

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) 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

HOBBS OCD

NOV 08 2012

RECEIVED

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

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

¹ Operator Name and Address Chevron U S A, Inc. 15 Smith Road Midland, TX 79705		² OGRID Number 4323
⁴ Property Code 310784	³ Property Name MCCLOY RANCH 2 24 32 STATE COM	⁵ API Number 30-025-40860
		⁶ Well No. 2H

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	2	24S	32E		100'	S	400'	W	LEA

⁸ Pool Information

TRISTE DRAW; BONE SPRING (96603)	
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type O	¹¹ Cable/Rotary R	¹² Lease Type S	¹³ Ground Level Elevation 3632' GR
¹⁴ Multiple N	¹⁵ Proposed Depth 14,509'	¹⁶ Formation Bone Spring	¹⁷ Contractor TBD	¹⁸ Spud Date
Depth to Ground water 492'		Distance from nearest fresh water well 1.7 MILES		Distance to nearest surface water 19 MILES

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17 1/2"	13 3/8"	48#	1300'	1879	0'
Intermediate	11"	8 5/8"	32#	4775'	1977	0'
Production	7 7/8"	5 1/2"	17#	14,509'	2180	4572'

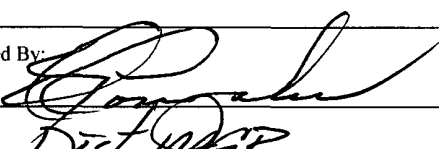
Casing/Cement Program: Additional Comments

NMOCD's forms C-102, C-144(CLEZ) pit permit, well bore diagram, directional planning report are enclosed. There are no known high levels of H2S in this area. However, monitoring of H2S and well readiness will be utilized in the drilling of this well. Requires NSL. Application is for "drill only".

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Shaffer

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 ☐ , a general permit ☐ , or an (attached) alternative OCD-approved plan ☐ .		OIL CONSERVATION DIVISION	
Printed name: Bryan Arrant (Agent)		Approved By: 	
Title: Regulatory Specialist II		Title: DIST. MGR	
E-mail Address: bryan.arrant@chk.com		Approved Date: 11-14-2012 Expiration Date: 11-14-2014	
Date: 11/08/2012	Phone: (405)935-3782	Conditions of Approval Attached	

NOV 15 2012

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
HOBBS OCD 1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

NOV 13 2012

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40860		² RECEIVED Code (96603)		³ Pool Name TRISTE DRAW; BONE SPRING					
⁴ Property Code 310784		⁵ Property Name MCCLOY RANCH 2 24 32 STATE COM						⁶ Well Number 2H	
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON USA, INC.						⁹ Elevation 3632'	
¹⁰ Surface Location									
UL or lot no. M	Section 2	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County LEA
					100	SOUTH	400	WEST	
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. D	Section 2	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County LEA
					150	NORTH	400	WEST	
¹² Dedicated Acres 160		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.

	PROPOSED BOTTOM HOLE LOCATION X= 710,571 NAD 27 Y= 456,549 LAT. 32.253334 LONG. 103.652189 X= 751,754 NAD83 Y= 456,608 LAT. 32.253457 LONG. 103.652671	¹⁷ OPERATOR CERTIFICATION 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 leased 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. Signature <i>Bryan Arrant</i> Date 11/08/2012 Bryan Arrant (Agent) Printed Name bryan.arrant@chk.com E-mail Address
	MCCLOY RANCH 2 24 32 STATE COM 2H X= 710,605 NAD 27 Y= 451,536 LAT. 32.239555 LONG. 103.652180 X= 751,789 NAD83 Y= 451,595 LAT. 32.239679 LONG. 103.652661 ELEVATION +3632' NAVD 88	¹⁸ SURVEYOR CERTIFICATION 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. Nov 8 2012 Date of Survey Signature and Seal of Professional Surveyor #15078 Certificate Number

