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<u>DISTRICT I</u> P.O. Box 1980 DISTRICT II	, Hobbs, NM	88241-198	30		Enei	Stat gy, Minerals and	e of New d Natural		partment		Revised Fe	Form C-101 bruary 10,199
P.O. Box Draw	ver DD, Artes	ia, NM 882	11-07	19	OIL	CONSER	VAT	ON DIV	ISION	Cubmitte		uctions on bac
DISTRICT III					UIL). Box 20			Submit to		te District Offic ease - 6 Copie
1000 Rio Braz DISTRICT IV	os Rd., Aztec	, NM 8741	0			Santa Fe, Ne			88			ease - 5 Copie
P.O. Box 2088	, Santa Fe, N	IM 87504-2	088									ED REPORT
	APP	LICATIO	DN F	OR PER	MIT TC	DRILL, RE-E	ENTER,	DEEPEN, P	LUGBACK, O	RADD	A ZONE	
CHEVRON	USA INC	1	Open	ator Name	and Addı	ress					² OGRI 43	D Number 23
15 SMITH F	rd, Midlan	ND, TX 79	9705								³ API Nu 30-025	mber /
4 F	Property Code 2710						operty Narr			-	⁶ We	ell No. 🖌 8
						⁷ Surfac	e Locati	on				
UI or lot no.	Section	Townsh	nip	Range	Lot.ldn	Feet From	The No	rth/South Line	Feet From The	East/V	Vest Line	County 🗸
A	25	21-S		36-E		905'		NORTH	990'	E	AST	LEA
				⁸ Propo	sed Bot	tom Hole Loc	ation If I	Different Fro	m Surface			
UI or lot no.	Section	Townsl	nip	Range	Lot.ldr	Feet From	The No	orth/South Line	Feet From The	East/V	Vest Line	County
	, <u></u>			Pool 1 🖌 ND GAS (OI	L)	L	••• J <u> </u>		¹⁰ Proposed Pe	pol 2		
L				`			····	. <u>.</u>				
1	Type Code	1	12	WellType C	ode	13 Rotary or	C.T.	¹⁴ Lea	ase Type Code	15 (Ground Level	Elevation
P			0		ROTARY		s		3515' GL			
¹⁶ Multiple No			17	¹⁷ Proposed Depth		¹⁸ Formatio		¹⁹ C	ontractor	²⁰ Spu		Date
				6850'	21	BLINEBR					4/15/2000	3
·					Prop	osed Casing			m			
SIZE OI		SIZ		CASING	WEIG	SHT PER FOOT	SE	TTING DEPTH	SACKS C	F CEMEN	Г	EST. TOP
										01121	3141576	2.
					-				110	<u>}~</u>	-	
									/ <u>^</u>	65	- 2	
22 Describe the	proposed prog	ram. If this a	pplicati	on is to DEEPE	EN or PLUG	BACK give the data o	n the present	productive zoneand	f proposed new product	ive zone	02	<u> </u>
Describe the	blowout prever	ition program	, if any	. Use addition:	al sheets if r	necessary.			(3)		Sup <u>s</u>	N N
CHEVRON AND GAS Z	U.S.A INC. ONE.	INTENDS	тоі	RECOMPL	ETE THE	SUBJECT WEL	L FROM	THE DRINKAR	D FIELD AND RE	SERVOIP	R TO THE E	
A PIT WILL	NOT BE U	SED FOR	THIS	RECOMP	LETION.	A STEEL FRAC	C TANK W	ILL BE UTILIZI	ED.	् <u>र</u> िट् ड 8	2129292	
THE CURRE	ENT AND P	ROPOSE	D WE	ELLBORE I	DIAGRAN				S ATTACHED FO		APPROVA	.L.
									From Approv	val		
						Da	te Unio		Underway			
								<u> </u>	<i>pback</i>			
Division hav	ify that the rule e been complie	d with and th	at the i	nformation give	rvation en above			OIL(CONSERVA	TION	DIVISIC	N
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Signature	Van 1ª	el Pi	r 1	los tra)		Appro	ved By:	53/2	\sim		
Printed Nam			/\		/							
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Title

Date

Regulatory Specialist

Telephone

432-687-7375

4/6/2006

Approval Date:	Expiration Date:	
Conditions of Approved:		
Attached		

Т

DeSoto/Nichols 3-94 ver 1.10

Procedure:

- 1. 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 6675'. POH with work string and bit. LD bit.
- PU and GIH with 5 ½" tbg-set CIBP to 6650'. Set CIBP at 6650'. Dump 35' cmt on top of CIBP. PUH to 6600'. Reverse circulate well clean from 6600' 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 6600' 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 5502-08', 5516-22', 5526-32', 5536-40', 5546-52', 5558-66', 5572-76', 5590-96', 5627-33', 5659-67', 5672-78', 5684-92', 5758-64', 5770-76', 5832-38', 5852-56', and 5908-16' with 4 JSPF at 120 degree phasing, using 23 gram premium charges. POH. RD & release electric line unit. Note: Use csg collars from Gearhart Gamma Ray Log dated 3/3/85 for depth correction.
- 6. PU and GIH w/ 5 ¹/₂" PPI pkr (with 10' element spacing) and SCV on 2 7/8" work string to approximately 5500'. Test tbg to 5500 psi while GIH.
- 7. MI & RU DS Services. Acidize perfs 5502-5916' with 3,400 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
5908-16'	200 gals	½ BPM	5907-17'
5852-56'	200 gals	½ BPM	5850-60'
5832-38'	200 gals	¹ / ₂ BPM	5830-40'
5770-76'	200 gals	½ BPM	5768-78'
5758-64'	200 gals	½ BPM	5756-66'
5684-92'	200 gals	½ BPM	5683-93'
5672-78'	200 gals	1/2 BPM	5670-80'
5659-67'	200 gals	1/2 BPM	5658-68'
5627-33'	200 gals	½ BPM	5625-35'
5590-96'	200 gals	½ BPM	5588-98'
5572-76'	200 gals	½ BPM	5570-80'
5558-66'	200 gals	½ BPM	5557-67'
5546-52'	200 gals	½ BPM	5544-54'
5536-40'	200 gals	½ BPM	5534-44'
5526-32'	200 gals	1/2 BPM	5524-34'
5516-22'	200 gals	1/2 BPM	5514-24'
5502-08'	200 gals	½ BPM	5500-10'

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. <u>Note:</u> 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. <u>Note:</u> Selectively swab perfs as directed by Engineering if excessive water is produced.
- 9. Open well. Release PPI pkr. LD with PPI pkr to 5950'. Pressure test csg from 5950-6615' to 2500 psi. 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). 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 ¹/₂" work string. Lay down 3 ¹/₂" work string and pkr.
- 13. PU and GIH with 4 ³/₄" 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, 21 jts 2 7/8" EUE 8R J-55 tbg, TAC, and 171 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 5315', with EOT at 6035' and SN at 6000'.
- 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.





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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

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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

Revised February 10,199 Instructions on bac Submit to Appropriate District Offic State Lease - 4 Copie Fee Lease - 3 Copie □ AMENDED REPORT

Form C-102

VUELL LOOATION AND AODEAOE DEDIOATION DUA	
WELL LOCATION AND ACREAGE DEDICATION PLA	Т

¹ API Number 30-025-29092					Pool Cod 6660	e			³ Pool Na BLINEBRY OIL		
⁴ Property Code 2710							operty N RAMSE	Name EY NCT-B		⁶ Well No. 8	
⁷ OGRID Number 4323							perator /RON	Name USA INC		⁹ Elevation 3515' GL	
						¹⁰ Surfac	e Loc	ation			
UI or lot no A	Section 25	Townsh 21-S	ip Rang 36-	-	Lot.Idn	Feet From 905'	The	North/South Line NORTH	Feet From The 990'	East/West Line EAST	County LEA
			1	¹ Bot	tom Hol	e Location	If Dif	ferent From Su	rface		
Ul or lot no.	Section	Townsh	p Rang	ge	Lot.ldn	Feet From	The	North/South Line	Feet From The	East/West Line	County
¹² Dedicated 40	I Acre ¹³	³ Joint or I N		¹⁴ Co	onsolidatio	on Code	¹⁵ Ord	der No.			
NC	ALLOWA	ABLE WII						N UNTIL ALL INT			IDATED
									I hereby of contained here best of my kr Signature N N N Printed Nam Denise F Positio Regulato Date 4/6/2006 18 SUI I hereby cert on this plat v actual survey supervision,	ne Pinkerton Dry Specialist RVEYOR CERTII ify that the well locat vas plotted from field ys made by me or ut and that the same is a best of my knowled ed Seal of Surveyor	ation plete to the
0 330 (660 990	1320 16	50 1980 2	2310 26	40	2000 15	500	1000 500	0	DeSoto/Nichols 3/	24 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: Tue 4/11/2006 9:32 AM
 To: Mull, Donna, EMNRD

Subject: RE: Financial Assurance Requirement Attachments:

All except Three Span have blanket bonds and Three Span has no approved bonding as of yet. They are submitting a one-well bond for the API 30-025-37791 you gave me. None of these appear on Jane's list.

From: Mull, Donna, EMNRD
Sent: Tuesday, April 11, 2006 9:28 AM
To: Phillips, Dorothy, EMNRD
Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD
Subject: Financial Assurance Requirement

Dorothy,

Cc:

Is the Financial Assurance Requirement for these Operators OK?

Devon Energy Producing Co LP (6137) Chevron USA Inc (4323) Platinum Exploration Inc (227103) Marathon Oil Co (14021) Three Span Oil & Gas Inc (184905)

Please let me know. Thanks Donna

https://webmail.state.nm.us/exchange/dmull/Inbox/RE:%20Financial%20Assurance%20Requirement.EM... 4/11/2006