

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBS

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000Month - Year
APR 16 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

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 UL-I, 2200' SOUTH, & 660' EAST

At proposed prod. zone

SAME 3-207

Unit I
CAPITAN CONTROLLED WATER BASIN

14. Distance in miles and direction from nearest town or post office*

4.7 MILES NORTHEAST OF JAL, NEW MEXICO

15. Distance from proposed*

location to nearest
property or lease line, ft.

450' TO THE S

(Also to nearest drg. unit line, if any)

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

16. No. of Acres in lease

320 ACRES

19. Proposed Depth

3650'

17. Spacing Unit dedicated to this well

40

20. BLM/BIA Bond No. on file

CA0329

21. Elevations (Show whether DF, KDB, R, GL, etc.)

3155'

22. Approximate date work will start*

4-01-2007

23. Estimated duration

Attachments

C-144, Pit Design, BOP Design

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

01/09/2007

Title

REGULATORY SPECIALIST

Approved by (Signature)

/s/ Don Peterson

Name (Printed/Typed)

/s/ Don Peterson

Date

APR 16 2007

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.

APPROVAL FOR 1 YEAR

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 Reverse)

* Permitting 2 Proposed Zones

NSL-5623

SEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

OCD-HOBBS

Form 3160-5
(June 1990)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

5. Lease Designation and Serial No.
NMLCO57509

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and Number
G.L. ERWIN B FEDERAL NCT-2

13

9. API Well No.

10. Field and Pool, Exploratory Area
LNGL MAT 7 RVR QN GRBG

11. County or Parish, State
LEA, NM

SUBMIT IN TRIPLICATE

1. Type of Well: ☒ OIL WELL ☐ GAS WELL ☐ OTHER

2. Name of Operator
CHEVRON USA INC

3. Address and Telephone No. 15 SMITH RD, MIDLAND, TX 79705 432-687-737

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter I : 2430' Feet From The SOUTH Line and 660' Feet From The
EAST Line Section 35 Township 24-S Range 37-E

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> OTHER: CHANGE TOTAL DEPTH
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

CHEVRON U.S.A. INC. RESPECTFULLY ASKS TO CHANGE THE PROPOSED TOTAL DEPTH FROM 3650' TO 3800'.

THE SUBJECT WELL IS SCHEDULED TO SPUD IN JUNE, 2007.

14. I hereby certify that the foregoing is true and correct

SIGNATURE Denise Pinkerton TITLE Regulatory Specialist DATE 3/7/2007

TYPE OR PRINT NAME Denise Pinkerton

(This space for Federal or State office use)

APPROVED

/s/ Don Peterson

CONDITIONS OF APPROVAL, IF ANY:

TITLE ACTING FIELD MANAGER

DATE

APR 12 2007

Title 18 U.S.C. Section 1001, makes 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.

DISTRICT I
1625 N. FRANKLIN DR., MORRIS, NM 88240

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

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-38413	Pool Code 37240	Pool Name LANGLIO MATIX 7 RVR DN GRAYBUC
Property Code 29943	Property Name GL ERWIN B FEDERAL NCT 2	Well Number 13
OCRID No. 4323	Operator Name CHEVRON U.S.A. INC.	Elevation 3159'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	35	24-S	37-E		2430	SOUTH	660	EAST	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. NSL-5623						

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

<div><p>GEODETIC COORDINATES NAD 27 NME</p><p>Y=428805.1 N X=873316.2 E</p><p>LAT.=32.173148° N LONG.=103.126833° W</p></div> <div><p>3170.0' 3160.0' 600' 3153.5' 3150.2' 660' 2430'</p></div>	<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> 3-06-07 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>FEBRUARY 8, 2007</p> <p>Date Surveyed AR Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 02/14/07 07.11.0176 Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>
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PROPOSED DRILLING PROGRAM

GL Erwin B Federal NCT-2 #13

Section 35

Township 24 South

Range 37 East

Lea County, New Mexico

Surface Location: 2280' FSL, 660' FEL

**Prepared By: Ray Matthews
April 25, 2006**

WBS Number: TBD

API Number: TBD

Chevno: TBD

PROPOSED WORK

SURFACE HOLE:

1. Call the 1-800 dig number and notify BLM (505-234-5972) 3 working days prior to building location. Build location and cellar prior to moving in rotary tools. Have reserve pits lined and filled with water. Set a 14-3/4" cemented conductor at $\pm 40'$, if applicable.
2. Move in and rig up rotary tools. Conduct safety meeting with rig personnel. Post drilling permit and emergency response plan in the dog house. Notify the BLM and OCD of intent to spud.
3. Drill 11" hole to $\pm 975'$ with fresh water spud mud.
4. Run 8-5/8", 24#, J/K-55, STC casing as follows:
 - a) Guide shoe
 - b) 1 joint casing
 - c) Insert float
 - d) Casing to surfaceCentralize the bottom two joints and every fourth joint thereafter.
5. Cement in accordance with attached cementing summary. Check float. If float fails, shut in for a minimum of four hours. If cement does not circulate, will need to run temperature survey, notify BLM and 1" back to surface.
6. Cut off casing. Install casing (starting) head. Test starting head to 1000 psi (73% of collapse rating)
7. Nipple up BOP stack. Test BOPE to 250 psi low for 5 minutes, 1000 psi high. Test casing to 1000 psi.
8. Install H₂S detection equipment prior to drilling out.