ELG 11-14-2012

MCCLOY RANCH 2-24-32 STATE COM. NO. 2H WELL	NW ARCH. AREA CRN.	NE ARCH. AREA CRN.	SE ARCH. AREA CRN.	SW ARCH. AREA CRN.
X= 710,605 NAD 27	X= 710,302 NAD 27	X= 710,902 NAD 27	X= 710,908 NAD 27	X= 710,308 NAD 27
Y= 451,536	Y= 451,833	Y= 451,839	Y= 451,240	Y= 451,233
LAT. 32.239555	ELEVATION +3637' NAVD 88	ELEVATION +3628' NAVD 88	ELEVATION +3629' NAVD 88	ELEVATION +3634' NAVD 88
LONG. 103.652180	NW PAD CRN.	NE PAD CRN.	SE PAD CRN.	SW PAD CRN.
X= 761,789 NAD 83	X= 710,439 NAD 27	X= 710,769 NAD 27	X= 710,772 NAD 27	X= 710,442 NAD 27
Y= 451,695	Y= 451,660	Y= 451,663	Y= 451,363	Y= 451,360
LAT. 32.239679	ELEVATION +3634' NAVD 88	ELEVATION +3631' NAVD 88	ELEVATION +3630' NAVD 88	ELEVATION +3633' NAVD 88
LONG. 103.652681				
ELEVATION +3632' NAVD 88				

FOR THE EXCLUSIVE USE OF
CHEVRON USA, INC.
I, WM. J. DANIEL III, Registered Professional
Land Surveyor, do hereby state this plat is true
and correct to the best of my knowledge.



R 32 E

Section 2

Bureau of Land Management

PROPOSED
ARCHAEOLOGICAL AREA
±5.99 Acres

McCloy Ranch
2-24-32 State Com
No. 2H Well
FSL=100'
FWL=400'

Existing Pad

McCloy Ranch
2-24-32 State Com
No. 1H Well
(As-Drilled)

Existing
Access Road

Section 11

Bureau of Land Management

PROPOSED
ACCESS ROAD
14' X ±1915'
±0.58 Acres
±110.00 Rods

LEGEND

- Proposed Well
- ⊛ Existing Well
- Section Line

CHEVRON USA, INC.

PROPOSED PAD & ACCESS ROAD
MCCLOY RANCH 2-24-32 STATE COM NO. 2H WELL
SECTIONS 2 & 11, T24S-R32E
LEA COUNTY, NEW MEXICO

DRAWN BY: BMO	REVISIONS		
PROJ. MGR.: DBM	No. 1	DATE: 11/07/2012	REVISED BY: BMO
DATE: JUNE 6, 2012	No.	DATE:	REVISED BY:
FILENAME: T:\2012\124795\DWG\GULI_McCloy Ranch 2-24-32 State Com 2H SUP.dwg			

NOTE:

PLEASE BE ADVISED, THAT WHILE REASONABLE EFFORTS ARE MADE TO LOCATE AND VERIFY PIPELINES AND ANOMALIES USING OUR STANDARD PIPELINE LOCATING EQUIPMENT, IT IS IMPOSSIBLE TO BE 100% EFFECTIVE. AS SUCH, WE ADVISE USING CAUTION WHEN PERFORMING WORK AS THERE IS A POSSIBILITY THAT PIPELINES AND OTHER HAZARDS, SUCH AS FIBER OPTIC CABLES, PVC PIPELINES, ETC. MAY EXIST UNDETECTED ON SITE.

MANY STATES MAINTAIN INFORMATION CENTERS THAT ESTABLISH LINKS BETWEEN THOSE WHO DIG (EXCAVATORS) AND THOSE WHO OWN AND OPERATE UNDERGROUND FACILITIES (OPERATORS). IT IS ADVISABLE AND IN MOST STATES, LAW, FOR THE CONTRACTOR TO CONTACT THE CENTER FOR ASSISTANCE IN LOCATING AND MARKING UNDERGROUND UTILITIES. NEW MEXICO ONE CALL, <http://www.newmexico1call.org/>.

DISCLAIMER: AT THIS TIME, FENSTERMAKER & ASSOCIATES, INC. HAS NOT PERFORMED NOR WAS ASKED TO PERFORM ANY TYPE OF ENGINEERING, HYDROLOGICAL MODELING, FLOOD PLAIN, OR "NO RISE" CERTIFICATION ANALYSES, INCLUDING BUT NOT LIMITED TO DETERMINING WHETHER THE PROJECT WILL IMPACT FLOOD HAZARDS IN CONNECTION WITH FEDERAL/FEMA, STATE, AND/OR LOCAL LAWS, ORDINANCES AND REGULATIONS. ACCORDINGLY, FENSTERMAKER MAKES NO WARRANTY OR REPRESENTATION OF ANY KIND AS TO THE FOREGOING ISSUES, AND PERSONS OR ENTITIES USING THIS INFORMATION SHALL DO SO AT THEIR OWN RISK.

