DISTRICT I P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

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

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe. New Mexico 87504-2088

Form C-101 Revised February 10,199

Instructions on bac

Submit to Appropriate District Offic State Lease - 6 Copie

Fee Lease - 5 Copie

| DISTRICT IV | | | | ` | Jania i e, ive | AA IAICY | 100 01 304-200 | | | 1 66 L | ease - 5 Copie |
|-----------------|---------------|---------------------|--------------------------|---------------------|-----------------------|----------------|-------------------------|----------------------------|----------|-------------------|----------------|
| P.O. Box 2088, | | M 87504-2088 | | | | | | | | | ED REPORT |
| | APPl | LICATION | FOR PER | MIT TO | DRILL, RE-E | NTER | R, DEEPEN, PI | _UGBACK, OR | ADD | A ZONE | |
| | | ¹ Op | erator Name | and Addre | ess | | | | | ² OGRI | D Number |
| CHEVRON (| USA INC | | | | | | | | | 43 | 323 |
| 15 SMITH R | D, MIDLAN | ND, TX 7970 | 5 | | | | | | | 3 API Nu | ımber |
| | | | | | | | | | | 30-025 | 5-25129 |
| ⁴ P | roperty Code | | | | ⁵ Pro | perty Na | ame | | - | 6 W | ell No. |
| | 2682 | | | | H.T. MA | ATTERI | N NCT-B | | | | 20 |
| | | | | | ⁷ Surface | e Loca | ation | | | | |
| JI or lot no. | Section | Township | Range | Lot.ldn | Feet From | The 1 | North/South Line | Feet From The | East/ | West Line | County |
| F | 31 | 21-S | 37-E | | 1980' | | NORTH | 1961' | v | VEST | LEA |
| | 1 | | 8 Propo | sed Bott | om Hole Loc | ation I | f Different Fro | m Surface | | | |
| UI or lot no. | Section | Township | Range | Lot.ldn | Feet From | The | North/South Line | Feet From The | East | West Line | County |
| | | | | <u> </u> | | | | 10 | <u> </u> | | |
| | | ⁹ Propos | | | | | | ¹⁰ Proposed Poo | ol 2 | | |
| | | BLINEBRY | OIL AND GAS | | | | | | | | |
| 11 | | | 12 | | 13 | | J. 30 3/4- 7 | | 15 | | |
| | Type Code | | weii i ype C | Code | Rotary or | | S S Lea | se Type Code | ,3 | Ground Leve | |
| | Р | | 0 | | ROTARY | /;> | 10.0 | P So | | 3486 | |
| 16 Multi | • | | ¹⁷ Proposed D | epth | BLINEBRY (S) | | | ²⁰ Spud Date | | | |
| | No | | 6790' | | BLINEBR' | Y 13 | 8 ES & 8 | | | 2/20/200 | 96 |
| | | | | ²¹ Propo | osed Casing | ah a ic | ementa rogis | | | | |
| SIZE OF | F HOLE | SIZE C | F CASING | WEIG | HT PER FOOT | 15 | SETTING DER∰ | A SACKS O | СЕМЕ | NT | EST. TOP |
| NO CHANGE | | | - | | | 1/5 | <u> </u> | 6/ | | | |
| | | | | | | | 10501 SI 11 31 | GI. | | | |
| | | | | | | | V - 25. 11. D | | | | |
| | | | | | | | | | | | |
| | | | - | | | _ | | | | | |
| 22 Describe the | proposed prog | ram. If this appli | cation is to DEEF | PEN or PLUG | BACK give the data or | n the pres | sent productive zoneand | I proposed new producti | ve zone. | | <u></u> |
| | • | ntion program, if | • | | • | | | | | | |
| CHEVRON | U.S.A. INC | . INTENDS I | O RECOMP | LEIE IME | SUBJECT WE | LL FRO | M THE DRINKAR | RD POOL TO THE | BLINE | BRY RESE | RVOIR. |
| A PIT WILL | NOT BE U | SED FOR TH | HIS PLUGBA | CK. A ST | EEL FRAC TAN | IK WILL | BE UTILIZED. | | | | |
| THE INTEN | DED DDO | PEDLIDE AN | ID CHIDDEN | T AND DD | ODOSED WELL | D/DE | DIACDAMS ADE | ATTACHED FOR | VALIB | ADDDO\/AI | |
| THE INTEN | DED FRO | JEDUKE, AN | ID CORREIN | IANDEN | OPOSED WELL | DUKE | DIAGRANIS ARE | AT IACHED FOR | TOUR | APPROVAL | |
| | Permi | Expires | 1 Year F | From A | naroval | | | | | | |
| | Da | te Unles | s Drižina | Lindan | NAV | | | | | | |
| | aux Ci | | Di | 7.001 | ごじ | | | | | | |

