

DATE IN 5.3.12	SUSPENSE	ENGINEER DB	LOGGED IN 5.3.12	TYPE NSL	APP NO. 1212449942
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



Chevron RECEIVED OGD

Softail #26 #24 MAY -3 A 10:2

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Denise Pinkerton

Print or Type Name

Denise Pinkerton
 Signature

REGULATORY SPECIALIST

Title

04-26-2012

Date

leakejd@chevron.com

e-mail Address



Denise Pinkerton
Regulatory Specialist

Chevron North America
Exploration & Production
15 Smith Road
Midland, Texas 79705
Tel 432-687-7375
leakejd@chevron.com

April 25, 2012

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: **Request for Administrative Approval**

Non-Standard Location

Softail AV 26 #2H (New APD)

SHL: 330 FSL & 1980 FWL, Sec 26, T-23S, R-28E Eddy County, NM

BHL: 510FNL & 1620 FWL, Sec 26, T-23S, R-28E Eddy County, NM

Chevron U.S.A. Inc. respectfully requests administrative approval for a Non-Standard location, for the Softail AV 26 #2H, which will be a new well drilled in the Culebra Bluff; Bone Spring, South, field and pool in Eddy County, NM.

The current pool rules of requiring wells to produce within 150' of the 80-section centerline would create a risk of the horizontal well colliding or impacting a previously drilled well. Specifically, the Chevron Nymeyer – 1 is due north of the proposed drill location, requiring a deviation to the east to avoid potential well damage. This exception location has been discussed with Mr. Paul Kautz, NMOCD, District 1 in Hobbs, and he agreed that this situation warrants a cause for an exception application.

Please find attached the list of offset operators, copy of notification mailed to such, and a copy of the C-101 & C-102 sent electronically to NMOCD for approval.

Page 2

For your convenience, I have enclosed an envelope with my return address so the decision for this application can be sent directly to me for distribution. If you require additional information, please contact me at 432-687-7375, or by email at leakejd@chevron.com

Sincerely,

A handwritten signature in black ink that reads "Denise Pinkerton". The signature is written in a cursive style with a large, looped "D" and "P".

Denise Pinkerton

Regulatory Specialist

Enclosure cc: NMOCD – District 1; Hobbs

OFFSET OPERATORS FOR SOFTAIL AV 26 #2H

BK Exploration Corp
10159 E. 11th Street
Suite 301
Tulsa, OK 74128

Titan Resources, Inc.
500 W. Texas
Suite 200
Midland, TX 79705

Chesapeake Operation, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

Ram Energy Inc.
Meridian Tower 5100
E. Skelly Drive
Suite 650
Tulsa, OK 74135

Range Operating New Mexico LLC
100 Throckmorton St.
Suite 1200
Fort Worth, TX 76102

Denise Pinkerton
Regulatory Specialist

Midcontinent BU
Chevron North America
Exploration & Production
15 Smith Road
Midland, TX 79705
Tel 432-687-7375
leakejd@chevron.com

April 25, 2012

Notice of Request for Administrative Approval
Non-Standard Location

Softail AV 26 #2H (New APD)

SHL: 330 FSL & 1980 FWL, Sec 26, T-23S, R-28E, Eddy County

BHL: 510 FNL & 1620 FWL, Sec 26, T-23S, R-28E, Eddy County

As an offset operator, you are receiving this notification:

Chevron U.S.A. Inc. has requested NMOCD administrative approval for a Non-Standard Location, for the above mentioned well. Chevron is requesting an exception from the 150' 80-acre center point in order to avoid collision with other wells with its horizontal hole. Chevron will stay 510' away from section lines.

Any objections to this Non-Standard request must be sent to the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87504, within 20 days of receipt of this notification.

Sincerely,

Denise Pinkerton
Regulatory Specialist
Chevron U.S.A. Inc.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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 August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 15011	³ Pool Name Culebra Bluff, Bone Spring, South
⁴ Property Code	⁵ Property Name SOFTAIL AV 26	⁶ Well Number 2H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON	⁹ Elevation 3018'

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
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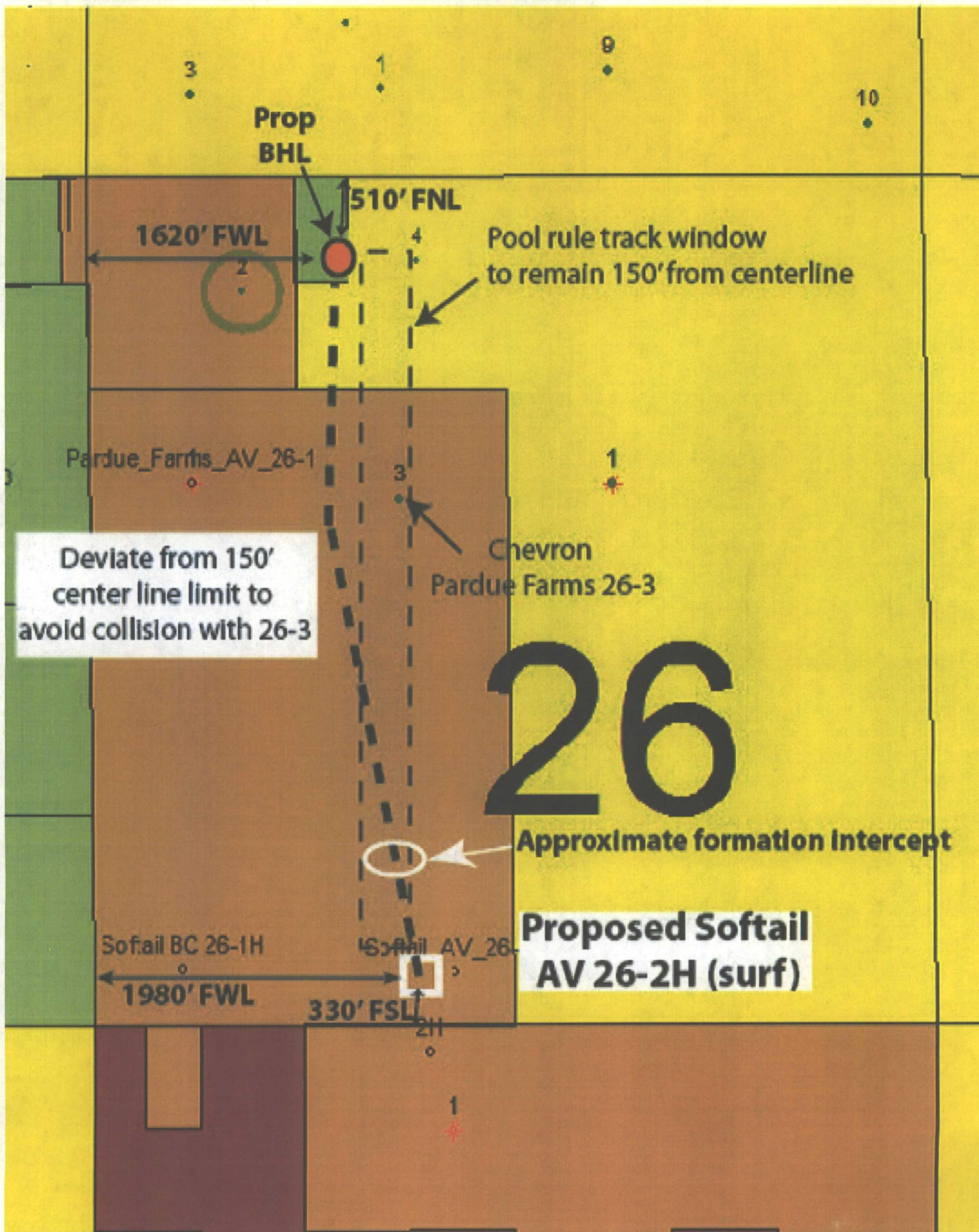
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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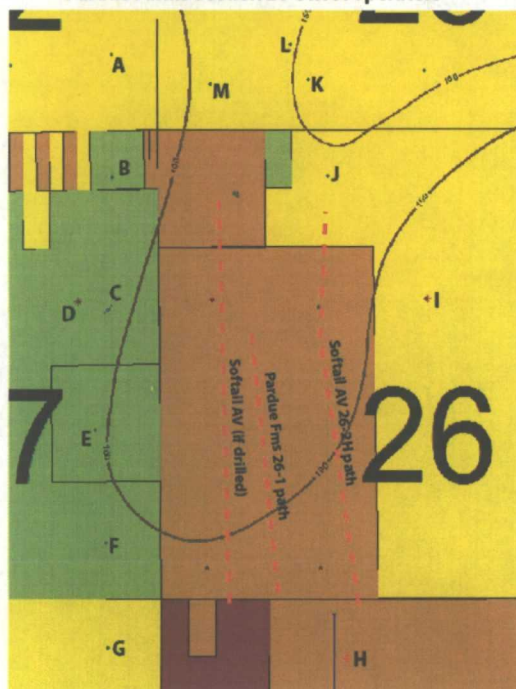
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ 510' FNL & 1620' FWL Section 26 T23S R28E 	26-4 Pardue Farms 2100 FWL, 560 FNL	¹⁷ 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 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. Signature _____ Date _____ Printed Name _____ E-mail Address _____
	Pardue Farms 26-3 1980 FWL, 2080 FNL	
	¹⁸ 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. Date of Survey _____ Signature and Seal of Professional Surveyor: _____	
	330' FSL 1980' FWL Section 26, T23S, R28E	



