

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report


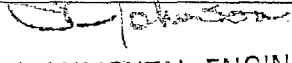

Name of Company	Chevron Environmental Management Co.	Contact	Matt Hudson
Address	1400 Smith Street Room 07062, Houston, TX 77002	Telephone No.	(713) 372-9207
Facility Name	New Mexico O State #40	Facility Type	Reserve Pit
		API # 30-025-38140	
Surface Owner	State of New Mexico	Mineral Owner	
		Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	36	17 S	34 E	1885	South	1978	East	Lea

Latitude 32.789444 Longitude -103.511944

NATURE OF RELEASE

Type of Release	Unknown	Volume of Release	Unknown	Volume Recovered	Unknown
Source of Release	Reserve Pit	Date and Hour of Occurrence		Date and Hour of Discovery	
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?		Date and Hour			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			
If a Watercourse was Impacted, Describe Fully.* NA					
Describe Cause of Problem and Remedial Action Taken.* NMOCD requested that a C141 be prepared for this location following a Site Inspection.					
Describe Area Affected and Cleanup Action Taken.* The reserve pit area is approximately 155' x 170' x 200'. A closure plan will be developed and submitted to the District 1 office for review and approval.					
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.					
Signature:					
Printed Name:	Matt Hudson	OIL CONSERVATION DIVISION Approved by District Supervisor  ENVIRONMENTAL ENGINEER			
Title:	Project Manager	Approval Date:	12-16-10	Expiration Date:	3-16-11
E-mail Address:	mhudson@chevron.com	Conditions of Approval:			
Date:	12/15/2010	Phone:	713-372-9207	Submitted Final C. 141 w/ Docs by  Attached <input type="checkbox"/> IRP# 2673	

* Attach Additional Sheets If Necessary

ALWJ 103505166

PLWJ 103505004

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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
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

SRUD 1.17.07
AID 3.13.07
COMP 4.12.07
SA

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

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 OGRID #: _____
Address: 15 Smith Rd Midland Tx 79705
Facility or well name: New Mexico O-40
API Number: 30-025-38140 OCD Permit Number: _____
U/L or Qtr/Qtr 36 Section 36 Township 17S Range 34E County: Lea
Center of Proposed Design: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☒ Lined ☐ Unlined Liner type: Thickness 20 mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☒ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: _____ bbl Type of fluid: _____
Tank Construction material: _____
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other _____
Liner type: Thickness _____ mil ☐ HDPE ☐ PVC ☐ Other _____

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6.
Fencing: Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

- ☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☐ Alternate. Please specify _____

7.
Netting: Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

- ☐ Screen ☐ Netting ☐ Other _____
- ☐ Monthly inspections (If netting or screening is not physically feasible)

8.
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 19.15.3.103 NMAC

9.
Administrative Approvals and Exceptions:
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

- ☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
- ☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.
Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet of a continuously-flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

11. **Temporary Pits, Emergency Pits, and Below-grade Tanks 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.

☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC

☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC

☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ 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 Boxes 14 through 18, if applicable) - 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: _____ or Permit Number: _____

12. **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.

☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9

☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ 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 Boxes 14 through 18, if applicable) - 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: _____ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13. **Permanent Pits Permit Application 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.

☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC

☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Climatological Factors Assessment

☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Quality Control/Quality Assurance Construction and Installation Plan

☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC

☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan

☐ Emergency Response Plan

☐ Oil Field Waste Stream Characterization

☐ Monitoring and Inspection Plan

☐ Erosion Control Plan

☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14. **Proposed Closure:** 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☒ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System

☐ Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal

☐ Waste Removal (Closed-loop systems only)

☐ On-site Closure Method (Only for temporary pits and closed-loop systems)

☒ In-place Burial ☐ On-site Trench Burial

☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15. **Waste Excavation and Removal Closure Plan Checklist:** (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC

☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)

☐ 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

16.

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: _____

Disposal Facility Permit Number: _____

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

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No
☐ NA

Ground water is between 50 and 100 feet below the bottom of the buried waste

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No
☐ NA

Ground water is more than 100 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☒ Yes ☐ No
☐ NA

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☒ No

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☒ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☒ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☒ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☒ No

18.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
☐ Soil Cover Design - 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

19.

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): Rodney Bailey Title: Env. Advisor

Signature: Rodney Bailey Date: 4-7-10

e-mail address: bailey9@chevron.com Telephone: 432-687-7123

20.

OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: _____ **Approval Date:** _____

Title: _____ **OCD Permit Number:** _____

21.

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: _____

22.

Closure Method:

☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

23.