| I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. | OIL CONSERVATION DIVISION | | | | |
|--|--|--|--|--|--|
| Signature Interton | Approved By: | | | | |
| Printed Name Denise Pinkerton | Title: Approval Dat FEB 0 8 2006 PETROLEUM ENGINEER | | | | |
| Title Regulatory Specialist | Approval Date: B 0 8 2006 PEROLECTION Expiration Date: | | | | |
| Date 2/6/2006 Telephone 432-687-737 | Conditions of Approval: Attached □ | | | | |

Well: H. T. Mattern (NCT-B) # 20

Field: Drinkard

Current

Reservoir: Drinkard

Location:

1980' FNL & 1961' FWL

Section: 31 Township: 21S Range: 37E Unit: F County: Lea State: NM

Elevations:

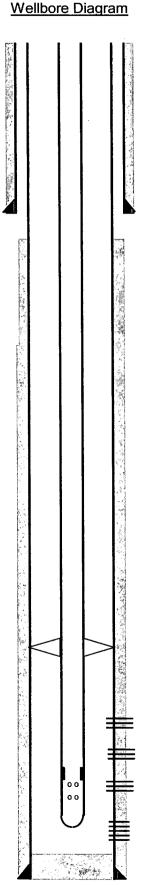
GL: 3486' KB: 3500' DF: 3499'

Tubing Detail:

| #Jts: | Size: | <u>Footage</u> |
|-------|-----------------------------|----------------|
| | KB Correction | 14.00 |
| 199 | Jts. 2 3/8" EUE 8R J-55 Tbg | 6115.45 |
| | TAC | 2.93 |
| 16 | Jts. 2 3/8" EUE 8R J-55 Tbg | 487.55 |
| | SN | 1.10 |
| | 2 3/8" x 4' Perf Tbg Sub | 3.87 |
| 1 | Jt. 2 3/8" EUE 8R J-55 Tbg | 29.65 |
| | Bull Plug | 0.50 |
| 216 | Bottom Of String >> | 6655.05 |

COTD: 6751' PBTD: 6751' TD: 6790'

Updated: 2/1/06



By: A. M. Howell

| Well ID Info: | |
|----------------------|--|
| Chevno: EO6850 | |
| API No: 30-025-25129 | |
| L5/L6: U415000 | |
| Spud Date:10/6/75 | |
| Compl. Date:10/23/75 | |

Surf. Csg: 8-5/8", 24#, K-55 **Set**: @ 1210' w/500 sx cmt

Size of hole: 11"
Circ: Yes TOC: Surface
TOC By: Circulated

 Perfs
 Status

 6496-98'
 Drinkard - Open

 6555-57'
 Drinkard - Open

 6597-99'
 Drinkard - Open

 6617-19'
 Drinkard - Open

 6656-58'
 Drinkard - Open

 6694-96'
 Drinkard - Open

Prod. Csg: 5-1/2", 15.5# K-55 Set: @ 6789' w/700 sx cmt Size of hole: 7-7/8" Circ: No TOC: 2289' TOC By: Temperature Survey

Field: Blinebry O&G

Reservoir: Blinebry

Location:

1980' FNL & 1961' FWL

Section: 31 Township: 21S Range: 37E Unit: F County: Lea State: NM

KB: 3500' DF: 3499'

Elevations: GL: 3486'

Proposed Wellbore Diagram

Well ID Info: Chevno: EO6850 API No: 30-025-25129 L5/L6: U460300 Spud Date:10/6/75 Compl. Date:10/23/75

Surf. Csg: 8-5/8", 24#, K-55

Set: @ 1210' w/500 sx cmt Size of hole: 11" Circ: Yes TOC: Surface TOC By: Circulated

