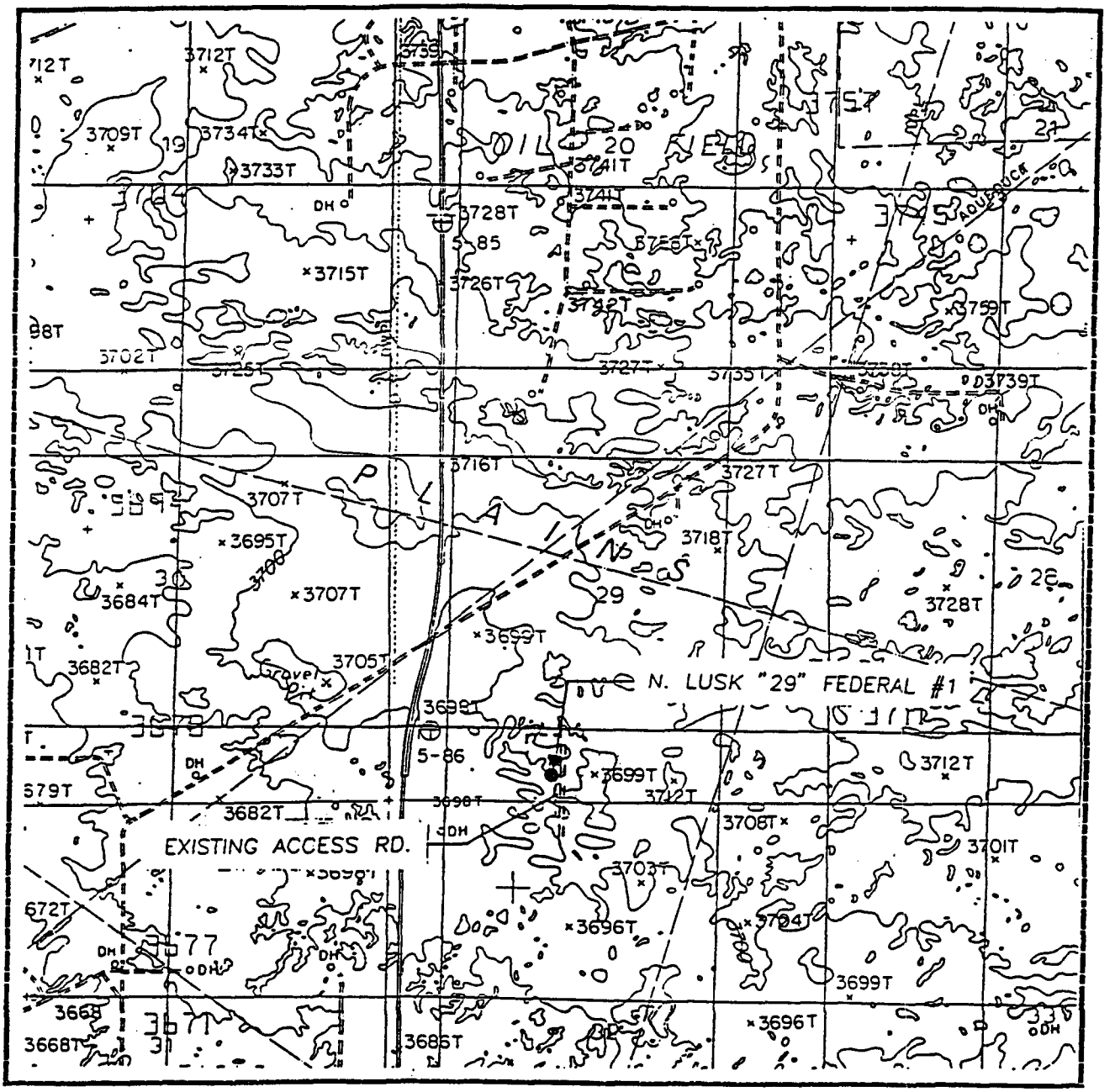
ELEVATION 3705

OPERATOR CHEVRON U.S.A. PRODUCTION COMPANY

LEASE N. LUSK "29" FEDERAL

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
GREENWOOD LAKE - 10'

SEC. 29 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 330' FSL & 2005' FWL

ELEVATION 3705

OPERATOR CHEVRON U.S.A. PRODUCTION COMPANY

LEASE N. LUSK "29" FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
GREENWOOD LAKE, N.M.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

DRILLING PROGRAM

Attached to Form 3160-3
Chevron U.S.A. Inc.
N. Lusk "29" Federal #1
330' FSL & 2005' FWL
Section 29, T18S, R32E
Lea County, New Mexico

1. Geological Name of Surface Formation:

   Aeolian

2. Estimated Tops Of Important Geological Markers:

Rustler	1,081'	San Andres	4,610'
Top Salt	1,206'	Delaware	4,845'
Base Salt	2,470'	Bone Spring	6,810'
Yates	2,735'	Wolfcamp	10,180'
Seven Rivers	3,210'	Cisco/Canyon	10,714'
Queen	3,720'	Strawn	11,269'
Penrose	4,008'	TD	12,000'
Grayburg	4,196'		

3. Protection of Zones:

   The fresh water sands will be protected by setting 13-3/8" casing at 500' and circulating cement to surface. The salt section will be protected by setting 9-5/8" casing at 4000' and circulating cement to surface. The oil and gas zones will be isolated from other formations by setting 5-1/2" casing at TD and circulating cement to 200' above intermediate 9-5/8" casing shoe.

4. Casing Program:

Hole Size	Interval	Csg OD	Weight, Grade, Type
17-1/2"	0- 500'	13-3/8"	54.5#, J-55, ST&C
12-1/4"	0- 4,000'	9-5/8"	36#, K-55, LT&C
8-3/4"	0-12,000'	5-1/2"	17#, N-80, LT&C

Cement Program:

13-3/8" Surface Casing: (17-1/2" hole)	Cemented to surface using Class "C" + 4% Gel + 3% salt, followed by Class "C" + 2% CaCl2.
9-5/8" Intermediate Casing (12-1/4" hole)	Cemented to surface using Class "C" + 4% Gel + additives, followed by Class "C" neat.
5 1/2" Production Casing (8-3/4" hole)	Cemented to intermediate casing shoe using Class "C" + 16% Gel + additives, followed by Class "H" + additives.

The above cement slurries will be designed using caliper logs to circulate cement to surface.

5. Minimum Specifications for Pressure Control:

The blowout preventor equipment (BOP) shown in attachment will consist of a (2M system) double ram type (2000 psi WP) preventor. The unit will be hydraulically operated and equipped with blind and pipe type rams. BOP's will be installed on the 13-3/8" surface casing and will be utilized continuously until total depth is reached and production casing is in place and cemented. All BOP's and associated equipment will be tested before drilling out 13-3/8" casing shoe, with rig pumps and before drilling out 9-5/8" casing shoe to rated WP's.

Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These function tests will be documented on the daily drillers log. A 2" kill line and 2" choke line will be incorporated in the drilling spool below the ram-type BOP. Other BOP equipment will include a kelly cock, floor safety valve, choke lines and choke manifold having 2000 psi WP rating.

6. Types and Characteristics of Proposed Mud System:

The well will be drilled to a total depth using fresh water and brine water mud systems.

DEPTH	TYPE	WEIGHT	VISCOSITY	WATER LOSS
0'-500'	Fresh Water	8.8	34-36	No Control
500'-4000'	Brine Water	10.0	28	No Control
4000'-TD	Cut Brine Water	8.8-10.2	30	<10CC

7. A. A kelly cock will be in the drill string at all times.

B. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.

C. No H2S will be encountered in this well.

8. Logging, Testing and Coring Program:

A. DST's will be run 7100'-10,180', 10,180'-10,714', 11,269'-11,750'.

B. The open hole logging program will be:
LithoDensity/Comp. Neutron, Dual Laterolog/MSFL, Borehole Comp. Sonic FMI

C. No cores are planned.

9. Abnormal Pressures, Temperature and Potential Hazards:

No abnormal pressures or temperatures are foreseen. No hydrogen sulfide gas has been reported or is known to exist at these depths in this area. No major loss circulation intervals have been encountered in adjacent wells.

10. Anticipated Starting Date and Duration of Operations:

Road and location preparation will not be undertaken until approval has been received from the BLM. The anticipated spud date is approximately June 24, 1999. The drilling operations should require approximately 12 days. If the well is deemed productive, completion operations will require, at minimum, an additional 30 days of testing to ascertain whether permanent production facilities will be constructed.

SURFACE USE AND OPERATING PLAN

Attachment to Form 3160-3
Chevron U.S.A. Inc.
N. Lusk "29" Federal #1
330' FSL & 2005' FWL
Section 29, T18S, R32E
Lea County, New Mexico

1. Existing Roads:

   A. The well site and elevation plat for the proposed N. Lusk "29" Federal #1 is attached. The well site was staked by Ronald J. Eidson on April 27, 1999.

   B. Directions to location: Travel from Hobbs, New Mexico west on Hwy 62-180 to SH 243; turn right and travel to CR 126; turn right and travel on CR 126 until reaching Section 29, where N. Lusk "29" Federal #1 will be located.

2. Proposed access Road:

   A. No new road will be required.

   B. No cattle guards, grates or fence cuts will be necessary.

   C. No turnouts are planned.

3. Location of Existing and/or Proposed facilities:

   New production facilities will be built if the well is productive. A sundry notice will be sent to the BLM upon results of the completion.
   If the well is productive, rehabilitation plans are as follows:

   1. The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after completion, weather permitting).

   2. Caliche from unused portions of the drill pad will be removed. The original topsoil from the well site will be returned to the location. The drill site will then be contoured to the original natural state.

4. Location and Type of Water Supply:

N. Lusk "29" Federal #1 will be drilled using a combination of Brine and Fresh water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to the location by transport truck. Additionally, produced salt water from the lease gathering tanks may be used. No water well will be drilled on the location.

5. Source of Construction Materials:

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit or from prevailing deposits found under the location. All roads will be constructed of 6" rolled and compacted caliche.

6. Methods of Handling Water Disposal:

A. Drill cuttings will be disposed into the reserve pit.

B. Drilling Fluids will be contained in steel mud tanks. The reserve pit will contain excess drilling fluids or fluid from the well during drilling, cementing, and completion operations. The reserve pit will be earthen pit roughly 125' x 125' x 6', or smaller, in size.

