

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

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, Texas 79705 | | ² OGRID Number 4323 |
| ³ Property Code 29923 | | ⁴ API Number 30-025-37232 |
| ⁵ Property Name Central Vacuum Unit | | ⁶ Well No. 240 |
| ⁹ Proposed Pool 1 Vacuum Grayburg-San Andres | | ¹⁰ Proposed Pool 2 |

7 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 36 | 17-S | 34-E | | 250.5 | South | 2519.4 | West | Lea |

8 Proposed 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 36 | 17-S | 34-E | | 20.0 | South | 2520.0 | West | Lea |

Additional Well Information

| | | | | |
|--|---------------------------------------|--|------------------------------------|---|
| ¹¹ Work Type Code N | ¹² Well Type Code I | ¹³ Cable/Rotary Rotary | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3991' |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 4900' | ¹⁸ Formation San Andres | ¹⁹ Contractor Nabors | ²⁰ Spud Date June 10, 2005 |
| Depth to Groundwater | | Distance from nearest fresh water well | | Distance from nearest surface water |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: 6500_bbls | | | | |
| Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12-1/4" | 8-5/8" | 24# | 1550' | 745 sxs | Surface |
| 7-7/8" | 5-1/2" | 15.5# | 4900' | 1030 sxs | Surface |
| | | | | | |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Surface Casing

Lead Slurry: 545 sxs of 35:65 Poz "C" w/ 6% bentonite, 2% CaCl₂, 1/4 pps celloflake mixed at 12.8 ppg, 1.88 cfs
Tail Slurry: 200 sxs of "C" w/ 2% CaCl₂, 1/4 pps celloflake mixed at 14.8 ppg, 1.34 cfs

Production Casing

Lead Slurry: 560 sxs of 35:65 Poz "C" w/ 6% bentonite, 5% salt, 1/4 pps celloflake mixed at 12.5 ppg, 1.94 cfs.
Tail Slurry: 470 sxs of 50:50 Poz "C" w/ 2% bentonite, 5% salt, 1/4 pps celloflake mixed at 14.2 ppg, 1.35 cfs

BOPE Program

see attached diagram

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

²³ 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 ☐.

| | |
|--|-----------------------|
| Printed name: Travis Garza | <i>Travis Garza</i> |
| Title: Drilling Engineer | |
| E-mail Address: garzat@chevrontexaco.com | |
| Date: April 7, 2005 | Phone: (432) 687-7463 |

OIL CONSERVATION DIVISION

Approved by:

Title:

PETROLEUM ENGINEER

Approval Date:

MAY 16 2005

Expiration Date:

Conditions of Approval Attached ☒

* Approval to drill this well, CANNOT inject into until
Injection order is approved in Santa Fe.