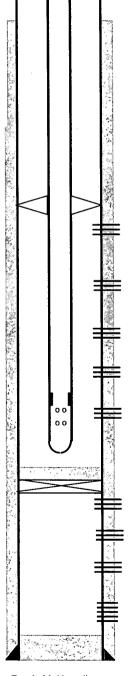
Tubing Detail:

| #Jts: | Size: | <u>Footage</u> |
|-------|---------------------------------|----------------|
| | KB Correction | 14.00 |
| 174 | Jts. 2 7/8" EUE 8R J-55 Tbg | 5394.00 |
| | TAC | 2.93 |
| 17 | Jts. 2 7/8" EUE 8R J-55 Tbg | 527.00 |
| 1 | Jts. 2 7/8" EUE 8R J-55 IPC Tbg | 31.00 |
| | SN | 1.10 |
| | 2 7/8" x 4' Perf Tbg Sub | 3.87 |
| 1 | Jt. 2 7/8" EUE 8R J-55 Tbg | 29.65 |
| | Bull Plug | 0.50 |
| 193 | Bottom Of String >> | 6004.05 |

CIBP @ 6450' (35' cmt on top)

COTD: 6415' **PBTD**: 6415' TD: 6790'

Updated: 2/1/06



By: A. M. Howell

| Perfs | Status |
|----------|-----------------|
| 5488-96' | Blinebry - Open |
| 5502-10' | Blinebry - Open |
| 5520-26' | Blinebry - Open |
| 5532-38' | Blinebry - Open |
| 5542-48' | Blinebry - Open |
| 5558-64' | Blinebry - Open |
| 5588-96' | Blinebry - Open |
| 5608-14' | Blinebry - Open |
| 5618-24' | Blinebry - Open |
| 5632-40' | Blinebry - Open |
| 5650-58' | Blinebry - Open |
| 5668-74' | Blinebry - Open |
| 5678-84' | Blinebry - Open |
| 5690-96' | Blinebry - Open |
| 5716-24' | Blinebry - Open |
| 5776-84' | Blinebry - Open |
| 5836-44' | Blinebry - Open |
| 5900-06' | Blinebry - Open |
| 5936-44' | Blinebry - Open |
| | |

| Perfs | Status |
|----------|-----------------|
| 6496-98' | Drinkard - Open |
| 6555-57' | Drinkard - Open |
| 6597-99' | Drinkard - Open |
| 6617-19' | Drinkard - Open |
| 6656-58' | Drinkard - Open |
| 6694-96' | Drinkard - Open |

Prod. Csg: 5-1/2", 15.5# K-55 Set: @ 6789' w/700 sx cmt Size of hole: 7-7/8" Circ: No TOC: 2289' TOC By: Temperature Survey

H. T. Mattern B # 20 Penrose Skelly Field T21S, R37E, Section 31

Job: PB To Blinebry Formation, Acidize, And Frac

Procedure:

- Displace flowline with fresh water. Have field specialist close valve at header. Pressure line according to the type of line. AGU, EMSU, and EMSUB buried fiberglass lines will be tested with 300 psi. All polypipe (SDR7 and SDR11) will be tested w/100 psi. All steel lines will be tested w/500 psi. If a leak is found, contact Donnie Ives for repair/replacement. If test is good, bleed off pressure and open valve at header. Document this process in the morning report.
- 2. MI & RU workover unit. Bleed pressure from well, if any. Pump down csg with 8.6 PPG cut brine water, if necessary to kill well. POH with rods and pump. Remove WH. Install BOP's and test to 1000 psi. POH LD 2 3/8" tbg string.
- 3. PU and GIH with 4 3/4" MT bit and 2 7/8" work string to 6475'. POH with work string and bit. LD bit.
- 4. PU and GIH with 5 ½" tbg-set CIBP to 6450'. Set CIBP at 6450'. Dump 35' cmt on top of CIBP. PUH to 6400'. Reverse circulate well clean from 6400' using 8.6 PPG cut brine water. Pressure test csg and CIBP to 500 psi. POH with 2 7/8" work string.
- 5. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH and conduct GR/CBL/CCL log from 6400' up to 2600'. POH. Inspect logs for good cement bond from approximately 6200' up to 5300'. If bond does not appear to be good across proposed completion interval, discuss with Engineering before proceeding. Cmt squeeze as necessary to obtain good cmt across completion interval. GIH with 3 1/8" DP slick casing gun and perforate from 5488-96', 5502-10', 5520-26', 5532-38', 5542-48', 5558-64', 5588-96', 5608-14', 5618-24', 5632-40', 5650-58', 5668-74', 5678-84', 5690-96', 5716-24', 5776-84', 5836-44', 5900-06', and 5936-44' with 4 JSPF at 120 degree phasing, using 23 gram premium charges. POH. RD & release electric line unit. Note: Use Welex Compensated Density Log dated 10/17/75 for depth correlation.
- 6. PU and GIH w/ 5 ½" PPI pkr (with 10' element spacing) and SCV on 2 7/8" work string to approximately 5475'. Test tbg to 5500 psi while GIH.
- 7. MI & RU DS Services. Acidize perfs 5488-5944' with 3,800 gals anti-sludge 15% HCl acid * at a maximum rate **as shown below** and a maximum surface pressure of **4500 psi**. Spot acid across perfs at beginning of each stage and let soak to lower breakdown pressure and prevent communication. Pump job as follows:

| Interval | Amt. Acid | Max Rate | PPI Setting |
|----------|-----------|----------|--------------------|
| 5936-44' | 200 gals | ½ BPM | 5935-45' |
| 5900-06' | 200 gals | ½ BPM | 5898-5908' |
| 5836-44' | 200 gals | ½ BPM | 5835-45' |
| 5776-84' | 200 gals | ½ BPM | 5775-85' |
| 5716-24' | 200 gals | ½ BPM | 5715-25' |
| 5690-96' | 200 gals | ½ BPM | 5688-98' |
| 5678-84' | 200 gals | ½ BPM | 5677-87' |
| 5668-74' | 200 gals | ½ BPM | 5667-77 |
| 5650-58' | 200 gals | ½ BPM | 5649-59' |
| 5632-40' | 200 gals | ½ BPM | 5631-41' |
| 5618-24' | 200 gals | ½ BPM | 5617-27' |
| 5608-14' | 200 gals | ½ BPM | 5607-17' |
| 5588-96' | 200 gals | ½ BPM | 5587-97' |
| 5558-64' | 200 gals | ½ BPM | 5557-67' |
| 5542-48' | 200 gals | ½ BPM | 5541-51' |
| 5532-38' | 200 gals | ½ BPM | 5531-41' |
| 5520-26' | 200 gals | ½ BPM | 5518-28' |
| 5502-10' | 200 gals | ½ BPM | 5501-11' |
| 5488-96' | 200 gals | ½ BPM | 5487-97' |

Displace acid with 8.6 PPG cut brine water -- do not overdisplace. Use a SCV to control displacement fluid. Record ISIP, 5 & 10 minute SIP's. RD and release DS services. Note: Pickle tubing in 1 run of 500 gals acid, prior to acidizing perfs. Pickle acid is to contain only 1/2 gal A264 and 1 gal W53. Also, if communication occurs during treatment of any interval, monitor casing pressure and attempt to complete stage w/o exceeding 500 psi csg pressure. If cannot, then move PPI to next setting depth and combine treatment volumes of the intervals.

| * Acid system is to contain: | 1 GPT A264 | Corrosion Inhibitor |
|------------------------------|------------|---------------------|
| | 8 GPT L63 | Iron Control Agent |
| | 2 PPT A179 | Iron Control Aid |
| | 20 GPT U66 | Mutual Solvent |
| | 2 GPT W53 | Non-Emulsifier |

- 8. Release PPI pkr and PUH to approximately 5475'. Swab back all intervals together. Recover 100% of treatment and load volumes before shutting well in for night, if possible. Report recovered fluid volumes, pressures, and/or swabbing fluid levels. Note: Selectively swab perfs as directed by Engineering if excessive water is produced.
- 9. Open well. Release PPI pkr. POH with tbg and PPI packer. LD PPI tool.
- 10. PU and GIH w/ 5 ½" Lok-Set pkr & On-Off tool w/ 2.25" "F" profile and 161 jts. of 3 ½" EUE 8R L-80 work string, testing to 8500 psi. Set pkr at approximately 5000'. Install frac head. Pressure annulus to 500 psi to test csg and pkr. Leave pressure on csg during frac job to observe for communication.

