

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 |
| 4. Property Code 2634 | | 3. API Number 30-025-39134 |
| 5. Property Name C L HARDY | | 6. Well No. 009 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| K | 20 | 21S | 37E | K | 1730 | S | 2310 | W | LEA |

8. Pool Information

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

Additional Well Information

| | | | | |
|---|----------------------------|--|---------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3494 |
| 14. Multiple N | 15. Proposed Depth 4300 | 16. Formation Grayburg | 17. Contractor | 18. Spud Date |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |
| Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: 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 | 11 | 8.625 | 24 | 1100 | 475 | |
| Prod | 7.875 | 5.5 | 15.5 | 4300 | 1050 | |

Casing/Cement Program: Additional Comments

SURF: J-55,STC, 2%CACL2,0.35PPS,D39 CELLOFLAKE,WEIGHT-14.8PPG, Y-1.34 CU.FT/SX, PROD:J-55,LTC,LEAD:550 SX 35:65 POZ, CL C, 5%D44,6%D20,0.4%D112,0.25PPS,D29 CELLOFLAKE,0.2%D46,TAIL:500 SX 50:50 POZ C, 5%D44, 2% D20,0.25PPS, D29 CELLOFLAKE, WEIGHT-12.4PPG,LEAD:14.2PPG,TAIL-Y- 2.15 CU.FT/SX, LEAD: 1.35 CU.FT/SX

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|--------------|
| Annular | 3000 | 2500 | |
| Blind | 3000 | 2500 | |
| Pipe | 3000 | 2500 | |

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 ☐.

Printed Name: Electronically filed by Denise Pinkerton

Title: Regulatory Specialist

Email Address: leakejd@chevron.com

Date: 8/28/2008 Phone: 432-687-7375

OIL CONSERVATION DIVISION

Approved By: Paul Kautz

Title: Geologist

Approved Date: 9/8/2008

Expiration Date: 9/8/2010

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
Energy, Minerals and Natural Resources
Oil Conservation Division
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Santa Fe, NM 87505

Form C-102
 Permit 81154

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---------------------------------------|---|
| 1. API Number 30-025-39134 | 2. Pool Code S0350 | 3. Pool Name PENROSE SKELLY,GRAYBURG |
| 4. Property Code 2634 | 5. Property Name C L HARDY | 6. Well No. 009 |
| 7. OGRID No. 4323 | 8. Operator Name CHEVRON U S A INC | 9. Elevation 3494 |

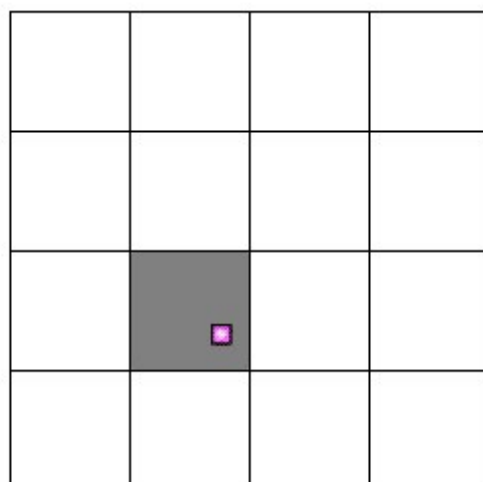
10. Surface Location

| 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 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.

E-Signed By: Denise Pinkerton
 Title: Regulatory Specialist
 Date: 8/28/2008

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.

Surveyed By: RONALD EIDSON
 Date of Survey: 7/21/2008
 Certificate Number: 3239

Permit Comments

Operator: CHEVRON U S A INC , 4323

Well: C L HARDY #009

API: 30-025-39134

| Created By | Comment | Comment Date |
|------------|--|--------------|
| DPINKERTON | C-102 PLAT & C-144CLEZ IS BEING MAILED TO NMOCD. | 8/28/2008 |
| DMULL | OCD form C-144 "Pit Registration". OCD Permit Number P1-00419. | 9/8/2008 |