

DATE IN: 08/11	SUSPENSE: _____	ENGINEER: WJS	LOGGED IN: 08/11	TYPE: DHC	APP NO: 1210447427
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Edgar Aceto
 Print or Type Name

Edgar Aceto
 Signature

Petrocngr
 Title

1-26-12
 Date

EADY@Chevron.com
 e-mail Address

District I
1013 N. Taylor Blvd., El Paso, NM 88511

District II
1014 W. Grand Avenue, Suite 200, El Paso, NM 88510

District III
Well
1015 N. Taylor Blvd., Suite 200, El Paso, NM 88511

District IV
1016 N. Taylor Blvd., Suite 200, El Paso, NM 88511

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
☒ Single

Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Chevron
Operator

15 South Road, Midland, TX 79705
Address

New Mexico O State NCT-1
Lease

639
Well No.

C-36-178-34E
Unit Later Section-Township-Range

Lea
County

OGRID No. 4323 Property Code
Fee

API No. 30-25-53569

Lease Type: ☐ Federal ☒ State

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	North Vacuum Abo	Vacuum Wolfcamp	Vacuum Upper Penn
Pool Code	61760	62340	62320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9090'-9256'	9303'-10048'	10102'-10230'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be provided if the bottomhole pressure in the lower zone is within 10% of the depth of the top perforation in the upper zone.)	NA	NA	NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NA	NA	NA
Producing, Shut-In or New Zone	New Zone	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production Production volume allocation is based on the State BA #15 (API 30-025-34945). The State BA #15 is an offset well producing from the Abo, Wolfcamp, and Upper Penn. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	NA	NA	NA
Fixed Allocation Percentage Production volume allocation is based on the State BA #15 (API 30-025-34945). The State BA #15 is an offset well producing from the Abo, Wolfcamp, and Upper Penn. (Note: If allocation is based upon production, either that current or past production, supporting data or explanation will be required.)	Oil: 47% Gas: 41%	Oil: 36% Gas: 40%	Oil: 17% Gas: 19%

ALLOCATION BASED ON
OFFSET WELL

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes ☐ No ☐

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☐ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or commingled with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☐ No ☐

NMOCID Reference Case No. applicable to this well:

DHC-1831

ADD ABO

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.

Production curve for each zone for at least one year. (If not available, attach explanation.)

For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.

Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools.

List of all operators within the proposed Pre-Approved Pools.

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

Whereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE



TITLE

PETROLEUM ENGINEER

DATE 1-26-12

TYPE OR PRINT NAME EDGAR ACERO

TELEPHONE NO. (432) 687-7343

E-MAIL ADDRESS EADX@CHEVRON.COM

Request for exemption to rule 303-A
FOR WELLS LOCATED IN PRE-APPROVED POOLS OR AREAS

Operator

Chevron U.S.A., Inc.
15 Smith Road
Midland, TX 79705

Lease Name and Well Number

New Mexico O State NCT-1 #39
API #30-025-33569
2075' FNL & 2110' FEL, Unit Letter G
Section 36, T17S, R34E
Lea County, New Mexico

Division Order

Pre-approved Pools or Areas established by division order # R-11363

Pools To Be Commingled In-New Mexico O State NCT-1 #39

(61760) North Vacuum Abo
(62340) Vacuum Wolfcamp
(62320) Vacuum Upper Penn

Perforated Intervals

Abo perms: 9090'-9256' (to be added)
Wolfcamp perms: 9303'-10048'
Upper Penn perms: 10102'-10230'

Location Plat

Attached

Well Test Report & Production Plots

Attached

Product Characteristics And Value

Previous commingling of these zones by Chevron in the area have shown that the produced fluids are compatible and commingling will not cause formation damage or producing problems. Also, the price received by Chevron for products from these zones is very similar, so value will not be adversely affected.

Production Allocation

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
(61760) North Vacuum Abo	47	12	41	Production volume allocation is based on the State BA #15 (API: 30-025-34945). The State BA #15 is an offset well producing from the Abo, Wolfcamp, and Upper Penn.
(62340) Vacuum Wolfcamp	36	35	40	
(62320) Vacuum Upper Penn	17	53	19	
Totals	100	100	100	

Ownership

Ownership of all zones is identical so correlative rights will not be compromised.

