District 1 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			8240) 393-0720 0 748-9720 4 87410 334-6170 NM 87505 +476-3462	HOBBS OCE SEP 0.3 201 RECEIVER) Ener 3	State of New Mexico Energy Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505				Form C-101 Revised July 18, 2013						
APP	LICA	TIO	N FOR	PERMIT T ' Operator Name a	O DRII	LL, RE-EN	TER	, DEI	E PEN,	PL	UGBAC	² OGRID	ADD Number	A ZONE		
				CHEVRON U.S.A. INC. 15 SMITH ROAD MIDLAND, TEXAS 79705								API Number 30-025-33301				
* PropertysCosts					Property Name						^{o.} Well No.					
	New MEXICO								"L" STATE 18							
		ation	Tourship	Panga	Latkin	^{7.} Surface Lo		NI/S	Lina		Faat From	EAVI	na	County		
A	1	cuon	18S	34E	Lot Iun	810		NORTH		650		EAST		LEA		
UL-10	Sec	ction	Townshin	Range	• Proj	Feet fro	m Hole	Locat	visition		Feet From	E/W Line		County		
01.10		cuon	rownship	Kunge	Lorian			110						County		
L	!	I		I	 !	^{9.} Pool Inform	mation		I							
			VACUUM	1: DRINKARD		Pool Name								Pool Code 62110		
					Addi	tional Well I	nform	ation								
REC	RECOMPLETE			^{12.} Well Type ^{13.} Cable/R OIL			otary ^{14.} Lease STAT			е Туре АТЕ	^{15.} Ground Level Elevation					
1	^{16.} Multiple			^{17.} Proposed Depth ^{18.} Forma			ion ^{19.} C		^{19.} Cor	Contractor		^{20.} Spud Date				
Depth to (Depth to Ground water			Distance from nearest fresh water			well	/ell Distanc			Distance	e to nearest surface water				
We wi	ll be usi	ng a c	losed-loop	system in lieu of	lined pits						<u>.</u>					
				21.	Proposed	l Casing and	Ceme	nt Prog	gram							
Туре	Type Hole Size		Size	Casing Size	Casing	Casing Weight/ft		Setting Depth		Sacks of Co		Cement		Estimated TOC		
				<u></u>	NO C	CHANGE										
													<u> </u>			
	1 0	10		Casin	g/Cement	t Program: A	Additio	onal Co	≤ -4	s	<i>n.</i>					
	O	<u>EAU</u>	212	ung s	soug	ht M	vugi		ant	p.	JL					
				U 22.	Proposed	Blowout Pr	eventio	on Pro	gram			r				
	Туре			Working Pressure			_	Test Pressur			re		Manufacturer			
^{23.} I hereb	y certify	that the	e informatio	on given above is t	rue and com	plete to the										
best of m I further	best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC and/or															
19.15.14. Signature	Signature: Signature: Din Histon							Marte								
Printed na	Printed name: DENISE PINKERTON								Title: Petroleum Engineer							
Title: RE	Title: REGULATORY SPECIALIST							Approved Date: 09/19/13 Expiration Date: 09/19/15								
E-mail A	ldress: <u>le</u>	eakejd	@chevron.c	om										11.11/2		
Date: 08	29/2013			Phone: 432-6	87-7375		Oil Conservation Division									

SEP	19	201 3
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Conditions of approval: Approval for drilling/workover ONLY -- CANNOT produce Downhole Commingled until DHC is approved in the OCD Santa Fe office.

Well:New Mexico "L" State No. 18Field:Vacuum (Wolfcamp)API No.:30-025-33301Lea County, New Mexico

Description of work: Add Drinkard pay and DHC with Wolfcamp

Pre-Work:

- 1. Check Wellhead connections for pressure ratings and condition. Change out if necessary.
- 2. Utilize the rig move check list.
- 3. Check anchors and verify that pull test has been completed in the last 24 months.
- 4. Ensure location of & distance to power lines is in accordance with MCA SWP. Complete and electrical variance and electrical variance RUMS if necessary.
- 5. Ensure that location is of adequate build and construction.
- 6. Ensure that elevators and other lifting equipment are inspected. Caliper all lifting equipment at the beginning of each day or when sizes change.
- 7. When NU anything over an open wellhead (EPA, etc.) ensure the hole is covered to avoid dropping anything downhole
- 8. For wells to be worked on or drilled in an H2S field/area, include the anticipated maximum amount of H2S that an individual could be exposed to along with the ROE calculations for 100 ppm and 500 ppm (attached).
- 9. If the possibility of trapped pressure exists, check for possible obstruction by:
 - Pumping through the fish/tubular this is not guaranteed with an old fish as the possibility of a hole above the obstruction could yield inconclusive results
 - Dummy run make a dummy run through the fish/tubular with sandline, slickline, eline or rods to verify no obstruction. Prior to making any dummy run contact RE and discuss.