T 23 S - R 28 E, Section 26, Eddy County New Mexico

Pardue Farms Section 26 Offset operators



- A. Jasso 22 #2 (30-015-28728), BK EXPLORATION CORP., 10159 E 11TH STREET SUITE 401, TULSA, OK 74128
- B. C. CVX
- D. Pardue Farms 27-1 (30-015-22698) TITAN RESOURCES I INC. 500 W TEXAS STE 200, MIDLAND, TX 79701
- E. F. CVX
- G. Tucker #1 (30-015-31997), BK EXPLORATION CORP., 10159 E 11TH STREET SUITE 401, TULSA, OK 74128
- H. CVX
- I. Pardue Farms Gas Com #1 (30-015-22462) CHESAPEAKE OPERATING, INC. P.O. Box 18496 Oklahoma City, OK 73154
- J. CVX
- K. Brantley COM #1 (30-015-23833) RAM ENERGY INC., MERIDIAN TOWER 5100 E. SKELLY DRIVE, ST 650 TULSA, OK 74135
- L. S. Culebra Bluff 23-14 (30-015-33607) RANGE OPERATING NEW MEXICO LLC 100 Throckmorton St. Suite 1200 Fort Worth, TX 76102
- M. S. Culebra Bluff 23-14 (30-015-33607) RANGE OPERATING NEW MEXICO LLC 100 Throckmorton St. Suite 1200 Fort Worth, TX 76102

District I1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720**District II**811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101

August 1, 2011

Permit 148048

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

1. Operator Name and Address CHEVRON U S A INC Attn: Sandy Stedman-Daniel Houston, TX 77252		2. OGRID Number 4323
		3. API Number
4. Property Code	5. Property Name SOFTAIL AV 26	6. Well No. 002H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	26	23S	28E	N	330	S	1980	W	EDDY

8. Pool Information

CULEBRA BLUFF;BONE SPRING, SOUTH	15011
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3018
14. Multiple N	15. Proposed Depth 11000	16. Formation Bone Spring	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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	550	515	
Int1	12.25	9.625	40	3000	827	
Prod	8.75	5.5	23	11000	2064	

Casing/Cement Program: Additional Comments

13 3/8" LEAD 180 SX ExtendaCem C,4%Gel,2%Cacl,13.5ppg,1.75 yield Tail: 335 sx premium Plus,2%Cacl,14.8ppg,1.35 yield, 9 5/8" Lead 604 sx Econocem-HLC,6%gel,0.125 lbs/sk Poly Flake, 13.5ppg,1.78 yield, Tail:223 sx HalCem-C,14.8ppg,1.34 yield 5 1/2" Lead 514 sx EconoCem-HLH,0.3%CFR-3,5%salt,5 lb/sk Kol,0.13 lb/sk PhenoSeal,12.7ppg 2 yield.Tail-150 sx VersaCem,0.4% GasStop,14.4ppg,1.24yield.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	3500	
Blind	5000	3500	
Pipe	5000	3500	

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:

OIL CONSERVATION DIVISION

Approved By:

Title:

Title:		Approved Date:	Expiration Date:
Email Address:			
Date:	Phone:		

District I

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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**1220 S. St Francis Dr.****Santa Fe, NM 87505**

Form C-102

August 1, 2011

Permit 148048

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 15011	3. Pool Name CULEBRA BLUFF;BONE SPRING, SOUTH
4. Property Code	5. Property Name SOFTAIL AV 26	6. Well No. 002H
7. OGRID No. 4323	8. Operator Name CHEVRON U S A INC	9. Elevation 3018

10. Surface Location

UL - Lot N	Section 26	Township 23S	Range 28E	Lot Idn	Feet From 330	N/S Line S	Feet From 1980	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 26	Township 23S	Range 28E	Lot Idn	Feet From 510	N/S Line N	Feet From 1620	E/W Line W	County EDDY
12. Dedicated Acres 80.00 ?	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: Title: Date:			
	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: RONALD EIDSON Date of Survey: 4/3/2012 Certificate Number: 3239				

Permit Comments

Operator: CHEVRON U S A INC , 4323

Well: SOFTAIL AV 26 #002H

API:

Created By	Comment	Comment Date
DPINKERTON	PLAT WILL BE MAILED IN TODAY ALONG WITH C-144 NSL IS BEING SOUGHT THROUGH SANTA FE.	5/1/2012

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-40245	Pool Code 15011	Pool Name Culebra Bluff, Bone Spring, Ruth
Property Code	Property Name SOFTAIL AV 26	Well Number 2H
OGRID No. 4323	Operator Name CHEVRON USA INC.	Elevation 3018'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	26	23-S	28-E		330	SOUTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

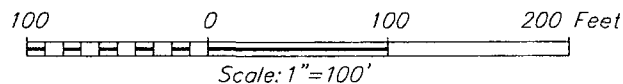
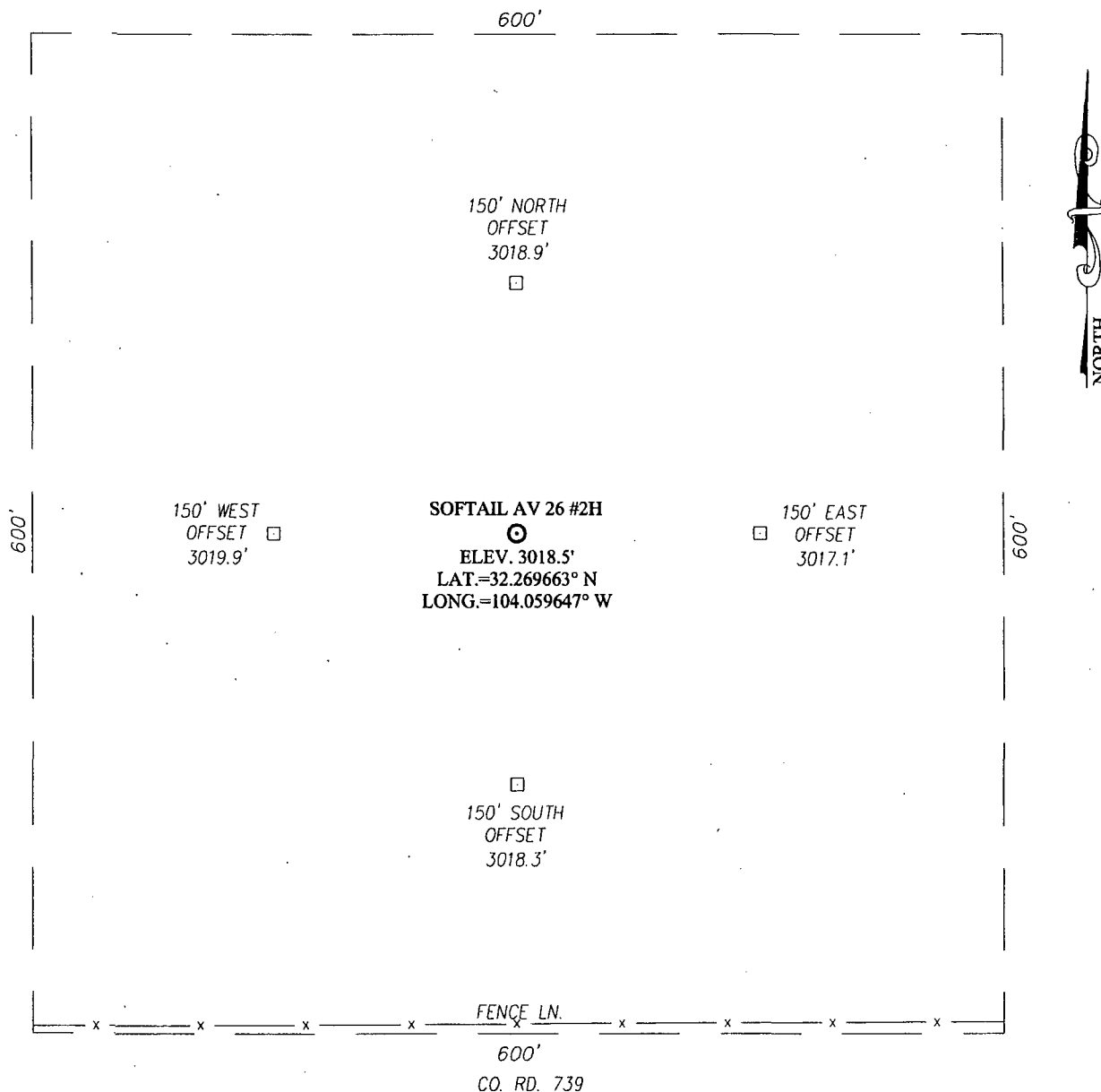
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	26	23-S	28-E		510	NORTH	1620	WEST	EDDY