State / Federal Land Notification

This is a State lease

WELL TEST REPORT

LEASE: NEW MEXICO O STATE NCT-1

WELL NUMBER: 39

TOWNSHIP/RANGE: 17S/34E

SECTION: 36

API NO.: 30-025-33569

DATE	BOPD	BWPD	MCFD
11/17/2011	38	100	12
11/16/2011	39	110	12
11/15/2011	36	100	12
10/5/2011	39	105	12
9/25/2011	39	100	11
9/24/2011	38	99	12
9/23/2011	39	100	12
7/6/2011	26	44	33
6/21/2011	24	48	31
6/20/2011	22	50	32
6/19/2011	21	46	30
5/10/2011	21	44	26
5/9/2011	22	43	30
5/8/2011	21	39	28
4/2/2011	21	43	22
4/1/2011	19	44	38
3/31/2011	20	40	40
3/6/2011	18	38	40
3/5/2011	17	43	40
3/4/2011	18	50	40
1/15/2011	42	108	61
1/14/2011	40	110	64
12/1/2010	39	106	64
11/14/2010	49	101	30
11/13/2010	55	110	33
11/12/2010	50	105	31
10/3/2010	44	106	0
10/2/2010	51	119	0
10/1/2010	54	108	0
9/30/2010	59	118	0
5/13/2010	29	36	33
5/12/2010	20	31	32
5/11/2010	22	38	33
4/18/2010	23	37	30
4/17/2010	23	35	31
4/16/2010	24	36	30
3/17/2010	23	37	32
3/16/2010	23	39	29
3/15/2010	22	37	31

3/14/2010	20	33	31
2/21/2010	28	36	40
2/20/2010	25	37	38
2/19/2010	25	38	38
1/27/2010	27	49	46
1/26/2010	32	39	44
1/15/2010	23	41	36
1/14/2010	35	41	37
1/10/2010	18	60	14
12/27/2009	24	56	23
10/8/2009	4	0	45
9/25/2009	33	34	82
9/24/2009	32	32	81
9/14/2009	12	11	58
8/23/2009	16	19	66
8/17/2009	15	27	75
8/16/2009	19	27	12
8/15/2009	16	22	80
8/9/2009	17	27	90
7/28/2009	19	26	109
7/21/2009	31	0	95
7/20/2009	17	26	92
7/9/2009	46	29	99
7/8/2009	17	25	98
7/7/2009	19	29	84
7/6/2009	12	2	52
6/25/2009	20	36	123
6/24/2009	22	41	106
6/23/2009	18	27	111
6/22/2009	20	35	121
6/18/2009	21	60	126
6/17/2009	19	35	39
6/16/2009	16	33	95
5/22/2009	39	87	97
5/21/2009	19	28	105
5/20/2009	19	36	113
4/13/2009	19	15	60
4/12/2009	17	17	57
4/11/2009	17	14	62
3/26/2009	23	31	69
3/25/2009	20	37	76
3/24/2009	20	33	80
3/14/2009	25	34	65
3/13/2009	18	29	79
3/12/2009	25	27	65
2/10/2009	38	71	71
2/9/2009	21	39	71

1/28/2009	9	16	57
1/19/2009	26	41	93
1/18/2009	25	41	91
12/14/2008	25	41	80
12/13/2008	22	34	78
12/12/2008	27	41	77
11/24/2008	29	45	93
11/23/2008	43	82	83
11/22/2008	25	44	79
11/13/2008	23	32	86
11/12/2008	25	40	81
10/16/2008	40	95	95
10/15/2008	26	41	82
10/14/2008	29	44	95
9/10/2008	26	16	111
9/9/2008	23	22	121
9/8/2008	27	26	120
8/13/2008	33	45	124
8/12/2008	34	48	132
8/11/2008	33	42	135
7/4/2008	14	10	116
7/3/2008	31	28	125
7/2/2008	32	45	133
6/21/2008	31	51	128
6/20/2008	37	61	144
6/19/2008	40	61	135
5/16/2008	22	38	53
5/15/2008	21	37	55
5/14/2008	33	29	91
4/20/2008	25	38	50
4/19/2008	24	31	50
4/18/2008	30	38	62
3/19/2008	19	30	60
3/18/2008	22	30	62
3/17/2008	25	35	63
1/16/2008	34	38	113
11/14/2007	36	44	127
9/14/2007	22	33	58
8/16/2007	22	35	103
7/16/2007	33	44	103
6/9/2007	30	43	94
5/16/2007	32	40	110
4/24/2007	31	40	105
2/16/2007	42	41	111
1/2/2007	56	87	143
11/18/2006	36	42	100
10/26/2006	49	48	134