C. The reserve pit will be fenced on three sides throughout drilling operations and will be totally isolated upon removal of the rotary rig. The pit will be lined using 6 mil plastic to minimize loss of drilling fluids and saturation of the ground with brine water used to drill from 1200' - 4200'.

D. Water produced from the well during completion operations will be disposed into steel tanks or the reserve pit, if volumes prove excessive. After placing production through the production facilities, all water wil be collected in tanks. Produced oil will be separated into steel stock tanks until sold.

E. A portable chemical toilet will be available on location for human waste during drilling operations.

F. Garbage, trash and waste paper produced during drilling operations will be collected in a container trailer and disposed at an approved landfill. All waste material will be contained to prevent scattering by the wind. All water, fluids, salt or other chemicals will be disposed in the reserve pit. No toxic waste or hazardous chemicals will be generated by this operation.

G. All waste material will be removed within 30 days after the well is either completed or abandoned. The reserve pit will be completely fenced until it has dried. At the point the reserve pit is found sufficiently dry, it will be backfilled and reclaimed as outlined by the BLM specifications. Only the portion of the drilling pad used by production equipment (pumping unit and tank battery) will remain in use. If the well is deemed non-commercial, only a dry hole marker will remain.

7. Ancillary Facilities:

No campsite or other facilities will be constructed as a result of this well.

8. Well Site Layout:

A. The drill pad is shown on Attachment. Approximate dimensions of the pad, the pits and the general location of the rig equipment are displayed. Top soil will be stored adjacent to the pad until reclamation efforts are undertaken. Only modest cuts will be necessary to build the pad, which will be covered with 6" of compacted caliche.

B. No permanent living facilities are planned, but temporary trailers for the tool pusher, drilling foreman and mud logger may be on location throughout drilling operations.

C. The reserve pit will be lined using plastic sheeting of 6 mil thickness.

9. Plans for Restoration of Surface:

A. If after concluding the drilling and/or completion operations, the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The reserve pit area will be broken out and leveled after drying to a condition where these efforts are feasible. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography.

B. The pit lining will be buried or hauled away in order to return the location and road to the pristine nature. All pits will be filled and location leveled, weather permitting, within 120 days after abandonment.

C. The location and road will be rehabilitated as recommended by the BLM.

D. The reserve pit will be fenced on three sides throughout drilling operations. After the rotary rig is removed, the reserve pit will be fenced on the fourth side to preclude endangering wildlife. The fencing will be in place until the pit is reclaimed.

E. If the well is deemed commercially productive, the reserve pit will be restored as described on 10 (A) within 120 days subsequent to the completion date. Caliche from the area of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.

10. Surface Ownership:

The well site is owned by the Bureau of Land Management.

Road routes have been approved and the surface location will be restored as directed by the BLM.

11. Refer to archaeological report performed by Desert West Archaeological for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.

12. Lessee's or Operator's Representative:

George W. Tullos

Chevron U.S.A. Inc.
P.O. Box 1150
Midland, Texas 79702

Phone: (915)687-7463

Certification:

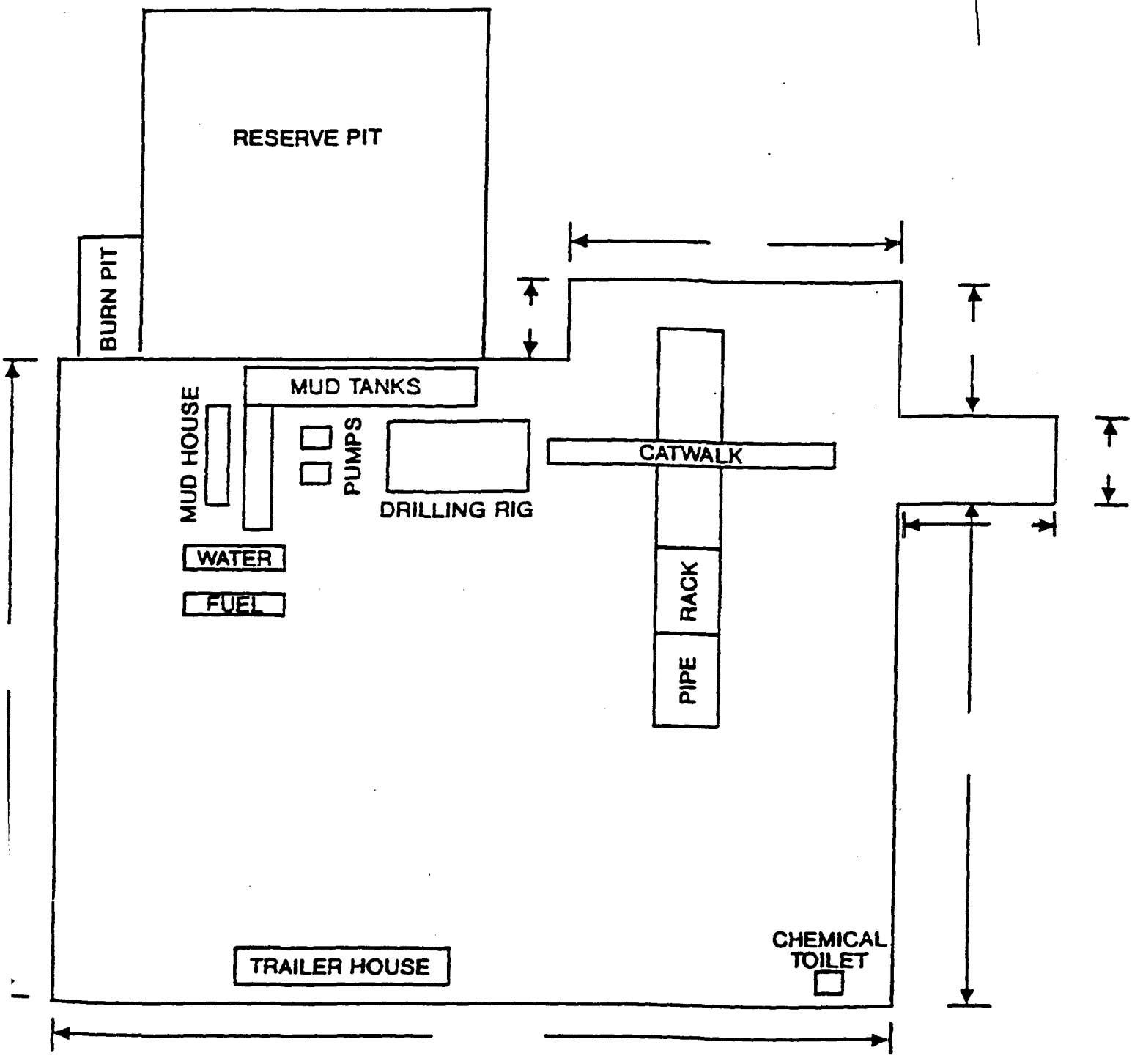
I hereby certify that I, or a Chevron representative, have inspected the proposed drill site and access road; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Chevron U.S.A. Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: 8/3/99

Signed: J. K. Ripley

J. K. Ripley

Attachments



Chevron

CHEVRON USA INC.

EXHIBIT "C"

Well Name & Number: N. LUSK "29" FEDERAL #1

Location: 330 'F S L & 2005 'F W L

Section: 29 **Unit:** N

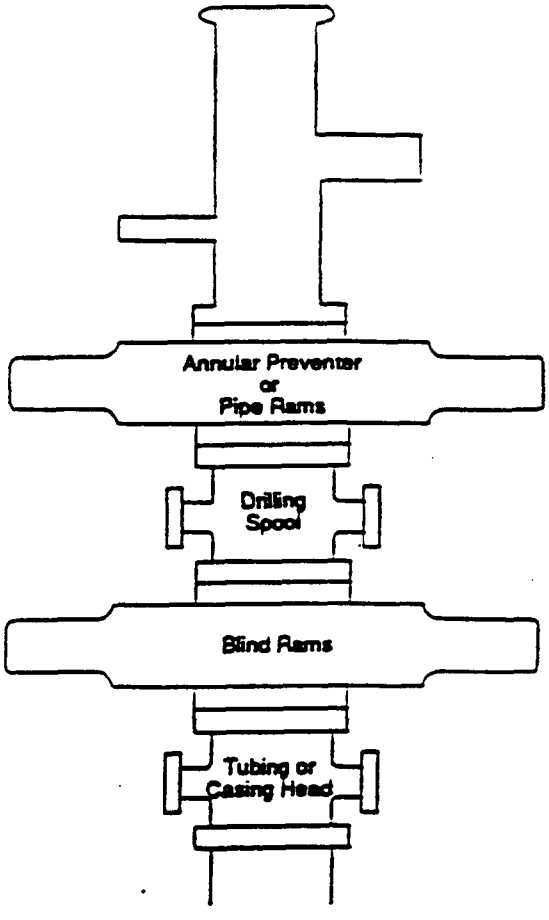
Township: 18S **Range:** 32E

_____ **County, New Mexico**

PREPARED BY:

D. CLASS II-B BLOWOUT PREVENTER STACK:

Figure 11J.3
Class II-B Blowout Preventer Stack



The Class II-B preventer stack is designed for drilling or workover operations. It is composed of a single hydraulically operated annular preventer on top, then a drilling spool, and a single blind ram preventer on bottom. In an alternate configuration, a single pipe ram preventer may be substituted for the annular preventer. The choke and kill lines are installed onto the drilling spool and must have a minimum internal diameter of 2". An emergency kill line may be installed on the wellhead. As the maximum anticipated surface pressure of this stack is less than 2000 psi, screwed connections may be used. All components must be of steel construction. The Class II-B blowout preventer stack is shown to the left in Figure 11J.3.

C. CLASS II CHOKE MANIFOLD

The Class II choke manifold is suitable for all Class II workovers and drilling operations. The Class II choke manifold is shown below in Figure 11J.7. Specific design features of the Class II choke manifold include:

1. The manifold is attached to the tubing/casing head when a Class II-A preventer stack is use. This hook-up is only recommended for Class II workover operations.

2. The manifold is attached to a drilling spool or top ram preventer side outlets when a Class II-B preventer stack is in use.

3. The minimun internal diameter is 2" (nominal) for outlets, flanges, valves and lines.

4. Includes two steel gate valves in the choke line at the wellhead/drilling spool outlet. The inside choke line valve may be remotely controlled (HCR).

