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
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-101
Revised February 10,199
Instructions on bac
Submit to Appropriate District Offic
State Lease - 6 Copie
Fee Lease - 5 Copie
☑ AMENDED REPORT

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

1 Operator Name and Address	2 OGRID Number
CHEVRON USA INC 15 SMITH RD, MIDLAND, TX 79705	4323
	3 API Number 30-025-10425

4 Property Code	5 Property Name	6 Well No.
2588	O.I. BOYD	3

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
K	23	22-S	37-E		1980'	SOUTH	1980'	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

9 Proposed Pool 1	10 Proposed Pool 2
LANGLIE MATTIX SEVEN RIVERS QUEEN GRAYBURG	

11 Work Type Code	12 WellType Code	13 Rotary or C.T.	14 Lease Type Code	15 Ground Level Elevation
R Re-entry	O	ROTARY	P	
16 Multiple	**17 Proposed Depth**	**18 Formation**	**19 Contractor**	**20 Spud Date**
No	6420'	GRAYBURG		4/15/2006

21 Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
NO CHANGE					

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

CHEVRON U.S.A. INC. INTENDS TO RE-ENTER THIS P&A' WELL AND COMPLETE IT IN THE LANGLIE MATTIX SEVEN RIVERS QUEEN GRAYBURG FIELD AND RESERVOIR.

A PIT WILL NOT BE USED FOR THIS PLUGBACK. A STEEL FRAC TANK WILL BE UTILIZED.

THE CURRENT AND PROPOSED WELLBORE DIAGRAMS, AND THE INTENDED PROCEDURE IS ATTACHED FOR YOUR APPROVAL.

****PLEASE DISMISS PERMIT SENT IN ON 3-31-06 - WRONG FIELD AND RESERVOIR ****

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Re-Entry

23 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.

Signature Denise Pinkerton

Printed Name Denise Pinkerton

Title Regulatory Specialist

Date 3/31/2006 Telephone 432-687-7375

OIL CONSERVATION DIVISION

Approved By:

Title: PETROLEUM ENGINEER

Approval Date: APR 10 2006 Expiration Date:

Conditions of Approval:
Attached ☐

DeSoto/Nichols 3-94 ver 1.10

O.I. Boyd 3/23/2006
API #30-025-10425
1980' FSL & 1980' FWL
S23, T22S, R37E
Langlie Mattix – 7R, Q, GB
Lea County, New Mexico

COMPLETION PROCEDURE:

Use 8.6 ppg brine water. Do not exceed 300 psi on casing at anytime during job due to squeeze perfs.

1. **Complete if applicable:** Displace flowline w/ fresh water. Have Field Specialist close valve at header. Pressure test line according to type. All polypipe (SDR7 and SDR11) will be tested to 100 psi. All steel lines will be tested to 500 psi. If a leak is found, contact Donnie Ives for repair/replacement. If tests good, bleed off pressure and open valve at header. Document this process in the morning report.

2. Repair well location & lease road. Dig out around cut off csg strings. Weld on new csg and tubing heads.

3. MIRU Key PU & RU. Install BOP's & EPA equipment. Test BOP when possible. PU 6-1/4" bit, DC's, and 2-7/8" WS. Establish reverse circulation & drill out surface plug. Also drill out plug from 1050'-1400', plug from 2375-2455', CICR @ 2455', and cmt down to 4300'. Circulate hole clean. Test csg to 300 psi. POOH & LD bit & DC's.

4. MIRU WL. Run GR/CPNL/CCL log from PB (4300') to surface tied back to The Western Company Gammatron log dated 10/18/74. Fax log to Midland for perf picking. Run CBL/CCL log from 4300' to 100' above cement top. Check cement bond quality across completion interval. If cement bond does not look adequate, discuss squeezing options with engineer.

5. Perforate picked intervals with 3-1/8" slick guns loaded w/ 4 JSPF, 120 degree phasing and premium charges tied back to previously run log. RD Baker Atlas WL.