PRODUCTION HOLE:

1. Drill 7-7/8" hole to $\pm 3650'$ with 10# brine water. Deviation problems are possible.
2. Trip out and run open hole logs.
3. Trip in hole and trip out of hole laying down drill pipe.
4. Run 5-1/2", 15.5#, J/K-55, LTC casing as follows:
 - a) Float shoe
 - b) 1 joint casing
 - c) Float collar
 - d) Casing to surfaceCentralize the bottom three joints and across any potential pay.
15. Cement in accordance with attached cementing summary.
16. ND BOPs, set slips, and cut off casing. Install permanent 11" 3000 psi X 7-1/16" 3000 psi tubing head. Test seal to 50% of collapse rating.
17. Release rig. Rig down and move out rotary tools.

POTENTIAL PROBLEMS

SURFACE HOLE:

Lost returns.

PRODUCTION HOLE:

Deviation.
Water flows.

MUD PROGRAM

<u>Interval</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Vis. (sec/qt)</u>	<u>Fluid Loss (cc)</u>	<u>Remarks</u>
Surface	Fresh Wtr.	8.6	32	No control	Circulate reserve
Production	Brine	10	29	No control	Circulate reserve

Mud up to a starch/PAC system near TD for logging.

EVALUATION PROGRAM

OPEN HOLE LOGS:

Platform Express – Spectral GR, Res, Neu/Den from TD to surface casing point.

SURFACE CEMENTING PROGRAM

Cement with Lead = 210 sacks Class "C" with 4% Gel & 2% CaCl₂ followed with Tail = 200 sacks Class "C" with 2% CaCl₂.

Minimum waiting on cement time: 12 hours

CEMENT PROPERTIES:

Slurry weight: (lead).....13.5 ppg
(tail)..... 14.8 ppg

Slurry yield: (lead).....1.74 ft³ per sack
(tail)..... 1.34 ft³ per sack

Cement must circulate to surface. If cement does not circulate, run a temperature survey six to eight hours after cementing. Contact the BLM and OCD and the Midland office for proper procedure to bring cement to surface. Normal procedure is to run one inch tubing down the annulus to top of cement, therefore one inch tubing should be on location or readily available.

Cement volume is based on 11" by 8-5/8" annular volume plus 150% excess.

PRODUCTION CEMENTING PROGRAM

Cement with Lead = 410 sacks 35:65 Poz:Class "C" with 6% Gel & 5% Salt & ¼ pps Flocele followed with Tail = 275 sacks 50:50 Poz:Class "C" with 2% Gel & 5% Salt & ¼ pps Flocele.

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 is designed to circulate to surface. If cement does not circulate, may run a temperature survey to determine top of cement.

Cement volume is based on 7-7/8" by 5-1/2" annular volume plus 125% excess

CASING SUMMARY

SURFACE:

975', 8-5", 24 ppf, J/K-55, STC

PRODUCTION:

3650', 5-1/2", 15.5 ppf, J/K-55, LTC

CASING PROPERTIES

	BURST		COLLAPSE		Test Pressure
	<u>Rated</u>	<u>(80%)</u>	<u>Rated</u>	<u>(80%)</u>	
8-5/8", 24 ppf, J-55, STC	2950	2360	1370	1095	1000
5-1/2", 15.5 ppf, J-55, LTC	4810	3845	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

Form C-144
June 1, 2004

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

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"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure 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: G.L. ERWIN B FEDERAL NCT-2 #13 API # **30-02538413** U/L or Qtr/Qtr I Sec 35 T 24-S R 37-E

County: LEA Latitude 32 10'21.85" N Longitude 103 07'36.58" W NAD: 1927

Surface Owner: Private

Pit Type: Drilling Lined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> 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	

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:
CAPSTAR #16

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 ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 01/09/2007

Printed Name/Title DENISE PINKERTON REGULATORY SPECIALIST

Signature

Denise Pinkerton

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 CHRIS WILLIAMS / DIST. SUPV

Signature

Chris Williams

Date:

5/23/07