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

Instructions: Please identify 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

24.

Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☐ Plot Plan (for on-site closures and temporary pits)
☐ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☐ Disposal Facility Name and Permit Number
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique
☐ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

25.

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): Rodney Bailey Title: Env. Advisor

Signature: Rodney Bailey Date: 4-7-10

e-mail address: _____ Telephone: _____

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. OGRD Number 4323
4. Property Code 29984		3. API Number 30-025-38140
5. Property Name NEW MEXICO 'O' STATE NCT-1		6. Well No. 040

7. Surface Location

UL - Lot	Section	Township	Range	Lot Ldn	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 miles 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 Cl C, 4% gel, 0.1 pps PolyFlake, 1% CaCl₂, Tail-14.8 ppg, 415 sx Cl C, 0.1 pps PolyFlake, 2% CaCl₂. Intermediate-Lead-12.4 ppg, 130 sx Cl C, 35.65 Poz, 5% salt, 6% gel, 0.1 pps PolyFlake, 0.2% AntiFoamer, Tail-14.2 ppg, 2485 sx Cl C, 50:50 Poz, 5% salt, 2% gel, 0.1 pps PolyFlake, 0.4% fluid loss additive, 0.2% AntiFoamer Production-1st Stg-13.6 ppg, 1030sx, TXI Lightweight, 0.2% fluid loss Additive, 0.3% Dispersant, 0.2% AntiFoamer, 0.2% Retarder, 2nd Stage Lead-12.4 ppg, 230 sx Cl H 50:50 Poz, 5% salt, 6% gel, 0.1 pps PolyFlake, 0.2% fluid loss additive, 0.2% AntiFoamer, 2nd Stage Tail-14.2 ppg, 820 sx Cl 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	
Double Ram	10000	5000	

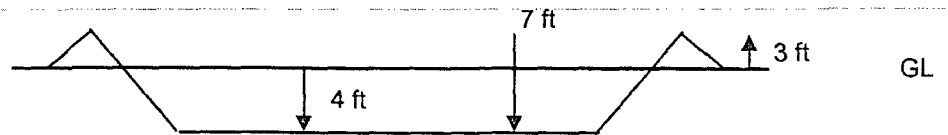
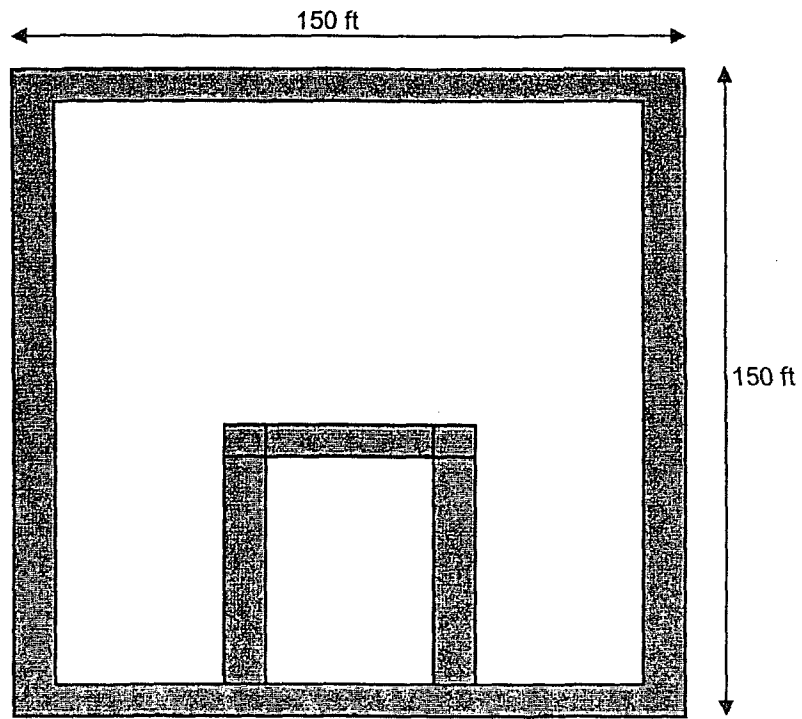
I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that the drilling pit will be constructed according to NMOCB guidelines ☒ a general permit ☐ or an (attached) alternative OCB-approved plan ☐.

