

District I  
7625 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  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Revised August 1, 2011

Permit

HOBBS OCD

APR 02 2012

RECEIVED

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

Operator Name and Address CHEVRON U.S.A. INC 15 SMITH ROAD MIDLAND TEXAS 79705		OGRID Number 4323
Property Name NEW MEXICO 'O' STATE NCT-1 (WILL BE CHANGED TO CVU #277)		API Number 30-025-33148
Property Code 29984	Well No 38	

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
I	36	17S	34E		2085	S	710	E	LEA

Pool Information	VACUUM GRAYBURG SAN ANDRES	62180
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Additional Well Information				
Work Type RC & chng name	Well Type O	Cable/Rotary	Lease Type S	Ground Level Elevation
Multiple NO	Proposed Depth 11,500'	Formation SAN ANDRES	Contractor	Spud Date
Depth to Ground water	Distance from nearest fresh water well		Distance to nearest surface water	

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

Proposed Blowout Prevention Program			
Type	Working Pressure	Test Pressure	Manufacturer
		Permit Expires 2 Years From Approval Date Unless Drilling Underway	
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"/> . DENISE PINKERTON		OIL CONSERVATION DIVISION	
Printed name: DENISE PINKERTON		Approved By: [Signature]	
Title: REGULATORY SPECIALIST		Title: PETROLEUM ENGINEER	
E-mail Address: leakejd@chevron.com		APR 03 2012	
Date 03-29/2012	Phone: 432-687-7375	Conditions of Approval Attached	

APR 03 2012

CVU No. 277 (former New Mexico "O" State No. 38)  
API No. 30-025-33148  
Vacuum (Grayburg-San Andres) Field  
Lea County, NM

Workover Procedure

WORKOVER PROCEDURE

PREWORK:

1. Check anchors and verify that pull test has been completed in the last 24 months.
2. Ensure location of & distance to power lines is in accordance with MCA SWP. Complete and electrical variance and electrical variance RUMS if necessary.
3. Ensure that location is of adequate build and construction.
4. Ensure that elevators and other lifting equipment is inspected/calipered at the beginning of each work day.
5. Ensure that surrounding injection well(s) have been shut in according to the WAG/SI schedule created by Lee Ivanhoe (432) 687-7105.

WITH RIG:

1. MIRU pulling unit.
2. Check well for pressure and kill as necessary. Note that the well should be dead due to a CIBP set at 9115'. Open bradenhead valves, bleed pressure and monitor throughout the job.
3. Ensure well is dead & ND well head. NU 5K hydraulic BOP with blind rams on bottom, 2-3/8" pipe rams on top and stripper head.
4. Pick up 5-1/2" 17# packer and set at 30'. Test BOP to 250 psi low, 550 psi high for 5 minutes. LD test joint and packer.
5. Fill hole and test casing / blind rams against CIBP to 550 psi for 15 minutes. Notify remedial engineer if the casing fails the pressure test.
6. MIRU WL & lubricator & dump bail 35' class H neat cement on top of CIBP @ 9115'. POH with WL tools; RDMO WL.
7. PU BP & perf sub & TIH with 2-3/8" 4.7# L-80 EUE workstring. Tag top of cement @ +/- 9080'.
8. Spot balanced plug with abandonment fluid from top of CIBP to 5000' (95 bbls). *Note: minimum OCD requirement for abandonment fluid is 12.5 lbs salt water gel per barrel of fluid. Minimum MW is 9.5 ppg. No viscosity requirement.*

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Workover Procedure

*\*\*\*NOTE: all cement plugs need to be placed in a single day due to not reversing clean after setting each individual plug.*

9. Pull up hole to 8050 & spot a balanced plug using 25 sks class H neat cement across the DV tool. Calculated TOC is 7848' (No tag required per NMOCD as long as well is static with plug in place).
10. Pull up hole to 5925' and spot a balanced plug using 25 sks class H neat cement. Calculated TOC is 5723' (No tag required per NMOCD as long as well is static with plug in place).
11. Pull up to 5375' and spot a balanced plug using 25 sks class H neat cement across the intermediate casing shoe. Calculated TOC is 5173' (No tag required per NMOCD as long as well is static with plug in place).
12. Pull up hole to 5175' (top of last cement plug) & reverse clean.
13. TOH LD workstring, perf sub & BP.
14. Rig up wireline truck with lubricator Perforate the 5-1/2" casing from the bottom up with 4" 4935 Predator guns (38.5g charge, 0.47" AEHD, 49.3" ATP) at 2 JSPF as follows:  
  
4922'-27', 4913'-18', 4898'-4908', and 4866'-76'.
15. RIH with 5-1/2" 17# treating packer on 2-7/8" 6.5# J-55 NEW production tubing. Set the packer 100' above top perf. Hydrotest tubing to 6000 psi while TIH. Load the casing and test to 500 psi.
16. Rig up acid truck. Acidize perfs 4866'-4927' with 3,500 gallons 15% NEFE HCl. Divert acid using 50 1.2 s.g. 7/8" bio-ball sealers spread out evenly throughout the job. Pump acid at 8-10 bpm. Maximum pressure = 5800 psi. Displace acid with freshwater to bottom perf.
17. Shut-in one hour to allow acid to spend.
18. Open well up and flow back load.
19. Release packer. Drop down to knock off any ball sealers that did not unseat/degrade.
20. TOH stand back WS & LD packer.
21. Rig up cable spooler.
22. RIH with Centrilift P12 submersible pump on 2-7/8" production tubing. Set bottom of motor at 4,850'.
23. Ensure well is dead & ND BOP.