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

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=461929.0 N X=584592.1 E LAT.=32.269663° N LONG.=104.059647° W</p> <p>BOTTOM HOLE LOCATION Y=466508.5 N X=584184.7 E</p> <p>CORNER COORDINATES TABLE</p> <table> <tr> <td>Ⓐ</td> <td>-</td> <td>Y=467017.3 N, X=583888.7 E</td> </tr> <tr> <td>Ⓑ</td> <td>-</td> <td>Y=467022.2 N, X=585217.7 E</td> </tr> <tr> <td>Ⓒ</td> <td>-</td> <td>Y=461596.6 N, X=583950.7 E</td> </tr> <tr> <td>Ⓓ</td> <td>-</td> <td>Y=461601.7 N, X=585285.4 E</td> </tr> </table>	Ⓐ	-	Y=467017.3 N, X=583888.7 E	Ⓑ	-	Y=467022.2 N, X=585217.7 E	Ⓒ	-	Y=461596.6 N, X=583950.7 E	Ⓓ	-	Y=461601.7 N, X=585285.4 E	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Denise Pinkerton</i> 5-1-12 Signature Date</p> <p>Denise Pinkerton Printed Name</p> <p>Leakejd@chevron.com E-mail Address</p> <p>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>APRIL 3, 2012</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i> RONALD J. EIDSON NEW MEXICO 3239 Certificate Number 12641 Ronald J. Eidson 3239 JWSC W.O.: 12.11.0660</p>
Ⓐ	-	Y=467017.3 N, X=583888.7 E											
Ⓑ	-	Y=467022.2 N, X=585217.7 E											
Ⓒ	-	Y=461596.6 N, X=583950.7 E											
Ⓓ	-	Y=461601.7 N, X=585285.4 E											

SECTION 26, TOWNSHIP 23 SOUTH, RANGE 28 EAST, N.M.P.M.
EDDY COUNTY **NEW MEXICO**



DIRECTIONS TO LOCATION

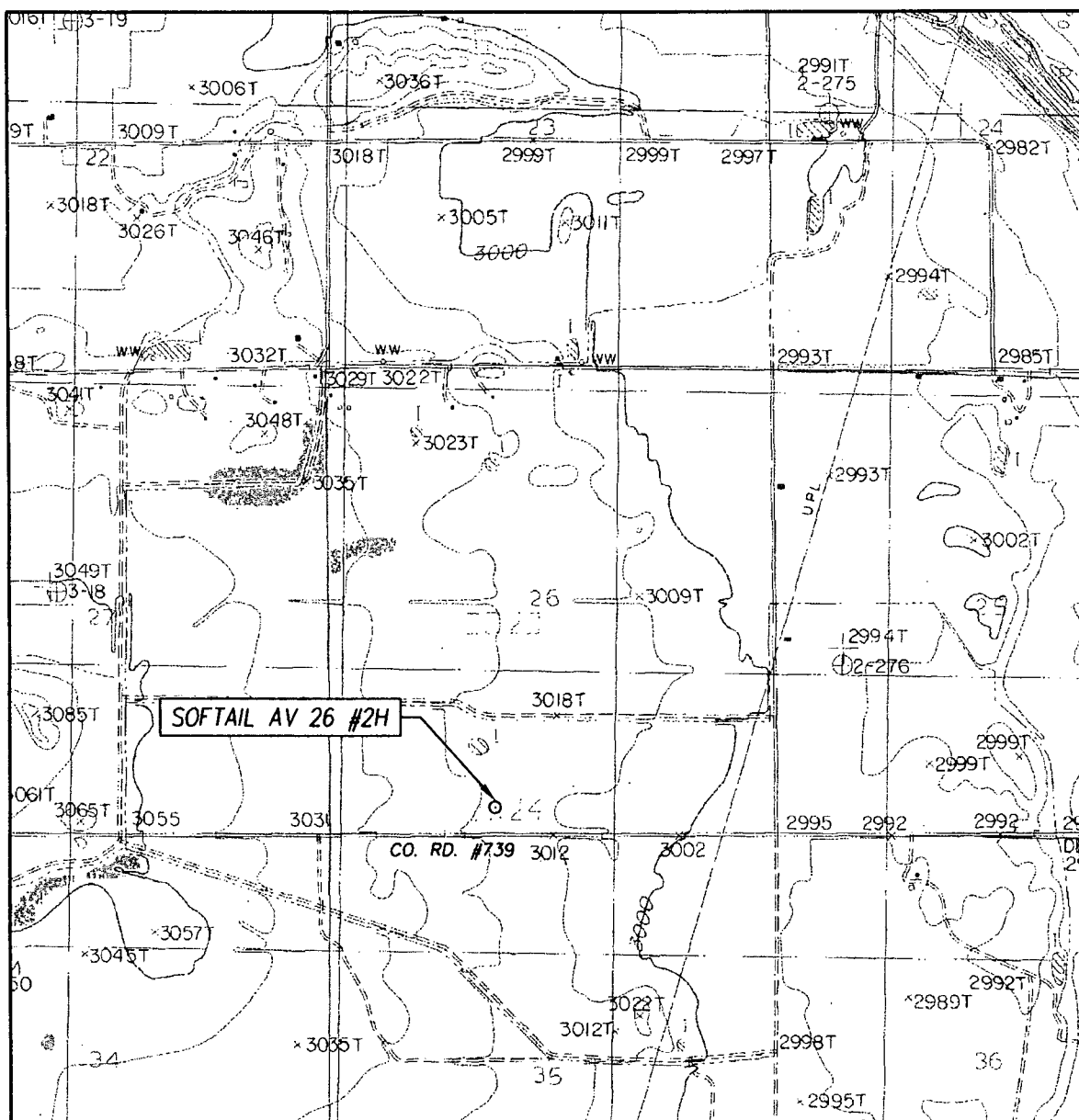
FROM THE INTERSECTION OF CO. RD. #731 AND CO. RD. #739
 GO EAST ON CO. RD. #739 APPROX. 0.4 MILES. THE LOCATION
 STAKE IS APPROX. 330 FEET NORTH OF THE LEASE ROAD.

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117 www.jwsc.biz

CHEVRON USA INC.

SOFTAIL AV 26 #2H WELL
LOCATED 330 FEET FROM THE SOUTH LINE
AND 1980 FEET FROM THE WEST LINE OF SECTION 26,
TOWNSHIP 23 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 4/3/12	CAD Date: 4/19/12	Drawn By: AF
W.O. No.: 12110660	Rev: .	Rel. W.O.: Sheet 1 of 1



CONTOUR INTERVAL:
LOVING, N.M. - 10'

SURVEY N.M.P.M.

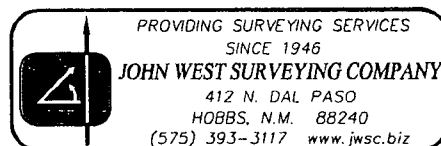
DESCRIPTION 330' FSL & 1980' FWL

ELEVATION 3019'