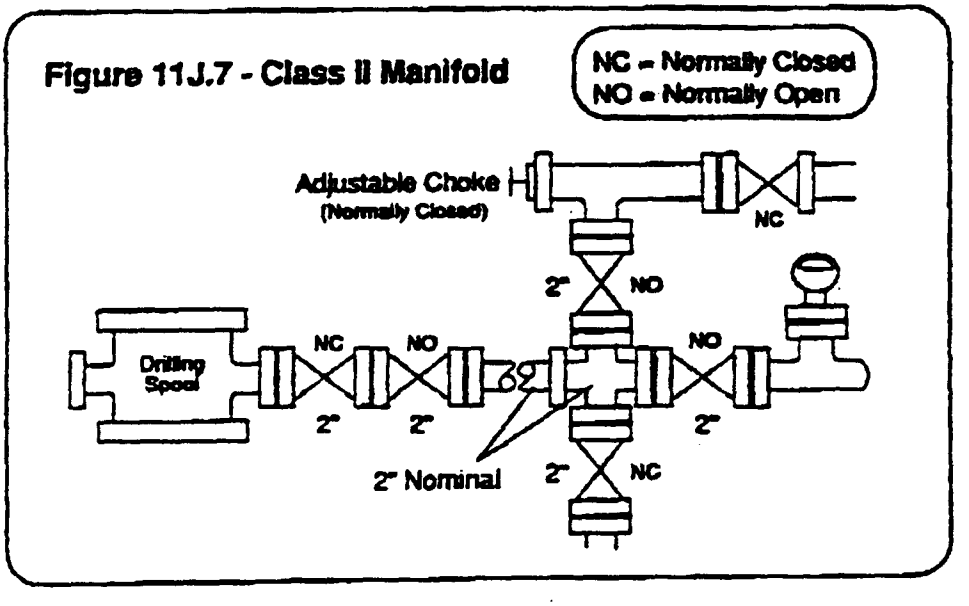
5. Includes one manually adjustable choke which is installed on the side of the manifold cross. Steel isolation gate valves are installed between the choke and the cross, and downstream of the choke.

6. Includes one bleed line installed on the side of the manifold cross which is isolated by a steel gate valve.

7. Includes a pressure gauge suitable for drilling service which can display the casing pressure within view of the choke operator.

8. Screwed connections may be used in lieu of flanges or clamps.

Figure 11J.7 - Class II Manifold



H2S DRILLING OPERATIONS PLAN

I. HYDROGEN SULFIDE TRAINING

All contractors and subcontractors employed by Chevron U.S.A. Inc. will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.

1. The hazards and characteristics of hydrogen sulfide (H2S)
2. Safety precautions
3. Operations of safety equipment and life support systems

In addition, Chevron supervisory personnel will be trained or prepared in the following areas:

1. The effect of H2S on metal components in the system. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.

2. Corrective action and shut-down procedures when drilling or working a well, blowout prevention and well control procedures, if the nature of work performed involves these items.

3. The contents and requirements of the contingency plan when such plan is required.

All personnel will be required to carry documentation of the above training on their person.

II. H2S EQUIPMENT AND SYSTEMS

1. Safety Equipment

The following safety equipment will be on location.

A. Wind direction indicators as seen in attached diagram.
B. Automatic H2S detection alarm equipment (both audio and visual).
C. Clearly visible warning signs as seen on the attached diagram. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.
D. Protective breathing equipment will be located in the dog house and at the briefing areas as seen in the attached diagram.

2. Well Control Systems

A. Blowout Prevention Equipment
Equipment includes but is not limited to:

a. pipe rams to accommodate all pipe sizes
b. blind rams
c. choke manifold
d. closing unit

Auxiliary equipment added as appropriate includes:

a. annular preventor NA
b. rotating head NA
c. mud-gas separator NA
d. flare line and means of ignition NA
e. remote operated choke NA

B. Communication

The rig contractor will be required to have a two-way communication capability. Chevron U.S.A. Inc. will have either land-line or mobile telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices, and the use of H2S scavengers when appropriate will minimize hazards when penetrating H2S bearing formations.

D. No Drill Stem Tests are planned.

III. WELL SITE DIAGRAM

A complete well site diagram including the following information is attached.

1. Rig orientation
2. Briefing areas
3. Ingress and egress
4. Pits and flare lines
5. Caution and danger signs
6. Wind indicators and prevailing wind direction

Form 3160-3
(July 1992)

N. M. OIL CONS. COMMISSION
P. O. BOX 1980
HOBBS, NEW MEXICO 88240

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM-96855

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

7. UNIT AGREEMENT NAME: N/A

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.: N. LUSK "29" FEDERAL #1

2. NAME OF OPERATOR: Chevron U.S.A. Inc.

9. API WELL NO.:

3. ADDRESS AND TELEPHONE NO.: P.O. Box 1150, Midland, TX 79702 (915) 687-7148

10. FIELD AND POOL, OR WILDCAT: NORTH LUSK;MORROW

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 330' FSL & 2005' FWL UNIT N
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC. 29, T18S, R32E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

12. COUNTY OR PARISH: LEA — 13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
330'		40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
	13,000'	ROTARY

21. ELEVATIONS (Show whether DF,RT, GR, etc.): 3705'

22. APPROX. DATE WORK WILL START*: 6/24/99

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	54.5#	~~580~~ 450'	CIRCULATED
12-1/4"	9-5/8"	36#	4,000'	CIRCULATED
8-3/4"	5-1/2"	17#	13,000'	CIRCULATED

REC'D MAY 27 '99
N-80 - OK

MUD PROGRAM:
0' - 450' FRESH WATER 8.33-8.6 PPG
450' - 4,000' BRINE WATER 10.0 PPG
4,000' - 13,000' BRINE WATER 8.7-10.0 PPG

ROSWELL, NM

BOPE EQUIPMENT: SEE ATTACHED

******PLEASE EXPEDITE******

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED J. K. Ripley TITLE REGULATORY OA DATE 5/25/99

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

/S/LARRY D. BRAY Acting Assistant Field Office Manager, Lands and Minerals

APPROVED BY _____ TITLE _____ DATE JUN 25 1999

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-10
Revised February 10, 199
Submit to Appropriate District Offic
State Lease - 4 Copie
Fee Lease - 3 Copie

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		NORTH LUSK;MORROW

Property Code	Property Name	Well Number
	N. LUSK "29" FEDERAL	1

OGRID No.	Operator Name	Elevation
4323	CHEVRON U.S.A. PRODUCTION COMPANY	3705

Surface Location

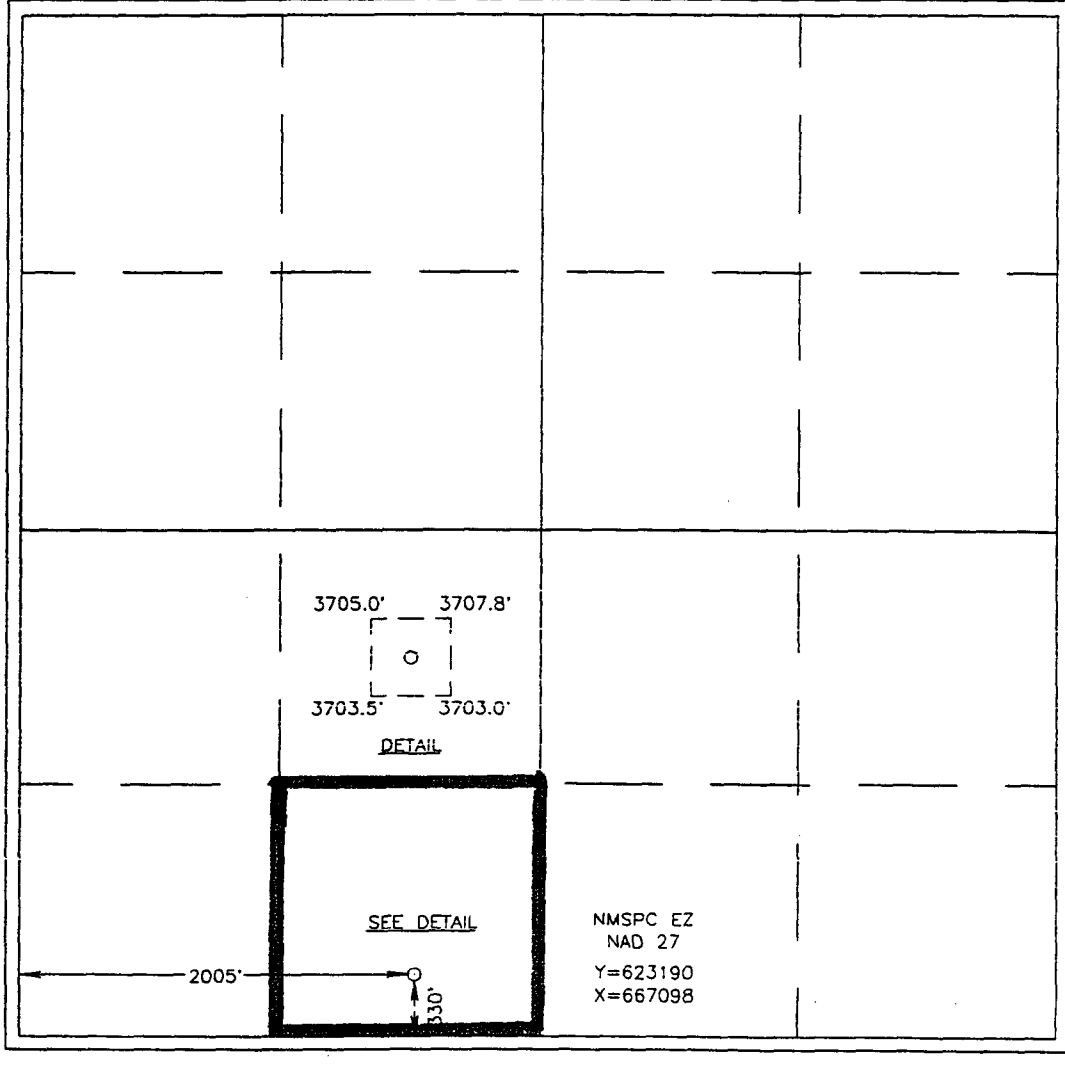
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	29	18 S	32 E		330	SOUTH	2005	WEST	LEA

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	Joint or Infill	Consolidation Code	Order No.
40			

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



OPERATOR CERTIFICATION

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

J. K. Ripley
Signature

J. K. RIPLEY
Printed Name

REG OA
Title

5/25/99
Date

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 supervison, and that the same is true and correct to the best of my belief.