If unable to verify that there is no obstruction above the connection to be broken, or if there is an obstruction:

• Hot Tap at the connection to check for pressure and bleed off

Observe and watch for signs / indicators of pressure as connection is being broken. Use mud bucket (with seals removed) and clear all non-essential personnel from the floor.

Procedure:

- 1. Rig up pulling unit. Check wellhead pressure, and kill well as necessary.
- 2. Pull rods and pump. Inspect rods for signs of wear, corrosion, scale, etc. Note any rod damage in WellView. Lay down all rods and pump.
- 3. ND wellhead. NU 5,000 psi BOP with 2-7/8" pipe rams and over blinds. Unset TAC @ 9235'. RIH with 1 joint of 2-7/8"tubing and 5-1/2" packer. Set packer. Test BOP to 250 psi low / 500 psi high.
- 4. POOH with packer & continue to TOH with 2-7/8" L-80 production tubing while scanning. Lay down bad joints (yellow joints OK to rerun).

- 5. TIH w/ RBP on 2-7/8" workstring and set at 8,000'. Test RBP to 500 psi. Spot 10% acetic acid from 7,900' to 7,600'. TOH.
- 6. Set up an exclusion zone around the wireline perforating operation. All phones, radios, etc. need to be turned off.
- Rig up wireline truck. Rig up full lubricator, test lubricator to 500 psi on catwalk. Get on depth with SLB GR-CBL-CCL log dated 2/14/01. Perforate the Drinkard as follows using 4" casing guns at 2 JSPF and 120 degree phasing (46' net, 92 holes): 7860'-62', 7826'-30', 7800'-10', 7776'-78', 7758'-64', 7728'-32', 7708,-20', 7698'-7702', 7622'-80', and 7614'-18'.
- 8. TIH w/ 5-1/2" packer on 2-7/8" workstring and set 7550'. Hydrotest tubing to 6,000 psi. Load backside to 500 psi.
- 9. Acidize perfs 7614'- 7862' w/ 20,000 gallons 20% NEFE HCl. Pump 138 (50% excess) 1.3 7/8 RCN ball sealers for diversion. Drop balls in groups of 15. Displace with 2% KCl water. Shut in one hour and flow back load. Pump acid at 5-6 BPM. Max pressure = 5,500 psi.
- 10. Release packer and TOH laying down workstring.
- 11. RIH w/ 2-7/8" production tubing and land SN @ 7900'.
- 12. ND BOP.
- 13. RIH w/ pump and rods.
- 14. NU wellhead and rig down pulling unit.
- 15. Place well on production and test.
- 16. Submit downhole commingling paperwork to the OCD.
- 17. Obtain downhole commingling approval.
- 18. Rig up pulling unit. Check wellhead pressure, and kill well as necessary.
- 19. Pull rods and pump. Inspect rods for signs of wear, corrosion, scale, etc. Note any rod damage in WellView.
- 20. ND wellhead. NU 5,000 psi BOP with 2-7/8" pipe rams and over blinds. Unset TAC. RIH with 1 joint of 2-7/8"tubing and 5-1/2" packer. Set packer. Test BOP to 250 psi low / 500 psi high.
- 21. POOH with packer & continue to TOH with 2-7/8" L-80 production tubing.
- 22. TIH w/ retrieving tool on 2-7/8" production tubing and release RBP set at 8000'.
- 23. TIH w/ production tubing and set SN @ 10,300'.
- 24. ND BOP. NU wellhead.
- 25. RIH w/ pump and rods.
- 26. Rig down pulling unit.
- 27. Place well on production and test.

New Mexico "L" State No. 18









320-250-120 4.5 SPM LAST FAIWRE 9-26-08 ROD FUMP