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

State of New Mexico

Form C-101 Permit 51019

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

| _ | AT DICATION TO RELIGIT TO DRIED, RE-ENTER, DELI EN, TEOGRACK, OR ADD A ZONE | | | | | | |
|---|---|---------------------------|-----------------|--|--|--|--|
| 8 | 1. | Operator Name and Address | 2. OGRID Number | | | | |
| | C | 4323 | | | | | |
| | ц | 3. API Number | | | | | |
| | HOUSTON, TX 77099 | | 30-025-38385 | | | | |
| | 4. Property Code | 5. Property Name | 6. Well No. | | | | |
| | 2589 | ROLLON BRUNSON | 008 | | | | |

7. Surface Location

| 3 | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | G | 10 | 22S | 37E | G | 2310 | И | 1390 | E | LEA |

8. Pool Information

| PENROSE SKELLY;GRAYBURG | 50350 |
|-------------------------|-------|

Additional Well Information

| | 3755 | | The state of the s | | 9.9 |
|---|----------|---------------------|--|---|------------------------------------|
| 9. Work Type New Well | 32.433-0 | ell Type)IL | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3394 |
| 10 TO | | posed Depth 4300 | 16. Formation Grayburg | 17. Contractor | 18. Spud Date |
| Depth to Ground | l water | | Distance from nearest fresh water | well | Distance to nearest surface water |
| 50 | | | > 1000 | | > 1000 |
| t: Liner: Synthetic Closed Loop Syste | _ | mils thick | Clay Pit Volume: 4106 bbls | Drilling Method: Fresh Water X Brine | Diesel/Oil-based Gas/Air |

19. Proposed Casing and Cement Program

| Туре | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 11 | 8.625 | 32 | 450 | 475 | |
| Prod | 7.875 | 5.5 | 17 | 4300 | 1050 | |

Casing/Cement Program: Additional Comments

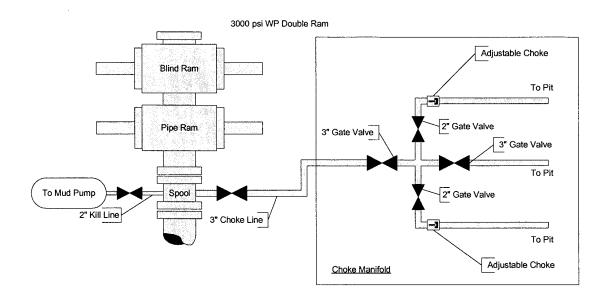
8 5/8" CSG-475 SX CL C, 0.25 PPS D29 CELLOFLAKE, 1% CACL2, WT-14.8, YIELD-1.34, WATER-6.09 (24 PPF, J55) 5 1/2" CSG-LEAD 550 SX 35:65 POC C, 5% D44 SALT, 6% D20 BENTONITE, 0.4% D112 FLUID LOSS ADDITIVE, 0.25 PPS D29 CELLOFLAKE, 0.2% D46 ANTIFOAMER, WT-12.4, YIELD-2.15, WATER-11.98, TAIL: 500 SX 50:50 POC C, 5% D44 SALT, 2% D20 BENTONITE, 0.25 PPS D29 CELLOFLAKE, 0.2% D46 ANTIFOAMER, WT-14.2, YIELD-1.36, WATER-6.34 (15.5 PPF, K55)

Proposed Blowout Prevention Program

| Туре | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|--------------|
| Annular | 1000 | 3000 | |

| I hereby certify that the information gives of my knowledge and belief. I further certify that the drilling pit | en above is true and complete to the best will be constructed according to | OIL CONSERVATION DIVISION | | |
|--|--|------------------------------|----------------------------|--|
| NMOCD guidelines 🔀 a general pe OCD-approved plan 🗀 | rmit , or an (attached) alternative | Approved By: Paul Kautz | | |
| Printed Name: Electronically file | ed by Denise Pinkerton | Title: Geologist | | |
| Title: Regulatory Specialist | | Approved Date: 4/12/2007 | Expiration Date: 4/12/2008 | |
| Email Address: leakejd@chevro | n.com | | | |
| Date: 4/11/2007 | Phone: 432-687-7375 | Conditions of Approval Attac | hed | |

Capstar 24 -BOPE



State of New Mexico

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 86240

Energy, Minerals and Natural Resources Department

DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NM 88210 OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR.

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, New Mexico 87505

State Lease - 4 Copies Fee Lease - 3 Copies

| DISTRICT IV | dr., santa fe, | NM 87505 | VELL LO | CATION | AND ACREA | GE DEDICATION | ON PLAT | □ AMENDE | ED REPORT | |
|---------------|--|----------|----------------|------------------------------|---------------|------------------|---------------|----------------|-------------|--|
| API Number | | | | Pool Code Penrose SKLLLY GRA | | | and burg | w burg | | |
| Property (| Code | | | | Property Nam | e | 7 | Well Num | Well Number | |
| | | | ROLLON BRUNSON | | | 8 | | | | |
| OGRID N | 0. | | Operator Name | | | | Elevation | | | |
| 432 | 23 | | | CHEVRON U.S.A. INC. | | | 3394 | + ' | | |
| | | | | | Surface Loca | ation | | | | |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| G 10 22-S 3 | | | 37-E | | 2310 | NORTH | 1390 | EAST | 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.

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

| GEODETIC COORDINATES | OPERATOR CERTIFICATION I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature Deate Deate Surveyor Certification I hereby certify that the well location |
|--|---|
| NAD 27 NME Y=513880.9 N X=866302.9 E | 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. |
| LAT.=32.407182* N LONG.=103.146452* W | NOVEMBER 1, 2006 Date Surveyed REV: 12/07/06 JR Signature & Seal of Professional Surveyor 06.11.1711 Certificate No. GARY RIDSON 12641 |
| | 1000 000 000 000 000 000 000 000 000 00 |

Permit Comments

Operator: CHEVRON U S A INC , 4323 Well: ROLLON BRUNSON #008

API: 30-025-38385

| Created By | Comment | Comment Date |
|---------------|--|-----------------|
| pkautz | | 4/11/2007 |
| DMULL | NSL-5537, 12/20/06, 2310/N & 1390/E, Unit G, 10-22s-37e, 40 acres, Penrose Skelly Grayburg. | 4/12/2007 |

Permit Conditions of Approval

Operator: CHEVRON U S A INC , 4323 Well: ROLLON BRUNSON #008

API: 30-025-38385

| OCD Reviewer | Condition |
|-----------------|---|
| Inkautz | 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 | NSL-5537, 12/20/06, 2310/N & 1390/E, Unit G, Sec. 10, T-22s, R-37e, 40 acres, Penrose Skelly Grayburg. |