OIL CONSERVATION DIVISION

Printed Name: Electronically filed by Denise Pinkerton	Approved By: Gary Wink
Title: Regulatory Specialist	Title: OCD Reviewer
Email Address: leakejd@chevron.com	Approved Date: 9/28/2006 Expiration Date: 9/28/2007
Date: 9/28/2006 Phone: 432-687-7375	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**Energy, Minerals and Natural Resources****Oil Conservation Division****1220 S. St Francis Dr.****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
J	36	17S	34E		1885	S	1978	E	LEA

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	Will requires SWD administrative order for Salt Water Disposal before you can dispose into this wellbore.

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Ave., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005

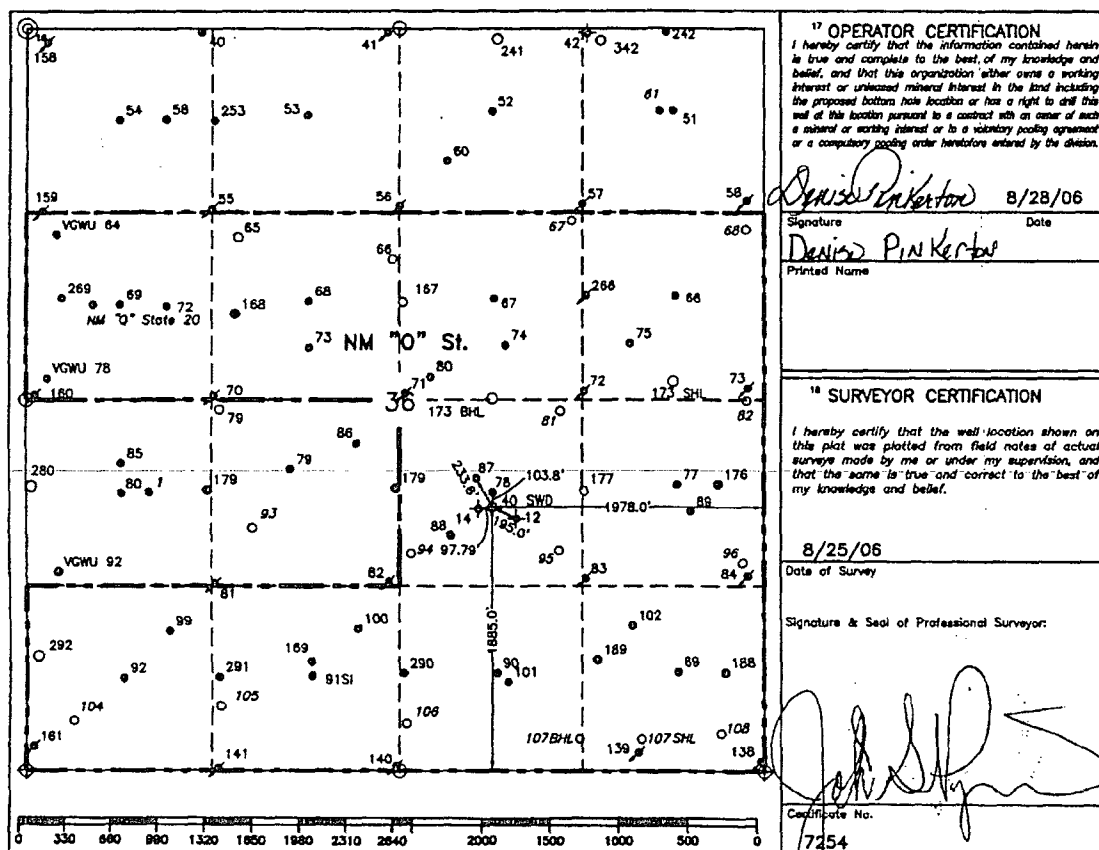
Submit to Appropriate District Office
State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

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 OGRID No. 4323		7 Operator Name CHEVRON		8 Well Number 40	
		9 Elevation 3394'			
10 Surface Location					
UL or lot no. J	Section 36	Township 17-S	Range 34-E	Lot kin 1885'	North/South line South
		Feet from the 1978'		East/West line East	
		County Lea			
11 Bottom Hole Location If Different From Surface					
UL or lot no.	Section	Township	Range	Lot kin	Feet from the
		North/South line		Feet from the	
		East/West line		County	
12 Dedicated Acres 10		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.



ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing 651907.44		Easting 793784.86	
Latitude 32°47'21.952"		Longitude 103°30'42.664"	
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.999982072	Buckeye.Crd
Drawing File		Field Book	
NMOST-40SWD.Dwg		Lea #23, Pg. 68	

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-104
Revised February 10, 1999
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

¹ Operator Name and Address CHEVRON USA INC 15 SMITH RD, MIDLAND, TX 79705		² OGRID Number 4323
		³ Reason for Filing Code SWD#1051 NW
⁴ API Number 30-025-38140	⁵ Pool Name SWD DEVONIAN	⁶ Pool Code 96101
⁷ Property Code 29984	⁸ Property Name NEW MEXICO 'O' STATE NCT-1	⁹ Well No. 40

II. ¹⁰ Surface Location

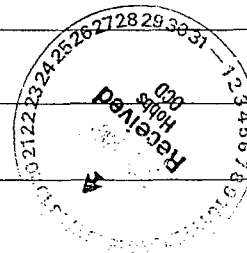
Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
J	36	17-S	34-E		1885'	SOUTH	1978'	EAST	LEA

¹¹ Bottom Hole Location

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
¹² Lse Code S	¹³ Producing Method Code I	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
	Non-well POD #	2836949		



IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description

V. Well Completion Data

²⁵ Spud Date 1/17/2007	²⁶ Ready Date 4/12/2007	²⁷ Total Depth 13,300'	²⁸ PBD 13,300'	²⁹ Perforations 12,135-13,300' OH
³⁰ HOLE SIZE	³¹ CASING & TUBING SIZE	³² DEPTH SET	³³ SACKS CEMENT	
17 1/2"	13 3/8"	1495'	1505 SX	
12 1/4"	9 5/8"	5840'	2815 SX	
8 5/8"	7"	12,135'	1260 SX	

VI. Well Test Data

³⁴ Date New Oil	³⁵ Gas Delivery Date	³⁶ Date of Test 5-16-07	³⁷ Length of Test	³⁸ Tubing Pressure	³⁹ Casing Pressure
⁴⁰ Choke Size	⁴¹ Oil - Bbls.	⁴² Water - Bbls. 10 BPM	⁴³ Gas - MCF	⁴⁴ AOF	⁴⁵ Test Method I

⁴⁶ I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Denise Pinkerton
Printed Name Denise Pinkerton
Title Regulatory Specialist
Date 5/17/2007 Telephone 432-687-7375

OIL CONSERVATION DIVISION
Approved By: Chris Williams
Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER
Approval Date: JUN 12 2007

⁴⁷ If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO	30-025-38140
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lease No.	
7. Lease Name or Unit Agreement Name	NEW MEXICO 'O' STATE NCT-1
8. Well No.	40
9. Pool Name or Wildcat	SWD DEVONIAN
10. Elevation (Show whether DF, RKB, RT, GR, etc)	3394'

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERM
(FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well OIL WELL ☐ GAS WELL ☐ OTHER SWD

2. Name of Operator
CHEVRON USA INC

3. Address of Operator
15 SMITH RD, MIDLAND, TX 79705

4. Well Location
Unit Letter J : 1885' Feet From The SOUTH Line and 1978' Feet From The EAST Line
Section 36 Township 17-S Range 34-E NMPM LEA COUNTY

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPERATION ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER ☐ ADDITIONAL INFO ☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

10-30-07: MIRU.

10-31-07: INSTALL 4 1/2" LIFTING SUB. PULL 154,000# TO GET TBG SUB ABOVE TBG SLIPS. BRAKE OUT SUB & HANGER & INSTALL DOUBLE PIN SUB & NEW HANGER. REPLACE RING GASKET. NU-TREE & RISER. TEST TO 5000# GOOD. RIG DOWN. FINAL REPORT



I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE Denise Pinkerton TITLE Regulatory Specialist

DATE 11/9/2007

TYPE OR PRINT NAME Denise Pinkerton

Telephone No. 432-687-7375

(This space for State Use)

APPROVED Hayward Wink
CONDITIONS OF APPROVAL, IF ANY:

TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE

NOV 21 2007

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-38140
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lease	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG							
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER SWD				7. Lease Name or Unit Agreement Name NEW MEXICO 'O' STATE NCT-1			
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RES. <input type="checkbox"/> OTHER							
2. Name of Operator CHEVRON USA INC				8. Well No. 40			
3. Address of Operator 15 SMITH RD, MIDLAND, TX 79705				9. Pool Name or Wildcat SWD DEVONIAN			
4. Well Location Unit Letter J : 1885' Feet From The SOUTH Line and 1978' Feet From The EAST Line Section 36 Township 17-S Range 34-E NMPM LEA COUNTY							
10. Date Spudded 1/17/2007		11. Date T.D. Reached 3/21/2007		12. Date Compl. (Ready to Prod.) 4/12/2007		13. Elevations (DF & RKB, RT, GR, etc.) 3394'	
15. Total Depth 13,300'		16. Plug Back T.D. 13,300'		17. If Mult. Compl. How Many Zones?		18. Intervals Drilled By	
19. Producing Interval(s), of this completion - Top, Bottom, Name 12,135-13,300 OPEN HOLE DEVONIAN						20. Was Directional Survey Made YES	
21. Type Electric and Other Logs Run GR/CNL, GR/ZDL, CCL, RAL, CBL						22. Was Well Cored NO	
23. CASING RECORD (Report all strings set in well)							
CASING SIZE		WEIGHT LB./FT.		DEPTH SET		HOPE SIZE	
13 3/8"		48#		1495'		17 1/2"	
9 5/8"		40#		5840'		12 1/4"	
7"		26#		12,135'		8 5/8"	
24. LINER RECORD							
SIZE		TOP		BOTTOM		SACKS CEMENT	
25. TUBING RECORD							
SIZE		DEPTH SET		PACKER SET			
2 7/8"		12,099'					
26. Perforation record (interval, size, and number) 12,135-13,300' OH				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.			
				DEPTH INTERVAL			
				AMOUNT AND KIND MATERIAL USED			
				12,135-13,300'			
				ACIDIZE W/25,830 GALS 15% FERCHER			
28. PRODUCTION							
Date First Production 5/16/2007		Production Method (Flowing, gas lift, pumping - size and type pump) SWD WELL				Well Status (Prod. or Shut-in) PROD-SWD	
Date of Test 5-16-07		Hours tested		Choke Size		Prod'n For Test Period	
Flow Tubing Press.		Casing Pressure		Calculated 24-Hour Rate		Oil - Bbl.	
						Gas - MCF	
						Water - Bbl.	
						Oil Gravity - API -(Corr.)	
29. Disposition of Gas (Sold, used for fuel, vented, etc.)						Test Witnessed By	
30. List Attachments SURVEY, NOTARIZED DEVIATIONS, SWD #1051							
31. I hereby certify that the information on both sides of this form is true and complete to the best of my knowledge and belief.							
SIGNATURE Denise Pinkerton				TITLE Regulatory Specialist		DATE 5/15/2007	
TYPE OR PRINT NAME Denise Pinkerton				Telephone No. 432-687-7375			

NIN '0' State NCT-1#40 INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true verticle depths shall be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy	T. Canyon
T. Salt	T. Strawn 10831
B. Salt	T. Atoka
T. Yates 2797	T. Miss
T. 7 Rivers	T. Devonian 12171
T. Queen	T. Silurian
T. Grayburg 4049	T. Montoya
T. San Andres 4333	T. Simpson
T. Glorieta 5855	T. McKee
T. Paddock 6136	T. Ellenburger
T. Blinbry	T. Gr. Wash
T. Tubb 7282	T. Delaware Sand
T. Drinkard 7469	T. Bone Springs
T. Abo 7920	T.
T. Wolfcamp 9153	T.
T. Penn	T.
T. Cisco (Bough C)	T.

Northwestern New Mexico

T. Ojo Alamo	T. Penn "B"
T. Kirtland-Fruitland	T. Penn "C"
T. Pictured Cliffs	T. Penn "D"
T. Cliff House	T. Leadville
T. Menefee	T. Madison
T. Point Lookout	T. Elbert
T. Mancos	T. McCracken
T. Gallup	T. Ignacio Otzte
T. Base Greenhorn	T. Granite
T. Dakota	T.
T. Morrison	T.
T. Todilto	T.
T. Entrada	T.
T. Wingate	T.
T. Chinle	T.
T. Permian	T.
T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from	to	No. 3, from	to
No. 2, from	to	No. 4, from	to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in the hole.

No. 1, from	to	feet
No. 2, from	to	feet
No. 3, from	to	feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0	1496		ANHYDRITE	11987	12171		DOLOMITE, LIMESTONE
1497	1624		SALT				
1625	2701		ANHYDRITE				
2702	2797		SANDSTONE, DOLOMITE				
2798	4049		DOLOMITE				
4050	4333		DOLOMITE				
4334	5855		DOLOMITE, SANDSTONE				
5856	6136		DOLOMITE, LIMESTONE				
6137	7282		DOLOMITE, SANDSTONE				
7283	7469		DOLOMITE				
7470	7920		DOLOMITE				
7921	9153		LIMESTONE, DOLO, SHALE				
9154	10831		LIMESTONE, SHALE				
10832	11392		LIMESTONE, SHALE				
11393	11986		SHALE				