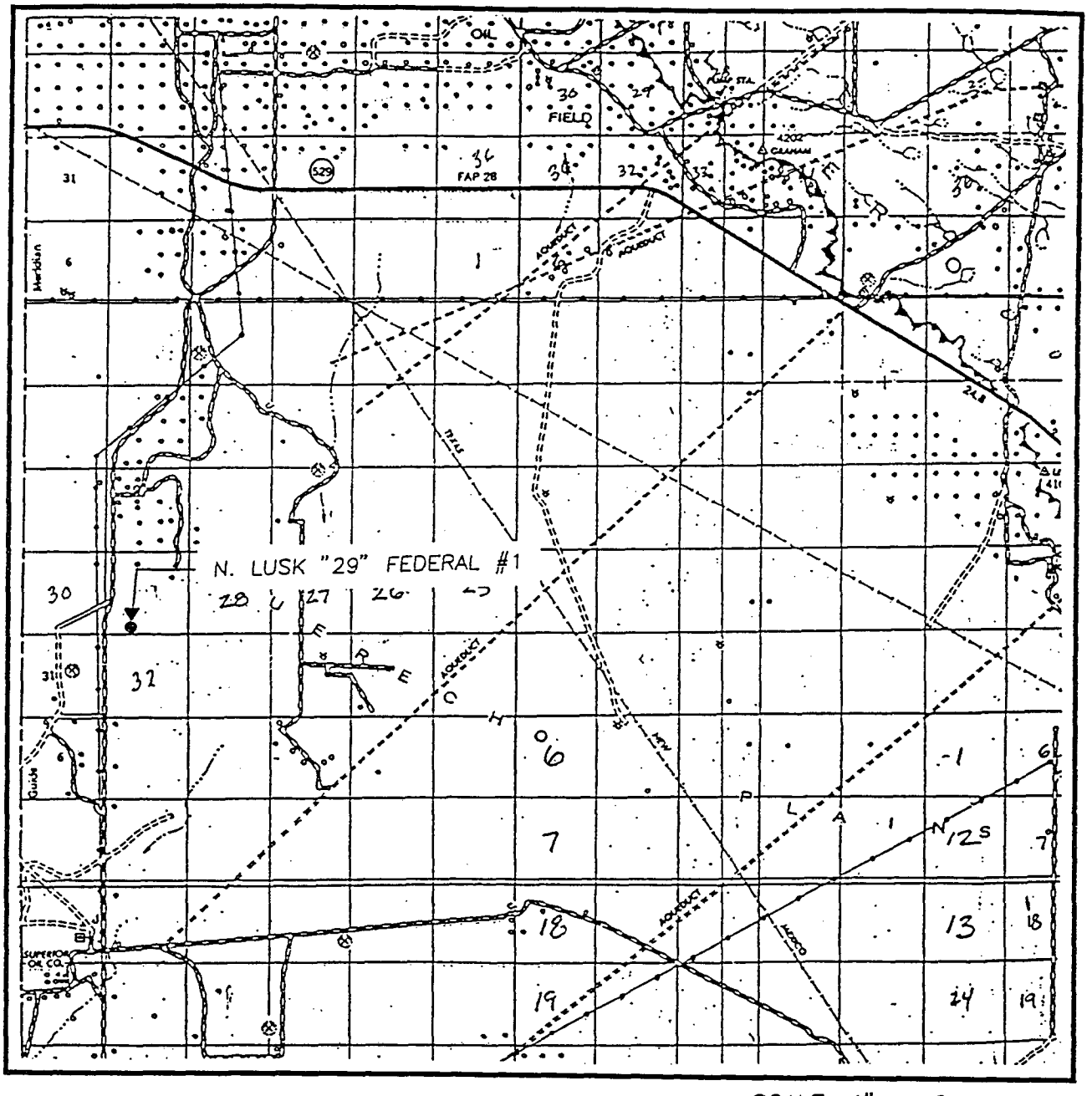
APRIL 27, 1999
Date Surveyed DMCC

Signature & Seal of Professional Surveyor

RONALD J. EIDSON
NEW MEXICO
3239
REGISTERED PROFESSIONAL SURVEYOR
4.29-99
99-11-0328

Certificate No. RONALD J. EIDSON 3239
GARY L. EIDSON 12641
JOHN W. McDONALD 12185

VICINITY MAP



SEC. 29 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 330' FSL & 2005' FWL

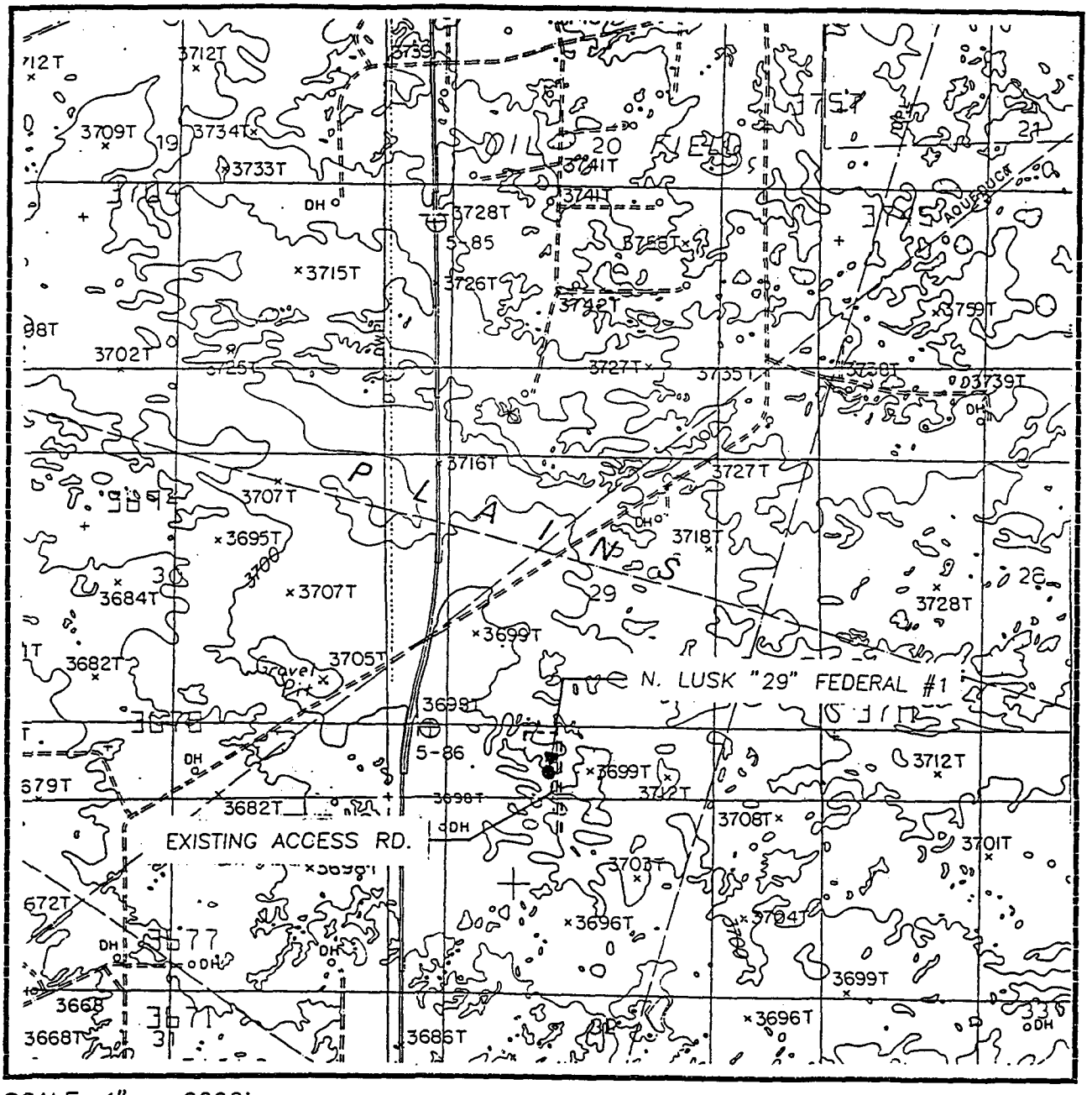
ELEVATION 3705

OPERATOR CHEVRON U.S.A. PRODUCTION COMPANY

LEASE N. LUSK "29" FEDERAL

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
GREENWOOD LAKE – 10'

SEC. 29 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 330' FSL & 2005' FWL