9/8/2006	41	43	113
8/18/2006	37	40	111
7/23/2006	39	44	126
6/16/2006	36	39	130
5/7/2006	45	45	126
4/14/2006	41	44	104
2/16/2006	45	62	107
1/7/2006	45	44	108
12/13/2005	48	35	103
11/4/2005	44	44	110
10/7/2005	53	49	61
9/14/2005	43	43	112
9/13/2005	43	45	115
9/12/2005	37	37	108
8/19/2005	41	40	111
6/13/2005	46	40	112
5/13/2005	51	41	111
4/23/2005	53	39	101
4/22/2005	50	41	102
3/21/2005	47	37	94
2/20/2005	48	35	89
2/19/2005	47	37	81
2/18/2005	46	35	81
1/7/2005	46	31	85
1/6/2005	42	29	78
12/22/2004	53	36	80
12/21/2004	50	32	80
12/20/2004	46	30	74
11/15/2004	55	38	96
11/14/2004	45	31	91
10/20/2004	50	36	99
10/18/2004	47	34	100
9/20/2004	52	38	106
9/19/2004	52	144	112
9/17/2004	46	30	103
8/6/2004	44	36	110
8/5/2004	41	31	108
7/24/2004	45	35	108
7/23/2004	42	35	109
7/22/2004	42	29	102
6/7/2004	51	37	111
5/8/2004	55	38	119
4/7/2004	54	34	102
3/16/2004	56	40	100
2/6/2004	61	30	98
1/26/2004	57	39	102
12/7/2003	64	38	101

11/20/2003	64	42	103
10/21/2003	65	43	136
9/19/2003	60	39	118
8/5/2003	69	47	140
7/29/2003	74	57	150
6/12/2003	92	64	94
5/29/2003	34	20	72
3/16/2003	62	41	122
2/15/2003	64	57	123
1/27/2003	69	77	97
11/23/2002	62	46	124
1/20/2002	7.68	22	60.76
1/19/2002	9.76	18.5	58.31
1/16/2002	10.88	22.5	62.23

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) 746-1233 Fax: (575) 844-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IX
1220 S. St. Francis Dr., Santa Fe, NM 87503
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33569	² Pool Code 61760	³ Pool Name VACUUM ABO NORTH
⁴ Property Code	⁵ Property Name NEW MEXICO "O" STATE NCT-1	⁶ Well Number 39
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation

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
G	36	17-S	34-E		2075	NORTH	2110	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 4.0	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.

	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: <i>Denise Pinkerton</i> Date: 01-26-2012 DENISE PINKERTON REGULATORY SPECIALIST Printed Name denise@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

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6191 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 848-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6179
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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Santa Fe, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APU Number 30-025-33569		² Pool Code 62340	³ Pool Name VACUUM WOLF CAMP
⁴ Property Code	⁵ Property Name NEW MEXICO "O" STATE NCT-1		⁶ Well Number 39
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.		⁹ Elevation

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
G	36	17-S	34-E		2075'	NORTH	2110	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 AD	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.

	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 undivided 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: <i>[Signature]</i> Date: 01-26-2012 Printed Name: DENISE PINKERTON REGULATORY SPECIALIST E-mail Address: denise.pinkerton@chevron.com
	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:

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-6720
District II
811 S. First St., Artesia, NM 88210
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District III
1900 Rio Brazos Road, Aztec, NM 87410
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Santa Fe, NM 87505

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Revised August 1, 2011
Submit one copy to appropriate
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33569	² Pool Code 62320	³ Pool Name VACUUM; UPPER PENN
⁴ Property Code	⁵ Property Name NEW MEXICO "O" STATE NCT-1	
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁶ Well Number 39
⁹ Elevation		

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
G	36	17-S	34-E		2075	NORTH	2110'	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.