6. RIH w/ 7" PPI packer w/ SCV and spacing element (spacing will depend on perf intervals picked). Test 2-7/8" WS to 4500 psi while RIH. Test PPI packer in blank pipe. Mark settings.

7. MIRU DS. Acidize perfs w/ 3,000 gals 15% NEFE HCl acid at a max rate of ½ BPM & 4000 psi surface pressure as follows: (settings will be determined with perfs)

   Displace acid w/ 8.6# brine to top perf. Record ISIP, 5, and 10 SIP. RD DS. **If communication occurs during treatment, attempt to put away stage without exceeding 300 psi csg pressure. If stage can not be completed move to next and combine stage volumes.**

8. SI well for 2 hrs for acid to spend. Release PPI & PU above top perf. RU swab and swab back load before SION if possible. Record volumes, pressures, & fluid levels. Discuss results with Engineering. If excessive water is produced, selectively swab perf intervals as discussed w/ engineer.

9. POOH w/ PPI and LD. RIH w/ 7" frac pkr, on/off tool and profile on 3-1/2" WS testing to 8500 psi while RIH. Set packer @ +/- 3600'. Install frac head. Pressure test BS to 300 psi. Hold 300 psi on BS during frac job and observe for communication.

10. MI & RU DS Services. Frac well down 3 ½" frac string at **40 BPM** with 88,000 gals of YF125FT, 176,000 lbs. 16/30 mesh Jordan Sand, and 30,000 lbs **resin-coated** 16/30 mesh CR1630 proppant. **Tag frac w/ 3 isotopes (1st in .5 ppg sand stage, 2nd in main body of sand, and 3rd in resin stage).** Observe a maximum surface treating pressure of **8500 psi**. 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 at **20 BPM**
    Pump 14,000 gals YF125FT pad containing 5 GPT J451 Fluid Loss Additive at **40 BPM**
    Pump 14,000 gals YF125FT containing 0.5 PPG 16/30 mesh Jordan Sand & 5 GPT J451 FL Additive
    Pump 12,000 gals YF125FT containing 1.5 PPG 16/30 mesh Jordan Sand
    Pump 12,000 gals YF125FT containing 2.5 PPG 16/30 mesh Jordan Sand
    Pump 14,000 gals YF125FT containing 3.5 PPG 16/30 mesh Jordan Sand
    Pump 16,000 gals YF125FT containing 4.5 PPG 16/30 mesh Jordan Sand
    Pump 6,000 gals YF125FT containing 5 PPG **resin-coated** 16/30 mesh CR1630 proppant.

    Flush to top perf with WF125FT. **Do not overflush.** Shut well in. Record ISIP, 5, 10, and 15 minute SI tbg pressures. SWI. RD & Release DS Services. **Leave well SI overnight for resin to heal.**

11. Open well and bleed off any pressure. Release packer and POOH. RIH w/ 6-1/4" bit to 4300'. POOH & LD bit. RIH w/ 7" pkr w/ on/off tool and profile. Set pkr @ +/- 3600'. RU swab and swab well checking for sand inflow. Discuss results w/ engineer. RD swab.

12. MIRU Logging Truck and conduct after Frac Log across completion interval. RD Logging truck.

13. MIRU pump truck. Pump down tbg w/ 50 bbls 8.6 PPG cut brine water containing 110 gals Baker RE-4777 Scale Inhibitor followed by 200 bbls 8.6 PPG cut brine water @ 5 BPM & 2500 psi max pressure. RD pump truck. POOH & LD WS & pkr.

14. RIH w/ 2-7/8" production tbg & hang off as per ALS recommendation. NDBOP NUWH.

15. RD Key PU & RU. Turn well over to production. Contact Lease Operator and inform them that the well is ready for operation.