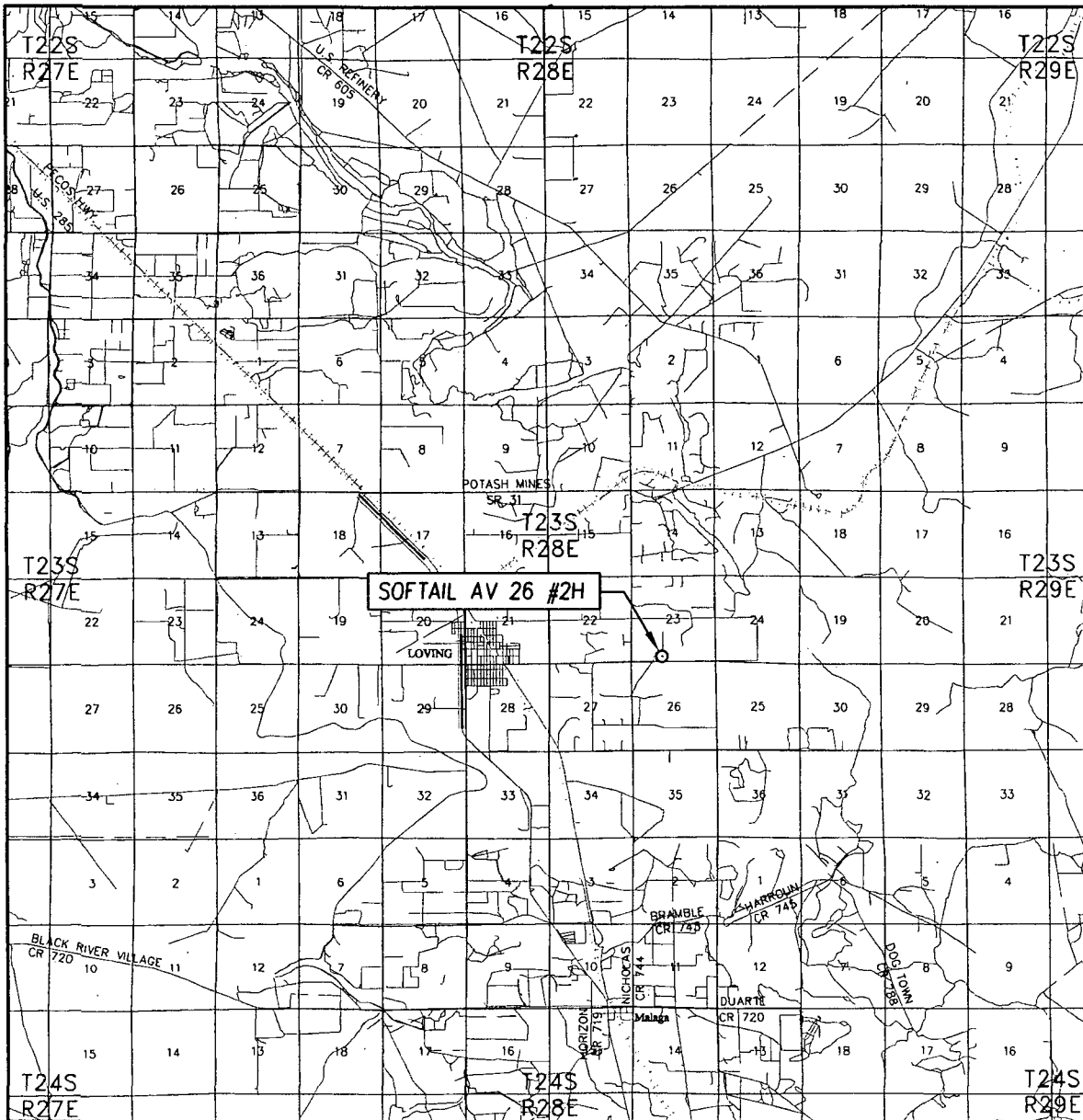
OPERATOR CHEVRON USA INC.

LEASE SOFTAIL AV 26

U.S.G.S. TOPOGRAPHIC MAP
LOVING, N.M.

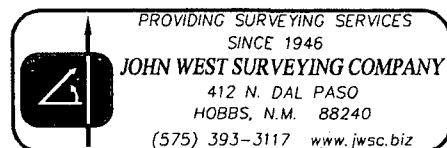


VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 26 TWP. 23-S RGE. 28-E
 SURVEY N.M.P.M.
 COUNTY EDDY STATE NEW MEXICO
 DESCRIPTION 330' FSL & 1980' FWL
 ELEVATION 3018'
 OPERATOR CHEVRON USA INC.
 LEASE SOFTAIL AV 26



District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144 CLEZ
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.


1.
Operator: CHEVRON U.S.A. INC. OGRID #:4323
Address: 15 SMITH ROAD, MIDLAND, TEXAS 79705
Facility or well name: SOFTAIL AV 26 #2H (NEW WELL)
API Number: _____ OCD Permit Number: _____
U/L or Qtr/Qtr N Section 26 Township 23S Range 28E County: EDDY
Center of Proposed Design: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: ☒ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A
☐ Above Ground Steel Tanks or ☐ Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☐ Signed in compliance with 19.15.16.8 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: CONTROLLED RECOVERY INC. (CRI) Disposal Facility Permit Number: R9166-NM-01-0006
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☐ No
Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): DENISE PINKERTON Title: REGULATORY SPECIALIST
Signature:  Date: 05-01-2012
e-mail address: leakcid@chevron.com Telephone: 432-687-7375

7.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

8.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

9.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10.
Operator Closure Certification:

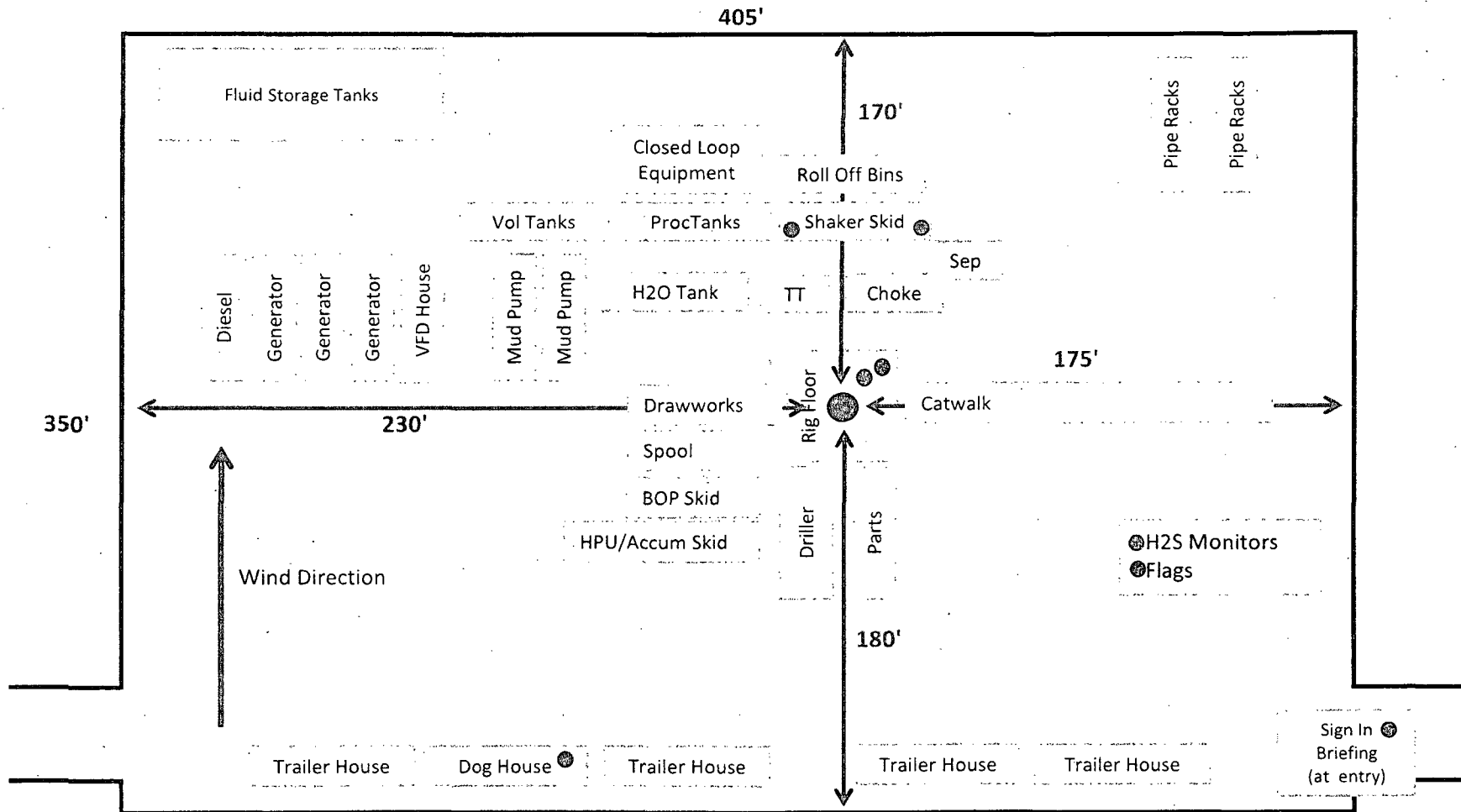
I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