DISTRICT I
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994

Instructions on back

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office

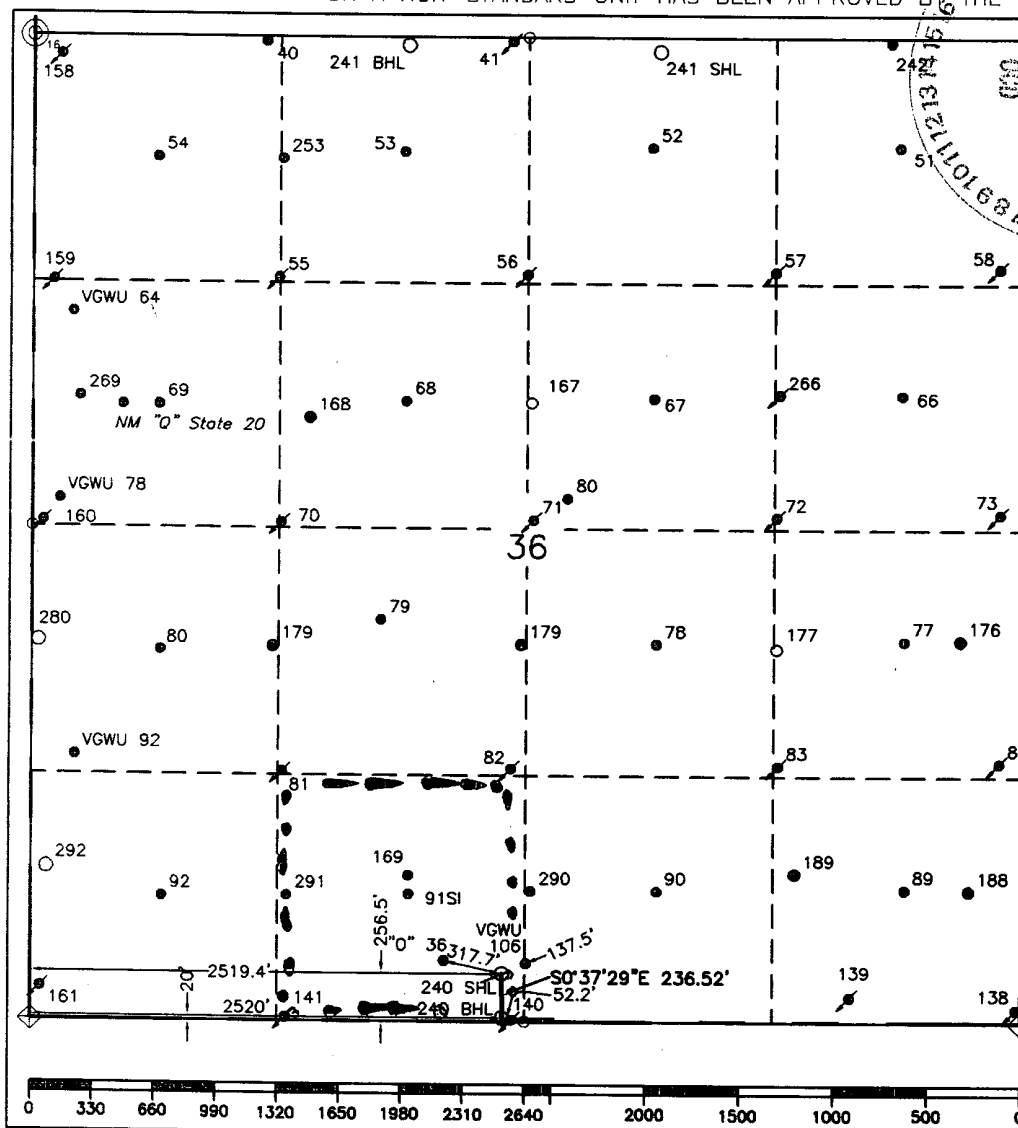
State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | | | | | |
|---|----------------------|---|----------------------|----------------------------------|-------------------------------------|--|---------------------------------|-------------------------------|----------------------|
| 1 API Number 30.025-37232 | | 2 Pool Code 62180 | | 3 Pool Name San Andres | | 4 Well Name Vacuum Drayburg San Andres | | | |
| 5 Property Code 29923 | | 6 Property Name Central Vacuum Unit | | | | 7 Well Number 240 | | | |
| 8 OGRID No. 22351 4323 | | 9 Operator Name CHEVRON USA, INC. | | | | 10 Elevation 3991' | | | |
| 11 Surface Location | | | | | | | | | |
| UL or lot no. N | Section 36 | Township 17-S | Range 34-E | Lot Idn 256.5' 251' | Feet from the 256.5' 251' | North/South line South | Feet from the 2519.4' | East/West line West | County Lea |
| 12 Bottom Hole Location if Different From Surface | | | | | | | | | |
| UL or lot no. N | Section 36 | Township 17-S | Range 34-E | Lot Idn 20.0' | Feet from the 20.0' | North/South line South | Feet from the 2520' | East/West line West | County Lea |
| 13 Dedicated Acres 40 | | 14 Joint or Infill | | 15 Consolidation Code | | 16 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.

