

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	2 Name of Operator Chevron Midcontinent L P	3a Address P.O. Box 36366 Houston, TX 77236	3b Phone No (include area code) Farmington Field Office 281-561-4859
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 1740' 965' FSL FWL Sec. 19 T27N R11W		Lat. 36.55818 Long. 108 05075	

5 Lease Serial No I-149-IND-9109	6 If Indian, Allottee, or Tribe Name N/A	7 If Unit or CA Agreement Name and/or No N/A	8 Well Name and No Navajo Tribe AA 3	9 API Well No 30-045-34083	10 Field and Pool, or Exploratory Area Blanco Mesaverte/Blanco Dakota	11 County or Parish, State Rio Arriba County New Mexico
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12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation (clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No on file with the BLM/ BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamanatn, have been completed, and the operator has determined that the site is ready for final inspection.)

Chevron Midcontinent L.P. respectfully requests the approval to change bottomhole location on the above referenced well from a vertical well to a directional well. The new bottomhole will be 660' FSL & 2255' FWL in Section 19, T27N, R11W in San Juan County, New Mexico. Please find attached a revised location plat and 8 point drilling plan reflecting this change for your use and review.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**
RCVD FEB 25 '08
OIL CONS. DIV.

HOLD C104 FOR directional survey
AS drilled C-102

14 I hereby certify that the foregoing is true and correct Name (Printed/ Typed) Pamela Rainey		Title Regulatory Specialist
Signature <i>Pamela Rainey</i>		Date 1/28/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <u>Troy L. Salvors</u>	Title <u>Petroleum Engineer</u>	Date <u>2-21-2008</u>
Conditions of approval, if any are attached. Approval of this notice 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.		Office <u>FFO</u>

Title 18 USC Section 1001 AND Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make 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)

NMOCD

RCVD FEB 25 '08

OIL CONS. DIV.

DIST. 3

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☒ AMENDED REPORTDISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34083		² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 36791	⁵ Property Name NAVAJO TRIBE AA		⁶ Well Number 3
⁷ GRID No. 241333	⁸ Operator Name CHEVRON MIDCONTINENT, L.P.		⁹ Elevation 6092

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
L	19	27-N	11-W	3	1740	SOUTH	965	WEST	SAN JUAN

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
N	19	27-N	11-W		660	SOUTH	2255	WEST	SAN JUAN
¹² Dedicated Acres 318.31			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

<p>16</p> <p>LOT 1 39.04</p>	<p>PRELIMINARY B.H.L. B.H.L. FOOTAGES & LAT./LONGS. ARE APPROXIMATE & PROVIDED BY CHEVRON MCA CLIENT</p>	<p>17 OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Pamela Rainey</i> 1/28/08 Signature Date</p> <p>Pamela Rainey Printed Name</p>
<p>LOT 2 39.09</p> <p>FD 2 1/2" BC. U.S.G.L.O. 1911</p>	<p>19</p>	
<p>LOT 3 39.13</p> <p>965'</p>	<p>SURFACE: LAT: 36.55818° N. (NAD 83) LONG: 108.05075° W. (NAD 83) LAT: 36.558178° N. (NAD 27) LONG: 108.050127° W. (NAD 27)</p>	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JUNE 2, 2006 Date of Survey</p> <p><i>Roy A. RUS</i> Signature and Seal of Professional Surveyor</p> <p>1808 1808</p>
<p>LOT 4 39.18</p> <p>FD 3 1/4" BC. U.S.G.L.O.</p> <p>N 00°01'32" E 2642.15' (M)</p> <p>1740'</p> <p>2255'</p> <p>B.H.L.</p> <p>660'</p> <p>N 89°56'51" E 2617.53' (M)</p> <p>FD 2 1/2" BC. U.S.G.L.O. 1913</p>	<p>BOTTOM HOLE (PROPOSED): LAT: 36.55522° N. (NAD 83) LONG: 108.046361° W. (NAD 83) LAT: 36.555134° N. (NAD 27) LONG: 108.045762° W. (NAD 27)</p>	<p>Certificate Number</p>

