

OCD-HOBBS

H-06-39
5/11/06

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No.
LCO33706B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No. **<30033>**
C.P. FALBY B FEDERAL 5 ✓

9. API Well No.

30-025-37P38

10. Field and Pool, or Exploratory
PENROSE SKELLY GRAYBURG

11. Sec., T. R. M. or Blk. and Survey or Area

8, 22-S, 37-E

12. County or Parish

LEA

13. State

NM

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator
CHEVRON U.S.A. INC.

3a. Address **15 SMITH ROAD**
MIDLAND, TEXAS 79705

3b. Phone No. (include area code)
432-687-7375

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface

At proposed prod. zone **2310' FSL, & 2310' FWL**

CAPTAN CONTROLLED WATER BASIN

Unit K

14. Distance in miles and direction from nearest town or post office*
2 MILES SOUTHWEST OF EUNICE, NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)
600'

16. No. of acres in lease
320

17. Spacing Unit dedicated to this well
40

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth
4350'

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3417'

22. Approximate date work will start*
06/01/2006

23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- ✓ 1. Well plat certified by a registered surveyor.
- ✓ 2. A Drilling Plan.
- ✓ 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- ✓ 5. Operator certification
- ✓ 6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Denise Pinkerton*

Name (Printed/Typed)
DENISE PINKERTON

Date
05/10/2006

Title
REGULATORY SPECIALIST

Approved by (Signature) **/s/ James Stovall**

Name (Printed/Typed) **/s/ James Stovall**

Date
JUN 12 2006

Title *Acting* **FIELD MANAGER**

Office **CARLSBAD FIELD OFFICE**

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

APPROVAL FOR 1 YEAR

Witness Surface Casing

KJ

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED**

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-31938	Pool Code 50350	Pool Name PENROSE SKELLY; GRAYBURG
Property Code 30033	Property Name C.P. FALBY B FEDERAL	Well Number 5
OGRID No. 4323	Operator Name CHEVRON U.S.A. INC.	Elevation 3417'

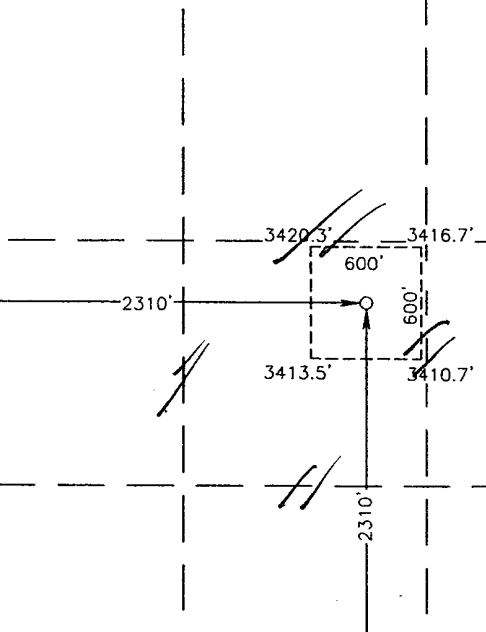
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	8	22-S	37-E		2310	SOUTH	2310	WEST	LEA

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
Dedicated Acres 40		Joint or Infill	Consolidation Code	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

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=513074.1 N X=854192.7 E</p> <p>LAT.=32°24'19.18" N LONG.=103°11'08.56" W</p> 	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Denise Pinkerton</i> 5-10-06 Signature Date DENISE PINKERTON Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MARCH 17, 2006</p> <p>Date Surveyed MR Signature & Seal of Professional Surveyor <i>Gary E. Eidsen</i> 3/24/06 06.11.0521 Certificate No. GARY EIDSON 12641</p>
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DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name C.P. FALBY B FEDERAL	Well Number 5
OGRID No.	Operator Name CHEVRON U.S.A. INC.	Elevation 3417'

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	8	22-S	37-E		2310	SOUTH	2310	WEST	LEA

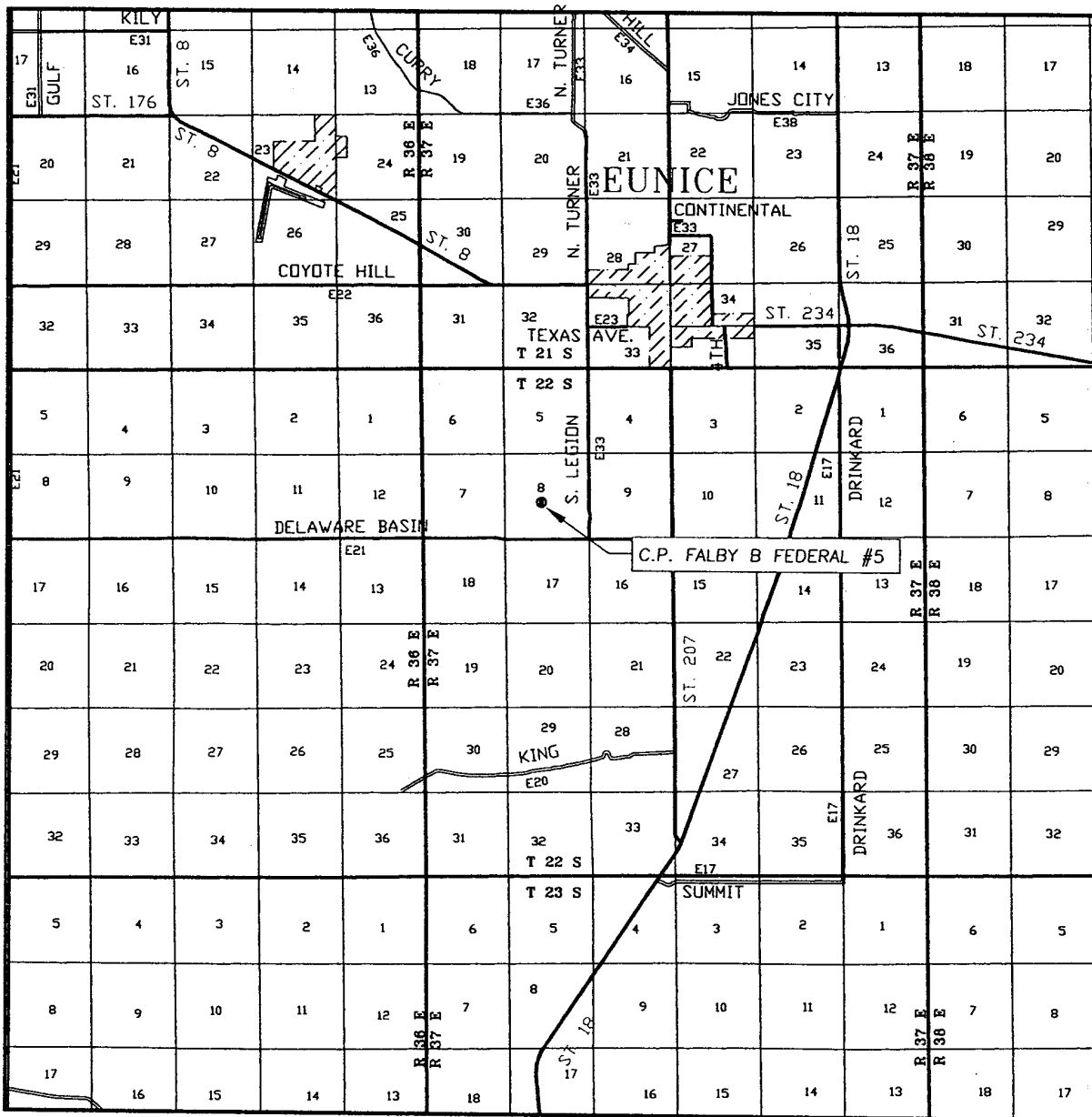
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
40									

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

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=513074.1 N X=854192.7 E</p> <p>LAT.=32°24'19.18" N LONG.=103°11'08.56" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MARCH 17, 2006</p> <p>Date Surveyed _____ MR</p> <p>Signature & Seal of Professional Surveyor </p> <p>Certificate No. GARY EIDSON 12641</p>
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VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 8 TWP. 22-S RGE. 37-E

SURVEY_____ N.M.P.M.

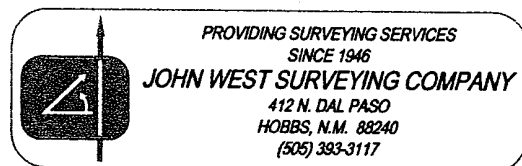
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 2310' FSL & 2310' FWL

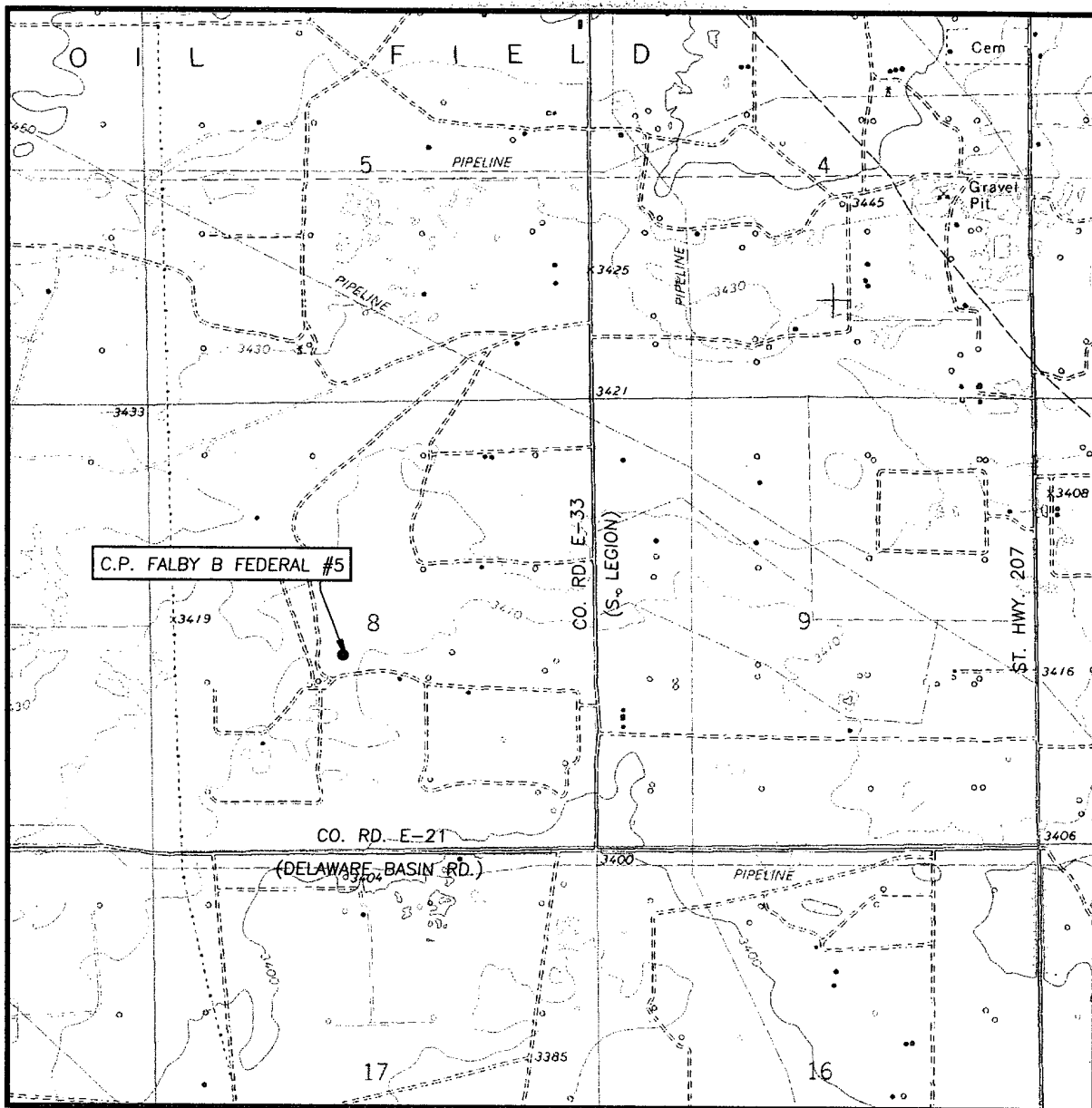
ELEVATION 3417'

OPERATOR CHEVRON U.S.A. INC.

LEASE C.P. FALBY B FEDERAL



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
EUNICE, N.M. - 10'

SEC. 8 TWP. 22-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

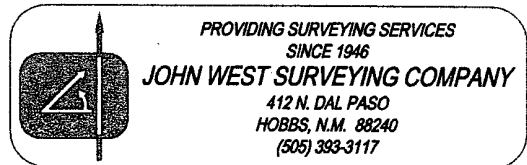
DESCRIPTION 2310' FSL & 2310' FWL

ELEVATION 3417'

OPERATOR CHEVRON U.S.A. INC.

LEASE C.P. FALBY B FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
EUNICE, N.M.

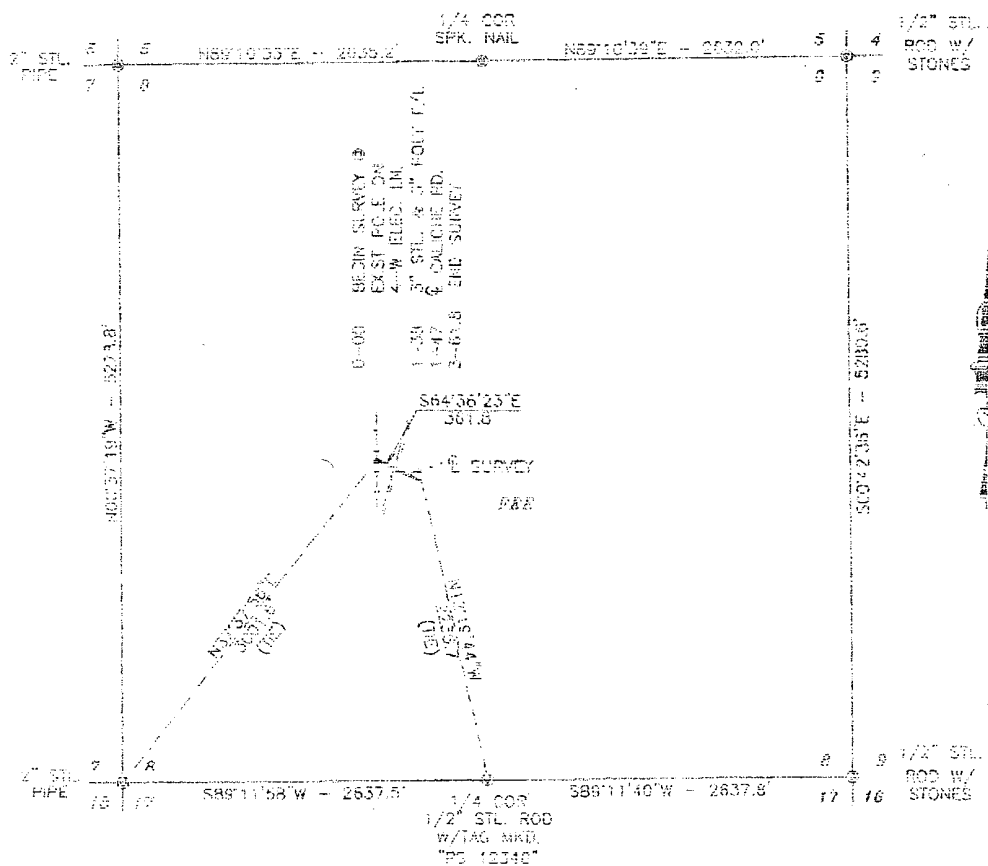


PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

SECTION 8, TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DESCRIPTION

CENTERLINE SURVEY OF AN ELECTRIC LINE EASEMENT CROSSING SECTION 8, TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8 WHICH LIES N87°37'58\"/>

TOTAL LENGTH EQUALS 361.8 FEET OR 21.53 RODS

NOTE: BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

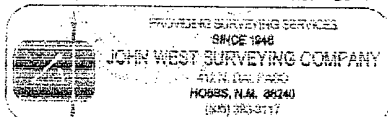
I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY. THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

1000 0 1000 2000 FEET
Scale: 1"=1000'

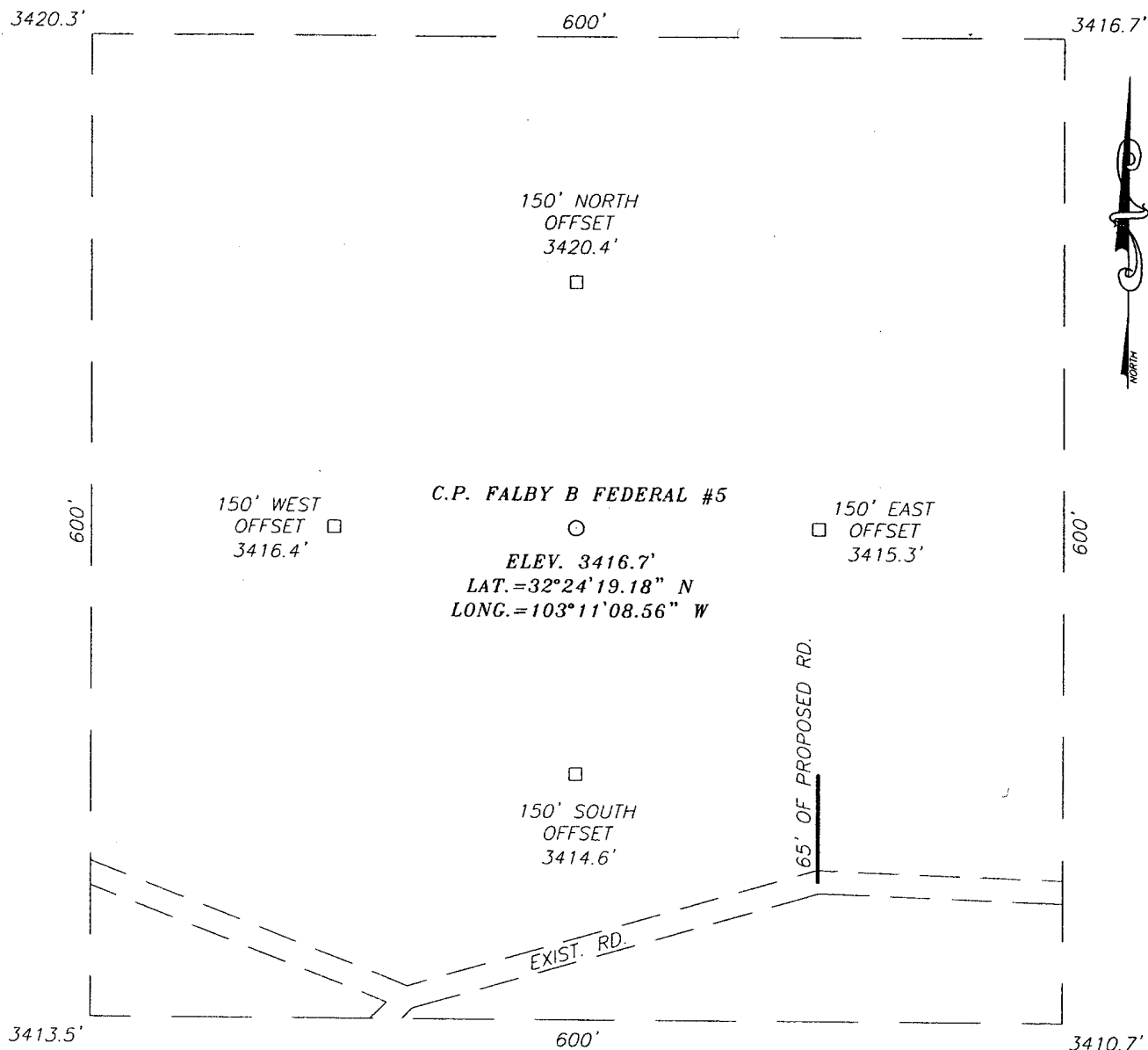
CHEVRON U.S.A. INC.

SURVEY OF AN ELECTRIC LINE CROSSING
SECTION 8, TOWNSHIP 22 SOUTH, RANGE 37 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 3/29/06	Sheet 1 of 1 Sheets
W.O. Number: 06110562	Drawn By: J.R.
Date: 4/09/06	DISK:CD#6 06110562

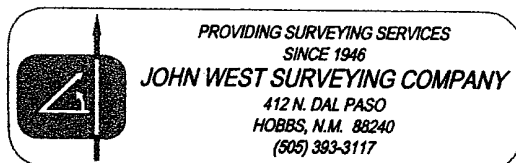
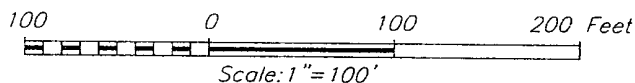


SECTION 8, TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

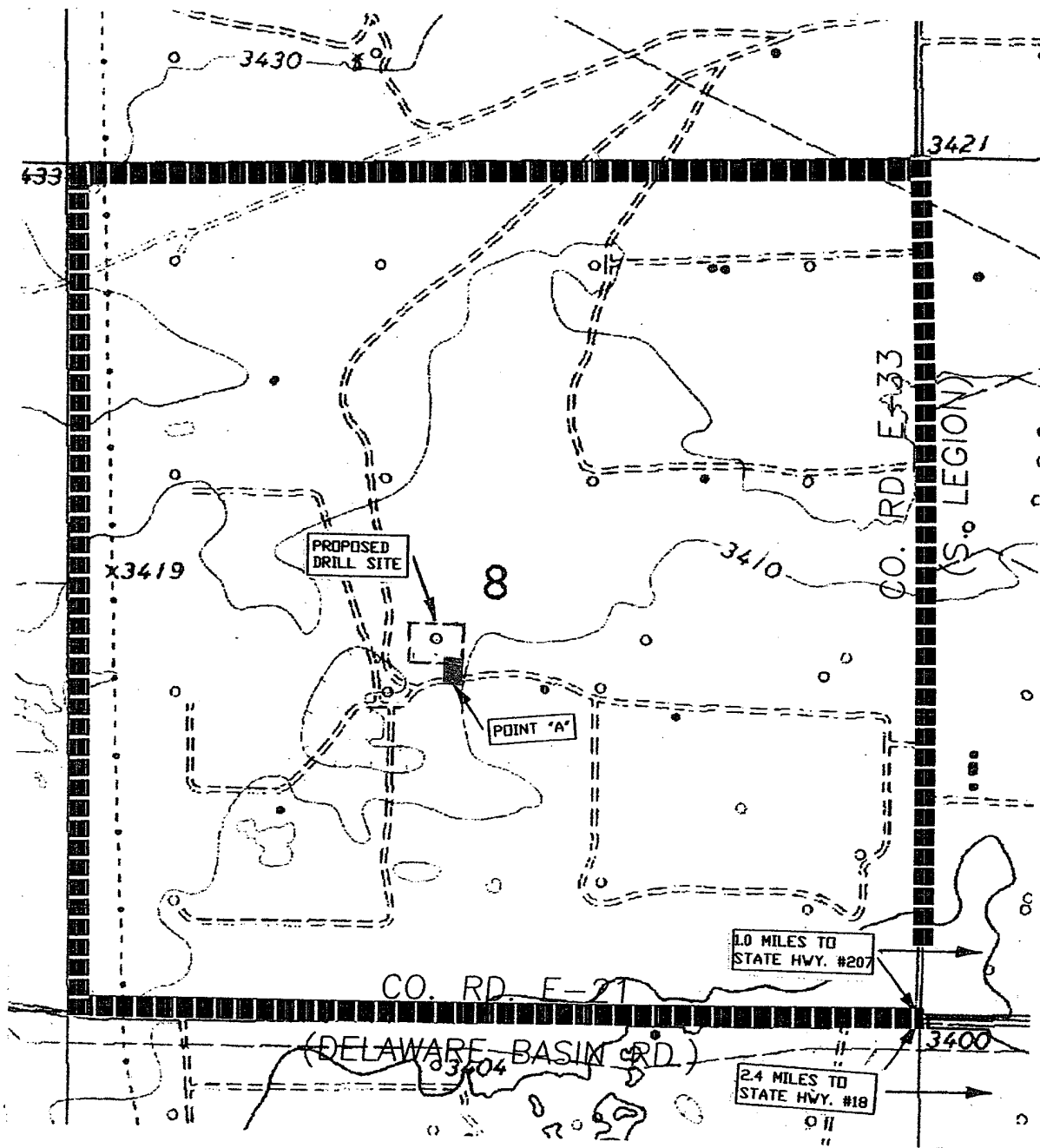
FROM THE INTERSECTION OF CO. RD. E-21
(DELAWARE BASIN RD.) AND CO. RD. E-33 (S.
LEGION), GO NORTH ON S. LEGION RD. APPROX.
0.31 MILES. TURN LEFT AND GO WEST APPROX.
0.65 MILES. THIS LOCATION IS APPROX. 250 FEET
NORTH.



CHEVRON U.S.A. INC.

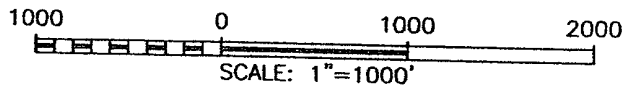
C.P. FALBY B FEDERAL #5
LOCATED 2310 FEET FROM THE SOUTH LINE
AND 2310 FEET FROM THE WEST LINE OF SECTION 8,
TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

Survey Date: 03/17/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0521	Dr By: M.R.
Date: 03/22/06	Rev 1: N/A
Disk: CD#6	06110521
	Scale: 1"=100'



LEGEND OF SYMBOLS

- == == == == == RESOURCE ROAD FEDERAL (RED)
- == == == == == RESOURCE ROAD ON LEASE (YELLOW)
- ===== PLANNED RESOURCE ROAD (BLUE)
- — — — — PLANNED FLOWLINE (GREEN)
- □ □ □ □ LEASE BOUNDARY
- PRODUCING WELL
- STAKED WELL
- TANK BATTERY

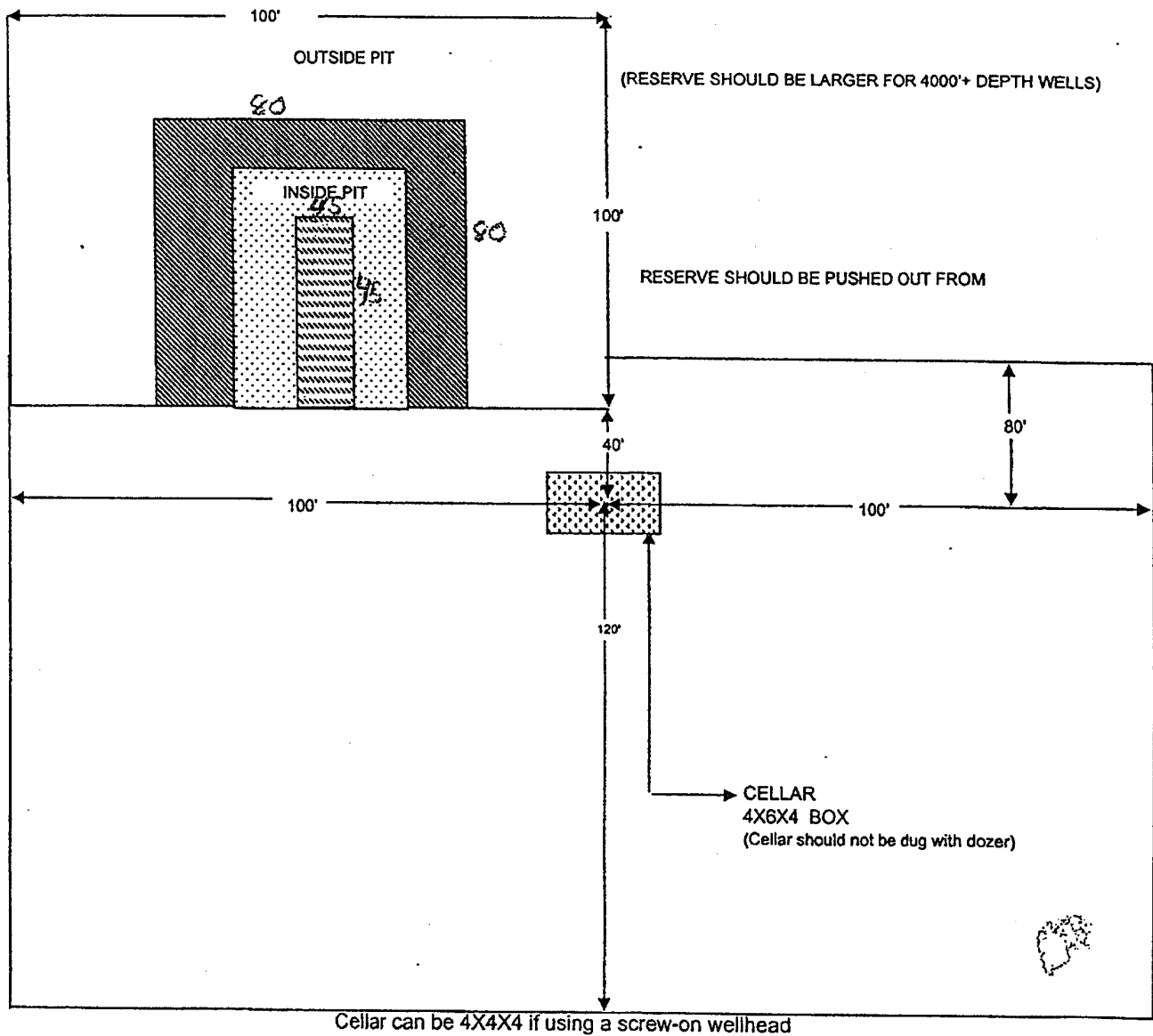


CHEVRON U.S.A. INC.

EXHIBIT "A"
C.P. FALBY B FEDERAL #5
SECTION 8, TOWNSHIP 22 SOUTH, RANGE 37 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO,

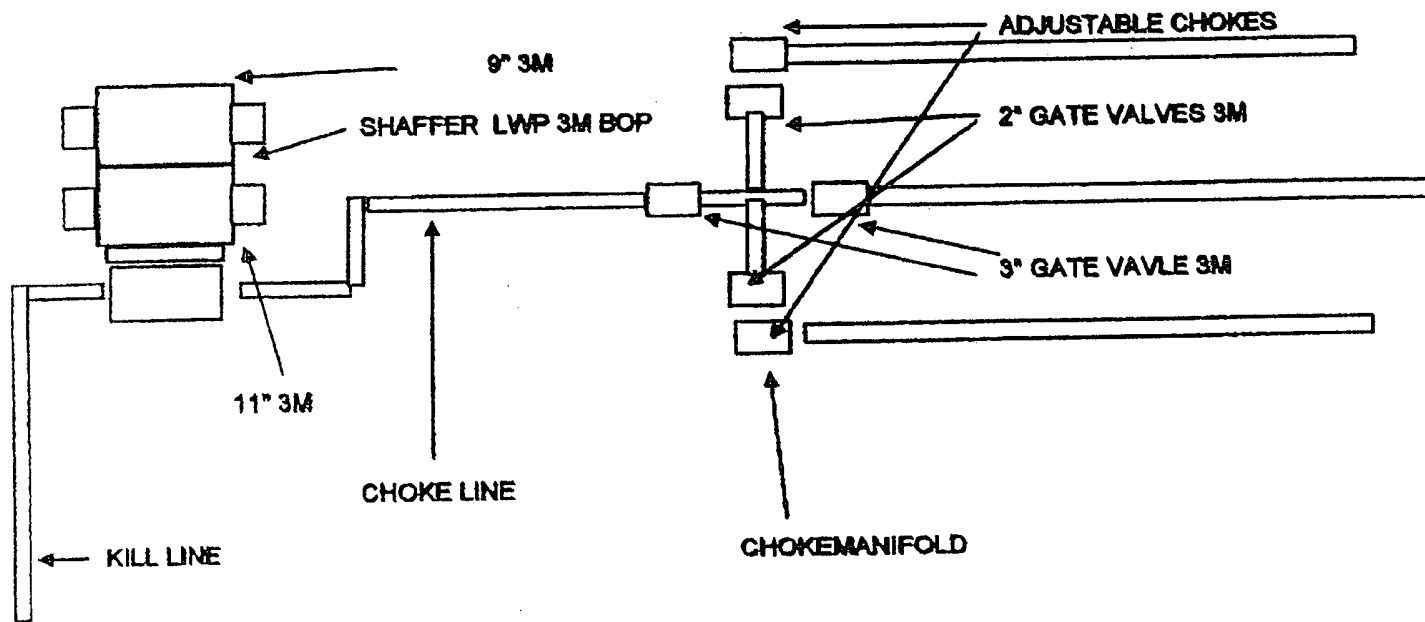
Survey Date: 3/17/06	Sheet 1 of 1 Sheets
W.O. Number: 06.13.0704	Drawn By: L.A.
Date: 4/26/06	DISK: CD#5
	06130704

Rig 22
 CapStar Drilling, Inc.
 LOCATION SPECIFICATIONS
 FOR STEEL PITS



BOP

CAPSTAR # 22



PRODUCTION CEMENTING PROGRAM

Cement with 550 sacks 35:65 Poz:Class "C" w/ 5% D44 (NaCl) + 6% D20 (gel) + 0.4% D112 (FLA) + 0.1 pps D130 (Polyester flake) + 0.2% D46 (Antifoam followed by 500 sacks 50:50 Poz:"C" w/ 5% D44 (NaCl) + 2% D20 (gel) + 0.1 pps D130 (Polyester flake).

Minimum waiting on cement time: 12 hours

Cement properties:

Slurry weight: (lead).....12.4 ppg
(tail)..... 14.2 ppg

Slurry yield: (lead).....2.15 ft³ per sack
(tail)..... 1.35 ft³ per sack

Cement volume is based on gauge hole volume plus 148% excess for the lead and 195% excess for the tail. Cement is designed to circulate to surface.

CASING SUMMARY

SURFACE:

445', 8-5/8", 24 ppf, J-55, STC

PRODUCTION:

5-1/2", 15.5 ppf, J-55, LTC

CASING PROPERTIES

	BURST		COLLAPSE		Test Pressure
	<u>Rated</u>	<u>(80%)</u>	<u>Rated</u>	<u>(80%)</u>	
8-5", 24 ppf, J-55, STC	2950	2360	1370	1100	1000
5-1/2", 15.5 ppf, J-55, LTC	4810	3850	4040	3230	2000

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

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

Form C-144
June 1, 2004

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"? No

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


Operator: CHEVRON U.S.A. INC. Telephone 432-687-7375 e-mail address: leakejd@chevron.com		
Address: 15 SMITH ROAD, MIDLAND, TEXAS 79705		
Facility or well name: C.P. FALBY B FEDERAL #5 API #: 30-025-37938 U/L K or Qtr/Qtr Sec 8 T 22-S R 37-E		
County: LEA Latitude 32 24'19.18" N Longitude 103 11'08.56" W NAD: 1927		
Surface Owner: Federal		
Pit Type: Drilling Lined Liner type: Synthetic Thickness 20 mil Pit Volume 4106 bbl	Below-grade tank Volume: ____ 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.)	50 feet or more, but less than 100 feet	(10 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)		10 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		
Date: May 10, 2006		
Printed Name/Title DENISE PINKERTON, REGULATORY SPECIALIST		
Signature <i>Denise Pinkerton</i>		
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	Signature <i>[Signature]</i>	Date: JUN 15 2006

 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: Thu 6/15/2006 8:52 AM

None appear on Jane's list and all have blanket bonds.

From: Mull, Donna, EMNRD
Sent: Thursday, June 15, 2006 8:46 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?

Range Operating New Mexico Inc (227588)
Pride Energy Co (151323)
Chevron USA Inc (4323)
ConcoPhillips Co (217817)

I have checked the Inactive well list for each operator.

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