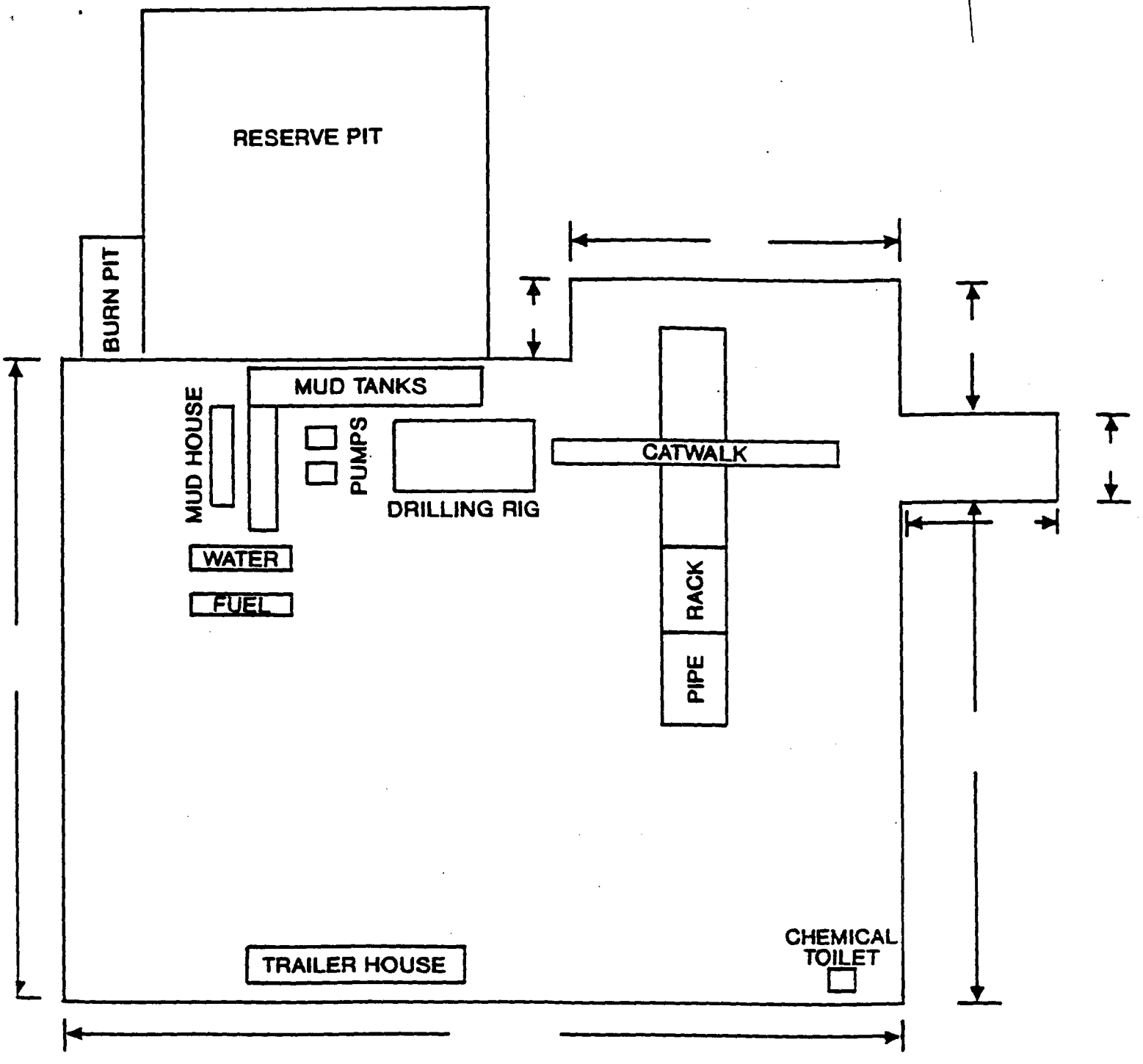
ELEVATION 3705

OPERATOR CHEVRON U.S.A. PRODUCTION COMPANY

LEASE N. LUSK "29" FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
GREENWOOD LAKE, N.M.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117



Chevron

CHEVRON USA INC.

EXHIBIT "C"

Well Name & Number: N. LUSK "29" FEDERAL #1

Location: 330 'F S L & 2005 'F W L

Section: 29 **Unit:** N

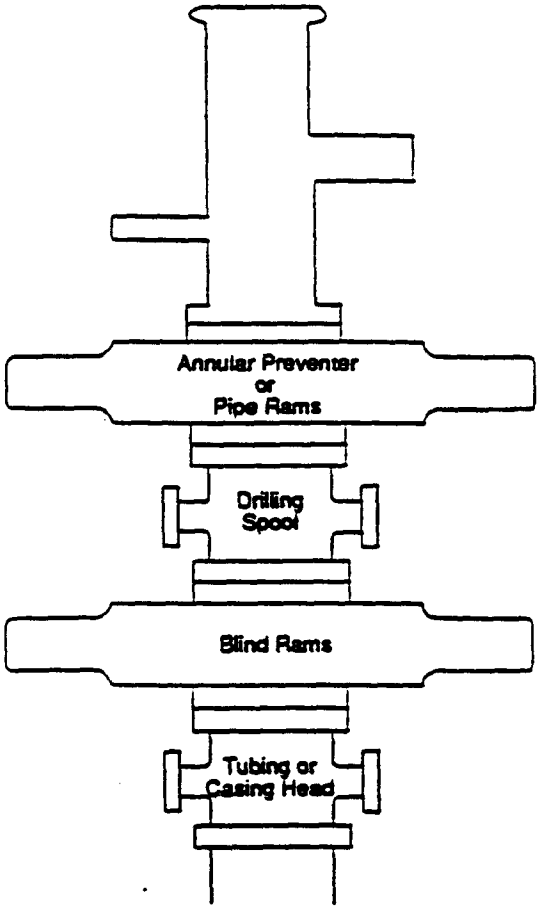
Township: 18S **Range:** 32E

_____ **County, New Mexico**

PREPARED BY:

D. CLASS II-B BLOWOUT PREVENTER STACK:

Figure 11J.3
Class II-B Blowout Preventer Stack



The Class II-B preventer stack is designed for drilling or workover operations. It is composed of a single hydraulically operated annular preventer on top, then a drilling spool, and a single blind ram preventer on bottom. In an alternate configuration, a single pipe ram preventer may be substituted for the annular preventer. The choke and kill lines are installed onto the drilling spool and must have a minimum internal diameter of 2". An emergency kill line may be installed on the wellhead. As the maximum anticipated surface pressure of this stack is less than 2000 psi, screwed connections may be used. All components must be of steel construction. The Class II-B blowout preventer stack is shown to the left in Figure 11J.3.

H2S DRILLING OPERATIONS PLAN

I. HYDROGEN SULFIDE TRAINING

All contractors and subcontractors employed by Chevron U.S.A. Inc. will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.

1. The hazards and characteristics of hydrogen sulfide (H2S)
2. Safety precautions
3. Operations of safety equipment and life support systems

In addition, Chevron supervisory personnel will be trained or prepared in the following areas:

1. The effect of H2S on metal components in the system. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.

2. Corrective action and shut-down procedures when drilling or working a well, blowout prevention and well control procedures, if the nature of work performed involves these items.

3. The contents and requirements of the contingency plan when such plan is required.

All personnel will be required to carry documentation of the above training on their person.

II. H2S EQUIPMENT AND SYSTEMS

1. Safety Equipment

The following safety equipment will be on location.

A. Wind direction indicators as seen in attached diagram.
B. Automatic H2S detection alarm equipment (both audio and visual).
C. Clearly visible warning signs as seen on the attached diagram. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.
D. Protective breathing equipment will be located in the dog house and at the briefing areas as seen in the attached diagram.

2. Well Control Systems

A. Blowout Prevention Equipment
Equipment includes but is not limited to:

a. pipe rams to accommodate all pipe sizes
b. blind rams
c. choke manifold
d. closing unit

Auxiliary equipment added as appropriate includes:

a. annular preventor NA
b. rotating head NA
c. mud-gas separator NA
d. flare line and means of ignition NA
e. remote operated choke NA

B. Communication

The rig contractor will be required to have a two-way communication capability. Chevron U.S.A. Inc. will have either land-line or mobile telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices, and the use of H2S scavengers when appropriate will minimize hazards when penetrating H2S bearing formations.

D. No Drill Stem Tests are planned.

III. WELL SITE DIAGRAM

A complete well site diagram including the following information is attached.

1. Rig orientation
2. Briefing areas
3. Ingress and egress
4. Pits and flare lines
5. Caution and danger signs
6. Wind indicators and prevailing wind direction

DRILLING PROGRAM

Attached to Form 3160-3
Chevron U.S.A. Inc.
N. Lusk "29" Federal #1
330' FSL & 2005' FWL
Section 29, T18S, R32E
Lea County, New Mexico

1. Geological Name of Surface Formation:

   Aeolian

2. Estimated Tops Of Important Geological Markers:

Queen	3,718'
Penrose	3,939'
Grayburg	4,383
San Andres	4,736'
Delaware	4,976'
Bone Spring	6,942'
Bone Spring "A" Sand	7,217'
Bone Spring 2nd Carb	8.650'
Wolfcamp	10,288'
Strawn	11,600'
Morrow	12,300'

3. Protection of Zones:

   The fresh water sands will be protected by setting 13-3/8" casing at 450' and circulating cement to surface. The salt section will be protected by setting 9-5/8" casing at 4000' and circulating cement to surface. The oil and gas zones will be isolated from other formations by setting 5-1/2" casing at TD and circulating cement to 200' above intermediate 9-5/8" casing shoe.

4. Casing Program:

Hole Size	Interval	Csg OD	Weight, Grade, Type
17-1/2"	0- 450'	13-3/8"	54.5#, J-55, ST&C

12-1/4"	0- 4,000'	9-5/8"	36#, K-55, LT&C
8-3/4"	0-13,000'	5-1/2"	17#, K-55, LT&C

Cement Program:

13-3/8" Surface Casing: (17-1/2" hole)	Cemented to surface using Class "C" + 4% Gel + 3% salt, followed by Class "C" + 2% CaCl2.
9-5/8" Intermediate Casing (12-1/4" hole)	Cemented to surface using Class "C" + 4% Gel + additives, followed by Class "C" neat.
5 1/2" Production Casing (8-3/4" hole)	Cemented to intermediate casing shoe using Class "C" + 16% Gel + additives, followed by Class "H" + additives.

The above cement slurries will be designed using caliper logs to circulate cement to surface.

5. Minimum Specifications for Pressure Control:

The blowout preventor equipment (BOP) shown in attachment will consist of a (2M system) double ram type (2000 psi WP) preventor. The unit will be hydraulically operated and equipped with blind and pipe type rams. BOP's will be installed on the 13-3/8" surface casing and will be utilized continuously until total depth is reached and production casing is in place and cemented. All BOP's and associated equipment will be tested before drilling out 13-3/8" casing shoe, with rig pumps and before drilling out 9-5/8" casing shoe to rated WP's.

Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These function tests will be documented on the daily drillers log. A 2" kill line and 2" choke line will be incorporated in the drilling spool below the ram-type BOP. Other BOP equipment will include a kelly cock, floor safety valve, choke lines and choke manifold having 2000 psi WP rating.

6. Types and Characteristics of Proposed Mud System:

The well will be drilled to a total depth using fresh water and brine water mud systems.

DEPTH	TYPE	WEIGHT	VISCOSITY	WATER LOSS
0'-450'	Fresh Water	8.3-8.6	34-36	No Control
450'-4000'	Brine Water	10.0	28	No Control
4000'-TD	Brine Water	8.7-10.0	30	<10CC

7. A. A kelly cock will be in the drill string at all times.

B. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.

C. No H2S will be encountered in this well.

8. Logging, Testing and Coring Program:

A. DST's will be run 8650'-9000', 10,288'-11,600', 11,600'-12,000' & 12,300'-13,000'.

B. The open hole logging program will be: LithoDensity/Comp. Neutron, Dual Laterolog/MSFL, Borehole Comp. Sonic FMI

C. No cores are planned.

9. Abnormal Pressures, Temperature and Potential Hazards:

No abnormal pressures or temperatures are foreseen. No hydrogen sulfide gas has been reported or is known to exist at these depths in this area. No major loss circulation intervals have been encountered in adjacent wells.

10. Anticipated Starting Date and Duration of Operations:

Road and location preparation will not be undertaken until approval has been received from the BLM. The anticipated spud date is approximately June 24, 1999. The drilling operations should require approximately 12 days. If the well is deemed productive, completion operations will require, at minimum, an additional 30 days of testing to ascertain whether permanent production facilities will be constructed.