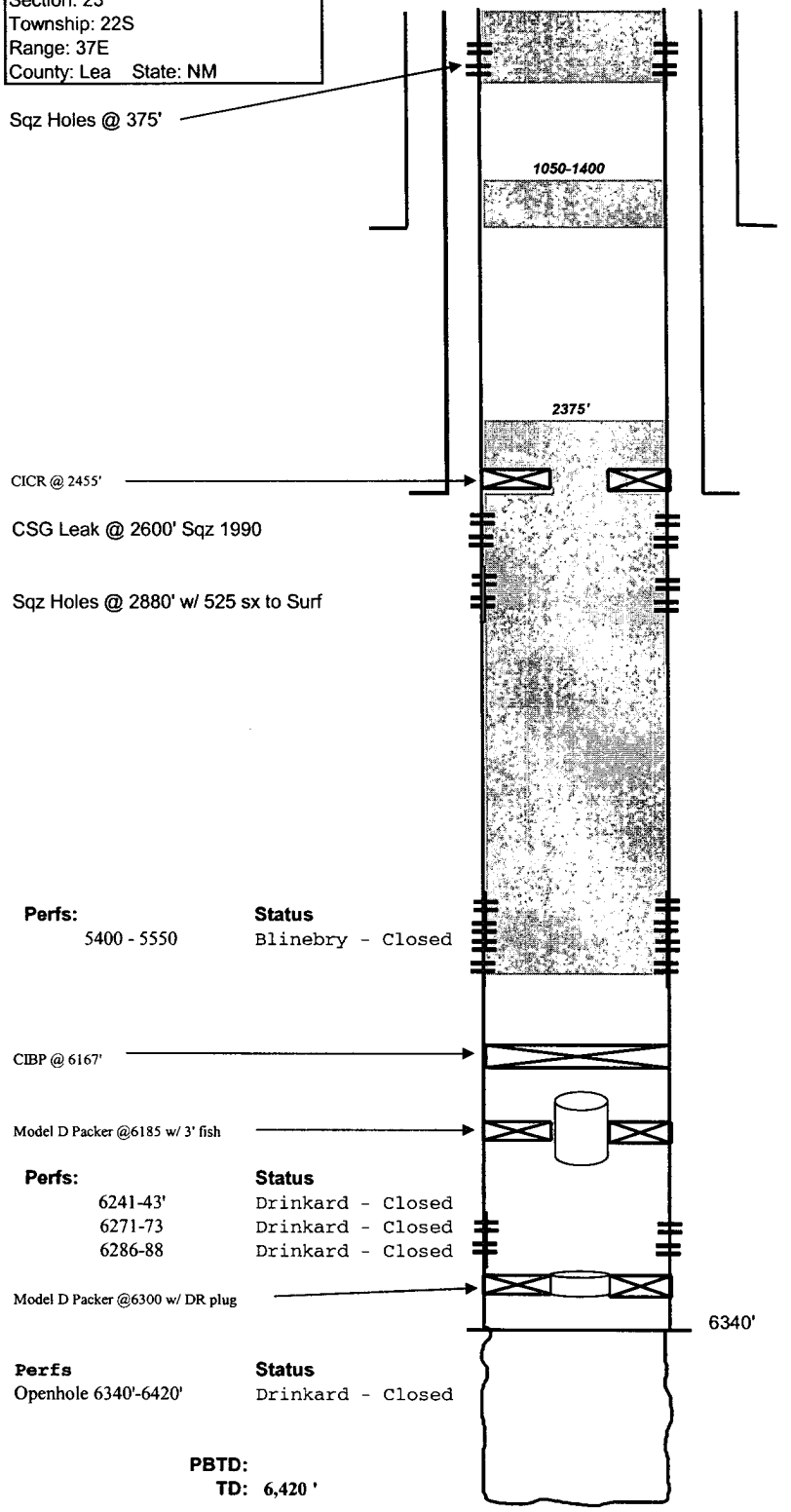
Engineer - Keith Lopez
432-687-7120 Office
432-631-3281 Cell
432-661-6156 Home