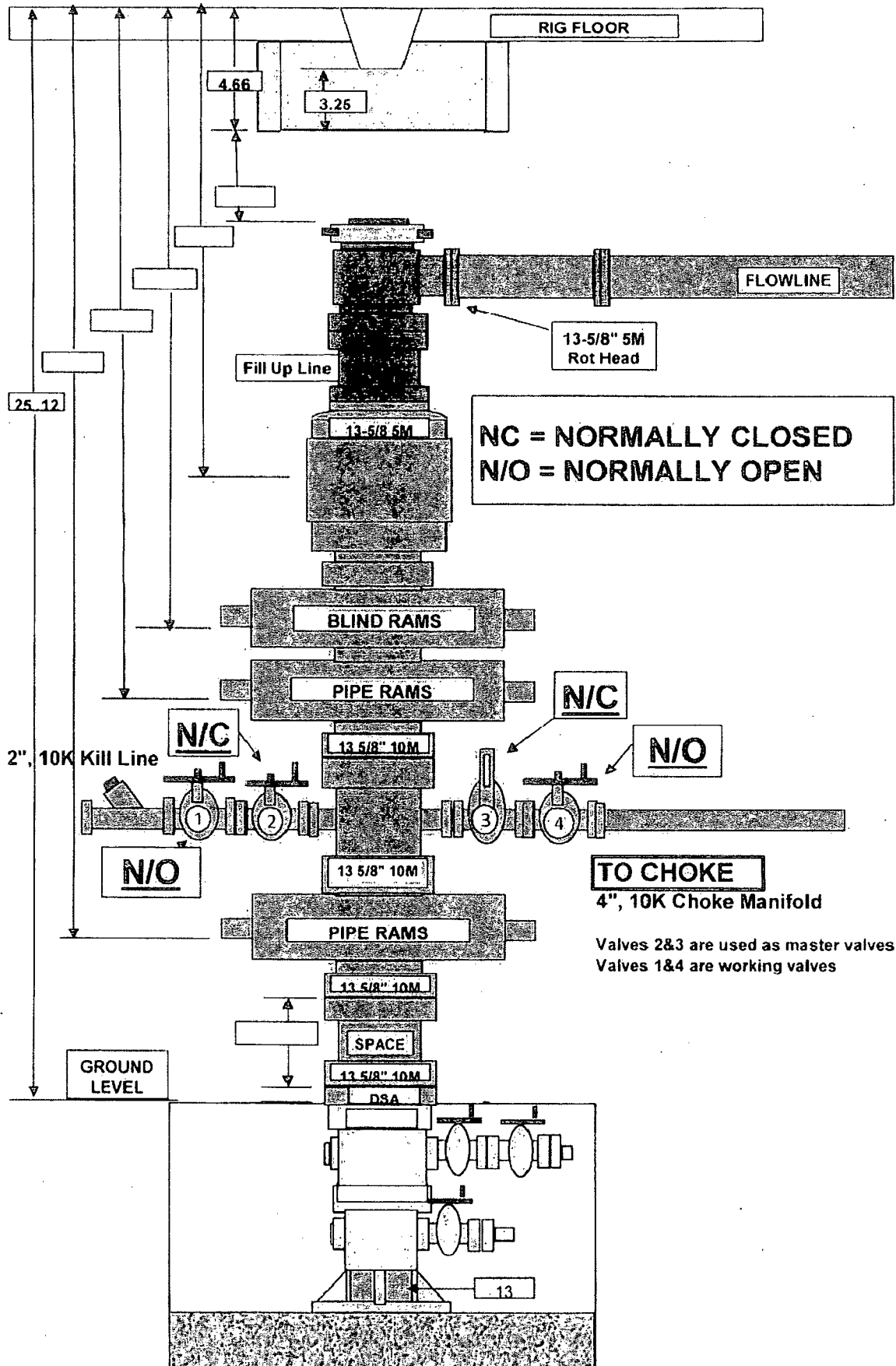
Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