SURFACE USE AND OPERATING PLAN

Attachment to Form 3160-3
Chevron U.S.A. Inc.
N. Lusk "29" Federal #1
330' FSL & 2005' FWL
Section 29, T18S, R32E
Lea County, New Mexico

1. Existing Roads:

   A. The well site and elevation plat for the proposed N. Lusk "29" Federal #1 is attached. The well site was staked by Ronald J. Eidson on April 27, 1999.

   B. Directions to location: Travel from Hobbs, New Mexico west on Hwy 62-180 to SH 243; turn right and travel to CR 126; turn right and travel on CR 126 until reaching Section 29, where N. Lusk "29" Federal #1 will be located.

2. Proposed access Road:

   A. No new road will be required.

   B. No cattle guards, grates or fence cuts will be necessary.

   C. No turnouts are planned.

3. Location of Existing and/or Proposed facilities:

   New production facilities will be built if the well is productive. A sundry notice will be sent to the BLM upon results of the completion.
   If the well is productive, rehabilitation plans are as follows:

   1. The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after completion, weather permitting).

   2. Caliche from unused portions of the drill pad will be removed. The original topsoil from the well site will be returned to the location. The drill site will then be contoured to the original natural state.

4. Location and Type of Water Supply:

N. Lusk "29" Federal #1 will be drilled using a combination of Brine and Fresh water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to the location by transport truck. Additionally, produced salt water from the lease gathering tanks may be used. No water well will be drilled on the location.

5. Source of Construction Materials:

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit or from prevailing deposits found under the location. All roads will be constructed of 6" rolled and compacted caliche.

6. Methods of Handling Water Disposal:

A. Drill cuttings will be disposed into the reserve pit.

B. Drilling Fluids will be contained in steel mud tanks. The reserve pit will contain excess drilling fluids or fluid from the well during drilling, cementing, and completion operations. The reserve pit will be earthen pit roughly 125' x 125' x 6', or smaller, in size.

C. The reserve pit will be fenced on three sides throughout drilling operations and will be totally isolated upon removal of the rotary rig. The pit will be lined using 6 mil plastic to minimize loss of drilling fluids and saturation of the ground with brine water used to drill from 1200' - 4200'.

D. Water produced from the well during completion operations will be disposed into steel tanks or the reserve pit, if volumes prove excessive. After placing production through the production facilities, all water wil be collected in tanks. Produced oil will be separated into steel stock tanks until sold.

E. A portable chemical toilet will be available on location for human waste during drilling operations.

F. Garbage, trash and waste paper produced during drilling operations will be collected in a container trailer and disposed at an approved landfill. All waste material will be contained to prevent scattering by the wind. All water, fluids, salt or other chemicals will be disposed in the reserve pit. No toxic waste or hazardous chemicals will be generated by this operation.

G. All waste material will be removed within 30 days after the well is either completed or abandoned. The reserve pit will be completely fenced until it has dried. At the point the reserve pit is found sufficiently dry, it will be backfilled and reclaimed as outlined by the BLM specifications. Only the portion of the drilling pad used by production equipment (pumping unit and tank battery) will remain in use. If the well is deemed non-commercial, only a dry hole marker will remain.

7. Ancillary Facilities:

No campsite or other facilities will be constructed as a result of this well.

8. Well Site Layout:

A. The drill pad is shown on Attachment. Approximate dimensions of the pad, the pits and the general location of the rig equipment are displayed. Top soil will be stored adjacent to the pad until reclamation efforts are undertaken. Only modest cuts will be necessary to build the pad, which will be covered with 6" of compacted caliche.

B. No permanent living facilities are planned, but temporary trailers for the tool pusher, drilling foreman and mud logger may be on location throughout drilling operations.

C. The reserve pit will be lined using plastic sheeting of 6 mil thickness.

9. Plans for Restoration of Surface:

A. If after concluding the drilling and/or completion operations, the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The reserve pit area will be broken out and leveled after drying to a condition where these efforts are feasible. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography.

B. The pit lining will be buried or hauled away in order to return the location and road to the pristine nature. All pits will be filled and location leveled, weather permitting, within 120 days after abandonment.

C. The location and road will be rehabilitated as recommended by the BLM.

D. The reserve pit will be fenced on three sides throughout drilling operations. After the rotary rig is removed, the reserve pit will be fenced on the fourth side to preclude endangering wildlife. The fencing will be in place until the pit is reclaimed.

E. If the well is deemed commercially productive, the reserve pit will be restored as described on 10 (A) within 120 days subsequent to the completion date. Caliche from the area of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.

10. Surface Ownership:

The well site is owned by the Bureau of Land Management.

Road routes have been approved and the surface location will be restored as directed by the BLM.

11. Refer to archaeological report performed by Desert West Archaeological for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.

12. Lessee's or Operator's Representative:

Richard Gemmill

Chevron U.S.A. Inc.
P.O. Box 1150
Midland, Texas 79702

Phone: (915)687-7896

Certification:

I hereby certify that I, or a Chevron representative, have inspected the proposed drill site and access road; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Chevron U.S.A. Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: 5/25/99

Signed: J.K. Ripley

J. K. Ripley

Attachments

C. CLASS II CHOKE MANIFOLD

The Class II choke manifold is suitable for all Class II workovers and drilling operations. The Class II choke manifold is shown below in Figure 11J.7. Specific design features of the Class II choke manifold include:

1. The manifold is attached to the tubing/casing head when a Class II-A preventer stack is use. This hook-up is only recommended for Class II workover operations.

2. The manifold is attached to a drilling spool or top ram preventer side outlets when a Class II-B preventer stack is in use.

3. The minimun internal diameter is 2" (nominal) for outlets, flanges, valves and lines.

4. Includes two steel gate valves in the choke line at the wellhead/drilling spool outlet. The inside choke line valve may be remotely controlled (HCR).

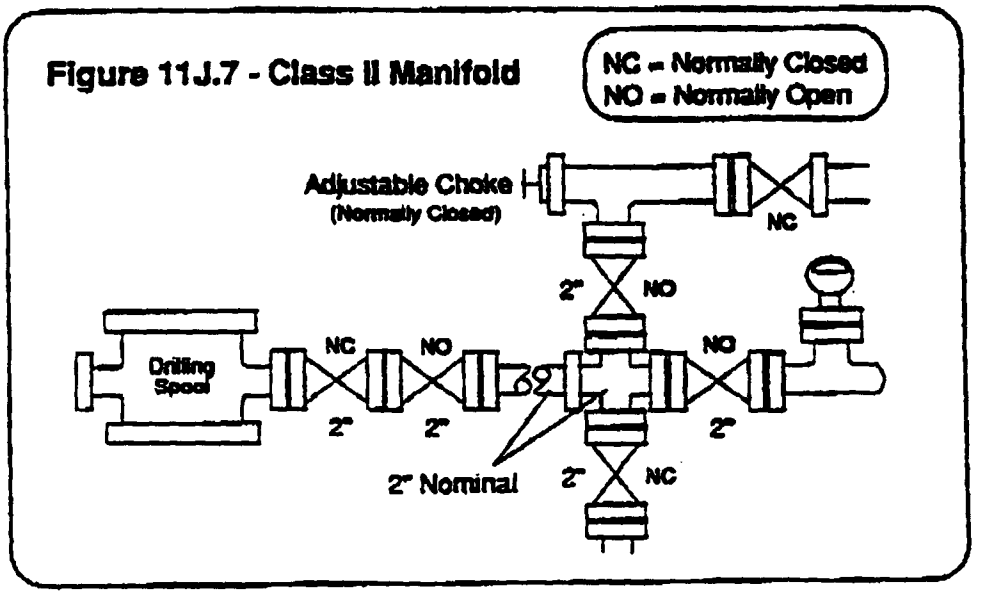
5. Includes one manually adjustable choke which is installed on the side of the manifold cross. Steel isolation gate valves are installed between the choke and the cross, and downstream of the choke.

6. Includes one bleed line installed on the side of the manifold cross which is isolated by a steel gate valve.

7. Includes a pressure gauge suitable for drilling service which can display the casing pressure within view of the choke operator.

8. Screwed connections may be used in lieu of flanges or clamps.

Figure 11J.7 - Class II Manifold



CMD : ONGARD 03/07/00 08:55:34
OG5SECT INQUIRE LAND BY SECTION OGOMES -TP8C
PAGE NO: 1

Sec : 32 Twp : 18S Rng : 32E Section Type : NORMAL

D 40.00 CS LG7655 0004 SANTA FE SNYDER C 02/01/90	C 40.00 CS LG7655 0004 SANTA FE SNYDER C 02/01/90	B 40.00 CS LG7655 0004 SANTA FE SNYDER C 02/01/90	A 40.00 CS LG7655 0004 SANTA FE SNYDER C 02/01/90
E 40.00 CS LG7655 0004 SANTA FE SNYDER C 02/01/90	F 40.00 CS LG7655 0004 SANTA FE SNYDER C 02/01/90 A	G 40.00 CS LG7655 0004 SANTA FE SNYDER C 02/01/90 A	H 40.00 CS LG7655 0004 SANTA FE SNYDER C 02/01/90

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD 03/07/00 08:55:40
OG5SECT INQUIRE LAND BY SECTION OGOMES -TP8C
PAGE NO: 2

Sec : 32 Twp : 18S Rng : 32E Section Type : NORMAL

L 40.00 CS LG1044 0002 ALTURA ENERGY LTD 02/01/83	K 40.00 CS LG1044 0002 ALTURA ENERGY LTD 02/01/83	J 40.00 CS LG1044 0002 ALTURA ENERGY LTD 02/01/83 A	I 40.00 CS LG1044 0002 ALTURA ENERGY LTI 02/01/83
M 40.00 CS LG1044 0002 ALTURA ENERGY LTD 02/01/83	N 40.00 CS LG1044 0002 ALTURA ENERGY LTD 02/01/83	O 40.00 CS LG1044 0002 ALTURA ENERGY LTD 02/01/83	P 40.00 CS LG1044 0002 ALTURA ENERGY LTI 02/01/83

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD 03/07/00 08:38:26
OG5SECT INQUIRE LAND BY SECTION OGOMES -TP8C
PAGE NO: 1

Sec : 29 Twp : 18S Rng : 32E Section Type : NORMAL

D 40.00 Federal owned	C 40.00 Federal owned A	B 40.00 Federal owned	A 40.00 Federal owned A
E 40.00 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD 03/07/00 08:38:31
OG5SECT INQUIRE LAND BY SECTION OGOMES -TP8C
PAGE NO: 2