	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 undivided 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: <i>Denise Pinkerton</i> Date: 01-26-2012 Printed Name: DENISE PINKERTON REGULATORY SPECIALIST E-mail Address: denise.pinkerton@chevron.com
	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

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

Form C-101
Revised August 1, 2011

Permit

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

Operator Name and Address: CHEVRON U.S.A. INC. 15 SMITH ROAD MOBLAND, TEXAS 79015		OGRID Number 4321
Property Code: NEW MEXICO "O" STATE NCT-1		API Number 30-025-33569
Property Name: NEW MEXICO "O" STATE NCT-1		Well No. 39

7 Surface Location

UL - Lot G	Section 36	Township 17-S	Range 34-E	Lot Idn	Feet from 2075	N/S Line NORTH	Feet From 2110	E/W Line EAST	County LEA
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8 Pool Information

NORTH VACUUM ABO: 61760

Additional Well Information

Work Type RECOMPLETE	Well Type O	Cable/Rotary	Lease Type S	Ground Level Elevation
Multiple NO	Proposed Depth 10,300'	Formation ABO	Contractor	Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19 Proposed Casing and Cement Program

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

Casing/Cement Program: Additional Comments

SEE ATTACHED INTENDED PROCEDURE, C-102, C-144 CLEZ, WELLBORE DIAGRAMS, C-107A TO DHC ABO, WOLFECAMP, PENN

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒ a general permit ☐ , or an (attached) alternative OCD-approved plan ☐ .		OIL CONSERVATION DIVISION	
Printed name: DENISE PINKERTON Title: REGULATORY SPECIALIST E-mail Address: kakejd@chevron.com Date: 01-26-2012		Approved By: Title: Approved Date: Expiration Date: Conditions of Approval Attached	

New Mexico O State NCT-1 #39 – Add Pay, Acidize, Replace Rod Pump

API No. 30-025-33569

Lea County, NM

PREWORK:

- Ensure pad is of adequate size & build
- Ensure anchors load tested within last 24 months
- Electrical line issues – is variance required?
- Rig move checklist
- If well has slip type Larkin head, notify remedial engineer and prep to change WH equipment.
- Ensure that elevators and other lifting equipment is callipered and visually inspected each time tubular / rod size is changed and at the start of each day.

WITH RIG

1. MIRU pulling unit.
2. Record tubing and casing pressures for kill weight calculations. Check pressure on surface and intermediate risers & bleed pressure if necessary. Leave bradenhead valves open & monitor throughout workover.
3. Kill well as necessary.
4. Pull rods and pump (Rod and pump details shown on WBD).
5. Ensure well is dead. ND wellhead.
6. NU 5K hydraulic BOP with blind rams in bottom, 2 7/8" pipe rams in top & 3M hydraulic annular.
7. Unset TAC. TOH scanning 2-7/8" 6.5# L80 8RD EUE tubing (blue and yellow joints OK to rerun).
8. TIH with 4-3/4" MT bit & 6 x 3-1/2" DCs on and 2 7/8" EUE, L-80, 6.5# WS. Cleanout to 10,282' (PBSD).
9. TOH stand back WS; LD DC's & bit.

10. RU Baker Hughes perforating services & lubricator. Tie into Schlumberger's GR-CBL-CCL dated 2/19/97. Perforate 5 1/2" casing with 4" Predator guns loaded with 2 JSPE at 120 degree phasing, 0.48" EHD, & 49" penetration as follows:

9090-98', 9108-16', 9136-44', 9148-56', 9184-92', 9228-36', 9240-56' (128 holes)

RDMO wire line unit.

11. RIH with 5-1/2" 17# RBP & 5-1/2" 17# packer on 2-7/8" EUE, L-80, 6.5# workstring. Test tbg to 6000 psi below slips while RIH.

12. Set RBP @ 10,250' & test to 1000 psi with packer. PUH and set packer @ 10,075'.

13. MIRU Acid Unit: Have 8000 lbs of rock salt on site. Pump acid at 6-8 BPM. Max Pressure = 5900 psi. Acidize Upper Penn perfs f/ 10,102'-10,217' with 6000 gallons 15% NEFE HCL in 4 stages of acid and 3 stages of Rock Salt (Use BW during acid job) as follows:

- 1) 500 gals = 12 bbls Brine Water as a pad to establish injection rate.
- 2) 4000 gals 15% NEFE HCL
- 3) 3000# Rock Salt (Gelled Brine Water w/ 1.5 lbm/gal concentration)
- 4) 2000 gals 15% NEFE HCL
- 5) 1500# Rock Salt (Gelled Brine Water w/ 1.5 lbm/gal concentration)
- 6) 2000 gals 15% NEFE HCL
- 7) 1000# Rock Salt (Gelled Brine Water w/ 1.5 lbm/gal concentration)
- 8) 1500 gals 15% NEFE HCL
- 9) Switch to FW & displace to bottom of perfs

Note: Adjust Rock Salt volumes based on results of previous drops.