Well: **OI Boyd 3** **Field:** P/A **Reservoir:**

Location:
1980' FSL & 1980' FWL
Section: 23
Township: 22S
Range: 37E
County: Lea State: NM

Current
Wellbore Diagram

Well ID Info:
Refno: **FB1414**
API No: 3002510425
L5/L6:
Spud Date:
ComplDate 6/6/1946



Surf. Csg:
Size 13 3/8
Weight
Set: @ 309'
With: 300sx
Hole Size:
Circ: yes
TOC @ surf

Int. Csg:
Size 9 5/8
Weight 36#
Set: @ 2863'
With: 1300sx
Hole Size:
Circ: no
TOC @ 750'

Perfs: **Status**
5400 - 5550 Blinebry - Closed

Perfs: **Status**
6241-43' Drinkard - Closed
6271-73 Drinkard - Closed
6286-88 Drinkard - Closed

Perfs **Status**
Openhole 6340'-6420' Drinkard - Closed

PBTD:
TD: 6,420 '

Prod. Csg:
Size 7
Weight 23
Set @ 6,340 '
With: 700sx
Hole Size:
Circ: no
TOC @ 3190 TS

Updated: 31-Aug-05
By: August Venegas

Well: **Ol Boyd 3**

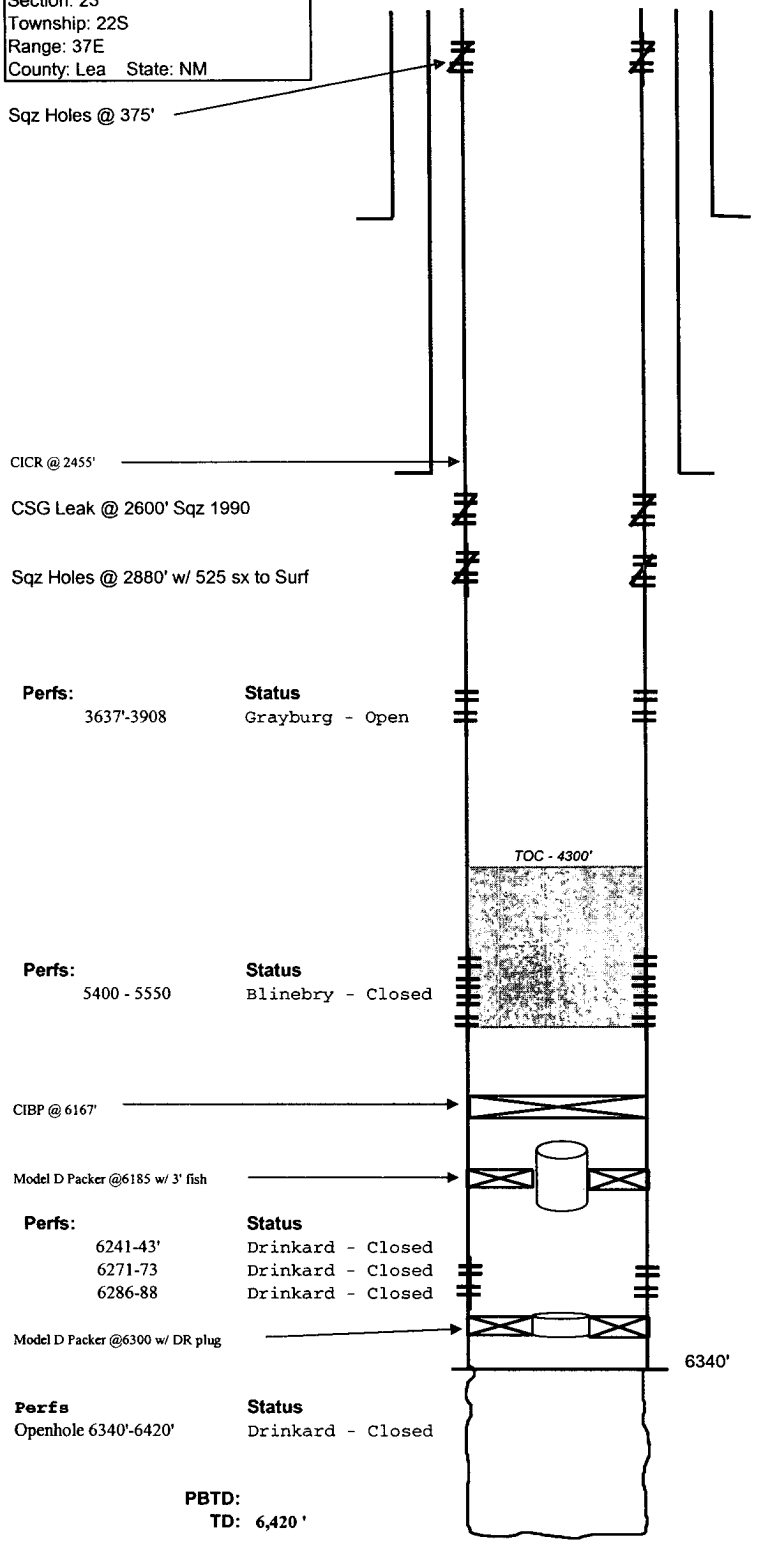
Field: Langlie Mattix **Reservoir:** **Grayburg**