Sec : 29 Twp : 18S Rng : 32E Section Type : NORMAL

L	K	J	I
40.00	40.00	40.00	40.00
Federal owned	Federal owned	Federal owned	Federal owned
M	N	O	P
40.00	40.00	40.00	40.00
Federal owned	Federal owned P A	Federal owned	Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

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CMD :                                ONGARD                          03/07/00 08:39:19
OG6C101          C101-APPLICATION FOR PERMIT TO DRILL                    OGOMES -TP8C

OGRID Idn      :   4323 API Well No: 30  25 34673 APD Status(A/C/P): A
Opr Name,  Addr: CHEVRON U S A INC                 Aprvl/Cncl Date  : 08-05-1999
                 PO BOX J SECTION 975R
                 CONCORD,CA 94524

Prop Idn:  24728 NORTH LUSK 29 FEDERAL                          Well No:   1

                U/L Sec  Township Range  Lot Idn  North/South      East/West
                --- ---  -------- -----  -------  ------------   ------------
Surface Locn : N   29   18S      32E             FTG  330 F S   FTG 2005 F W
OCD U/L      : N    API County :  25

Work typ(N/E/D/P/A)     : N Well typ(O/G/M/I/S/W/C): O   Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation :  3705

State Lease No:            Multiple Comp (Y/N)     : S
Prpsd Depth    : 12000 Prpsd Frmtn   : STRAWN

        E0009: Enter data to modify record
PF01 HELP    PF02          PF03 EXIT    PF04 GoTo    PF05          PF06 CONFIRM
PF07         PF08          PF09 PRINT   PF10 C102    PF11 HISTORY PF12
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(FLORA VISTA-MESAVERDE GAS POOL—Cont'd.)

and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Survey, or where the following facts exist and the following provisions are complied with:

(1) The non-standard unit consists of contiguous quarter-quarter sections or lots.

(2) The non-standard unit lies wholly within a single governmental section.

(3) The entire non-standard unit may reasonably be presumed to be productive of gas from the Flora Vista-Mesaverde Gas Pool.

(4) The length or width of the non-standard unit does not exceed 5280 feet.

(5) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

(6) In lieu of Paragraph 5 of this Rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered mail of his intent to form such non-standard unit. The Secretary-Director of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no such operator has made objection to the formation of such non-standard unit.

RULE 3. (a) Each well completed or recompleted in the Flora Vista-Mesaverde Gas Pool shall be located no nearer than 790 feet to the outer boundary of the unit and shall be located no nearer than 130 feet to a governmental quarter-quarter section line or subdivision inner boundary line. Further tolerance shall be allowed by the Commission only in cases of extremely rough terrain where compliance would necessarily cause an undue increase in drilling costs.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

LUSK-STRAWN POOL
Lea County, New Mexico

Order No. R-2175-B, Adopting Operating Rules for the Lusk-Strawn Pool, Lea County, New Mexico, April 4, 1962.

Order No. R-2175-B supersedes Order No. R-2175, January 30, 1962.

Application of El Paso Natural Gas Company for the establishment of Special Rules and Regulations for the Lusk-Strawn Pool, Lea County, New Mexico.

CASE NO. 2469
Order No. R-2175-B

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on March 14, 1962, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of April, 1962, the Commission, a quorum being present, having considered the testimony pre sented and the exhibits received at said hearing, and bein fully advised in the premises,

FINDS:

(1) That due public notice having been given as require by law, the Commission has jurisdiction of this cause and th subject matter thereof.

(2) That the applicant, El Paso Natural Gas Company, o rehearing, seeks a modification of the Special Rules and Regu lations for the Lusk-Strawn Pool as contained in Order No R-2175 entered in Case No. 2469 on January 30, 1962, to pro vide for the development of said pool on 160-acre proratio units.

(3) That the present testimony of the applicant indicate that one well can efficiently drain 160-acres.

(4) That the present testimony of the applicant relativ to the economics of drilling in the subject pool indicates tha development on less than 160-acre oil proration units would b uneconomical.

(5) That the Special Rules and Regulations for the Lusk Strawn Pool as contained in Order No. R-2175 should be modi fied to provide for 160-acre oil proration units.

IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Lusk Strawn Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE LUSK-STRAWN POOL

RULE 1. Each well completed or recompleted in the Lusk Strawn Pool or in the Strawn formation within one mile o the Lusk-Strawn Pool, and not nearer to nor within the limits of another designated Strawn pool, shall be spaced, drilled operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Lusk-Strawn Pool shall be located on a unit containing 160 acres more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Lands Survey.

RULE 3. Each well completed or recompleted in said pool shall not be drilled closer than 660 feet to any quarter section line nor closer than 330 feet to any quarter-quarter section line. Any well which was drilling to or recompleted in the Lusk-Strawn Pool prior to January 4, 1962, is granted an exception to the well location requirements of this Rule.

RULE 4. For good cause shown, the Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising less than 160 acres. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director of the Commission may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Lusk-Strawn Pool as the acreage in such non-standard unit bears to 160 acres.

RULE 5. A 160-acre proration unit (158 through 162 acres) in the Lusk-Strawn Pool shall be assigned a 160-acre proportional factor of 8.67 for allowable purposes, and in the event there is more than one well on a 160-acre proration unit, the operator may produce the allowable assigned to the unit in any proportion.

RULE 6. The limiting gas-oil ratio in the Lusk-Strawn Pool shall be 4000:1.

PROVIDED HOWEVER, That the provisions of Rules 5 and 6 shall not become effective until such time as all wells

(LUSK-STRAWN POOL—Cont'd.)

presently completed in the subject pool are connected to a casinghead gas gathering system.

(2) That Order No. R-2175 entered in Case No. 2469 on January 30, 1962, is hereby superseded.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

HENSHAW-WOLFCAMP POOL
Eddy County, New Mexico

Order No. R-2182, Creating and Adopting Temporary Operating Rules for the Henshaw-Wolfcamp Pool, Eddy County, New Mexico, March 1, 1962.

Order No. R-2182-A, February 27, 1963, extends existing rules for one year and requires reconsideration at an examiner hearing in February, 1964.

Order No. R-2182-B, April 13, 1964, makes permanent the temporary rules adopted in Order No. R-2182.

CASE NO. 2480
Order No. R-2182

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on January 24, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 12th day of February, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Shell Oil Company, seeks the promulgation of temporary special rules and regulations for the Henshaw-Wolfcamp Pool in Eddy County, New Mexico, to provide for 80-acre proration units.

(3) That the evidence presented concerning the reservoir characteristics of the Henshaw-Wolfcamp Pool justifies the establishment of 80-acre proration units in said pool for a temporary one-year period.

(4) That the information presently available and presented as evidence indicates that the Henshaw-Wolfcamp Pool can be efficiently and economically drained on 80-acre proration units.

(5) That during the one-year period in which this order will be in effect, the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool, including core data and interference tests.

(6) That this case should be heard again by a duly appointed examiner of the Commission at an examiner hearing in February, 1963, at which time the applicant should be prepared to prove by a preponderance of the evidence the proration unit size on which the subject pool can be most efficiently drained and developed.

(7) That the Henshaw-Wolfcamp Pool should be created for the production of oil from the Wolfcamp formation. Said Henshaw-Wolfcamp Pool was discovered by the applicant's Henshaw Deep Unit Well No. 1, located in the NE/4 NW/4 of Section 24, Township 16 South, Range 30 East, NMPM, Eddy County, New Mexico. The top of the perforations is 8822 feet.

IT IS THEREFORE ORDERED:

(1) That a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the Henshaw-Wolfcamp Pool, consisting of the following-described area:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 24: NW/4 and S/2

(2) That special rules and regulations for the Henshaw-Wolfcamp Pool are hereby promulgated as follows, effective March 1, 1962.

SPECIAL RULES AND REGULATIONS FOR THE HENSHAW-WOLFCAMP POOL

RULE 1. Each well completed or recompleted in the Henshaw-Wolfcamp Pool or in the Wolfcamp formation within one mile of the Henshaw-Wolfcamp Pool, and not nearer to nor within the limits of another designated Wolfcamp Pool shall be spaced, drilled, operated and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Henshaw-Wolfcamp Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2 or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. For good cause shown, the Secretary-Director may grant exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

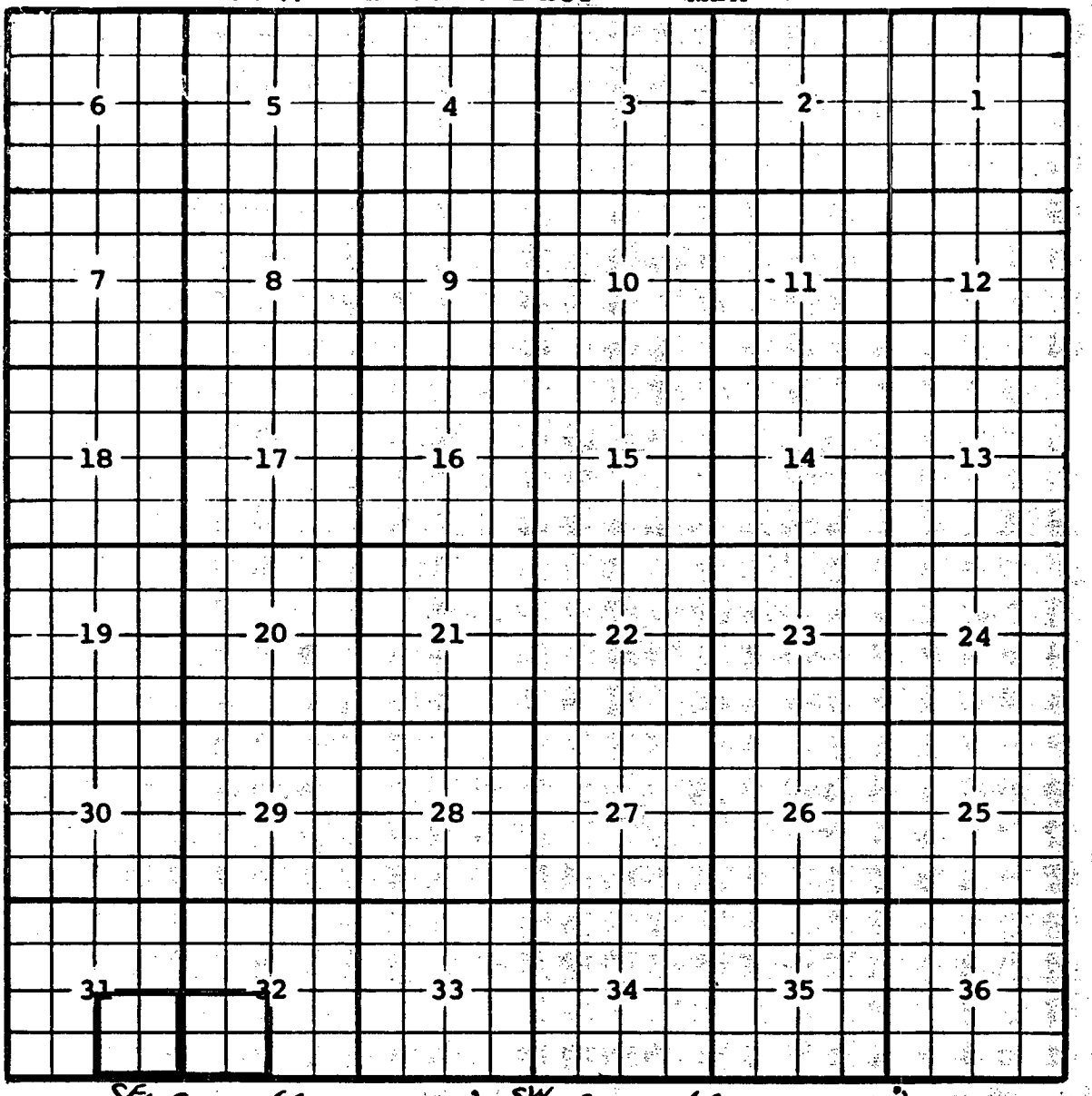
The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Henshaw-Wolfcamp Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either the SW/4 or NE/4 of the quarter section on which the well is located. Any well which was drilling to or completed in the Henshaw-Wolfcamp Pool prior to January 24, 1962, is granted an exception to the well location requirements of this rule.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Henshaw-Wolfcamp Pool shall be assigned an 80-acre