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-38140
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lease No.	
7. Lease Name or Unit Agreement Name	NEW MEXICO 'O' STATE NCT-1
Well No.	40
Pool Name or Wildcat	SWD DEVONIAN
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3394'

SUNDY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMITS" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well:	OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER SWD <input type="checkbox"/>
2. Name of Operator	CHEVRON USA INC
3. Address of Operator	15 SMITH RD, MIDLAND, TX 79705
4. Well Location	Unit Letter <u>J</u> : 1885' Feet From The <u>SOUTH</u> Line and 1978' Feet From The <u>EAST</u> Line Section <u>36</u> Township <u>17-S</u> Range <u>34-E</u> NMPM <u>LEA</u> COUNTY
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3394'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPERATION ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☒ NEW DRILL

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1-17-07: SPUD 17 1/2" HOLE @ 1300 HRS. DRILL 40-186', 606, 1014, 1045, 1061, 1093, 1095, 1096, 1154, 1184, 1189, 1217, 1258, 1280, 1301, 1343, 1350, 1355, 1371, 1376, 1406, 1440, 1500'. 1-25-07: TD 17 1/2" HOLE. RUN 13 3/8" CSG: TPGS, 1 JT, FC & 33 JTS 13 3/8" 48# H-40 ST&C CSG. CSG-SET @ 1495'. WASH LAST-JT TO BTM. (20' FILL). CIRC. 1-26-07: CMT W/1505 SX W/4% D20, 1% S1M, 1 PPS D130, MIXED @ 13.5 PPG, TAIL W/415 SX CL C W/2% S1, 1 PPS D130, MIXED @ 14.8 PPG, DISPL W/218 BBLs. BUMP PLUG W/770#. FLOAT HOLDING. PLUG DOWN @ 1:50 AM. CIRC 1060 SX CMT TO SURFACE. WOC. 1-27-07: PU BIT, MOTOR, FLOAT SUB. TIH TO 1365. 1-28-07: DRILL 1430-1500, 1983, 2078, 2458, 2540, 2962, 2973, 3200, 3278, 3372, 3405, 3436, 3468, 3629, 3814, 4161, 4320, 4367, 4453, 4477. 2-02-07: WORK STUCK PIPE. SPOT 50 BBLs LEASE CRUDE. SPOT 12 BBLs 20% HCL. DISPL W/MUD TO BIT. SPOT 24 BBLs 20% HCL. 2-03-07: CIRC ACID OUT. 2-04-07: RAN FREE POINT. TOP OF 6" DC STUCK @ 3734'. DISPL W/BW. RAN FREE POINT. TOP 6" DC IS FREE. BACK OFF @ 3724'. 2-05-07: RIG REPAIRS. 2-06-07: TAG TOF @ 3699. WASH OVER FISH FR 3699-3796. TAG TOF @ 3699. SCREW INTO FISH. RUN FREE POINT. PIPE FREE TO TOP OF SHOCK SUB @ 4368. JAR ON FISH. JAR FISH UP HOLE 10' TO 3689. 2-07-07: WORK FISH UP HOLE FR 3689-3684. JAR ON FISH. FISH CAME FREE. TIH W/BIT. 2-08-07: LD 15 JTS DP TO 14894. TIH TO 4281. WASH & REAM 4281-4420. TAG @ 4390. NOTE ***TAG TD @ 4445. DEPTH CORRECTED TO 4445. 2-09-07: REAM 4420-4445. DRILL 4445-4534, 4590, 4660, 4828, 5007, 5086, 5133, 5228, 5276, 5386, 5391, 5475, 5531, 5555, 5582, 5637, 5743, 5848, 5850. 2-21-07: RUN 9 5/8" CSG, RAN FS, 2 JTS, FC 108 JTS, 9 5/8" 40# K-55 LT&C CSG & 33 JTS 40# K-55 LT&C CSG SET @ 5840. 2-22-07: PUMP 20 BFW, CMT W/130 SX 35:65 POZ CL C W/5% D44, 6% D20, 1 PPS D130, 2% D46, MIXED @ 12.4 PPG. TAIL W/2485 SX 50:50 POZ CL C W/5% D44, 2% D20, 1 PPS D130, 4% D167, 2% D46. MIXED @ 14.2 PPG. DISPL W/436 BFW. BUMP PLUG W/2150 PSI. FLOATS HOLD. PLUG DOWN @ 5:45. CIRC 980 SX CMT TO SURF. 2-23-07: TIH W/BHA TO 5750. TAG CMT @ 5750. DO CMT 5750-5850, 5984, 6332, 6554, 6775, 6807, 7281, 7480, 7755, 7967, 8192, 8479, 8734, 8824, 8981, 9204, 9333, 9481, 9669, 9970, 9983, 10485, 10548, 10766, 10861, 10893, 10941, 10986, 11018, 11081, 11143, 11175, 11247, 11268, 11331, 11362, 11407, 11448. 3-10-07: LOG 9 5/8" CSG FR 5800 TO SURF. TIH TO 10,400. RUN GYRO HORIZONTAL DISPLACEMENT @ 10321. DRILL 11,448-11,542, 11611, 11770, 11900, 11956, 12019, 12044, 12130, 12135. 3-15-07: RUN 7" 26# HCL80 LTC CSG. 3-16-07: RAN 276 JTS 7" CSG SET @ 12135'. FC @ 12042. DV TOOL @ 7939. CMT W/1030 SX TXI LIGHTWEIGHT, 13.6 PPG, BUMP PLUG & OPEN DV TOOL. CIRC ABOVE DV TOOL. DID NOT CIRC CMT TO SURF. CIRC FW SPACER AHEAD OF CMT. 2ND STG: CMT W/230 SX 50/50 POZ H 14.2 PPG, BUM PLUG. CIRC 135 SX CMT TO SURF. 3-17-07: CHANGE OUT KELLY. 3-18-07: TAG CMT @ 7911. DRILL DV TOOL 7939

