

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

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

1. Operator Name and Address CHEVRON U S A INC 11111 S. WILCREST HOUSTON , TX 77099		2. OGRID Number 4323
		3. API Number 30-025-38140
4. Property Code 29984	5. Property Name NEW MEXICO 'O' STATE NCT-1	6. Well No. 040

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	36	17S	34E	J	1885	S	1978	E	LEA

8. Pool Information

SWD DEVONIAN	96101
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3394
14. Multiple N	15. Proposed Depth 13200	16. Formation Devonian	17. Contractor	18. Spud Date 11/1/2006
Depth to Ground water 80		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 15000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	1500	1620	
Int1	12.25	9.625	40	5850	2615	
Prod	8.75	7	26	12200	2080	

Casing/Cement Program: Additional Comments

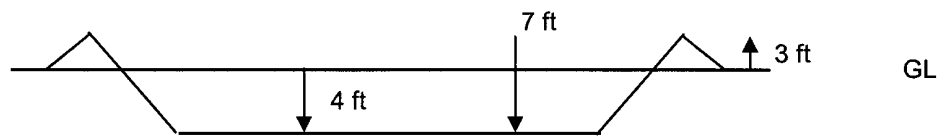
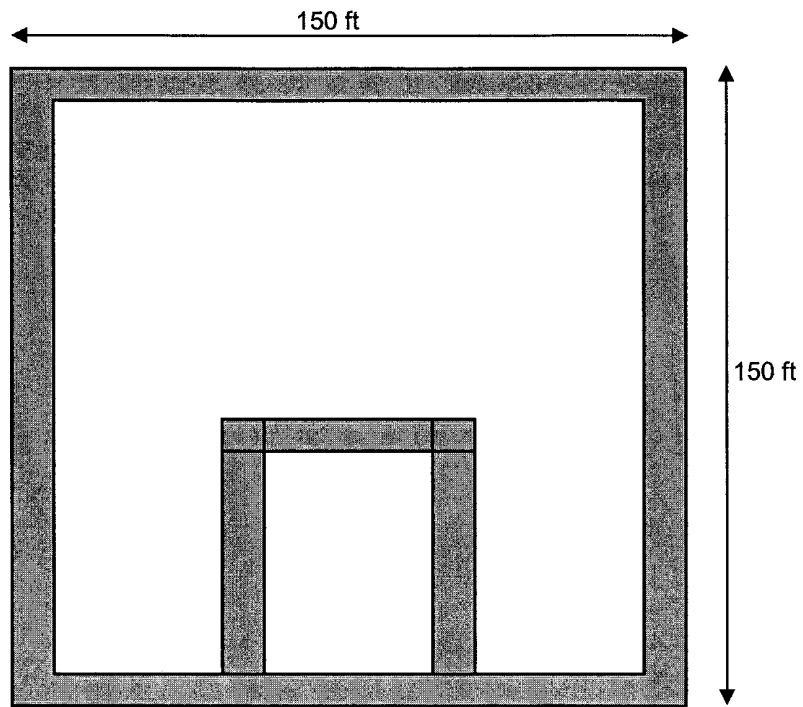
Surface-lead-13.5 ppg, 1205 sx C1 C, 4%gel, 0.1pps PolyFlake, 1%CaCl2, Tail-14.8 ppg, 415 sx C1 C, 0.1 pps PolyFlake, 2%CaCl2. Intermediate-Lead-12.4ppg, 130 sx C1 C, 35:65 Poz, 5%salt, 6%gel, 0.1pps PolyFlake, 0.2%AntiFoamer, Tail-14.2ppg, 2485 sx C1 C, 50:50Poz, 5%salt, 2%gel, 0.1pps PolyFlake, 0.4%fluid loss additive, 0.2%Antifoamer Production-1st Stg-13.6ppg, 1030sx, TXI Lightweight, 0.2%fluid loss Additive, 0.3%Dispersant, 0.2%Antifoamer, 0.2%Retarder, 2nd Stage Lead-12.4ppg, 230 sx C1 H 50:50 Poz, 5%salt, 6%gel, 0.1pps PolyFlake, 0.2%fluid loss additive, 0.2%Antifoamer, 2nd Stage Tail-14.2 ppg, 820 sx C1 H 50:50 Poz, 5% salt, 2%Gel, 0.1 pps Polyflake, 0.2%fluid loss additive, 0.2%Antifoamer.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	10000	5000	
DoubleRam	10000	5000	

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 NMOC D guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/>. Printed Name: Electronically filed by Denise Pinkerton Title: Regulatory Specialist Email Address: leakejd@chevron.com Date: 9/28/2006	OIL CONSERVATION DIVISION	
	Approved By: Gary Wink	
	Title: OCD Reviewer	
	Approved Date: 9/28/2006	Expiration Date: 9/28/2007
	Conditions of Approval Attached	

Pit Design



District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

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

State of New Mexico
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Santa Fe, NM 87505

Form C-102
 Permit 38702

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38140	2. Pool Code 96101	3. Pool Name SWD DEVONIAN
4. Property Code 29984	5. Property Name NEW MEXICO 'O' STATE NCT-1	6. Well No. 040
7. OGRID No. 4323	8. Operator Name CHEVRON U S A INC	9. Elevation 3394

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00		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

	OPERATOR CERTIFICATION <i>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(s) 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.</i> E-Signed By: Denise Pinkerton Title: Regulatory Specialist Date: 9/28/2006	
	SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Surveyed By: JOHN PIPER Date of Survey: 8/25/2006 Certificate Number: 7254	

Permit Comments

Operator: CHEVRON U S A INC , 4323

Well: NEW MEXICO 'O' STATE NCT-1 #040

API: 30-025-38140

Created By	Comment	Comment Date
DPINKERTON	This well will be completed open hole from 12,200-13,200'	9/27/2006
DPINKERTON	cannot attach plat. Will scan in & e-mail it to you.	9/28/2006
DMULL	Will require SWD administrative order for Salt Water Disposal before you can dispose into this wellbore.	9/28/2006

Permit Conditions of Approval

Operator: CHEVRON U S A INC , 4323

Well: NEW MEXICO 'O' STATE NCT-1 #040

API: 30-025-38140

OCD Reviewer	Condition
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
DMULL	Well requires SWD administrative order for Salt Water Disposal before you can dispose into this wellbore.