Location:
1980' FSL & 1980' FWL
Section: 23
Township: 22S
Range: 37E
County: Lea State: NM

Proposed
Wellbore Diagram

Well ID Info:

Refno:	**FB1414**
API No:	3002510425
L5/L6:	
Spud Date:	
ComplDate:	6/6/1946



Surf. Csg:

Size	13 3/8
Weight	
Set: @	309'
With:	300sx
Hole Size:	
Circ:	yes
TOC @	surf

Int. Csg:

Size	9 5/8
Weight	36#
Set: @	2863'
With:	1300sx
Hole Size:	
Circ:	no
TOC @	750'

Prod. Csg:

Size	7
Weight	23
Set @	6,340 '
With:	700sx
Hole Size:	
Circ:	no
TOC @	3190 TS

Perfs: 3637'-3908 **Status** Grayburg - Open

Perfs: 5400 - 5550 **Status** Blinebry - Closed

Perfs:
6241-43' Drinkard - Closed
6271-73 Drinkard - Closed
6286-88 Drinkard - Closed

Perfs Openhole 6340'-6420' **Status** Drinkard - Closed

PBTD:
TD: 6,420 '

Updated: 31-Aug-05
By: August Venegas

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Energy, Minerals and Natural Resources Department

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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	2 Pool Code	3 Pool Name
30-025-10425	37240	LANGLIE MATTIX SEVEN RIVERS QUEEN GRAYBURG