135 Regency Sq., Lafayette, LA 70508
Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com



PROPOSED PAD
±2.27 Acres

T
24
S

NAD 27 NEW MEXICO EAST ZONE

Scale: 1"=200'

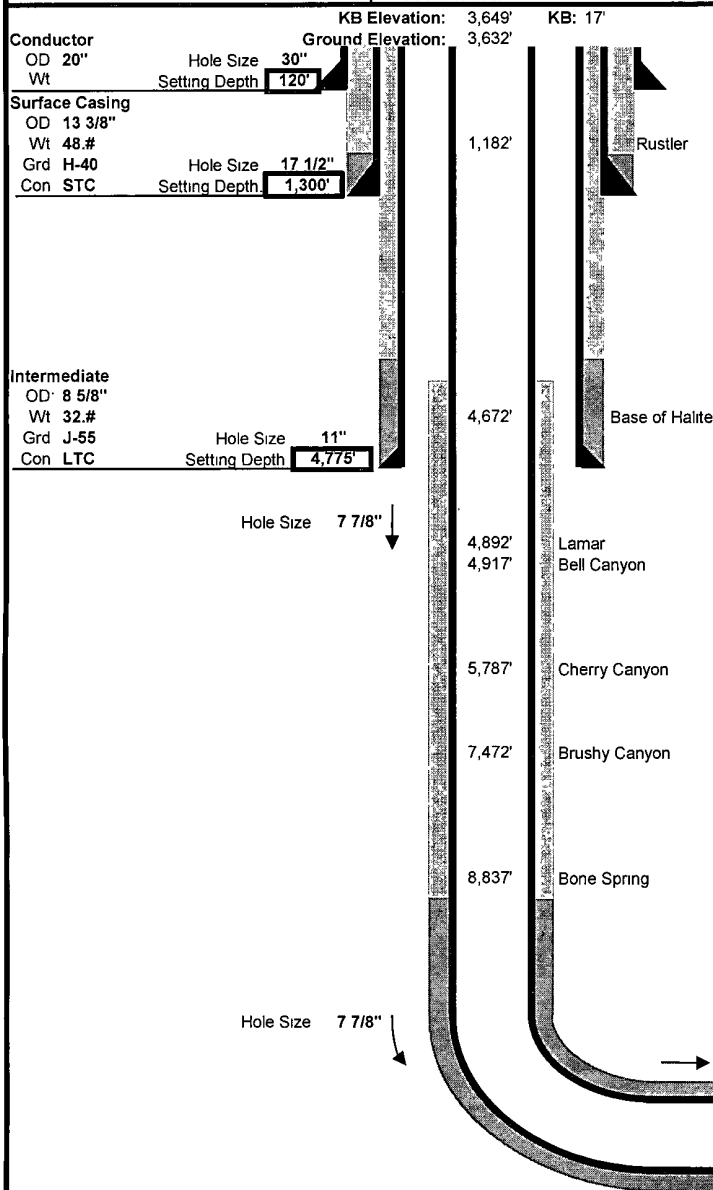
200' 0 100' 200'



Drilling Engineer: Chris Gray
Superintendent: Daniel Gipson
Geologist: Corey Dimond

Well Name: McCloy Ranch 2-24-32 State Com 2H
Target: Lower Avalon
County, State: Lea, NM
Surface Location: 100' FSL 400' FWL, Section 2, Township 24S, Range 32 E
BH Location: 150' FNL 400' FWL, Section 2, Township 24S, Range 32 E
SHL Latitude: 32 239555 SHL North: 451536
SHL Longitude: -103 652180 SHL East: 710605
BHL Latitude: 32 253334 BHL North: 456549
BHL Longitude: -103 652189 BHL East: 710571
Coordinates: NAD 27 Coordinates: NMSPCE

Drilling Rig: Trinidad 110
Directional: Phoenix
Drilling Mud: Nova
Cement: Schlumberger
Wellhead: Sunbelt
Property Number: 647223
AFE Number: 172701



Wellhead Equipment	
A Section	13-3/8" x 13-5/8" 5K SOW
B Section	13-5/8" 5K x 11" 5K
C Section	11" 5K X 7-1/16" 10K w/10K gate valve
D Section	N/A
Required BOP Stack	11" 5K- Double, Annular, Rot Head w/orbit valve