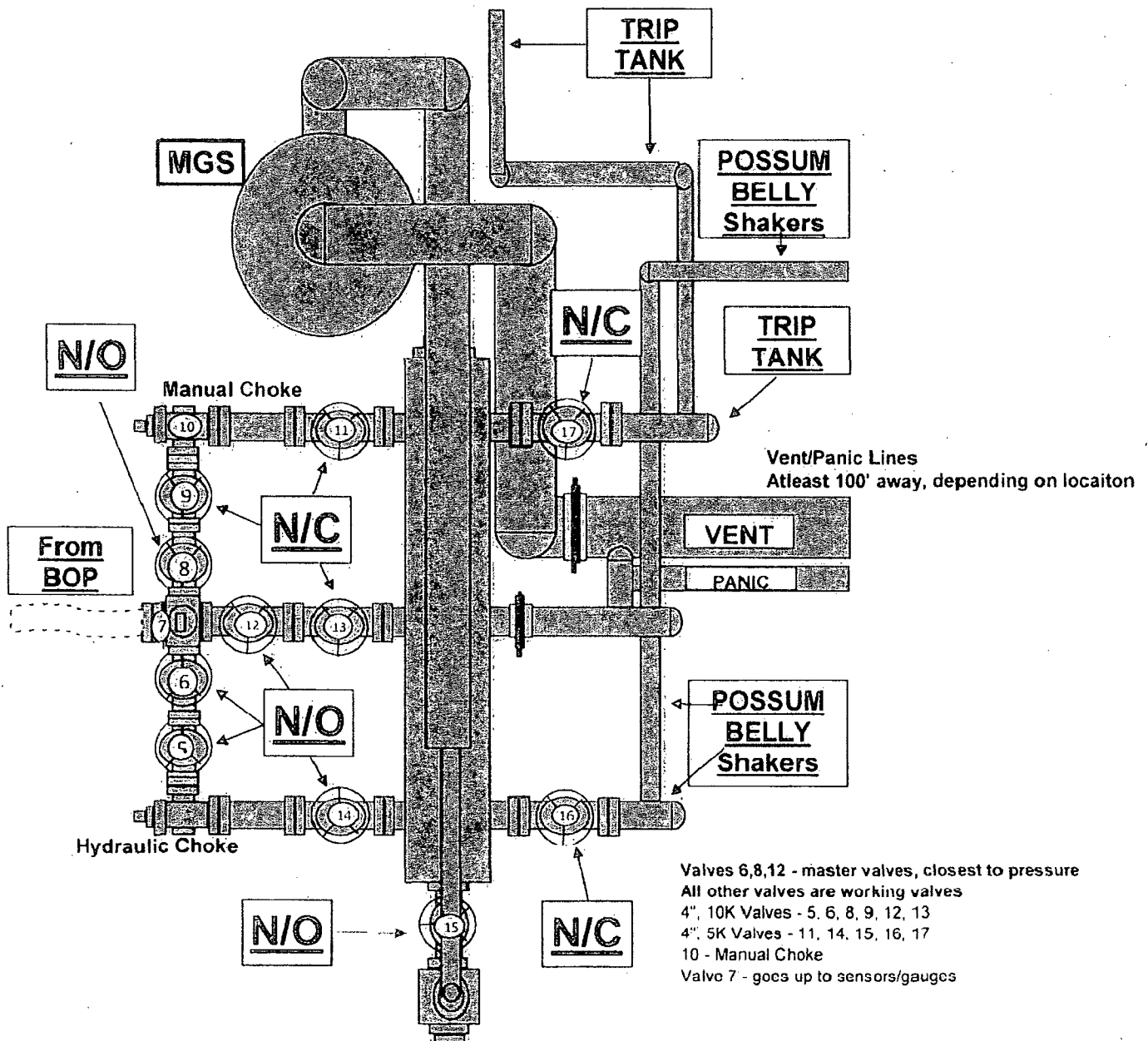
Softtail AV 26-2H



H&P 227 BOP Stack

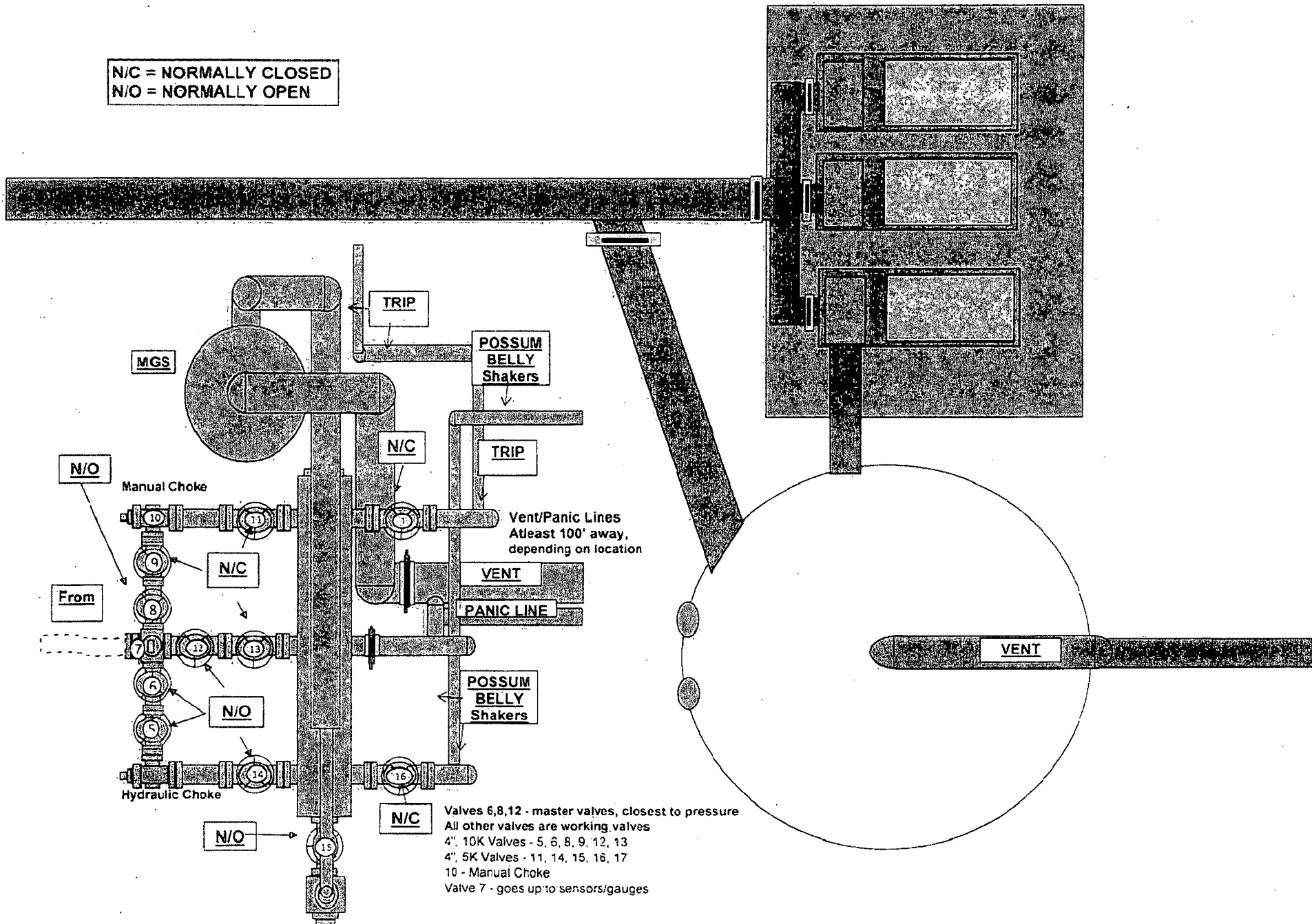


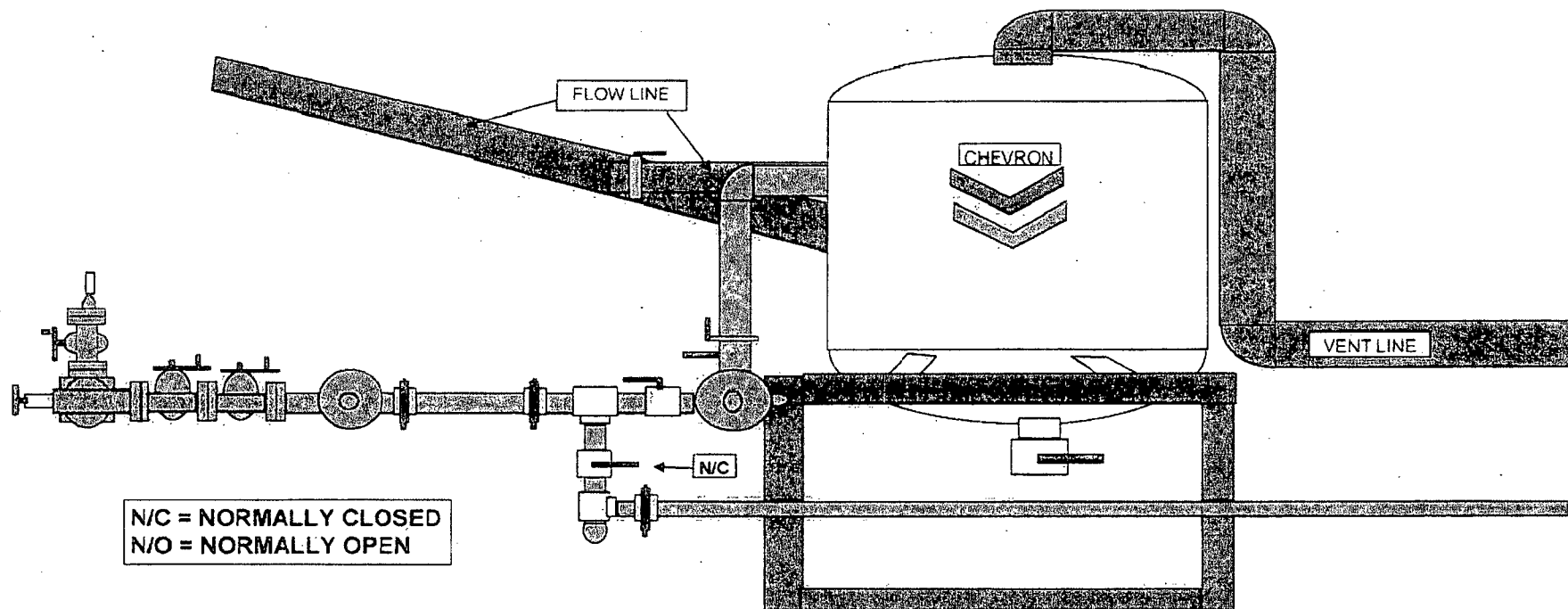
H&P #227 CHOKE MANIFOLD



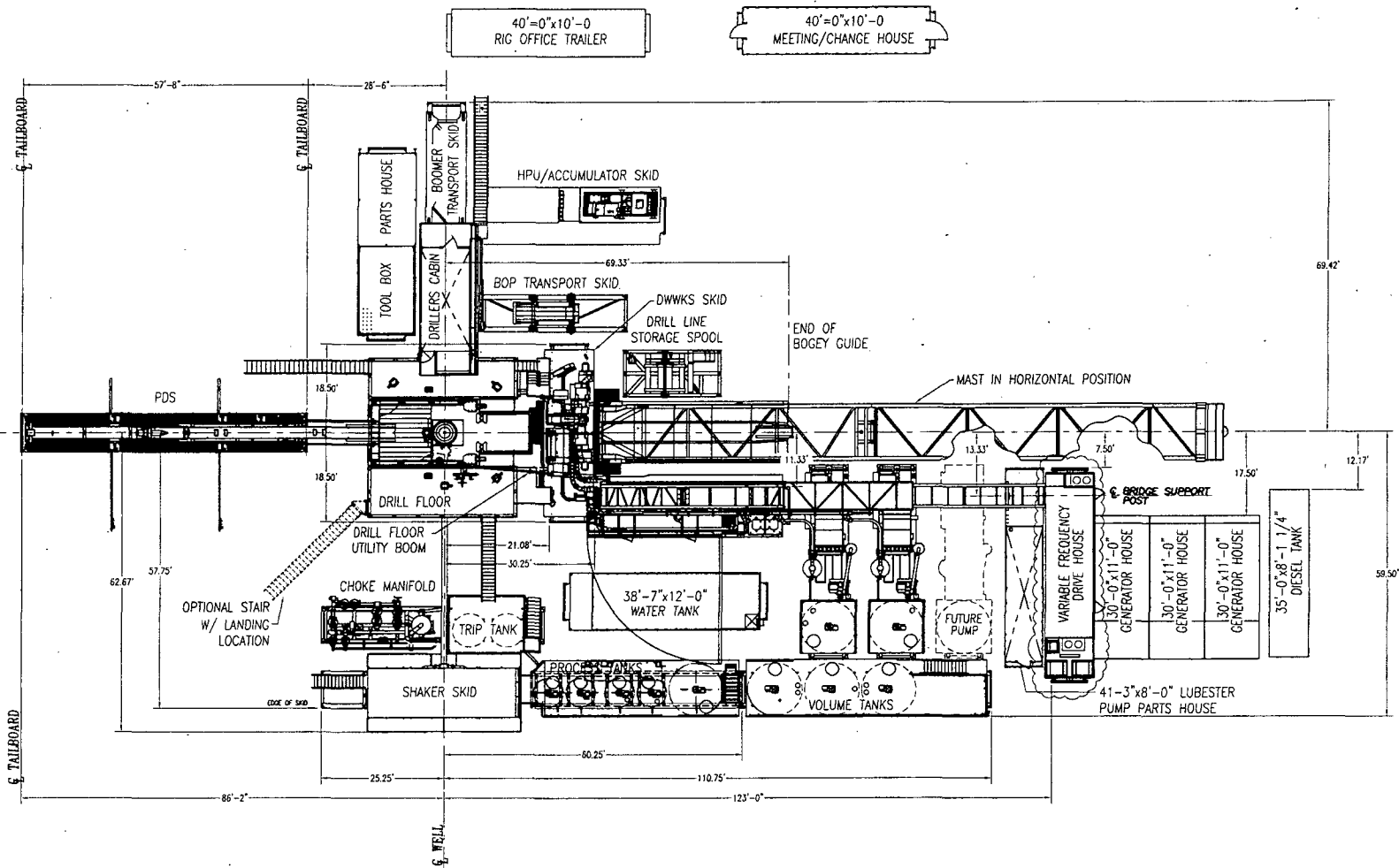
N/C = NORMALLY CLOSED
N/O = NORMALLY OPEN

N/C = NORMALLY CLOSED
N/O = NORMALLY OPEN





N/C = NORMALLY CLOSED
N/O = NORMALLY OPEN



PLAN VIEW

ISSUED FOR FABRICATION
December-06-2011
DRAFTSMAN _____
ENGINEER _____

SEE SH1 FOR COMPONENT LAYOUT WITH CATWALK

HELMERICH & PAYNE
INTERNATIONAL DRILLING CO.