14. Sit well for 1 hrs to allow acid to spend.

15. Flow back load. If well will not flow, do NOT swab.

16. Release pkr, RIH, latch onto RBP @ 10,250' and unset. Wash salt as necessary to get to RBP.

17. PUH & re-set RBP @ 10,075'. Pressure test to 1000 psi with packer. PUH, and re-set pkr @ 9275'.

18. MIRU Acid Unit. Have 4000 lbs of rock salt on site. Pump acid at 6-8 BPM. Max Pressure = 5900 psi. Acidize perfs with 10,000 gallons 15% NEFE HCL in 4 stages of acid and 3 stages of Rock Salt (Use BW during acid job) as follows:

- 10) 500 gals = 12 bbls Brine Water as a pad to establish injection rate
- 11) 4000 gals 15% NEFE HCL
- 12) 1000# Rock Salt (Gelled Brine Water w/ 1.5 lbm/gal concentration)
- 13) 2000 gals 15% NEFE HCL
- 14) 1000# Rock Salt (Gelled Brine Water w/ 1.5 lbm/gal concentration)
- 15) 2000 gals 15% NEFE HCL
- 16) 1000# Rock Salt (Gelled Brine Water w/ 1.5 lbm/gal concentration)
- 17) 2000 gals 15% NEFE HCL
- 18) Switch to FW & displace to bottom of perfs

Note: Adjust Rock Salt volumes based on results of previous drops

19. SI well for 1 hrs to allow acid to spend.

20. Release pkr, RIH, latch onto RBP @ 10,075' and unset. Wash salt as necessary to get to RBP.

21. PUH & re-set RBP @ 9275'. Pressure test to 1000 psi with packer. PUH, and set pkr @ 8990'. Load and test backside to 250 psi, monitor backside during job.

22. Acidize perfs (9090'-9256') w/ 6,500 gallons of 15% HCL. Divert using 190, 1.2 SG, 7/8" bio balls and spread evenly throughout the job. Pump acid at 6-8 BPM. Max Pressure = 5900 psi. Displace acid w/ FW to bottom perf @ 9256'. Monitor casing pressure for communication around packer.

23. Shut-in for 1 hours to allow acid to spend and bio-balls to break.

24. Flow back load. If well will not flow, swab back load *from upper perforations only*.

25. Squeeze per Scale-Inhibitor into new perfs f/ 9090-9256' (lower perfs were recently squeezed):

- a. Rig up truck to pump down tubing under packer during well pull

- b. Mix 165 gallons SCW358 (scale inhibitor) and 20 gallons of XC-302 with 20 barrels fresh water.
- c. Pump the chemical mixture down the tubing under packer.
- d. Overflush with 500 barrels fresh water.

26. Release packer, RIH, latch onto RBP and unset. TOH LD WS, RBP, & packer.

27. RIH with existing 2-7/8" 6.5# L80 production tbg as shown below:

Tubing - 2 7/8" 6.5# L-80
 1 - 2 7/8" X 4' Marker Sub
 2 - Joints 2 7/8" L-80 tubing
 1 - 2 7/8" X 5 1/2" TAC @ 9030'
 Tbg 2 7/8" L-80
 2 - 2 7/8" X 31' Internal Plastic Coated TK-99 Jts
 1 - SS Mechanical Seat Nipple @ 10132' no higher w/ Crow
 Strainer
 1 - 2 3/8" X 16' Tubing Sub

End of Tubing 10148'

28. Confirm well is dead & ND BOP.

29. NU wellhead.

30. RIH w/ pump and rods:

1 - 1 1/2" X 26' SM Polish Rod w/ 1" pin & PR coupling (Garner)
 1 - Set 1 1/4" Fibered FG Pony Rods W/SH Tee couplings
 107ea. - 4012.5' Fibered 1 1/4" FG Rods W/SH Tee couplings
 120ea. - 3000' Norris 1" N-97 Rods W/SH Tee couplings
 109ea. - 2725' Norris 7/8" N-97 Rods W/SH Tee couplings
 16ea. - 400' Grade K-1 1/2" Sinker Bars W/3/4" pins & FH Tee
 boxes
 1 - 4' Guided Pony Sub 3 guides, 7/8" body, 3/4" pins (Garner)
 1 - 2" Insert Pump (Garner)

1 - 1" x 7/8" crossover coupling
 1 - 7/8" X 3/4" crossover coupling

Garner Pump 575 397-4788

COMPANY NAME - Garnero

WELL - New Mexico Oil State NCT-1 # 35.

