

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) 848-9720  
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

Form C-101  
Revised August 1, 2011

**HOBBS OCD** Energy Minerals and Natural Resources

FEB 17 2012

RECEIVED

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Permit

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

<sup>1</sup> Operator Name and Address CHEVRON USA INC 15 SMITH ROAD MIDLAND TEXAS 79705		<sup>2</sup> OGRID Number 4323
		<sup>3</sup> API Number 30-025-03109
<sup>4</sup> Property Code 29953	<sup>5</sup> Property Name HOBBS "N" State	<sup>6</sup> Well No 2 ✓

<sup>7</sup> Surface Location									
UL - Lot C	Section 8	Township 18-S	Range 35-E	Lot Idn	Feet from 330	N/S Line NORTH	Feet From 1650	E/W Line WEST	County LEA ✓

<sup>8</sup> Pool Information	
VACUUM; BLINEBRY 61850	61850

Additional Well Information				
<sup>9</sup> Work Type RE-ENTRY	<sup>10</sup> Well Type O	<sup>11</sup> Cable/Rotary	<sup>12</sup> Lease Type S ✓	<sup>13</sup> Ground Level Elevation 3953' GL
<sup>14</sup> Multiple NO	<sup>15</sup> Proposed Depth 8970'	<sup>16</sup> Formation BLINEBRY	<sup>17</sup> Contractor	<sup>18</sup> Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

<sup>19</sup> Proposed Casing and Cement Program						
Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
			NO CHANGE			

Casing/Cement Program: Additional Comments	
SEE ATTACHED INTENDED PROCEDURE, C-102, C-144CLEZ, WELLBORE DIAGRAM	

Proposed Blowout Prevention Program			
Type	Working Pressure	Test Pressure	Manufacturer

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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/>		OIL CONSERVATION DIVISION	
Printed name: DENISE PINKERTON		Approved By:	
Title: REGULATORY SPECIALIST		Title: PETROLEUM ENGINEER	
E-mail Address: lcaekjd@chevron.com		Approved Date: FEB 23 2012	
Date: 02-16-2012		Expiration Date:	
Phone: 432-687-7375		Conditions of Approval Attached	

Permit Expires 2 Years From Approval Date Unless Drilling Underway  
Re-Entry

FEB 23 2012

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State of New Mexico

Energy, Minerals & Natural Resources Department  
**HOBBS OGD 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

FEB 17 2012

☒ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-03109	<sup>2</sup> Pool Code 61850	<sup>3</sup> Pool Name VACUUM; BLINEBRY
<sup>4</sup> Property Code 29953	<sup>5</sup> Property Name HOBBS "N" State	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name CHEVRON U.S.A. INC.	<sup>9</sup> Elevation

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	8	18-S	35-E		330	NORTH	1650	WEST	LEA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>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</p> <p><i>Denise Pinkerton</i> 02-16-2012 Signature Date</p> <p>DENISE PINKERTON REGULATORY SPECIALIST Printed Name</p> <p>Jeakejd@chevron.com E-mail Address</p>
	<p><sup>18</sup> 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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>

Hobbs "N" No. 2  
Vacuum (Blinebry) Field  
API No. 30-025-03109  
Lea County, NM

### Workover Procedure

#### Well History:

Records indicate that TD and casing was set at 8970'. According to the NMOCD records, the 5-1/2" production casing is 17#/ft.

#### RIGLESS

1. Thoroughly review the detailed P&A well bore diagram.
2. Call 1-800-DIG-TESS 48 hours before work begins. Fill out all excavation and hot work permits prior to starting work. Set mast anchors.
3. Dig out well at the surface until competent casing is found & set appropriate size shoring can. If depth of dig is greater than or equal to 15', D&C drilling superintendant approval is required.
4. Install 8-5/8" X 13-3/8" outlet and plate & plumb 2" riser to surface.
5. Weld stub on 5-1/2" casing to bring up to surface.
6. Weld stub on 8-5/8" casing to bring up to surface.
7. Weld on 8-5/8" starting head.
8. Install 5-1/2" X 8-5/8" packoff and tubing head.
9. Dig out and remove shoring, back fill and compact for around well.