Chevron Midcontinent, L.P.
Navajo AA-3
1740' FSL, 965' FWL
SE/4 NW/4. Sec 19 T27N R11W
San Juan County, NM

EIGHT POINT DRILLING PLAN Rev.1

1. ESTIMATED FORMATION TOPS (KB):

Formation	Depth TVD
Kirtland Fm (Upper)	760'
Fruitland Coal	1,255'
Picture Cliffs Sst	1,735'
Lewis Shale	1,945'
Mesa Verde (Cliff House)	2,660'
Mesa Verde (Menefee)	3,375'
Mesa Verde (Point Lookout)	4,150'
Mancos	4,530'
Gallup	5,335'
Greenhorn	6,200'
Graneros	6,255'
Dakota	6,300'
TD	6932' MD / 6,500' TVD

2. NOTABLE ZONES AND PLAN FOR PROTECTION:

Gas or Oil Zones	Water Zones	Coal Zones
	Ojo Alamo	Fruitland
Dakota	Kirtland	

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

3. PRESSURE CONTROL EQUIPMENT:

Maximum anticipated pressure is ~ 2700 psi.

Pressure control equipment shall be in accordance with BLM minimum standards.

One 11" 3M double ram preventer and one 11" 3M annular preventer will be used. The double ram preventer will be equipped with pipe rams on bottom and

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blind rams on top. All BOPs meet API 16D. One Shaffer 7 station accumulator, API 16E. One 3" 5M choke manifold. The choke and kill lines will be connected to outlets below the bottom rams, utilizing either the ram body outlet or a drilling spool with side outlets. Tests will be recorded on IADC log. Please refer to attached schematic. Test procedure and frequency shall be in accordance with BLM minimum standards for 3000 psi equipment, per BLM Oil & Gas Order #2.

4. SUPPLEMENTAL DRILLING EQUIPMENT AND CASING INFORMATION:

Casing Information: All casing will be new pipe and tested to 1500 psi.

Hole Size	O.D.	Weight (lb/ft)	Grade	Age	Connection	GL Setting Depth TVD
12-1/4"	9-5/8"	36#	J-55	New	LTC	400'
8-3/4"	7"	23#	N-80	New	LTC	4000'
6-1/4"	4-1/2"	11.6#	N-80	New	LTC	6932' MD / 6500'TVD

Surface casing will be cemented to the surface with ~290 cu. ft. (~245 sx) Mountain G Premium cmt (1.19 ft³/sx yield, 15.6 ppg, & 5.06 gps) with 2% CaCl₂ and 1/4#/sx Poly-E-Flake. Volume based on 100% excess. We plan to run a minimum of at least 3 centralizers. A wiper plug will be displaced to within 20' of the shoe. WOC = 8 hours minimum. Surface casing will be tested to 500 psi for 15 minutes.

Cementing equipment will include a guide shoe, one shoe jt and float collar. Centralizers will be placed on the bottom four joints.

Intermediate casing will be cemented to surface. Volumes are calculated at 75% excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. WOC = 8 hours minimum. Test to 1000 psi for 15 minutes.

Lead cement will be ~936 cu. ft. (~495 sx) Halliburton Light Premium w/ 5#/sx gilsonite, 12.4 ppg for a yield of 1.89 cu. ft. per sx.

Tail cement will be ~237 cu. ft. (~182 sx) 50/50 Poz Standard w/ 5#/sx gilsonite & 1/4#/sx Poly-E-Flake, 13.5 ppg for a yield of 1.30 Cu. ft. per sx.

Cementing equipment will include a guide shoe, one shoe jt and float collar will be run 20' off bottom. We plan on running at least 10 centralizers.

Production casing will be cemented up to 500' inside the intermediate casing with a single stage. Volumes are calculated at 50% excess. If necessary, a CBL will be run during completion operations to insure cement coverage inside

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Navajo AA-3
1740' FSL, 965' FWL
SE/4 NW/4. Sec 19 T27N R11W
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the 7" intermediate casing. Casing will be pressure tested to 6000 psi during completion operations.