TITLE: FLEX 3
RIG COMPONENT LAYOUT W/PDS
CUSTOMER: H&P
PROJECT: FlexRig3
DRAWN: RTM DATE: 10/6/10 DWG. NO.: 210-G0-01
SCALE: 3/32"=1' SHEET: 4 OF 4

			ENGINEERING APPROVAL	DATE
△				
△				
△				
△	12-6-11	UPDATED VFD HOUSE		MW
△	8-22-11	UPDATED & MOVED LUBESTER PHOSPHORIC ACID SKID		MW
REV	DATE	DESCRIPTION		BY

PROPRIETARY

THIS DRAWING AND THE IDEAS AND INFORMATION INCLUDED IN THIS DRAWING ARE PROPRIETARY AND ARE NOT TO BE REPRODUCED, DISTRIBUTED OR DISCLOSED IN ANY MANNER WITHOUT THE PRIOR, WRITTEN CONSENT OF A QUALIFIED OFFICER OF HELMERICH & PAYNE INT'L DRILLING CO.

REV: B

WELL Chevron Softail AV 26-2H				FIELD NM Eddy County				STRUCTURE TBA			
Magnetic Parameters Model# BGGM 2011 Dip: 40.043° Mag Dec: 7.800° Date: March 10, 2012 IS: -0.512 IaT				Surface Location NAD83 New Mexico State Plane, Eastern Zone, US Feet Lat: N 32.16 10.777 Lon: W 104.3 1 M VU Northing: 40727.92 AUIS Easting: 58476.91 AUIS Grid Coord: 0.1660112° Scale Factor: 0.99991728				Miscellaneous Slot Chevron Softail AV 26-2H Size 8x6 mm, 36 May 12 TYD Ref: RKB1051m above MSL Serv Date: March 10, 2012			



Card North
ot Corr (M⁺ G 7 6527)
Mag Dec (2, 3007)
rd Cons. (0 14663327)

Legend

Cherton Sooted AV 26-24- Landing Target 5600R TUD
Cherton Sooted AV 26-2H - PBH4

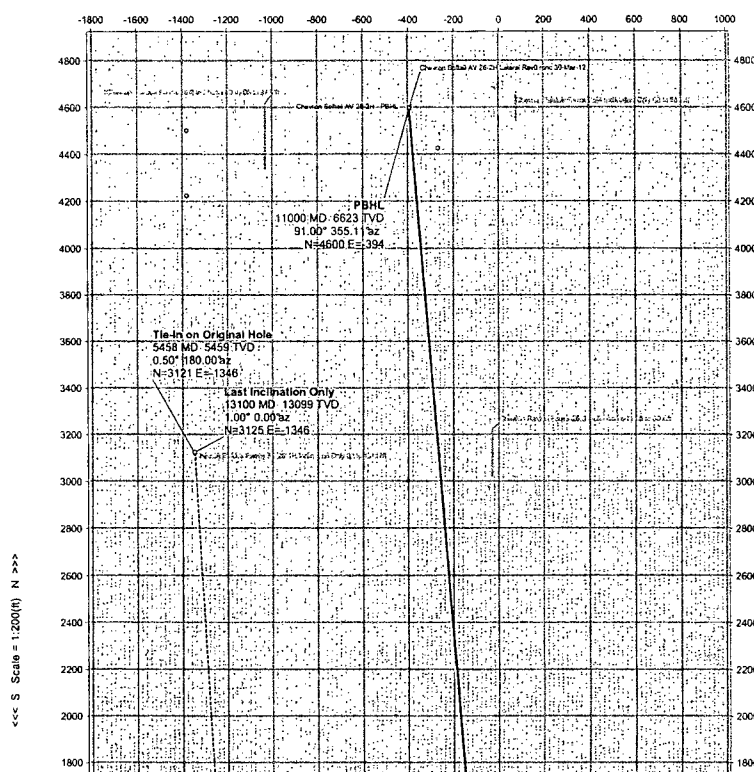
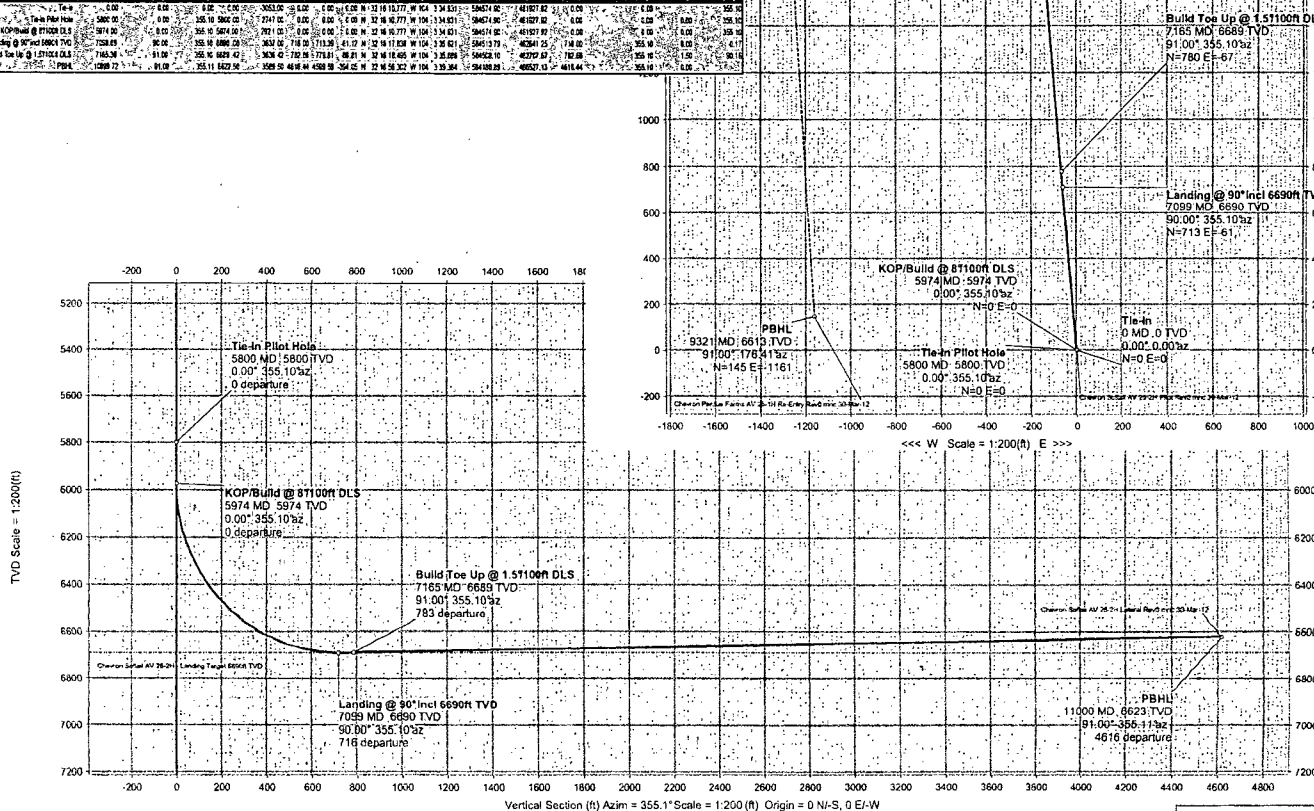
Cherton Sooted AV 26-24(Letter at Reno) mnc 30 Mar-12
Cherton Sooted AV 26-24(Letter at Reno) mnc 30 Mar-12

Cherton Paradise Farms 26-2 Induction Only OR to 277/R
Cherton Paradise Farms AV 26-1H Re-Entry Reno mnc 30 Mar-12
Cherton Paradise Farms AV 26-1H Induction Only OR to 277/R

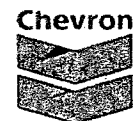
Cherton Sooted AV 26-21(Ret Reno) mnc 30 Mar-12
Cherton Sooted AV 26-21(Ret Reno) mnc 30 Mar-12

Cherton Paradise Farms AV 26-1H Induction Only OR to 5600R
Cherton Paradise Farms 26-1 Induction Only OR to 5600R