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Denise Pinkerton TITLE Regulatory Specialist DATE 5/11/2007
TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use)

APPROVED Chris Williams DISTRICT SUPERVISOR/GENERAL MANAGER
CONDITIONS OF APPROVAL, IF ANY:

DATE

JUN 12 2007

NM O STATE NCT-1#40

3-18-07: TAG CMT @ 11928. DRILL CMT & FLOAT EQPT TO 12135. DRILL 12135-12234, 12361, 12488, 12614, 12741, 12894, 12964, 13300.

3-22-07: TIH W/LOGGING TOOLS. TAG @ 13300. RUN GR/CNL FR TD TO SURFACE. RUN GR/ZDL FR TD TO 12135.

3-23-07: PU RBP & TIH TO 2010. SET RBP @ 2010.

3-24-07: MAKE FINAL CUT ON 7" CSG. CLEAN PITS.

3-25-07: RIG DOWN.

3-26-07: RELEASE RIG @ 1700 HRS. FINAL REPORT WAIT ON COMPLETION RIG.

4-05-07: MIRU. PU RETR HEAD. TIH W/WS. LATCH RBP @ 2010. REL RBP. TIH W/BIT.

4-06-07: TIH W/2 7/8" TBG. TAG @ 13,248.

4-09-07: C/O TO 13305. EOT @ 11950.

4-10-07: TIH W/TBG. EOT @ 13,300. SPOT 1500 GALS FLOCHEK 15% ACID. TIH W/48 JTS TBG.

4-11-07: SET PKR @ 12,005. SPOT 2000 GALS 15% ACID.

4-12-07: ACIDIZE W/12400# SALT, 25830 GALS 15% FERCHEK ACID. RU REV UNIT.REL PKR. TIH W/BIT & 108 JTS TBG. BIT @ 3396.

4-13-07: TIH W/BIT TO 10,200'.

4-16-07: TIH W/TBG & TAG @ 13,301'.

4-17-07: TIH W/CCL. SET RET PLUG @ 8500.

4-18-07: RUN RAL, CBL LOG. TIH W/264 JTS TBG & RETR HEAD TO 8232.

4-19-07: SHUT IN TO EVALUATE INTERMEDIATE CSG.

4-27-07: TIH W/9 JTS 2 7/8" TBG TO 8744. LATCH ONTO RBP. REL. WELL ON VAC.

5-01-07: PU PKR, 10 JTS TBG. TIH W/34 JTS TBG. LD 3 JTS.