COUNTY Lea POOL Lusk-Strawn

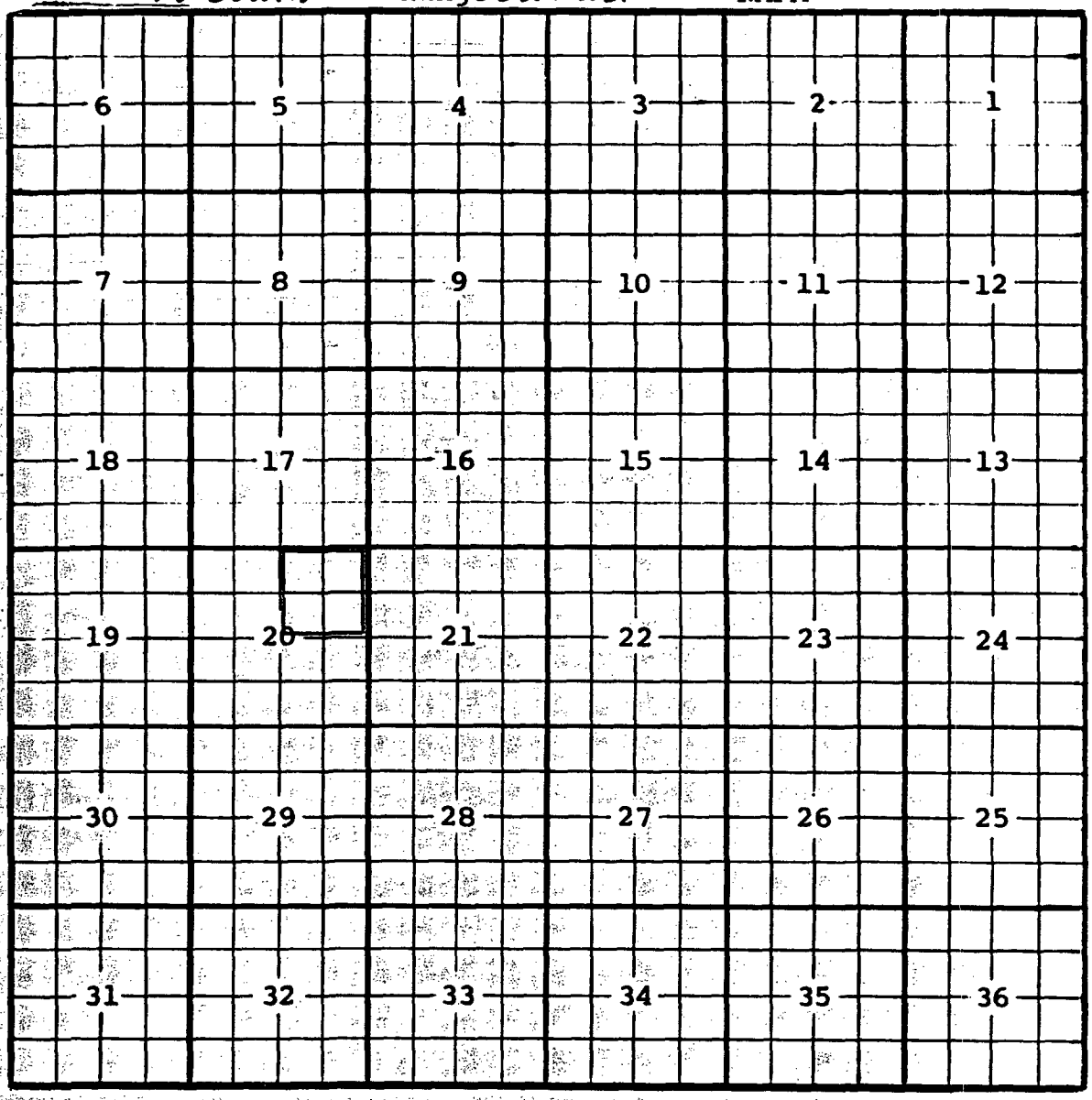
TOWNSHIP 18 South RANGE 32 East NMPM



Ext: SE/4 Sec. 31 (R-2911, 6-1-65) - SW/4 Sec. 32 (R-2946, 9-1-65)

County Lea Pool Young - Strawn

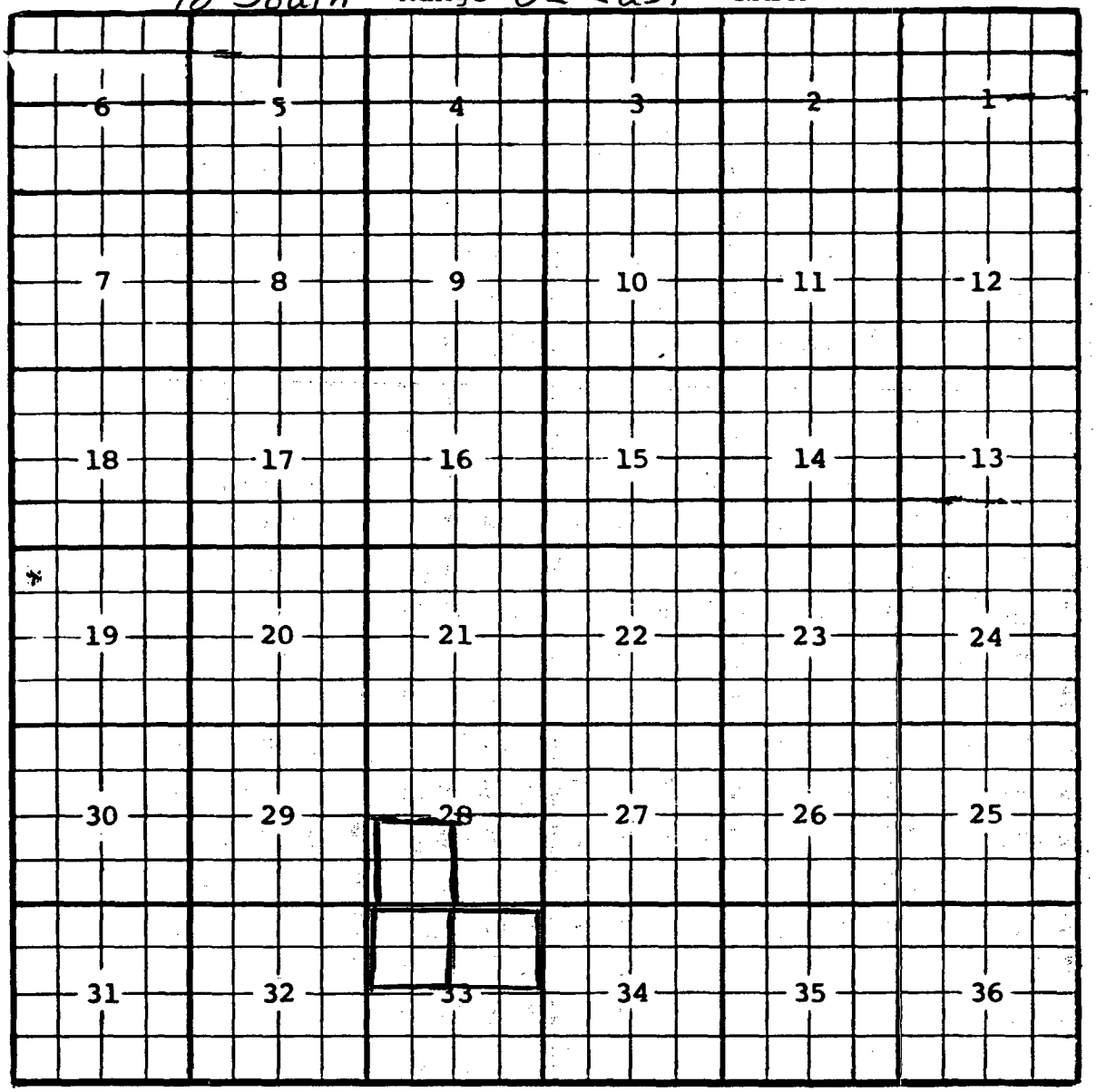
TOWNSHIP 18 South Range 32 East NMPM



Description: NE/4 Sec 20 (R-5102, 10-1-75)

County Lea Pool North Lusk-Strawn

TOWNSHIP 18 South Range 32 East NMPM



Description: NW/4 Sec. 33 (R-10795, 4-28-97)
Ext: NE/4 Sec. 33 (R-10972, 4-13-98) Ext: SW/4 Sec. 28 (R-11183, 5-19-99)