Primary cement will be ~691cu. ft. (~490sx) 50/50 Poz Premium w/ 1/4#/sx Poly-E-Flake, 5 lbm/sk Gilsonite, 0.8% Halad ®-9, 0.1% HR-5, 13.1 ppg for a yield of 1.41 Cu. ft. per sx.

Cementing equipment will include a guide shoe, one shoe jt and float collar will be run as close as to the bottom as we can with a centralized shoe joint and next five joints. Centralizers will be run across the producing zones.

5. CIRCULATING MEDIUM AND MUD TYPE:

Depth TVD	Type	Wt./ppg	Viscosity	Fluid Loss	pH
Spud – 400'	WBM	8.4 – 8.8	32 – 38	NC	9-9.5
400' – 4000'	WBM	8.4 – 9.0	28 – 42	10-12	9-10
4000' – TD	Air &/or Air/mist	n/a	n/a	n/a	n/a

Lost circulation and absorption material will be on location.

6. ANTICIPATED TYPE AND AMOUNT OF LOGGING, CORING, AND TESTING:

Open hole logs are planned. No cores or drill stem tests are planned.

7. EXPECTED BOTTOM HOLE PRESSURE AND ANY ANTICIPATED ABNORMAL PRESSURE, TEMPERATURES, OR OTHER HAZARDS (H₂S, STEAM, ETC.) AND ASSOCIATED CONTINGENCY PLANS:

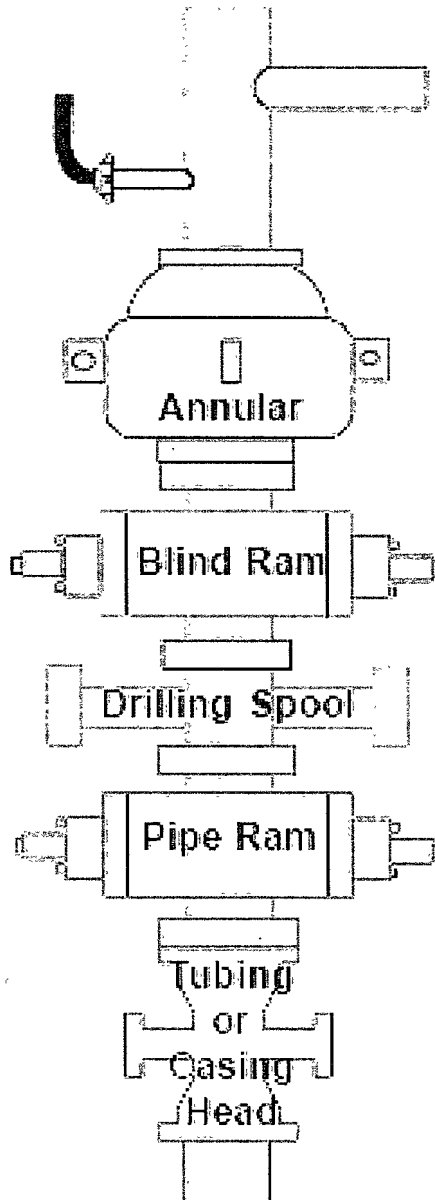
No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be less than ~2700 psi.

