

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 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 187296

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 77002		2. OGRID Number 4323
4. Property Code 40288		3. API Number 30-025-41907
5. Property Name RED HILLS 2 25 33		6. Well No. 003H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	2	25S	33E		215	S	2260	E	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	2	25S	33E	B	280	N	2260	E	Lea

9. Pool Information

RED HILLS;UPPER BONE SPRING SHALE	97900
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3427
16. Multiple N	17. Proposed Depth 14076	18. Formation Bone Spring	19. Contractor	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	1225	1020	0
Int1	12.25	9.625	40	5050	1520	0
Prod	8.75	5.5	20	14076	2910	4550

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: _____ Printed Name: Electronically filed by Denise Pinkerton Title: Regulatory Specialist Email Address: leakejd@chevron.com Date: 6/10/2014	<div style="text-align: center;">OIL CONSERVATION DIVISION</div> Approved By: Paul Kautz Title: Geologist Approved Date: 6/11/2014 Expiration Date: 6/11/2016 Conditions of Approval Attached
Phone: 432-687-7375	

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Form C-102
August 1, 2011
Permit 187296

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41907	2. Pool Code 97900	3. Pool Name RED HILLS;UPPER BONE SPRING SHALE
4. Property Code 40288	5. Property Name RED HILLS 2 25 33	6. Well No. 003H
7. OGRID No. 4323	8. Operator Name CHEVRON U S A INC	9. Elevation 3427

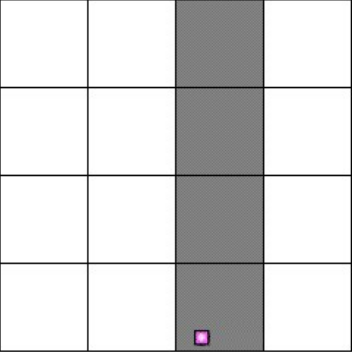
10. Surface Location

UL - Lot O	Section 2	Township 25S	Range 33E	Lot Idn	Feet From 215	N/S Line S	Feet From 2260	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot B	Section 2	Township 25S	Range 33E	Lot Idn 2	Feet From 280	N/S Line N	Feet From 2260	E/W Line E	County Lea
12. Dedicated Acres 159.86	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

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><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></p> <p>E-Signed By: Denise Pinkerton Title: Regulatory Specialist Date: 6/10/2014</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><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></p> <p>Surveyed By: WILLIAM J DANIEL Date of Survey: 6/10/2014 Certificate Number: 15078</p>
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Form APD Comments

Permit 187296

PERMIT COMMENTS

Operator Name and Address: CHEVRON U S A INC [4323] Attn: Sandy Stedman-Daniel Houston, TX 77002		API Number: 30-025-41907
		Well: RED HILLS 2 25 33 #003H
Created By	Comment	Comment Date
DPINKERTON	Plats and additional documents will be scanned and e-mailed to Paul Kautz today (06/10/2014)	6/10/2014

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Form APD Conditions

Permit 187296

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Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: CHEVRON U S A INC [4323] Attn: Sandy Stedman-Daniel Houston, TX 77002	API Number: 30-025-41907
	Well: RED HILLS 2 25 33 #003H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --