

## 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

<sup>1</sup> Operator Name and Address CHEVRON U.S.A. INC. 15 SMITH ROAD MIDLAND, TEXAS 79705		<sup>2</sup> OGRID Number 4323
<sup>3</sup> Property Code 30005		<sup>4</sup> API Number 30 - 025-03102
<sup>5</sup> Property Name STATE AN COM		<sup>6</sup> Well No. 24
<sup>9</sup> Proposed Pool 1 VACUUM ABO REEF		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	7	18-S	35-E		330'	NORTH	2100'	EAST	LEA

<sup>8</sup> 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
D	7	18-S	35-E		642'	NORTH	340'	WEST	LEA

## Additional Well Information

<sup>11</sup> Work Type Code D Horizontal	<sup>12</sup> Well Type Code OIL	<sup>13</sup> Cable/Rotary CABLE	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3973'
<sup>16</sup> Multiple NO	<sup>17</sup> Proposed Depth 11,130'	<sup>18</sup> Formation ABO	<sup>19</sup> Contractor	<sup>20</sup> Spud Date 5-20-2006
Depth to Groundwater 100'		Distance from nearest fresh water well 1000'		Distance from nearest surface water 1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20 mils thick Clay <input type="checkbox"/> Pit Volume: 3500 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
NO CHANGE					

<sup>22</sup> 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.

CHEVRON U.S.A. INC. INTENDS TO DRILL A HORIZONTAL LATERAL IN THE SUBJECT WELL

KICK OFF POINT - 8070'  
TOP OF WINDOW - 8061'  
BOTTOM OF WINDOW - 8067'  
TARGET INTERVAL - 8095-8398'  
LENGTH OF LATERAL - 3035'  
OPEN HOLE COMPLETION

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway  
Horizontal



<sup>23</sup> 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: DENISE PINKERTON

Title: REGULATORY SPECIALIST

E-mail Address: leakejd@chevron.com

Date: 5-08-2006

Phone: 432-687-7375

## OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

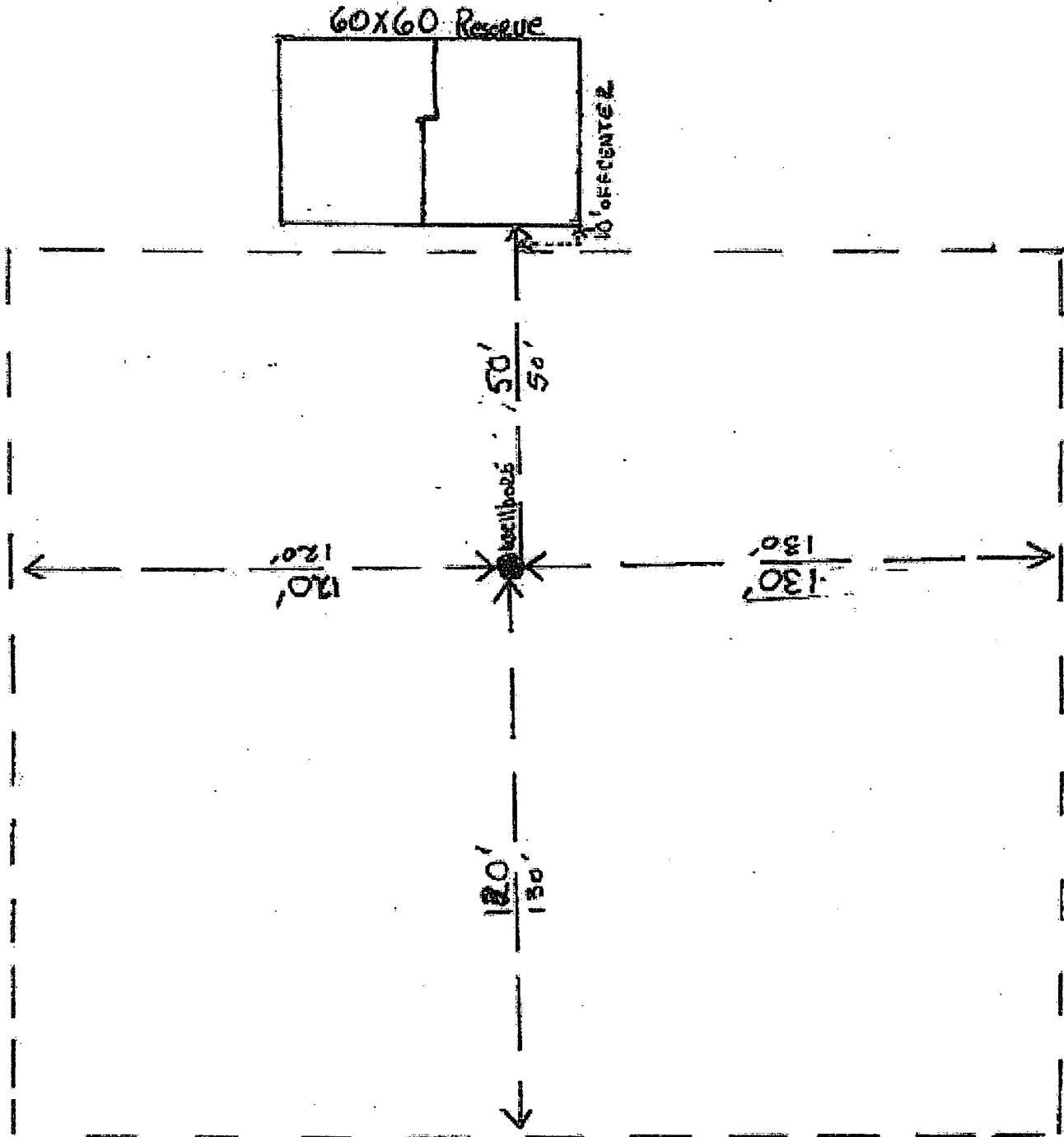
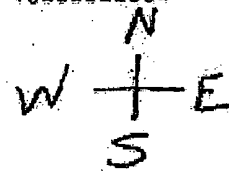
PETROLEUM ENGINEER

MAY 17 2006

Conditions of Approval Attached ☐

KEY RIG #117

E



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## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

**OIL CONSERVATION DIVISION**

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-03102		<sup>2</sup> Pool Code 61780		<sup>3</sup> Pool Name Vacuum Abo Reef	
<sup>4</sup> Property Code 30005		<sup>5</sup> Property Name STATE AN COM			<sup>6</sup> Well Number 2H
<sup>7</sup> OGRID No. 4323		<sup>8</sup> Operator Name CHEVRON U.S.A. INC.			<sup>9</sup> Elevation 3973'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	7	18-S	35-E		330'	NORTH	2100'	EAST	LEA

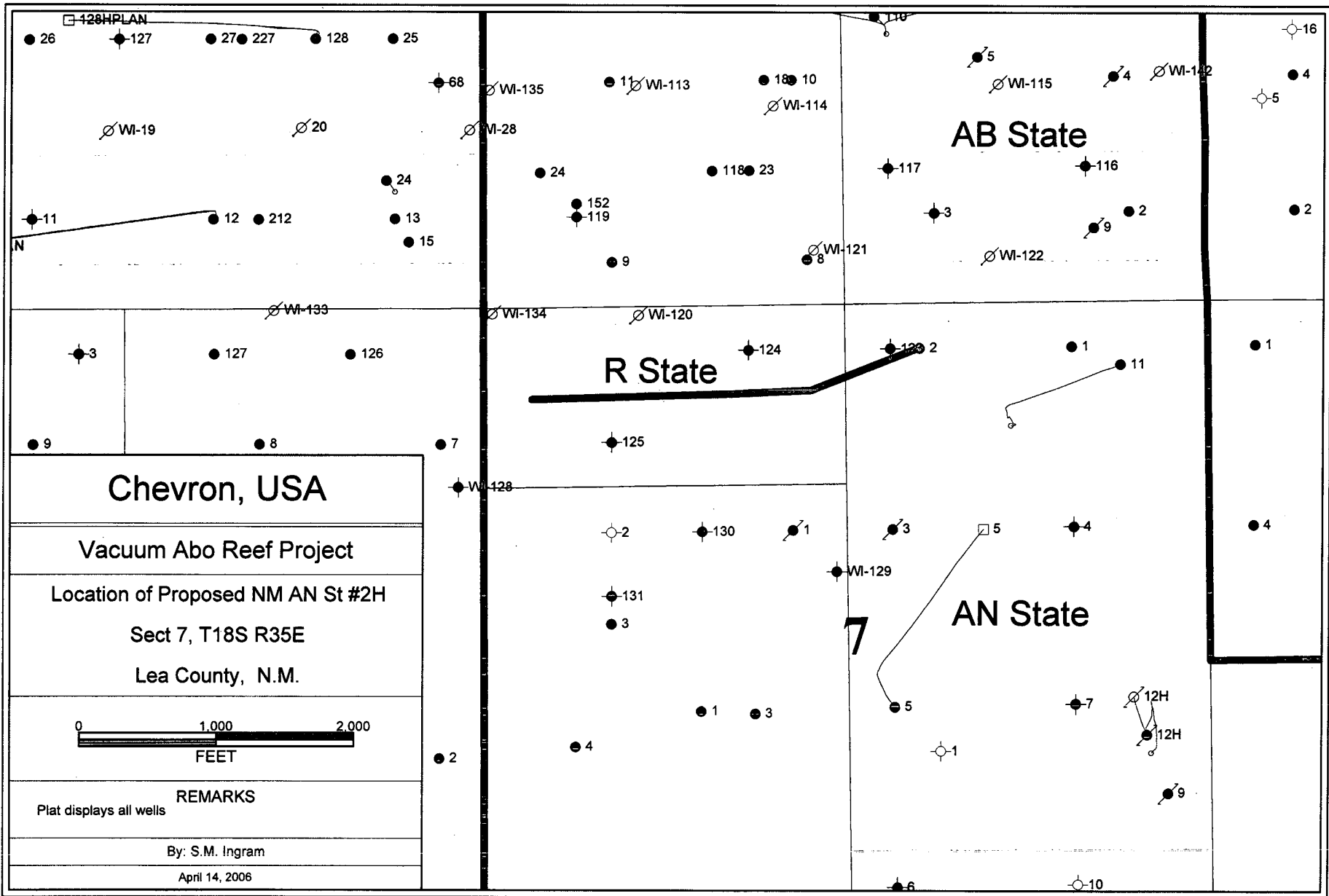
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	7	18-S	35-E		642'	NORTH	340'	WEST	LEA