Mud					
Depth	Type	Weight	F. Vis	FL	
0' - 1,300'	Spud Mud	8.4 - 8.7	32 - 34	NC - NC	
1,300' - 4,775'	Brine	9.5 - 10.1	28 - 29	NC - NC	
4,775' - 9,223'	FW/Cut Brine	8.3 - 9.5	28 - 29	NC - NC	
9,223' - 9,977'	Cut Brine	8.3 - 9.5	32 - 36	15 - 25	
9,977' - 14,509'	FW/Cut Brine	8.3 - 9.5	28 - 29	NC - NC	

Cement						
Slurry	Top	Btm	Wt	Yld	%Exc	Bbl
Surface						
Lead	0'	1,200'	13.7	1.65	250	489
Tail	1,200'	1,300'	14.8	1.33	250	50
Intermediate						
Lead	0'	4,275'	12.0	1.99	250	582
Tail	4,275'	4,775'	14.2	1.37	250	82
Production						
Lead	4,275'	9,223'	12.4	2.19	100	290
Tail	9,223'	14,509'	14.5	1.28	100	327

Type	Logs	Interval	Vendor
OH	Triple Combo	Base of Curve to Int Csg	TBD
LWD	MWD Gamma	Curve and Lateral	Phoenix

Directional Plan						
Target Line:	9705' @ 0' VS w/90 5 deg inclination					
Target Window:	20' above, 20' below, 50' left, 50' right					
	MD	INC	AZM	TVD	VS	DLS
KOP	9,223'	0.00	0.00	9,223'	0'	0.00
EOB	9,977'	90.50	359.61	9,701'	482'	12.00
TD	14,509'	90.50	359.61	9,661'	5,013'	0.00
Hardlines:	Lateral- 330' from parallel lease lines Vertical- Actual Lease Lines					
Notes:	Please note SHL and BHL distance from lease lines					

Chesapeake Operating

Planning Report

Database:	Drilling Database	Local Co-ordinate Reference:	Site Mccloy Ranch 2-24--32 ST COM 2H
Company:	Permian District	TVD Reference:	WELL @ 0.0usft (Original Well Elev)
Project:	NM- Lea- Avalon	MD Reference:	WELL @ 0.0usft (Original Well Elev)
Site:	Mccloy Ranch 2-24--32 ST COM 2H	North Reference:	Grid
Well:	Well #1	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plat		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
10,600.0	90.50	359.61	9,695.1	1,104.3	-7.5	1,104.3	0.00	0.00	0.00
10,700.0	90.50	359.61	9,694.2	1,204.3	-8.2	1,204.3	0.00	0.00	0.00
10,800.0	90.50	359.61	9,693.4	1,304.3	-8.8	1,304.3	0.00	0.00	0.00
10,900.0	90.50	359.61	9,692.5	1,404.3	-9.5	1,404.3	0.00	0.00	0.00
11,000.0	90.50	359.61	9,691.6	1,504.3	-10.2	1,504.3	0.00	0.00	0.00
11,100.0	90.50	359.61	9,690.7	1,604.3	-10.9	1,604.3	0.00	0.00	0.00
11,200.0	90.50	359.61	9,689.9	1,704.3	-11.6	1,704.3	0.00	0.00	0.00
11,300.0	90.50	359.61	9,689.0	1,804.3	-12.2	1,804.3	0.00	0.00	0.00
11,400.0	90.50	359.61	9,688.1	1,904.2	-12.9	1,904.3	0.00	0.00	0.00
11,500.0	90.50	359.61	9,687.3	2,004.2	-13.6	2,004.3	0.00	0.00	0.00
11,600.0	90.50	359.61	9,686.4	2,104.2	-14.3	2,104.3	0.00	0.00	0.00
11,700.0	90.50	359.61	9,685.5	2,204.2	-14.9	2,204.3	0.00	0.00	0.00
11,800.0	90.50	359.61	9,684.6	2,304.2	-15.6	2,304.3	0.00	0.00	0.00
11,900.0	90.50	359.61	9,683.8	2,404.2	-16.3	2,404.3	0.00	0.00	0.00
12,000.0	90.50	359.61	9,682.9	2,504.2	-17.0	2,504.3	0.00	0.00	0.00
12,100.0	90.50	359.61	9,682.0	2,604.2	-17.7	2,604.3	0.00	0.00	0.00
12,200.0	90.50	359.61	9,681.1	2,704.2	-18.3	2,704.3	0.00	0.00	0.00
12,300.0	90.50	359.61	9,680.3	2,804.2	-19.0	2,804.3	0.00	0.00	0.00
12,400.0	90.50	359.61	9,679.4	2,904.2	-19.7	2,904.2	0.00	0.00	0.00
12,500.0	90.50	359.61	9,678.5	3,004.2	-20.4	3,004.2	0.00	0.00	0.00
12,600.0	90.50	359.61	9,677.7	3,104.2	-21.1	3,104.2	0.00	0.00	0.00
12,700.0	90.50	359.61	9,676.8	3,204.2	-21.7	3,204.2	0.00	0.00	0.00
12,800.0	90.50	359.61	9,675.9	3,304.2	-22.4	3,304.2	0.00	0.00	0.00
12,900.0	90.50	359.61	9,675.0	3,404.2	-23.1	3,404.2	0.00	0.00	0.00
13,000.0	90.50	359.61	9,674.2	3,504.1	-23.8	3,504.2	0.00	0.00	0.00
13,100.0	90.50	359.61	9,673.3	3,604.1	-24.4	3,604.2	0.00	0.00	0.00
13,200.0	90.50	359.61	9,672.4	3,704.1	-25.1	3,704.2	0.00	0.00	0.00
13,300.0	90.50	359.61	9,671.5	3,804.1	-25.8	3,804.2	0.00	0.00	0.00
13,400.0	90.50	359.61	9,670.7	3,904.1	-26.5	3,904.2	0.00	0.00	0.00
13,500.0	90.50	359.61	9,669.8	4,004.1	-27.2	4,004.2	0.00	0.00	0.00
13,600.0	90.50	359.61	9,668.9	4,104.1	-27.8	4,104.2	0.00	0.00	0.00
13,700.0	90.50	359.61	9,668.1	4,204.1	-28.5	4,204.2	0.00	0.00	0.00
13,800.0	90.50	359.61	9,667.2	4,304.1	-29.2	4,304.2	0.00	0.00	0.00
13,900.0	90.50	359.61	9,666.3	4,404.1	-29.9	4,404.2	0.00	0.00	0.00
14,000.0	90.50	359.61	9,665.4	4,504.1	-30.5	4,504.2	0.00	0.00	0.00
14,100.0	90.50	359.61	9,664.6	4,604.1	-31.2	4,604.2	0.00	0.00	0.00
14,200.0	90.50	359.61	9,663.7	4,704.1	-31.9	4,704.2	0.00	0.00	0.00
14,300.0	90.50	359.61	9,662.8	4,804.1	-32.6	4,804.2	0.00	0.00	0.00
14,400.0	90.50	359.61	9,662.0	4,904.1	-33.3	4,904.2	0.00	0.00	0.00
14,500.0	90.50	359.61	9,661.1	5,004.0	-33.9	5,004.2	0.00	0.00	0.00
14,508.9	90.50	359.61	9,661.0	5,013.0	-34.0	5,013.1	0.00	0.00	0.00

Chesapeake Operating

Planning Report

Database:	Drilling Database	Local Co-ordinate Reference:	Site: Mccloy Ranch 2-24-32 ST COM 2H
Company:	Permian District	TVD Reference:	WELL @ 0.0usft (Original Well Elev)
Project:	NM- Lea- Avalon	MD Reference:	WELL @ 0.0usft (Original Well Elev)
Site:	Mccloy Ranch 2-24-32 ST COM 2H	North Reference:	Grid
Well:	Well #1	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plat		

Design Targets									
Target Name	Dip Angle	Dip Dir	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(usft)	(usft)	(usft)	(ft)	(ft)		
- Shape									
MR 2-24-32 2H- BHL-	0 00	0 01	9,661.0	5,013 0	-34.0	456,549.00	710,571.00	15° 11.99303474 N	° 39' 7.89316820 W
- plan hits target center									
- Point									
MR 2-24-32 2H- SHL-	0.00	0.01	9,705.0	0.0	0.0	451,536.00	710,605.00	14° 22 38412595 N	° 39' 7.86754623 W
- plan misses target center by 200.9usft at 9600 0usft MD (9562 0 TVD, 141.2 N, -1.0 E)									
- Point									

Project: NM- Lea- Avalon
 Site: Mccloy Ranch 2-24--32 ST COM 2H
 Well: Well #1
 Wellbore: Wellbore #1
 Design: Plat

PROJECT DETAILS: NM- Lea- Avalon

Geodetic System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1866
 Zone: New Mexico East 3001