Cherton Paradise Farms 26-1 Induction Only OR to 5600R
Cherton Paradise Farms 26-1 Induction Only OR to 5600R

[illegible]

Drawn By: Maria Neves Carrasquilla
- Date Created: March 30, 2012 02:13:17 PM
Checked By:
Checked Date:
Approved By:
Approved Date:



Chevron Softail AV 26-2H Lateral Rev0 mnc 30-Mar-12 Proposal Report

(Non-Def Plan)

Report Date: March 30, 2012 - 02:04 PM
Client: Chevron
Field: NM Eddy County (NAD 27)
Structure / Slot: Chevron Softail AV 26-2H / Chevron Softail AV 26-2H
Well: Chevron Softail AV 26-2H
Borehole: ST01 - Lateral
UWI / API#: Unknown / Unknown
Survey Name: Chevron Softail AV 26-2H Lateral Rev0 mnc 30-Mar-12
Survey Date: March 30, 2012
Tort / AHD / DDI / ERD Ratio: 91.007 * / 4616.443 ft / 5.839 / 0.690
Coordinate Reference System: NAD27 New Mexico State Plane, Eastern Zone, US Feet
Location Lat / Long: N 32° 16' 10.77708", W 104° 3' 34.93080"
Location Grid N/E Y/X: N 461927.925 ftUS, E 584574.903 ftUS
CRS Grid Convergence Angle: 0.14609332 *
Grid Scale Factor: 0.99991728

Survey / DLS Computation: Minimum Curvature / Lubinski
Vertical Section Azimuth: 355.103 * (Grid North)
Vertical Section Origin: 0.000 ft, 0.000 ft
TVD Reference Datum: RKB
TVD Reference Elevation: 3053.000 ft above MSL
Seabed / Ground Elevation: 3028.000 ft above MSL
Magnetic Declination: 7.800 *
Total Field Strength: 48512.114 nT
Magnetic Dip Angle: 60.085 *
Declination Date: March 30, 2012
Magnetic Declination Model: BGGM 2011
North Reference: Grid North
Grid Convergence Used: 0.146 *
Total Corr Mag North->Grid North: 7.654 *
Local Coord Referenced To: Structure Reference Point

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S * ° ' '')	Longitude (E/W * ° ' '')
Tie-In	5800.00	0.00	355.10	5800.00	0.00	0.00	0.00	0.00	461927.92	584574.90	N 32 16 10.78	W 104 3 34.93
KOP/Build @ 8"/100ft DLS	5974.00	0.00	355.10	5974.00	0.00	0.00	0.00	0.00	461927.92	584574.90	N 32 16 10.78	W 104 3 34.93
Landing @ 90° incl 6690ft TVD	7098.69	90.00	355.10	6690.00	716.00	713.39	-61.12	8.00	462641.25	584513.79	N 32 16 17.84	W 104 3 35.62
Build Toe Up @ 1.5"/100ft DLS	7165.36	91.00	355.10	6689.42	782.66	779.81	-66.81	1.50	462707.67	584508.10	N 32 16 18.50	W 104 3 35.89
PBHL	10999.72	91.00	355.11	6622.50	4616.44	4599.59	-394.05	0.00	466527.13	584180.89	N 32 16 56.30	W 104 3 39.38

Survey Type: Non-Def Plan

Survey Error Model: ISCWSA Rev 0 *** 3-D 95.000% Confidence 2.7955 sigma
Survey Program:

Description	MD From (ft)	MD To (ft)	EOU Freq (ft)	Survey Tool Type	Borehole / Survey
	0.000	25.000	1/100.000	SLB_NSG+MSHOT-Depth Only	Pilot Hole / Chevron Softail AV 26-2H Pilot Rev0 mnc 30-Mar-12
	25.000	5800.000	1/100.000	SLB_NSG+MSHOT	Pilot Hole / Chevron Softail AV 26-2H Pilot Rev0 mnc 30-Mar-12
	5800.000	10999.721	1/100.000	SLB_MWD-STD	ST01 - Lateral / Chevron Softail AV 26-2H Lateral Rev0 mnc 30-Mar-12

Brooks, David K., EMNRD

From: Minnery, Gregory (minnery) <minnery@chevron.com>
Sent: Tuesday, May 29, 2012 1:37 PM
To: Brooks, David K., EMNRD
Cc: Pinkerton, J. Denise (leakejd)
Subject: RE: Chevron Softail AV 26 #2H; NSL Application

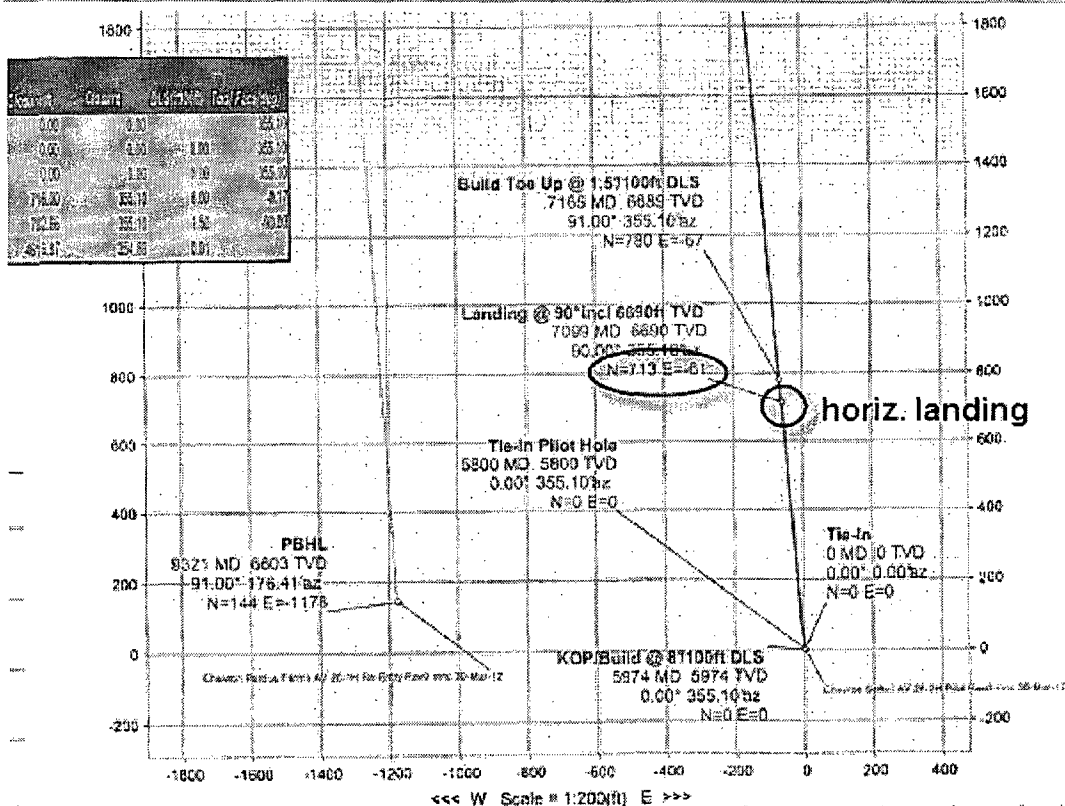
Mr. Brooks, the surface location for the proposed Chevron Softail AV 26-2H in Section 26, T23S-R28E in Eddy County is 1980'FWL and 330'FSL. As can be seen on the plat below, the well will land (flatten to horizontal) in the Bone Spring Formation 713' to the north and 61' to the west (or -61' to the east) of the surface location. This places the footage at horizontal at **1919'FWL and 1043' FSL**.

If you have any further questions please contact me.

Sincerely,

Greg Minnery

Greg Minnery, Ph.D.
Chevron USA Midcontinent
1400 Smith Street
Houston, TX 77002
O: 713-372-2371
C: 281-352-8043
F: 866-453-5090



From: Pinkerton, J. Denise

(leakejd)

Sent: Tuesday, May 29, 2012 12:43 PM
To: Minnery, Gregory (minnery)
Cc: david.brooks@state.nm.us
Subject: FW: Softail AV 26 #2H; NSL Application

Greg,
Can you please reply. (Will be like the Heritage)
Denise

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Tuesday, May 29, 2012 12:41 PM
To: Pinkerton, J. Denise (leakejd)
Subject: Softail AV 26 #2H; NSL Application

Dear Ms. Pinkerton

In order to write the order approving this application, I will need to know the projected footage location of the beginning of the completed interval of this horizontal well.

Sincerely

David K. Brooks

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, May 29, 2012 11:41 AM
To: leakejd@chevron.com
Subject: Softail AV 26 #2H; NSL Application

Dear Ms. Pinkerton

In order to write the order approving this application, I will need to know the projected footage location of the beginning of the completed interval of this horizontal well.

Sincerely

David K. Brooks