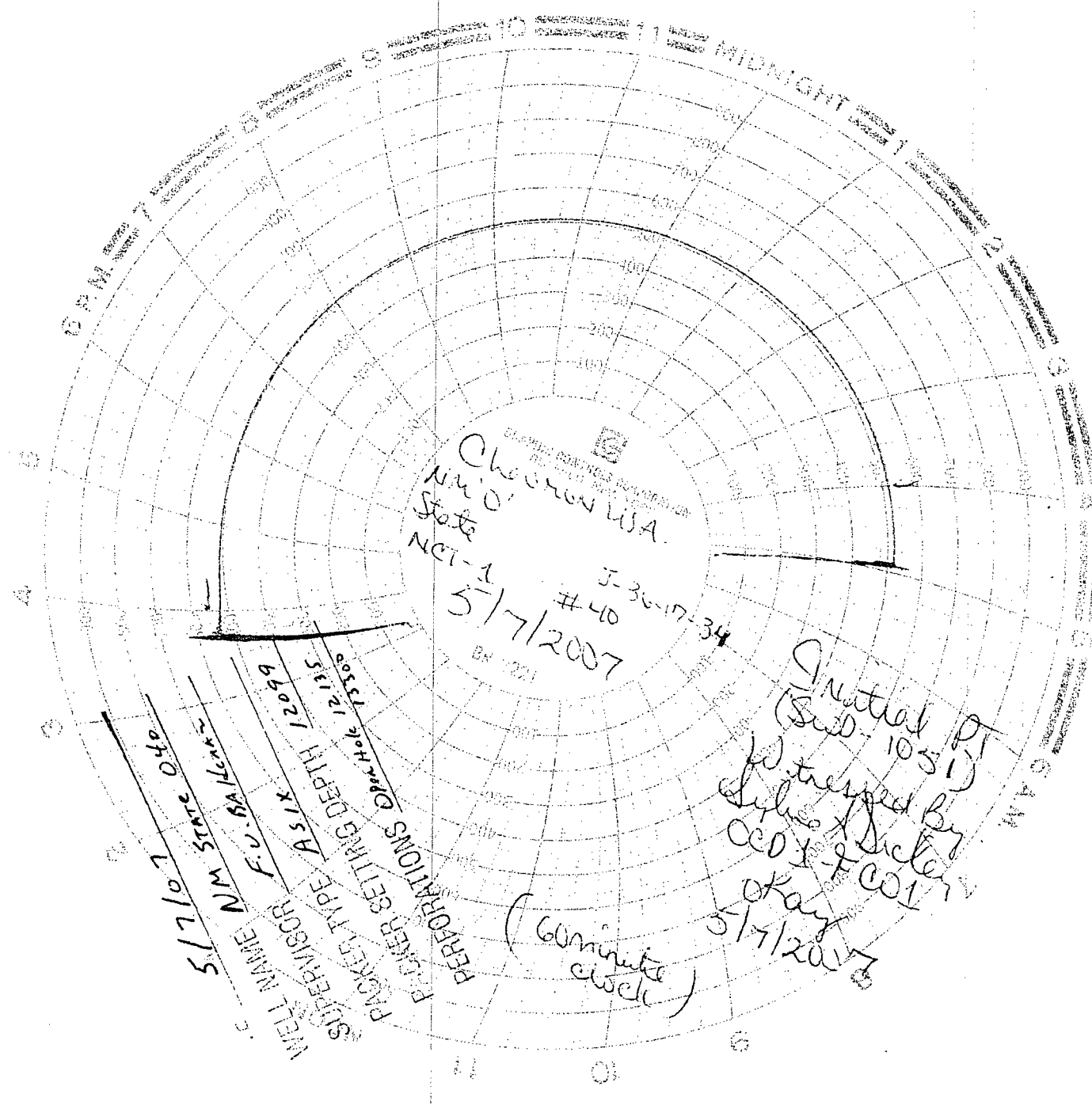
5-02-07: TIH W/128 JTS TBG (162 JTS IN HOLE 5122').

5-03-07: TIH W/380 JTS TBG. DRAGGING @ 12055. PULL UP 1 STAND.

5-04-07: TIH W/CCL, GR, PKR @ 12056. PU 1 JT TBG, PKR @ 12099. PUMP 225 BBLS PKR FLUID. SET PKR.

**5-07-07: LOAD & TEST ANNULUS 505#. GAIN 15# IN 30 MINS.
WITNESSED BY SYLVIA DICKEY. RIG DOWN. FINAL REPORT.
WAIT ON COMPLETION TEST.**

*****THE ONLY TEST DATA WAS DURING THE STIMULATION &
FLUSH. PMPD 10 BPM DN 2 7/8" TBG W/100# TP.**



Chevron USA
State
NCT-1
5/7/2007
J-36-17-34
#40
BN 121

Initial P
(Swab 1051)
checked by
COY & COY
OKay
5/7/2007

(60 minute
clock)

PERFORATIONS
PACKER GETTING DEPTH
PACKER TYPE
SLIPPERIOR
WELL NAME
5/7/2007
L 040
NM 3000
F.V. 6A/1000