

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		070 FARMINGTON NM		5. Lease Serial No. <b>I-149-IND-9109</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone				6. If Indian, Allottee or Tribe Name <b>NAVAJO ALLOTMENT</b>
2. Name of Operator <b>CHEVRON MIDCONTINENT, L. P.</b>				7. If Unit or CA Agreement, Name and No. <b>N/A</b>
3a. Address <b>11111 SOUTH WILCREST HOUSTON, TX 77236</b>	3b. Phone No. (include area code) <b>(281) 561-4896</b>	8. Lease Name and Well No. <b>NAVAJO TRIBE AA #3</b>		
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>1740' FSL &amp; 965' FWL</b> At proposed prod. zone <b>SAME</b>		9. API Well No. <b>30-045-34083</b>		
11. Sec., T. R. M. or Blk. and Survey or Area <b>L 19-27N-11W NMPM</b>		10. Field and Pool, or Exploratory <b>BASIN DAKOTA</b>		
12. County or Parish <b>SAN JUAN</b>		13. State <b>NM</b>		
14. Distance in miles and direction from nearest town or post office* <b>12 AIR MILES SSW OF BLOOMFIELD, NM</b>		17. Spacing Unit dedicated to this well <b>LOTS 3 &amp; 4, E2SW4, and SE4 (= 318.31 ac.)</b>		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>965'</b>	16. No. of acres in lease <b>318.31</b>	20. BLM/BIA Bond No. on file <b>BIA RLB0002774</b>		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>188' (#2)</b>	19. Proposed Depth <b>6,600'</b>	23. Estimated duration <b>4 WEEKS</b>		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6,092' GL</b>	22. Approximate date work will start* <b>05/01/2007</b>	24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

RCVD OCT 15 '07

OIL CONS. DIV.  
DIST. 3

25. Signature <i>Brian Wood</i>	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>11/13/2006</b>
Title <b>CONSULTANT</b>		
PHONE: (505) 466-8120 FAX: (505) 466-9682		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) <b>AFN</b>	Date <b>10/16/07</b>
Title <b>AFN</b>		

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

\*(Instructions on page 2)

NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

NMOCD OCT 18 2007

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

2006 NOV 27 PM 12 38

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-045-34083</b>		*Pool Code <b>71599</b>	*Pool Name <b>BASIN DAKOTA</b>
*Property Code <b>36791</b>	*Property Name <b>NAVAJO TRIBE AA</b>		*Well Number <b>3</b>
*GRID No. <b>241333</b>	*Operator Name <b>CHEVRON MIDCONTINENT, L.P.</b>		*Elevation <b>6092</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	19	27-N	11-W	(3)	1740	SOUTH	965	WEST	SAN JUAN

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres <b>318.31</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<b>16</b>		<b>17 OPERATOR CERTIFICATION</b>	
LOT 1 39.04		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.	
LOT 2 39.09		Signature <u>Teresa Jackson</u> Date <u>7/6/06</u>	
FD 2 1/2" BC. U.S.G.L.O. 1911		Printed Name <u>Teresa Jackson</u>	
<b>19</b>		<b>18 SURVEYOR CERTIFICATION</b>	
LOT 3 39.13		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.	
965'		JUNE 2, 2006	
N 00°01'32" E 2642.15' (M)		Date of Survey	
1740'		Signature <u>JOHN VUKONICH</u> Surveyor	
LOT 4 39.18		REGISTERED PROFESSIONAL SURVEYOR 14831	
FD 3 1/4" BC. U.S.G.L.O.		Certificate Number	
N 89°56'51" E 2617.53' (M)			
FD 2 1/2" BC. U.S.G.L.O. 1913			

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

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

WELL API NO.  
30-045- **34083**

5. Indicate Type of Lease  
STATE ☐ FEE ☐

6. ~~State~~ Oil & Gas Lease No.  
I-149-IND-9109

7. Lease Name or Unit Agreement Name

NAVAJO TRIBE AA

8. Well Number #3

9. OGRID Number 241333

10. Pool name or Wildcat  
BASIN DAKOTA

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH  
PROPOSALS)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator  
CHEVRON MIDCONTINENT, L. P.

3. Address of Operator  
11111 SOUTH WILCREST, HOUSTON, TX 77236

4. Well Location

Unit Letter: L (Lot 3)

1740' FSL & 965' FEL

Section 19

Township 27 N

Range 11 W

NMPM

SAN JUAN

County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6,092' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type: DRILLING Depth to Groundwater: >100' Distance from nearest fresh water well: >1,000' Distance from nearest surface water: >300'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: DRILLING PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Brian Wood TITLE: CONSULTANT

DATE: NOV. 13, 2006

Type or print name: BRIAN WOOD

E-mail address: brian@permitswest.com

Telephone No.: (505) 466-8120

For State Use Only

Deputy Oil & Gas Inspector,

District #3

APPROVED BY: [Signature] TITLE

DATE

OCT 18 2007

Conditions of Approval (if any):

Chevron Midcontinent, L. P.  
Navajo Tribe AA 3  
1740' FSL & 965' FWL  
Sec. 19, T. 27 N., R. 11 W.  
San Juan County, New Mexico

PAGE 1

## Drilling Program

### 1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento Formation	0'	12'	+6,092'
Kirtland Shale	612'	624'	+5,480'
Fruitland Formation	1,407'	1,429'	+4,685'
Pictured Cliffs Sandstone	1,622'	1,634'	+4,470'
Lewis Shale	1,892'	1,904'	+4,200'
Mesa Verde Sandstone	2,542'	2,554'	+3,550'
Gallup Sandstone	5,217'	5,229'	+875'
Greenhorn Limestone	6,092'	6,104'	0'
Graneros Shale	6,192'	6,204'	-100'
Dakota Sandstone	6,292'	6,304'	-200'
Total Depth (TD)*	6,600'	6,612'	-508'

### 2. NOTABLE ZONES

<u>Gas or Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Fruitland	
Gallup		
Dakota		

Water zones will be protected with casing, cement, and fresh water based mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the geologist's recommendations.

Chevron Midcontinent, L. P.  
Navajo Tribe AA 3  
1740' FSL & 965' FWL  
Sec. 19, T. 27 N., R. 11 W.  
San Juan County, New Mexico

PAGE 2

### 3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical 2,000 psi model is on PAGE 3.

A  $\geq 2,000$  psi BOP and choke manifold system will be installed and tested to  $\approx 2,000$  psi before drilling the surface casing plug. It will remain in use until the well is completed or abandoned. A safety valve and sub with a full opening valve to fit the drill pipe and drill collars will be available on the rig floor in the open position at all times for use when the kelly is not in use.

All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and opened and closed at least daily to assure good mechanical working order. Inspections will be recorded on the daily drilling report. Pressure tests will be conducted before drilling out from under all set and cemented casing strings. Maximum expected bottom hole pressure will be  $\leq 2,640$  psi. BOP and mud systems will control pressure.

### 4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Pounds per Foot</u>	<u>Grade</u>	<u>Age</u>	<u>Connections</u>	<u>Depth Set</u>
12-1/4"	8-5/8"	24	J-55	New	ST & C	325'
7-7/8"	5-1/2"	15.5	J-55	New	LT & C	6,600'

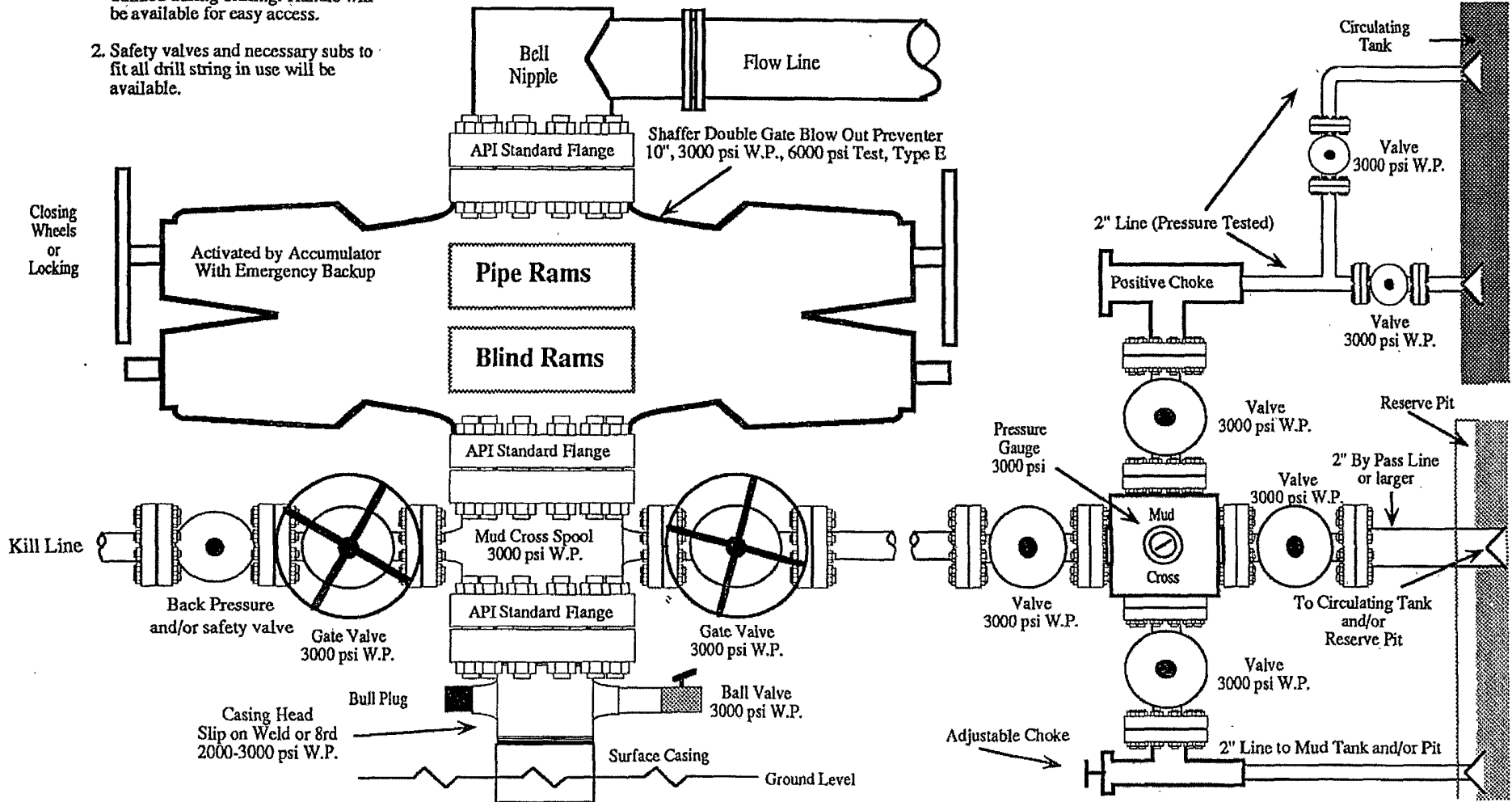
Surface casing will be cemented to the surface with  $\approx 270$  cubic feet ( $\approx 230$  sacks) Class B Neat + 1/4 pound per sack cellophane + 2%  $\text{CaCl}_2$ . Yield = 1.27 cubic feet per sack. Weight = 15.2 pounds per gallon. Centralizers will be set on the bottom two joints and every fourth joint to the surface.

Production casing will be cemented to the surface with a DV set at  $\approx 4,000'$ . Centralizers will be set on the bottom two joints, every second joint to  $\approx 6,000'$  and every fourth joint from  $\approx 2,000'$  to the surface.

# 2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

Chevron Midcontinent, L. P.  
Navajo Tribe AA 3  
1740' FSL & 965' FWL  
Sec. 19, T. 27 N., R. 11 W.  
San Juan County, New Mexico

PAGE 4

First stage Lead will be cemented to  $\approx 4,000'$  with  $\approx 586$  cubic feet ( $\approx 425$  sacks) 50:50 Poz + 5 pounds per sack gilsonite + 2% gel + 1/4 pound per sack cellophane + dispersant + FLA. Yield = 1.38 cubic feet per sack. Weight = 13.5 pounds per gallon. Excess = 30%.

Second stage Lead will be cemented to surface with  $\approx 1,440$  cubic feet ( $\approx 327$  sacks) Class B or H + 10 pounds per sack gilsonite + 4% gel + 1/2 pound per sack cellophane + 3% Halliburton Econolite or its equivalent. Yield = 2.88 cubic feet per sack. Weight = 11.4 pounds per gallon. Excess = 50%

Second stage Tail will be cemented to  $\approx 3,600'$  with  $\approx 90$  cubic feet ( $\approx 72$  sacks) Class B or H Neat + 1/4 pound per sack cellophane + 2%  $\text{CaCl}_2$ . Yield = 1.26 cubic feet per sack. Weight = 15.2 pounds per gallon. Excess = 20%.

##### 5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>ppg</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>pH</u>
0' - 350'	Fresh water gel chem	9.0	50	NC	9
350' - TD'	Fresh water gel chem	9.0	38-50	6.0	9

Sufficient material to maintain the mud qualities, control lost circulation, and contain a blowout will be available at the well site while drilling. Mud will be checked hourly by rig personnel. Material to soak up possible oil or fuel spills will be on site.

##### 6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Induction logs will be run from TD to  $\approx 3,000'$ . Neutron density - GR logs will be run from TD to the base of the surface casing.

Chevron Midcontinent, L. P.  
Navajo Tribe AA 3  
1740' FSL & 965' FWL  
Sec. 19, T. 27 N., R. 11 W.  
San Juan County, New Mexico

PAGE 5

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about two weeks to drill and two weeks to complete the well.



CHEVRON MIDCONTINENT, L.P.  
 NAVAJO TRIBE AA No. 3, 1740 FSL 965 FWL  
 SECTION 19, T27N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M.  
 GROUND ELEVATION: 6092, DATE: JUNE 2, 2006