<sup>12</sup> Dedicated Acres 120	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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 unleased 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>Denise Pinkerton</i> Date: 5-08-2006 DENISE PINKERTON REGULATORY SPECIALIST Printed Name:	
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.	
	Date of Survey Signature and Seal of Professional Surveyor:	
	Certificate Number	





May 8<sup>th</sup>, 2006

To: Mr. Paul Kautz  
State of New Mexico - Energy Mineral & Natural Resources  
Oil Conservation Division - District One  
1625 N. French Drive, Hobbs, New Mexico 88240

Subject: Justification for elevated KOP for the 'AN' State Com #2H

Mr. Kautz,

The purpose for this letter is to follow-up on our conversation on May 4<sup>th</sup> to convey the details and justification for our proposed kick off point (KOP) on the attached application to deepen/sidetrack the 'AN' State Com #2H, surface location 2310' FEL and 330' FNL, section 7, T18S, R35E, Lea County, New Mexico.

Please reference the attached NM 'AN' #2 log section which demonstrates the top of the Abo existing at a measured depth of 8098'. Please also notice the highest existing perf at 8106'. In order to reduce the likelihood of communicating with this perforated interval and losing circulation at that point it is necessary from a safety and cost standpoint to locate the KOP above the top of the Abo so that our build section at this stratigraphic horizon (top perf) can be some distance away from the existing wellbore in order to reduce the likelihood of communication and lost circulation. We therefore have proposed a KOP located 8070', which is 25' above the top of the Abo formation.

This places the lower portion of the Drinkard formation within the build section of the proposed lateral. From the attached map you can see that the Drinkard is productive to the northwest & west with the nearest offset historical producer being the State of NM 'R' NCT-4 #1 (labeled CVU #124 on the map), ~1300' to the west, which was only marginally productive and was PA'd in 1995. It's deepest Drinkard perforation was at 8110', 24' above the Top of the Abo. The nearest active Drinkard producer is Marathon's Warn State #2, located ~1800' to the NW, which public data shows its deepest Drinkard perforation being 112' above the top of the Abo formation, 88' stratigraphically higher than our proposed KOP. Based on log response, I do not anticipate the lower Drinkard interval being productive at the AN #2H location.

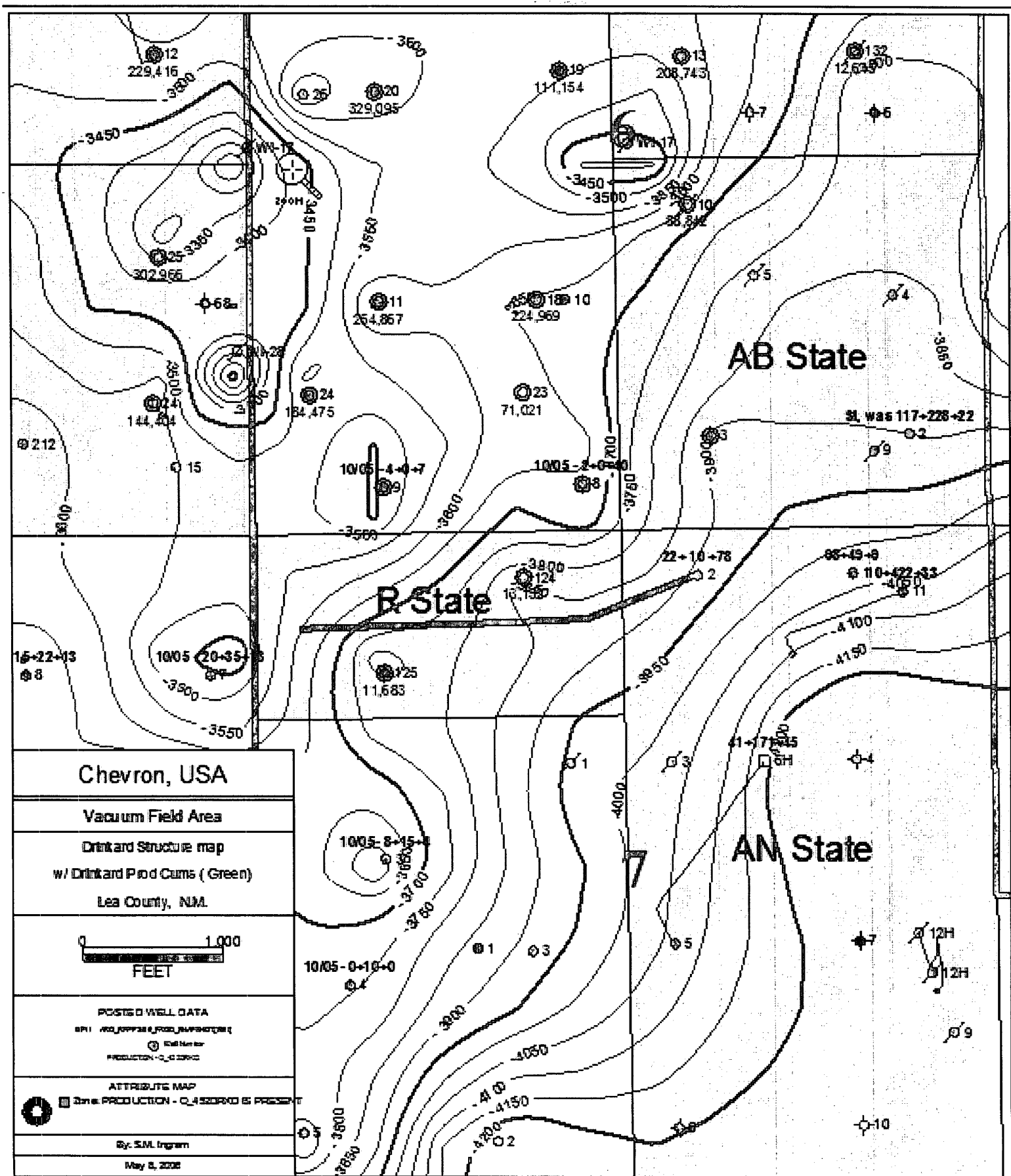
Based on this data we request your approval for the subject Application, including its KOP. We believe this data suggests that a Down Hole Commingle should not be necessary as our KOP is stratigraphically lower than any nearby Drinkard productive interval, however if you feel otherwise please contact me as soon as possible so that we might begin the DHC permit process; Chevron does own the Drinkard rights on this tract and the Drinkard and Abo have already been down hole commingled in area offsets.


Sincerely,

A handwritten signature in black ink, appearing to read "Scott M. Ingram".

Scott M. Ingram  
Chevron Sr. Staff Earth Scientist  
432-687-7212





 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

**Mull, Donna, EMNRD**

**From:** Phillips, Dorothy, EMNRD  
**To:** Mull, Donna, EMNRD  
**Cc:**  
**Subject:** RE: Financial Assurance Requirement  
**Attachments:**

**Sent:** Tue 5/16/2006 11:05 AM

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

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**From:** Mull, Donna, EMNRD  
**Sent:** Tuesday, May 16, 2006 8:41 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?

Yates Petroleum Corp (25575)  
Pogo Producing Co (17891)  
Chevron USA Inc (4323)  
Devon Energy Production Co LP (6137)  
Cimarex Ennergy Co (215099)  
BP America Production Co (778)  
Mewbourne Oil Co (14744)  
Occidental Permian Ltd (157984)

I have checked the Inactive well list and these Operators are OK there.

Please let me know. Thanks and have a nice day. Donna.

<https://webmail.state.nm.us/exchange/dmull/Inbox/RE:%20Financial%20Assurance%20Requirement-3.E...> 5/16/2006