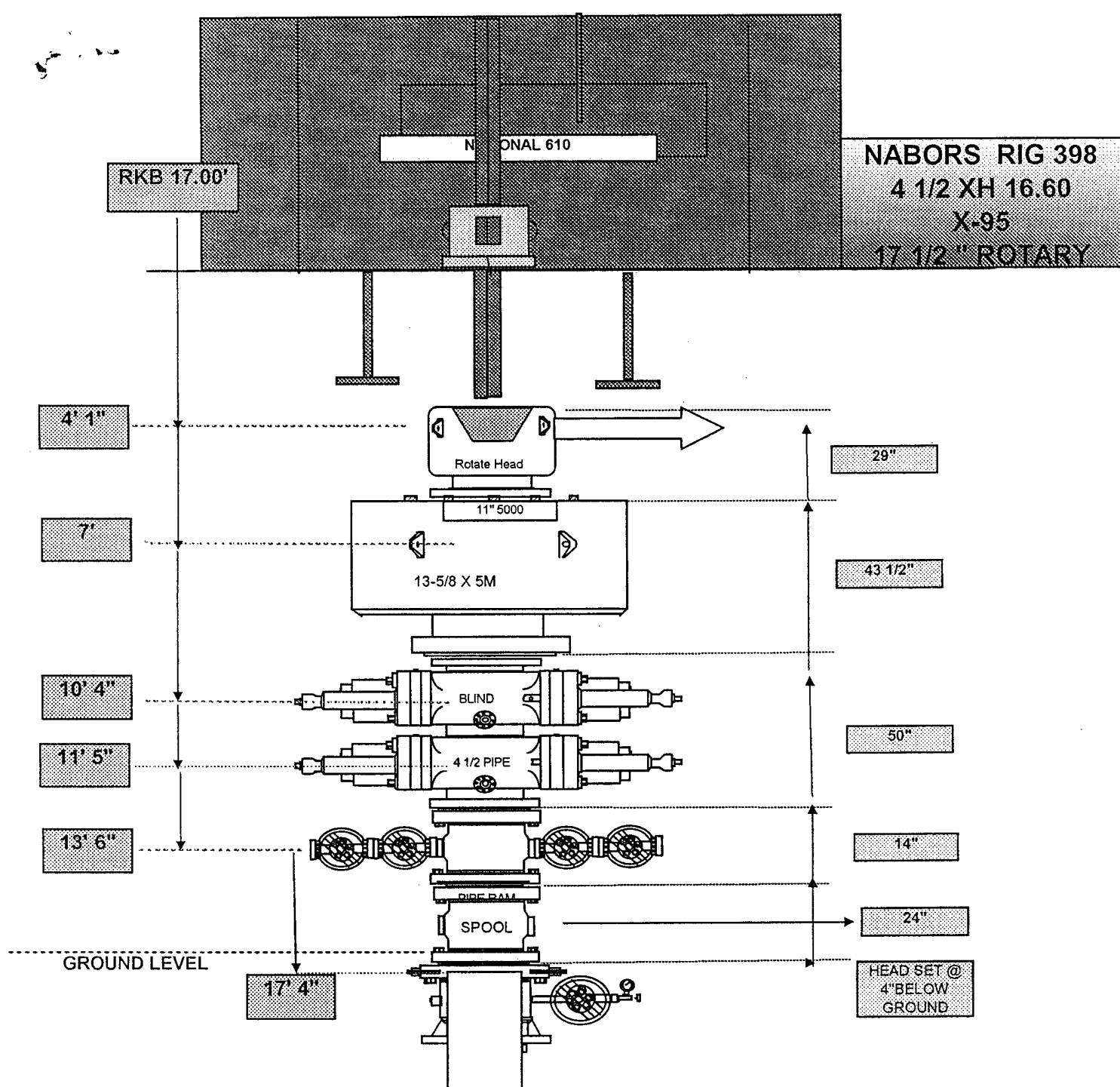


| | |
|---|--|
| 17 OPERATOR CERTIFICATION | |
| I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. | |
| Signature Ted Tipton / JGP | |
| Printed Name Ted Tipton | |
| Position Manager of Drilling Department | |
| Company Chevron USA, Inc. | |
| Date April 14, 2005 | |
| 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 knowledge and belief. | |
| Date Surveyed November 29, 2004 | |
| Signature & Seal of Professional Surveyor John S. Piper | |
| Certificate No. 7254 John S. Piper | |
| Sheet | |

○ = Staked Location ● = Producing Well ↗ = Injection Well ◇ = Water Supply Well ◆ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

| | | | |
|--|-------------------------------------|---|---------------------------------------|
| State Plane Coordinates (1927NAD= 650204.06 SHL; 64960.18 BHL) Northing 650269.08 SHL; 650032.57 BHL | | (1927NAD= 751838.70 SHL; 752041.87 BHL) Easting 793017.68 SHL; 793020.26 BHL | |
| (1927NAD= 32°47'05.356" SHL; 32°47'02.927" BHL) Latitude 32°47'05.801" SHL; 32°47'03.460" BHL | | (1927NAD= 103°30'50.010" SHL; 103°30'47.652" BHL) Longitude 103°30'51.799" SHL; 103°30'51.780" BHL | |
| Zone East | North American Datum 1983 | Combined Grid Factor 0.9999816 | Coordinate File Buckeye.cr5 |
| Drawing File CVU_240.dwg | | Field Book Lea Co. 23, Pg. 51 | |



| |
|------------------------------|
| ANNULAR = HYDRIL 13 5/8" 5M |
| DOUBLE = SHAFFER 13 5/8" 5M |
| |
| WELL HEAD = 13 5/8" 3M |
| KILL LINE VALVES = 2.1/16 5M |
| CHOKE LINE VALVE = 4 1/16 5M |

District I
325 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to
appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe
office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Chevron U.S.A., Inc. Telephone: 432-687-7375 e-mail address: LEAKEJD@CHEVRONTEXACO.COM
Address: 15 Smith Road, Midland, Texas 79705
Facility or well name: Central Vacuum Unit #240 API #: 30-025-37232 U/L or Qtr/Qtr N Sec 36 T 17-S R 35-E
County: Lea Latitude 32°47'05.801" Longitude 103°30'51.799" NAD: 1927 ☒ 1983 ☐
Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

| | |
|---|---|
| Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>6500</u> bbl | Below-grade tank Volume: <u>215</u> bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____ |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) | 100 feet or more (0 points) |
| Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.) | No (0 points) |
| Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) | 1000 feet or more (0 points) |
| Ranking Score (Total Points) 0 points | |

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results.

(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: April 7, 2005

Printed Name/Title Travis Garza/Drilling Engineer

Signature

Travis Garza

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title

PETROLEUM ENGINEER

Signature

[Signature]

Date MAY 16 2005

• Pit Design - Central Vacuum Unit (Notes 398)