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Vacuum (Grayburg-San Andres) Field  
Lea County, NM

Workover Procedure

24. NU QCI wellhead.

25. Place well on production.

PTB 3/22/12

NCB 3/27/12

Contacts:

Larry Birkelbach – Remedial Engineer (office: 432-687-7650, cell: 432-208-4772)  
Paul Brown – Production Engineer (office: 432-687-7351, cell: 432-238-8755)  
Heath Lynch - Drilling Supt. (office: 432-687-7402, cell: 432-238-8667)  
Danny Acosta – ALCR (cell: 432-631-9033)  
Nick Moschetti – OS (cell: 432-631-0646)

## CVU 277 - Proposed

Created: 03/09/12	By: PTB	Well #: 277	St. Lse: 30-025-3314
Updated: _____	By: _____	API: _____	_____
Updated: _____	By: _____	Unit Ltr.: I	Section: 17S / 34E
Lease: Central Vacuum Unit		TSHR/Rng: _____	Section: _____
Field: Vacuum Grayburg San Andres		Unit Ltr.: _____	TSHR/Rng: _____
Surf. Loc.: 2085' FSL & 710' FEL		Directions: _____	Cheveno: BG3390
Bot. Loc.: _____			
County: Lea St.: NM			
Status: TA Producer (former NM "O" 38)			

### Surface Casing

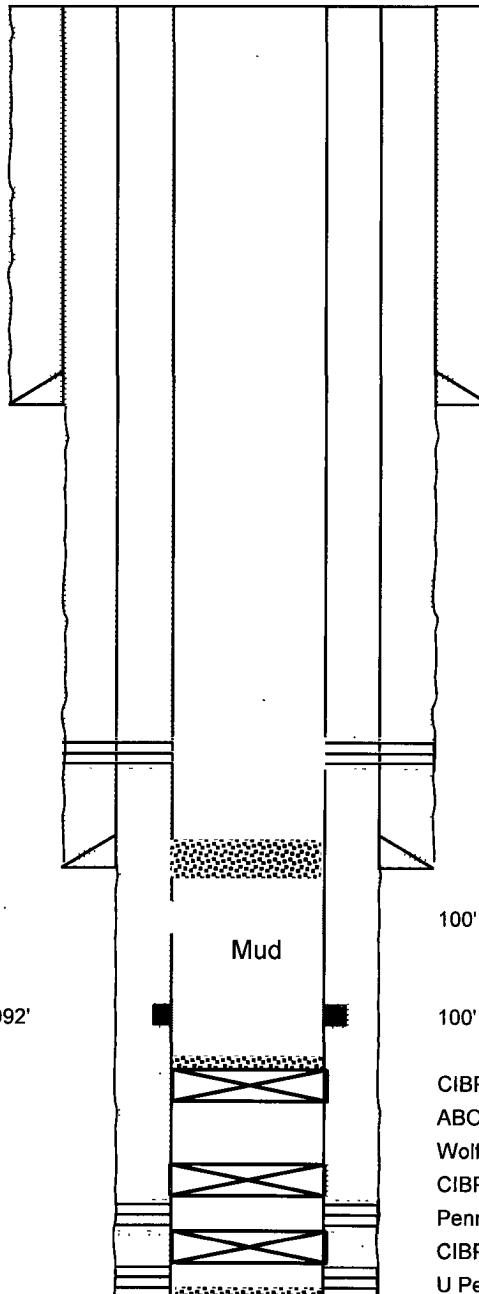
Size: 11-3/4"  
 Wt., Grd.: 42#  
 Depth: 1503'  
 Sxs Cmt: 800  
 Circulate: yes; 116 sx  
 TOC: Surface  
 Hole Size: 14-3/4"

### Intermediate Casing

Size: 8-5/8"  
 Wt., Grd.: 32#  
 Depth: 5300'  
 Sxs Cmt: 1700'  
 Circulate: yes; 236 sx  
 TOC: Surface  
 Hole Size: 11"

### Production Casing

Size: 5-1/2"  
 Wt., Grd.: 17#, L-80  
 Depth: 11500'



KB:  
 DF:  
 GL:  
 Ini. Spud:  
 Ini. Comp.:

San Andres Perfs: 4866' - 49

100' plug (20 sx) 5250'-5350'

100' plug (20 sx) 5800' - 5900'

100' plug (25 sx) 7942'-8042'

CIBP @ 9115' capped with 35' cmt

ABO Perfs: 9140' - 9248'

Wolfcamp Perfs: 9280' - 10,118'

CIBP @ 10,150'

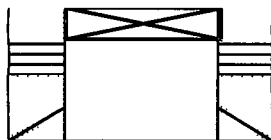
Penn Perfs: 10,168- 10,182

CIBP @ 10,190'

U Penn Perfs: 10,200-10,262

DV Tool @ 7992'

Sxs Cmt: 1900  
Circulate: yes; 135 sx  
TOC: surface  
Hole Size: 7-7/8"



CIBP @ 11,000' capped w/ 35' cmt  
Atoka Perfs: 11,120-11,226

PBTD: 9115'  
TD: 11,500'

<p>16</p>	<p><b>17 OPERATOR CERTIFICATION</b></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 style="text-align: right;">03-29-2012</p> <hr/> <p>Signature _____ Date _____</p> <hr/> <p>DENISE PINKERTON      REGULATORY SPECIALIST Printed Name</p> <hr/> <p>leakedjd@chevron.com E-mail Address</p>
<p><b>18 SURVEYOR CERTIFICATION</b></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> <hr/> <p>Date of Survey _____</p> <hr/> <p>Signature and Seal of Professional Surveyor _____</p> <hr/> <p>Certificate Number _____</p>	<p><b>19</b></p>