TRIM 316 Stainless Steel

LV CAGES - 4000' Inset Guided SV CAGES - Mechanical Deadend

VALVE ROD N/A PULL TUBE N/A

TRAVELING VALVES PRI - SM Ball Running Seal SEC - 100'

STANDING VALVES PRI - SM Ball Running Seal SEC - 100'

PLUNGER Spray Metal Mould Pin FEET 24' FIT 500'

BARRELS 0 METAL - Brass Truckee Carbide

EXTENSIONS 18' Galv.

Hold Down Assembly - 316 Stainless Steel Mechanical Holddown

TOP PLUNGER ADAPTER - Metal

API PUMP DESCRIPTION 25-120 RDM 6.5# 98

COMMENTS : It is intended to run a 1.5" regular style pump
 pump in this well. Make sure you can get better fit packer.
 Run a crew shaker in the holddown

31. RDMO PU.

32. Turn well over to production.

Lease:	New Mexico O State NCT-1	Well No.:	39	Field:	Vacuum Wolfcamp
Surface Location:	2075 FNL & 2110 FEL	Unit Ltr:	G	Sec:	36 TSHP/Range: 17S-34E
Bottomhole Location:	Same	Unit Ltr:		Sec:	TSHP/Range:
County:	Lea St: NM	St Lease:	B-155	API:	30-025-33569
Current Status:	Active Oil Well	Elevation:	3997' GR		Cost Center:
Directions to Wellsite:	Buckeye, New Mexico				TEPI
					BCT494900 (XBM-TANG)
					BCT495000 (XBM-IDC)
					BCT495200 (XBM-LDE)

Surface Csg.	
Size:	11 3/4"
Wt.:	42#, WC-50
Set @:	1480'
Sxs.cmt:	800'
Circ:	Yes, 135 sxs
TOC:	Surface
Hole Size:	14 3/4"

Intermediate Csg.	
Size:	8 5/8"
Wt.:	32# M-80 & K-55
Set @:	5310'
Sxs cmt:	2125'
Circ:	No
TOC:	90'
Hole Size:	11"

Production Csg.	
Size:	5 1/2"
Wt.:	17#, L-80
Set @:	10300'
Sxs cmt:	1000'
Circ:	No
TOC:	3550'
Hole Size:	7 7/8"

DF: 4014.5'

GL 3997

Original Spud Date: 12/31/1996

Original Compl. Date: 6/16/1997

HISTORY:

2/21/97: PERF UPPER PENN 10145-10217-W/2
JSPE, 120 DEGREE PHASING:

2/22/97: BULLHEAD 1000 GAL 15%HCL NEFE DOWN
TBG

2/26/97: PERF 10102-10230 W/2 JSPF, 120
DEGREE PHASING.

2/27/97: ACIDIZE W/13000 GALS 15% ACID & 368
BALL SEALERS, NO BALL ACTION:

5/11/97: SET RBP @ 10100, PERF 9944-9986;
10000-10048 W/2 JSPE

5/15/97: ACIDIZE W/9000 GALS.

5/31/97: PERF 9302-43, 9346-53, 9365-73, 9376-85,
9389-90, 9408-12, 9414-17, 9421-34, 9480-84,
9508-15, 9555-63, 9572-76, 9587-90, 9680-86,
9724-41, 9813-17, 9882-86 (284 HOLES)

6/1/97: 15000 GAL 15% HCL

10/20/97: ACIDIZE 9303-10048-W/ 10000 GAL
15%NEFE & 700 BALL SEALERS. MAX-622. AIR-9.4
BPM. SCALE SQZ W2 DRUMS TH75G & FLUSH
W/250 BBLS WTR.