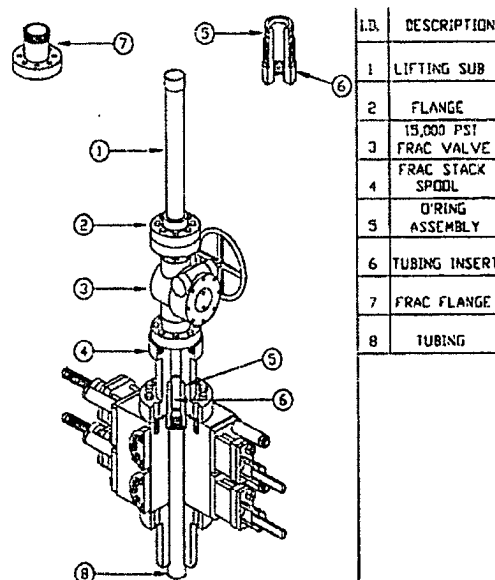
#### WITH RIG

10. Rig up pulling unit with rig mat and mat to stand back tubing. Rig up other auxiliary equipment.
11. ND WH
12. NU BOP 5M hydraulic BOP w/ 3M hydraulic annular. Test pipe rams to 250/500 psi for 5 minutes & test blind rams to 250/500 psi for 5 minutes against cement in casing.
13. Caliper elevators. Check elevators every day for size and wear.
14. Pick up 4-3/4" bear claw bit, bit sub. Pick up 3-1/2" drill collars (12 collars total to be run) on 2-7/8" L-80 workstring.
15. Drill out cement plugs as follows:
  - a. From surface to 348'. Test casing to 500 psi.
  - b. Drill out cement plug from 1587' to 1690'. Test casing to 500 psi.
  - c. Drill out cement plug from 2735' to 3811'. Test casing to 500 psi.
  - d. Drill out cement plug from 4618' to 4865'. Test casing to 500 psi.

Circulate hole clean after drilling each plug. Be prepared to encounter trapped pressure under cement plugs. If casing leaks after drilling out plugs, contact remedial engineer for further instructions.

Hobbs "N" No. 2  
 Vacuum (Blinbry) Field  
 API No. 30-025-03109  
 Lea County, NM

16. Con't TIH w/ drill out assembly & tag cement plug at 6464'.
17. Caliper elevators. Circulate hole clean w/ FW for logging purposes. Con't TOH LD drill out assembly and workstring.
18. Change rams from 2-7/8" to 3-1/2". Test BOP to 250/500 psi.
19. Rig up wireline truck & lubricator. Run gauge ring to 6464'. Set CIBP @ 6464'. Cap with 25' class H neat cement using dump bailer.
20. Get on depth with SLB Gr-Sonic log dated 2/21/62. Pull Spectral GR-CNL log from 6439' to 4400'.
21. Pull radial cement evaluation log from 6439' to 4400'. Pull log with 0 psi and 500 psi on casing. Send logs to Paul Brown and remedial engineer for review.
22. Rig up full lubricator. Perforate the 5-1/2" casing across the pay interval w/ 4" guns, .42" entry hole diameter, 47" penetration as per the technical team's recommendation. Rig down wireline truck.
23. Caliper elevators. TIH w/ 5-1/2" treating packer on 3-1/2" L-80 workstring and set at 100' above top perf. Hydrotest tubing to 8,000 psi below the slips.
24. Acidize Blinbry perms w/ 3,500 gallons 15% NEFE HCl. Pump acid at 8-10 BPM. Drop 50% excess 7/8" 1.18 SG bio balls. Shut in for one hour and bleed off pressure. Release packer and run through perms to knock balls off seat. Pull packer back to 100' above top perf and reset. Load and test backside to 500 psi. (Anticipated pressure = 3,000 psi; Maximum pressure = 7,800 psi)
25. NU 10K frac valve & tie into 3-1/2" work string as per below (Guardian equipment):



26. Rig down pulling unit and move off.

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FRAC

27. Set frac tanks and fill with fresh water. Use Schlumberger frac design to determine FW requirement.
28. Frac Blinebry perms per Schlumberger's procedure.
29. Rig down frac crew and equipment. Commence flowing back load as soon as possible.

POST FRAC

30. Rig up pulling unit & kill well as necessary.
31. ND frac valve assembly.
32. Caliper elevators. Release frac packer and TOH laying down 3-1/2" workstring.
33. Change rams from 3-1/2" to 2-7/8". Test BOP to 250/500 psi.
34. Caliper elevators. TIH w/ 4-3/4" bit on 2-7/8" L-80 workstring. Clean out to TOC on CIBP. Tag plug per NMOCDD plugging requirement. Note tag depth in WellView.
35. TOH & LD C/O assembly and workstring.
36. Caliper elevators. RIH w/ new 2-7/8" production tubing, pump and rods as per ALCR.
37. Hand over to production.

