

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, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copy
Fee Lease - 5 Copy
☐ AMENDED REPORT

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

| | | |
|---|--|---|
| ¹ Operator Name and Address CHEVRON USA INC 15 SMITH RD, MIDLAND, TX 79705 | | ² OGRID Number 4323 ✓ |
| | | ³ API Number 30-025-26523 ✓ |
| ⁴ Property Code 10996 29962 | ⁵ Property Name MEXICO 'J' ✓ | ⁶ Well No. 26 ✓ |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 32 | 24S | 38E | | 990 | SOUTH | 990 | 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 DOLLARHIDE DEVONIAN ✓ | | | | | ¹⁰ Proposed Pool 2 | | | | |

| | | | | |
|-----------------------------------|---------------------------------------|-------------------------------------|------------------------------------|---|
| ¹¹ Work Type Code P | ¹² WellType Code O | ¹³ Rotary or C.T. | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3139' |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 8750' | ¹⁸ Formation DEVONIAN | ¹⁹ Contractor | ²⁰ Spud Date |

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 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 RECOMPLETE THE SUBJECT WELL FROM THE DOLLARHIDE FUSSELMAN TO THE DOLLARHIDE DEVONIAN RESERVOIR. A PIT WILL NOT BE USED FOR THIS PLUGBACK. A STEEL FRAC TANK WILL BE UTILIZED.

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

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Plugback

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 8/30/2006

Telephone 432-687-7375

OIL CONSERVATION DIVISION

Approved By:

Chris Williams
OC DISTRICT SUPERVISOR/GENERAL MANAGER

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

SEP 11 2006

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Form C-102

Revised February 10, 199

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Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|---|
| ¹ API Number 30-025-26523 | ² Pool Code 18050 | ³ Pool Name DOLLARHIDE DEVONIAN |
| ⁴ Property Code 10996 | ⁵ Property Name MEXICO 'J' | ⁶ Well No. 26 |
| ⁷ OGRID Number 4323 | ⁸ Operator Name CHEVRON USA INC | ⁹ Elevation 3139' |

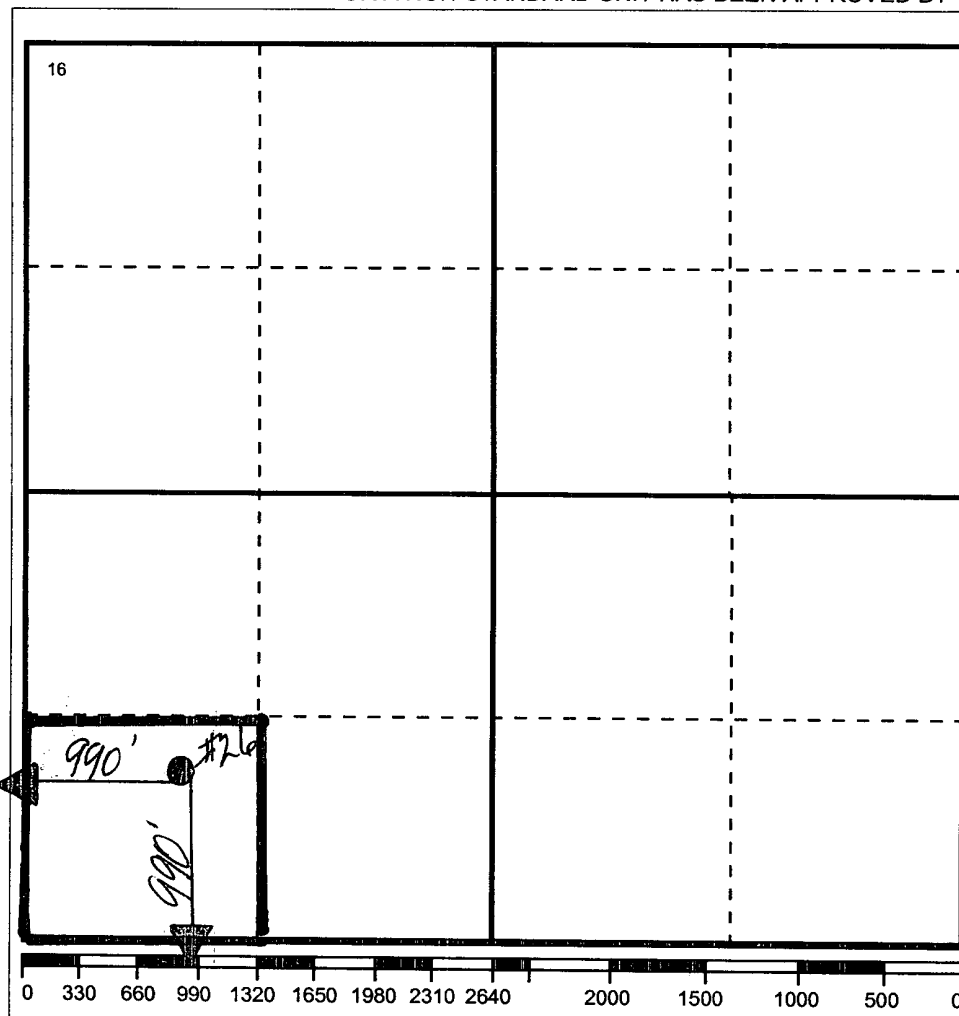
¹⁰ Surface Location

| | | | | | | | | | |
|-------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UI or lot no M | Section 32 | Township 24S | Range 38E | Lot.Idn | Feet From The 990 | North/South Line SOUTH | Feet From The 990 | East/West Line WEST | County LEA |
|-------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|

¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|------------------------------------|-------------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|--------|
| UI or lot no. | Section | Township | Range | Lot.Idn | Feet From The | North/South Line | Feet From The | East/West Line | County |
| ¹² Dedicated Acre 40 | ¹³ Joint or Infill No | ¹⁴ Consolidation Code | ¹⁵ 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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Printed Name

Denise Pinkerton

Position

Regulatory Specialist

Date

8/30/2006

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.

Mexico J # 26
Dollarhide; Devonian Field
T24S, R38E, Section 32
Job: PB To Devonian Formation And Acidize

Procedure:

1. Displace flowline with fresh water. Have field specialist close valve at header. Pressure line according to the type of line. 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 Randy Crawford 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. Remove WH. Install BOP's and test to 2000 psi.
3. PU and GIH with 4 3/4" MT bit and 2 7/8" work string to 8450'. POH with work string and bit. LD bit.
4. PU and GIH with 5 1/2" RBP and sqz pkr on 2 7/8" work string to 8400'. Set pkr at 8400' with RBP swinging. Pressure test CIBP at 8510' to 1000 psi. **Note: If CIBP leaks, pressure test annulus to 500 psi. If casing tests good, POH and set new CIBP at 8400' and dump 35' cmt on top.** Release pkr. PUH testing 5 1/2" casing with RBP and pkr until csg leak is pinpointed. Establish injection rate and pressure into casing leak. POH with 2 7/8" work string, RBP, and pkr. LD RBP. GIH with 5 1/2" sqz pkr on 2 7/8" work string to approximately 300' above csg leak, testing tbg to 5500 psi while GIH. Set pkr approximately 300' above csg leak. Pressure test casing and pkr to 500 psi. Leave pressure on casing and monitor for communication during sqz job.
5. RU DS Services cementing equipment. Cement squeeze casing leak using Class C cement mixed to 14.8 PPG w/ 1.35 CFY. Attempt to achieve at least 2500 psi squeeze pressure. Release pkr. Reverse out excess cement. PUH approximately 300'. Reset pkr and pressure tbg and csg to 500 psi. RD and release DS Services cementing equipment. Shut well in and WOC overnight.
6. Open well. Bleed off pressure. POH with 2 7/8" work string and sqz packer. LD pkr.
7. PU and GIH with 4 3/4" MT bit on 2 7/8" work string to top of cement in csg. LD and drill out cement. Reverse circulate well clean using 8.6 PPG cut brine water. Pressure test casing to 500 psi. If csg leaks, repeat cmt sqz procedure. LD and cleanout csg to approximately 8365'. Reverse circulate well clean from 8365' using 8.6 PPG cut brine water. POH with 2 7/8" work string and bit. LD bit.
8. MI & RU Baker Atlas electric line unit. Install lubricator and test to 2000 psi. GIH and conduct GR/CBL/CCL from 8365' up to 100' above top of cement. Run log with 0 psi on casing.

POH. Inspect logs for good cement bond from approximately 7800' up to 7200'. If bond does not appear to be good across proposed completion interval, discuss with Engineering before proceeding. GIH with 3 3/8" Predator casing guns and perforate from 7460-67', 7470-78', and 7642-56' with 4 JSPF at 120 degree phasing, using 32 gram premium charges. POH. RD & release electric line unit. **Note: Use Schlumberger Compensated Neutron Log dated 12/29/79 for depth correlation.**

9. PU and GIH w/ 5 1/2" PPI pkr (with 20' element spacing) and SCV on 2 7/8" work string to approximately 7450'. Test tbg to 5500 psi while GIH.
10. MI & RU DS Services. Acidize perfs 7460-7656' with 1,500 gals anti-sludge 20% 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 |
|----------|-----------|----------|-------------|
| 7642-56' | 750 gals | 1 BPM | 7640-60' |
| 7460-78' | 750 gals | 1 BPM | 7459-79' |

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. Do not exceed 350 psi casing pressure due to cmt sqzd casing leak. Do not circulate pickle acid across sqzd csg leak.**

| | | |
|------------------------------|------------|---------------------|
| * 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 |

11. Release PPI pkr and PUH to approximately 7400'. 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.**
12. Open well. Release PPI pkr. POH LD 2 7/8" work string and PPI packer.
13. 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, 8 jts 2 7/8" EUE 8R J-55 tbg, TAC, and 238 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 7400', with EOT at 7710' and SN at 7675'.
14. Remove BOP's and install WH. GIH with rods, weight bars, and pump per ALS recommended design. RD & release pulling unit.

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

AMH
8/29/2006

15
8/29/2006
AMH

Well: **Mexico J # 26**

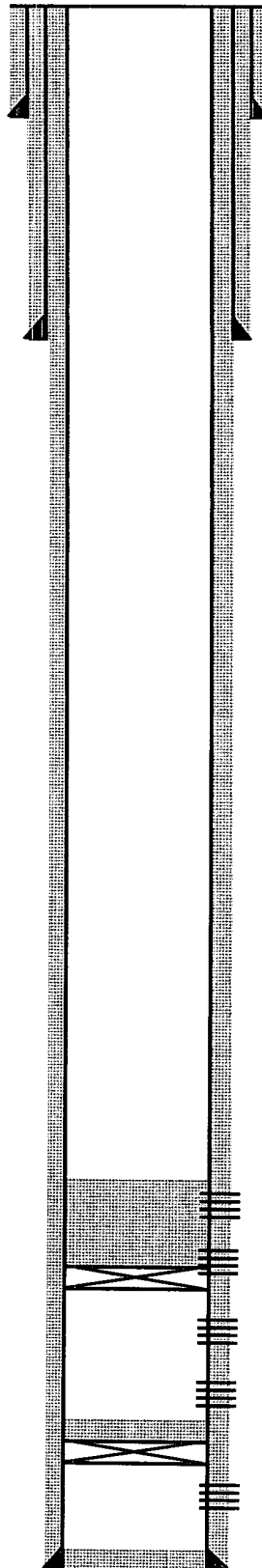
Field: **Dollarhide**

Reservoir: **Fusselman**

Location:
990' FSL & 990' FWL
Section: 32
Township: 24S
Range: 38E Unit: M
County: Lea State: NM

Elevations:
GL: 3139'
KB: 3151'
DF: 3150'

Current
Wellbore Diagram



Well ID Info:
Chevno: F16498
API No: 30-025-26523
L5/L6: U881400
Spud Date: 12/4/79
Compl. Date: 1/19/80

Surf. Csg: 13 3/8" 48#, H-40
Set: @ 695' w/850 sx cmt
Hole Size: 17 1/2"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Interm. Csg: 8 5/8" 24# & 36#, K-55
Set: @ 3948' w/ 1400 sx cmt
Hole Size: 11"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Tubing Detail:

| #Jts: | Size: | Footage |
|-------|------------------------|---------|
| | KB Correction | 12.00 |
| | None | 0.00 |
| | | 0.00 |
| 0 | Bottom Of Tbg String>> | 12.00 |

CIBP @ 8510'
(50' cmt on top)

CIBP @ 8650'
(20' cmt on top)

COTD: 8460'
PBTD: 8460'
TD: 8750'

Updated: 8/28/06

By: A. M. Howell

Perfs: **Status:**
8485-89' Fusselman - Below Cmt
8504-12' Fusselman - Below Cmt
8532-40' Fusselman - Below CIBP
8545-50' Fusselman - Below CIBP
8553-55' Fusselman - Below CIBP
8558-62' Fusselman - Below CIBP

8670-8708' Fusselman - Below CIBP

Prod. Csg: 5 1/2", 15.5# & 17#, K-55
Set: @ 8746' w/ 1850 sx cmt
Hole Size: 7 7/8"
Circ: Yes **TOC:** Surface
TOC By: Circulated

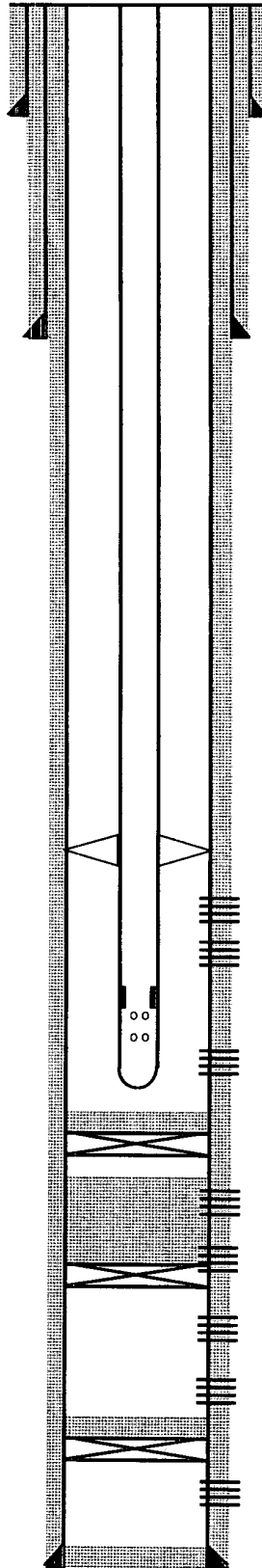
Well: **Mexico J # 26**Field: **Dollarhide**Reservoir: **Devonian****Location:**

990' FSL & 990' FWL
 Section: 32
 Township: 24S
 Range: 38E Unit: M
 County: Lea State: NM

Elevations:

GL: 3139'
 KB: 3151'
 DF: 3150'

Proposed
Wellbore Diagram

**Well ID Info:**

Chevno: F16498
 API No: 30-025-26523
 L5/L6: U881600
 Spud Date: 12/4/79
 Compl. Date: 1/19/80

Surf. Csg: 13 3/8" 48#, H-40**Set:** @ 695' w/850 sx cmt**Hole Size:** 17 1/2"**Circ:** Yes **TOC:** Surface**TOC By:** Circulated**Interm. Csg:** 8 5/8" 24# & 36#, K-55**Set:** @ 3948' w/ 1400 sx cmt**Hole Size:** 11"**Circ:** Yes **TOC:** Surface**TOC By:** Circulated**Tubing Detail:**

| #Jts: | Size: | Footage |
|------------|----------------------------------|----------------|
| | KB Correction | 12.00 |
| 238 | Jts. 2 7/8" EUE 8R J-55 Tbg | 7378.00 |
| | TAC | 3.15 |
| 8 | Jts. 2 7/8" EUE 8R J-55 Tbg | 248.00 |
| 1 | Jt. 2 7/8" EUE 8R J-55 IPC Tt | 31.00 |
| | SN | 1.10 |
| | 2 7/8" x 4' Perf Tbg Sub | 4.00 |
| 1 | Jt. 2 7/8" EUE 8R J-55 Tbg | 31.00 |
| | Bull Plug | 0.50 |
| 248 | Bottom Of String >> | 7708.75 |

Perfs:

7460-67'

7470-78'

Status:

Devonian - Open

Devonian - Open

7642-56'

Devonian - Open

CIBP @ 8400'
 (35' cmt on top)

CIBP @ 8510'
 (50' cmt on top)

CIBP @ 8650'
 (20' cmt on top)

COTD: 8365'
PBTD: 8365'
TD: 8750'

Updated: 8/28/06**By:** A. M. Howell

8485-89'

Fusselman - Below Cmt

8504-12'

Fusselman - Below Cmt

8532-40'

Fusselman - Below CIBP

8545-50'

Fusselman - Below CIBP

8553-55'

Fusselman - Below CIBP

8558-62'

Fusselman - Below CIBP

8670-8708'

Fusselman - Below CIBP

Prod. Csg: 5 1/2", 15.5# & 17#, K-55**Set:** @ 8746' w/ 1850 sx cmt**Hole Size:** 7 7/8"**Circ:** Yes **TOC:** Surface**TOC By:** Circulated