Tubing String		Run Date	Run Time	Set Depth (Feet)	Set Depth (Meters)																														
Tubing - Production		No		10,150.0	9,536.4																														
Run Date		Run Time	Pump Repair		Run Date																														
7/25/2010		7/15/2010 10:30																																	
QTY	Item Description	OD (in)	Length (ft)	Weight (lb)	Run (ft)																														
275	Tubing	2.75	2,438	5.50	N-80																														
	Anchor/satcher	5.1/2	10,000																																
27	Tubing	2.75	2,438	6.50	N-80																														
1	TK-99 Joint	2.75	2,441	6.50	L-80																														
	Seat Nipple	2.75																																	
	Dip Tube/Injector shoe	2.3/8	2,000																																
<table border="1"> <thead> <tr> <th>QTY</th> <th>Item Description</th> <th>OD (in)</th> <th>Length (ft)</th> <th>Weight (lb)</th> <th>Run (ft)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Anchor/satcher</td> <td>5.1/2</td> <td>10,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td>TK-99 Joint</td> <td>2.75</td> <td>2,441</td> <td>6.50</td> <td>L-80</td> </tr> <tr> <td></td> <td>Seat Nipple</td> <td>2.75</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Dip Tube/Injector shoe</td> <td>2.3/8</td> <td>2,000</td> <td></td> <td></td> </tr> </tbody> </table>						QTY	Item Description	OD (in)	Length (ft)	Weight (lb)	Run (ft)		Anchor/satcher	5.1/2	10,000				TK-99 Joint	2.75	2,441	6.50	L-80		Seat Nipple	2.75					Dip Tube/Injector shoe	2.3/8	2,000		
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Rods																																			
Run Date		Run Time	Set Depth (Feet)		Set Depth (Meters)																														
PUMP CHANGE		No		10,133.0	9,519.4																														
Run Date		Run Time	Pump Change		Run Date																														
9/22/2010																																			
QTY	Item Description	OD (in)	Length (ft)	Weight (lb)	Run (ft)																														
1	Polished Rod		1 1/2	25.00	12.0																														
3	Pony Rod 2" x 8'		7/8	12.00	30.0																														
100	Sucker Rod		7/8	2,500.00	2,530.0																														
250	Sucker Rod		7/8	7,250.00	9,780.0																														
13	Sinker Bar		1 1/2	325.00	10,105.0																														
1	Pony Rod W/ GUIDES		7/8	4.00	10,105.0																														
1	Rod Insert Pump MECH		2 1/2	24.00	10,133.0																														

Proposed Abo Perfs: 9090-9256 (2 JSPF).

Workcamp Perfs: 9303'-10048' (2 JSPF)

Upper Penn Perfs: 10102'-10230' & 10145'-10217' (2 JSPF)

PBTD: 10282'
TD: 10300'

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-144 CLEZ
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: CHEVRON U.S.A. INC. OGRID #: 4323
Address: 15 SMITH ROAD, MIDLAND, TEXAS 79705
Facility or well name: NEW MEXICO "O" STATE NCT-1 #39
API Number: 30-025-33569 OCD Permit Number: _____
U/L or Qtr/Qtr G Section 36 Township 17S Range 34E County: LEA
Center of Proposed Design: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: ☐ Drilling a new well ☒ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A
☐ Above Ground Steel Tanks or ☐ Haul-off Bins RECOMPLETE TO VACUUM: ABO NORTH, & DHC

3.
Signs: Subsection C of 19.15.17.11 NMAC
☐ 12" x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☐ Signed in compliance with 19.15.16.8 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: CONTROLLED RECOVERY INC. (CRI) Disposal Facility Permit Number: R9166-NM-01-0006
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☐ No
Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): DENISE PINKERTON Title: REGULATORY SPECIALIST
Signature:  Date: 01-11-2012
e-mail address: lenkejd@chevron.com Telephone: 432-687-7375

7. **OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

CHEVRON EQUIPMENT MAINTENANCE PROGRAM MAINTENANCE PROGRAM

Reverse
Unit

with
fuel

Reverse Unit
Tank

NOTES:

1. This diagram shows exact dimensions and location of
location.

2. This is a schematic representation of the engine.

Location and Maintenance Plan

1. All personnel working with this engine must wear safety gear.

2. Reverse Unit will be removed from service if it is found to be inoperative.

3. Reverse Unit will be replaced if it is found to be inoperative.

4. The engine will be replaced if it is found to be inoperative.

5. The engine will be replaced if it is found to be inoperative.

6. The engine will be replaced if it is found to be inoperative.