11. MI & RU DS Services and Tracer-Tech Services (Mike Mathis (866) 595-3115). Install casing saver. Frac well down 3 ½" tubing at 40 BPM with 88,000 gals of YF130, 176,000 lbs. 16/30 mesh Jordan Sand, and 30,000 lbs resin-coated 16/30 mesh CR1630 proppant. Observe a maximum surface treating pressure of 8000 psi. Tag frac with 2 radioactive isotopes (1 in main proppant stages, and 1 in resin-coated proppant stage). Pump job as follows:

Pump 2,000 gals 2% KCL water containing 55 gals Baker RE 4777-SCW Scale Inhibitor

Pump 1,000 gals 2% KCL water spacer

Pump 14,000 gals YF130 pad containing 5 GPT J451 Fluid Loss Additive

Pump 14,000 gals YF130 containing 0.5 PPG 16/30 mesh Jordan Sand & 5 GPT J451 FL Additive

Pump 12,000 gals YF130 containing 1.5 PPG 16/30 mesh Jordan Sand

Pump 12,000 gals YF130 containing 2.5 PPG 16/30 mesh Jordan Sand

Pump 14,000 gals YF130 containing 3.5 PPG 16/30 mesh Jordan Sand

Pump 16,000 gals YF130 containing 4.5 PPG 16/30 mesh Jordan Sand

Pump 6,000 gals YF130 containing 5 PPG resin-coated 16/30 mesh CR1630 proppant.

Flush to 5420' with 2,247 gals WF130. **Do not overflush.** Shut well in. Record ISIP, 5, 10, and 15 minute SI tbg pressures. SWI. RD & Release DS Services and Tracer-Tech Services. **Leave well SI overnight.**

- 12. Open well. GIH and swab well until there is no sand inflow. Report recovered fluid volumes, pressures, and/or swabbing fluid levels. Release pkr and POH with 3 ½" work string. Lay down 3 ½" work string and pkr.
- 13. PU and GIH with 4 ¾" MT bit on 2 7/8" work string to 6100'. If fill is found above 6100', clean out fill to 6400' using 8.6 PPG cut brine water and air unit (if necessary). POH with 2 7/8" work string and bit. LD bit.
- 14. PU & GIH with 5 ½" pkr on 2 7/8" work string to 5300'. Set pkr at 5300'. Open well. GIH and swab well until there is no sand inflow. Swab well for at least 3 hours before logging. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH and conduct after-frac PRISM GR/Temp/CCL log from 6100' up to 5300'. POH. RD & release electric line unit. Note: Correlate logs and run flat with Baker Atlas GR/CBL/CCL Log conducted in Step # 5.
- 15. Release pkr. POH LD 2 7/8" work string and pkr.
- 16. PU and GIH w/ BP mud anchor jt of 2 7/8" tbg, 2 7/8" x 4' perforated sub, SN, 1 jt 2 7/8" EUE 8R J-55 IPC tbg, 17 jts 2 7/8" EUE 8R J-55 tbg, TAC, and 174 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 5400', with EOT at 6005' and SN at 5970'.
- 17. Remove BOP's and install WH. GIH with rods, weight bars, and pump per ALS recommended design. RD & release pulling unit.

18. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

AMH 2/2/2006

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980 DISTRICT II

D.O. D. D.

P.O. Box Drawer DD, Artesia, NM 88211-0719 <u>DISTRICT III</u>

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10,199
Instructions on bac
Submit to Appropriate District Offic
State Lease - 4 Copie

Fee Lease - 3 Copie

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Number 30-025-25129 | Pool Code 6660 | 1 | | | |
|---|-------------------|---|---------------------------------|--|--|
| Property Code 2682 | • | erty Name TERN NCT-B | ⁶ Well No. 20 | | |
| ⁷ OGRID Number 4323 | · | rator Name ON USA INC | ⁹ Elevation 3486' | | |

¹⁰ Surface Location

| UI or lot no | Section | Township | Range | Lot.ldn | Feet From The | North/South Line | Feet From The | East/West Line | County |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F | 31 | 21-S | 37-E | | 1980' | NORTH | 1961' | WEST | LEA |

Bottom Hole Location If Different From Surface

| Ul or lot no. | Section | Township | Range | Lot.ldn | Feet From | The | North/South Line | Feet From The | East/West Line | County |
|---------------|---------|-----------------|-------|---------------|-----------|-------------------|------------------|---------------|----------------|--------|
| Dedicated 40 | d Acre | Joint or Infill | 14 | Consolidation | on Code | ¹⁵ Ord | der 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