PTB 1/27/2012

Contact information:

Remedial Engineer – Larry Birkelbach 432-208-4772  
Production Engineer – Paul Brown 432-687-7351 / 432-238-8755  
Operations Supervisor – Nick Moschetti 432-631-0646  
ALCR – Danny Acosta 575-631-9033  
Schlumberger – Lori Ward 432-894-2121  
Petroplex Acidizing – Steve Pendleton 432-563-1299 / 432-556-4211  
Peak Packers – Sam Prieto 575-631-7704  
Drilling Superintendant – Heath Lynch – 281-685-6188

## Hobbs "N" State No. 2

Created: 12/12/11 By: CHAY  
 Updated: By:  
 Updated: By:  
 Lease: Hobbs 'N' State  
 Field: Vacuum  
 Surf. Loc.: 330' FNL & 1650' FWL  
 Bot. Loc.:  
 County: Lea St.: NM  
 Status: P&A'd 10/19/2004

Well #: 2 St. Lse:  
 API: 30-025-03109  
 Unit Ltr.: C Section: 8  
 TSHP/Rng: T18S, R35E  
 Unit Ltr.: Section:  
 TSHP/Rng:  
 Directions:  
 Chevno:

### Current Wellbore

#### Surface Casing

Size: 13 3/8"  
 Wt., Grd.: 35.6#  
 Depth: 314'  
 Sxs Cmt: 310  
 Circulate: yes  
 TOC: Surface  
 Hole Size: 17 1/2"

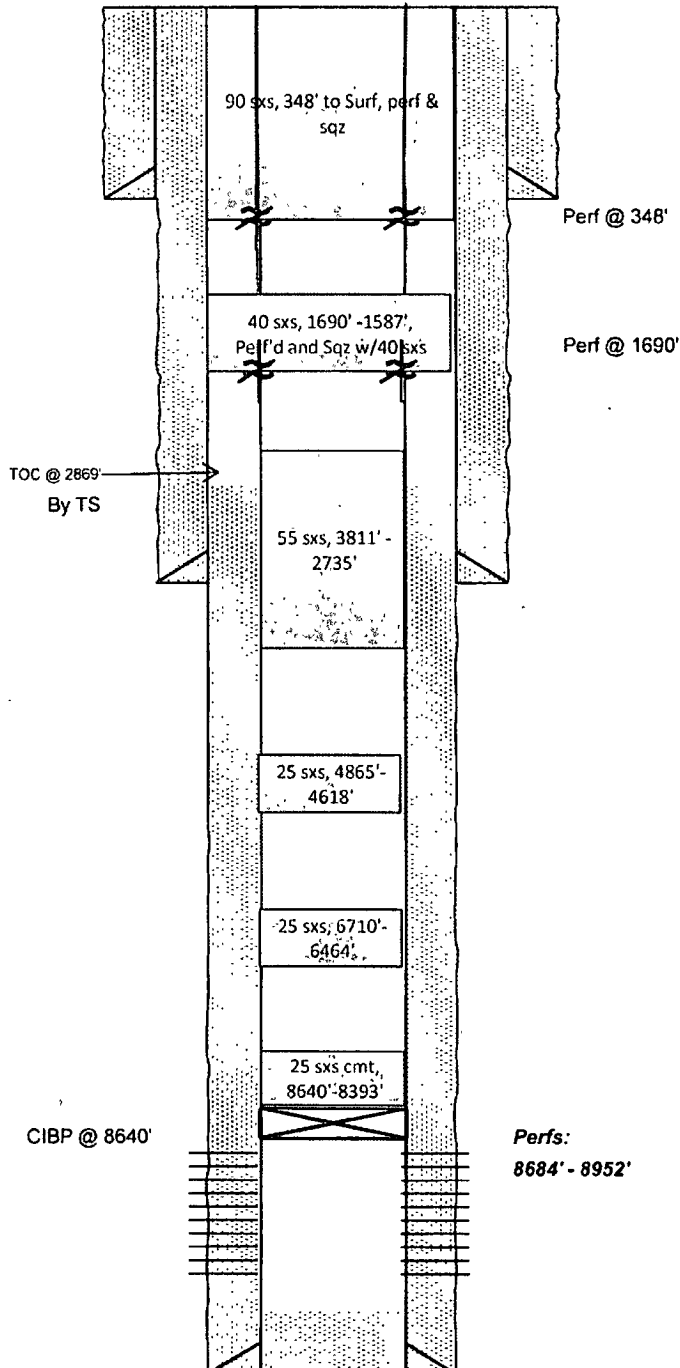
#### Intermediate Casing

Size: 8-5/8"  
 Wt., Grd.: 32#, J-55  
 Depth: 3275'  
 Sxs Cmt: 1100'  
 Circulate: yes  
 TOC: Surf-by Calc  
 Hole Size: 11"

Formation Tops	
T/Salt	1690'
B/Salt	2916'
T/Yates	3037'
T/7Rvs	3393'
T/Queen	4053'
T/Grayburg	4495'
T/Penrose	4246'
T/San Andres	4864'
T/Clearfork	7540'
T/Drk	8194'

#### Production Casing

Size: 5-1/2"  
 Wt., Grd.: 17#  
 Depth: 8969'  
 Sxs Cmt: 779  
 Circulate: No  
 TOC: 2869' TS  
 Hole Size: 7-7/8"



KB: 3969'  
 DF: 3967'  
 GL: 3953'  
 Ini. Spud: 01/21/62  
 Ini. Comp.: 02/25/62

PBTD: 8961'  
 TD: 8970'