8. OTHER:

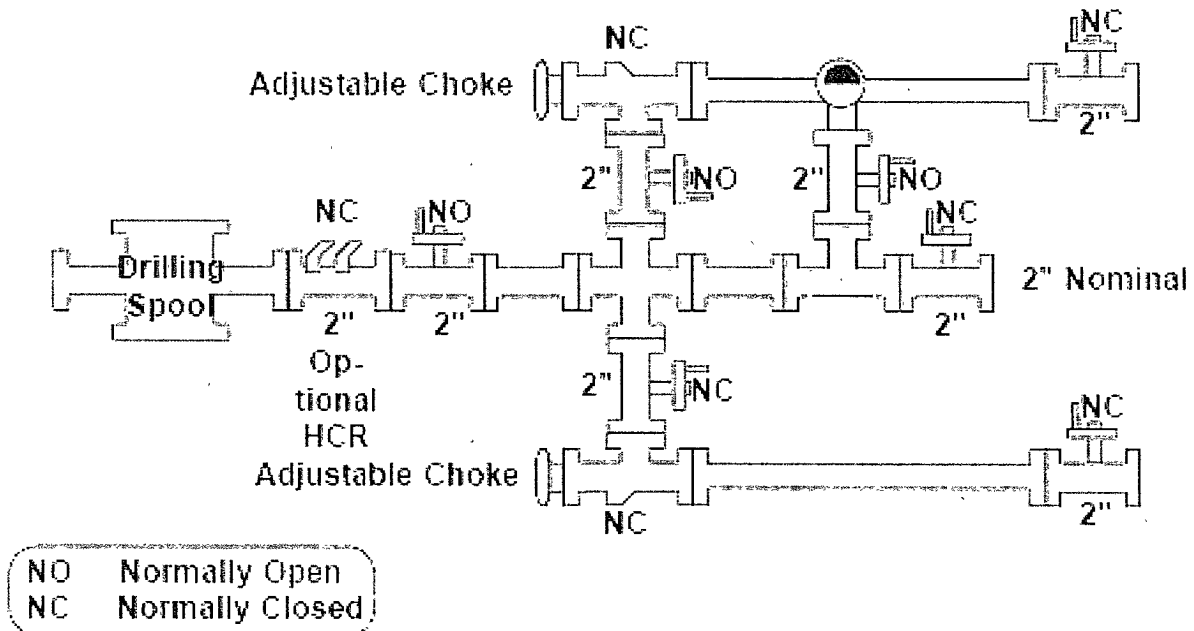
It is expected it will take approximately ten (10) days to drill and ten (10) days to complete the well. Completion will start approximately one month after the spud and will include hydraulic fracturing.

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CLASS III BOP SCHEMATIC



CLASS III CHOKE SCHEMATIC





Scientific Drilling

Project: SAN JUAN BASIN NAD 27

Site: NAVAJO

Well: NAVAJO AA #3

Wellbore: Wellbore #1

Plan: Plan #1 (NAVAJO AA #3/Wellbore #1)



SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
400.0	0.00	0.00	400.0	0.0	0.0	0.00	0.00	0.0	
1178.6	31.15	130.92	1140.9	-135.2	156.0	4.00	130.92	206.5	
3653.7	31.15	130.92	3259.1	-973.8	1123.3	0.00	0.00	1486.6	
4432.3	0.00	0.00	4000.0	-1109.0	1279.3	4.00	180.00	1693.1	EOD AA #3
6682.3	0.00	0.00	6250.0	-1109.0	1279.3	0.00	0.00	1693.1	DAKOTA (AA #3)
6932.3	0.00	0.00	6500.0	-1109.0	1279.3	0.00	0.00	1693.1	PBHL AA #3

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
EOD AA #3	4000.0	-1109.0	1279.3	2021386.80	437608.10	36° 33' 18.484 N	108° 2' 44.743 W	Point
DAKOTA (AA #3)	6250.0	-1109.0	1279.3	2021386.70	437608.10	36° 33' 18.483 N	108° 2' 44.743 W	Point
PBHL AA #3	6500.0	-1109.1	1279.3	2021386.70	437608.10	36° 33' 18.483 N	108° 2' 44.743 W	Circle (Radius: 100.0)

PROJECT DETAILS: SAN JUAN BASIN NAD 27

Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico West 3003
System Datum: Mean Sea Level

WELL DETAILS: NAVAJO AA #3

Ground Level: 6092.0
Northing: 2022495.80 Easting: 436328.80 Latitude: 36° 33' 29.423 N Longitude: 108° 3' 0.454 W

