

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Drawer DD (reverse side) NM 88210

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER [ ] SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: CHEVRON U.S.A. INC. 4323

3. ADDRESS AND TELEPHONE NO.: P.O. BOX 1150, MIDLAND, TX 79702 ATTN: RORY MATTHEWS (915) 687-7812

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.): At surface 660' FNL & 1980' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 15 MILES SOUTH OF CARLSBAD, NEW MEXICO

15. DISTANCE FROM PROPOSED\*: LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 1980'

16. NO. OF ACRES IN LEASE: 1280

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH: 8,700'

20. ROTARY OR CABLE TOOLS: ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): GLE: 3282'

22. APPROX. DATE WORK WILL START\*: 08/10/95

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	WC-50, 8 5/8", ST&C	23 #	SURFACE TO 250'	CIRCULATED TO SURFACE
7 7/8"	K-55, 5 1/2", LT&C	15.5 # & 17.0 #	SURFACE TO 8700'	CIRCULATED TO SURFACE

CHEVRON USA PROPOSES TO DRILL TO APPROXIMATELY 8700' TO TEST THE WOLFCAMP FOR COMMERCIAL QUANTITIES OF OIL. IF WELL IS DEEMED TO NON-COMMERCIAL, THE WELLBORE WILL BE PLUGGED AND ABANDONED AS PER FEDERAL REGULATIONS. PROGRAMS TO ADHERE TO ONSHORE OIL AND GAS REGULATIONS ARE OUTLINED IN THE FOLLOWING EXHIBITS AND ATTACHMENTS.

DRILLING PROGRAM:

SURFACE USE AND OPERATING PLAN

- EXHIBIT 1 & 1A BLOWOUT PREVENTION EQUIPMENT EXHIBIT 5 ROTARY RIG LAYOUT
- EXHIBIT 2 LOCATION AND ELEVATION PLAT
- EXHIBIT 3 PLANNED ACCESS ROADS
- EXHIBIT 4 WELLS WITHIN ONE MILE RADIUS

Application Expired 8-15-96

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new production zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24 SIGNED TITLE DRILLING TECHNICAL ASSISTANT DATE 7/5/95

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY TITLE

\*See Instructions On Reverse Side

Title 13 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DATE APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Application Expires 8-12-96