4 Property Code	5 Property Name	6 Well No.
	O.I. BOYD	3

7 OGRID Number	8 Operator Name	9 Elevation
4323	CHEVRON USA INC	

10 Surface Location

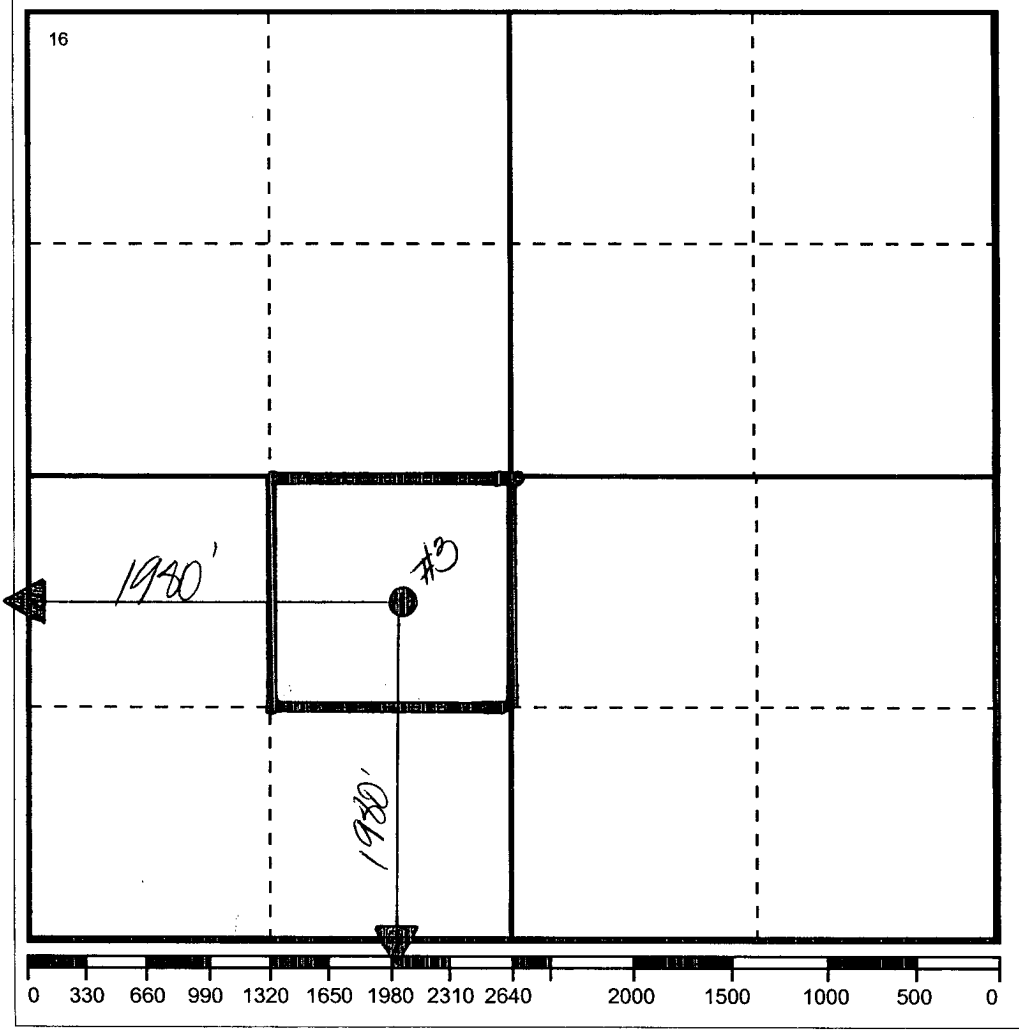
Ul or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
K	23	22-S	37-E		1980'	SOUTH	1980'	WEST	LEA

11 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

12 Dedicated Acre	13 Joint or Infill	14 Consolidation Code	15 Order No.
40	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: Denise Pinkerton

Printed Name: Denise Pinkerton

Positio: Regulatory Specialist

Date: 4/3/2006

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

Signature & Seal of Professional Surveyor

Certificate No.

DeSoto/Nichols 3/94 ver 1.10

The sender of this message has requested a read receipt. Click here to send a receipt.

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD **Sent:** Fri 4/7/2006 8:06 AM
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

All have blanket bonds and none appear on Jane's list.

From: Mull, Donna, EMNRD
Sent: Friday, April 07, 2006 7:44 AM
To: Phillips, Dorothy, EMNRD
Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD
Subject: Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirement for these Operators OK ?

EOG Resources Inc (7377)
Pogo Producing Co (17891)
Range Operating New Mexico Inc (227588)
Harvard Petroleum Corp (10155)
Yates Petroleum Corp (25575)
Platinum Exploration Inc (227103)
Marbob Energy Corp (14049)
Chevron USA Inc (4323)
Marathon Oil Co (14021)
XTO Energy Inc (5380)

Please let me know. Donna