

Office •

Energy, Minerals and Natural Resources

June 19, 2008

District I

1625 N. French Dr., Hobbs, NM 88241

District II

1301 W Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S St Francis Dr., Santa Fe, NM 87505

87505

RECEIVED

DEC 05 2008

HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. /

30-025-12365

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
MEXICO "L" /

8. Well Number 1 /

9. OGRID Number 4323 /

10. Pool name or Wildcat
DOLLARHIDE FUSSELMAN

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other2. Name of Operator
CHEVRON U.S.A. INC. /3. Address of Operator
15 SMITH ROAD, MIDLAND, TEXAS 79705

4. Well Location

Unit Letter A: 660 feet from the NORTH line and 660 feet from the EAST line

Section 5 Township 25-S Range 38-E NMPM County LEA /

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3156'GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: CONVERT TO SWD

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CHEVRON U.S.A. INC. INTENDS TO CONVERT THE SUBJECT WELL TO A SALT WATER DISPOSAL WELL.
ADMINISTRATIVE ORDER SWD-1136 IS ATTACHED.

ALSO ATTACHED IS THE INTENDED PROCEDURE AND CURRENT AND PROPOSED WELLBORE DIAGRAMS.

Spud Date:

Rig Release Date:

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

SIGNATURE Denise Pinkerton TITLE REGULATORY SPECIALIST DATE 12-04-2008Type or print name DENISE PINKERTON E-mail address: leakejd@chevron.com PHONE: 432-687-7375

For State Use Only

APPROVED BY: Tammy W. Hill TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGERDATE DEC 09 2008

Conditions of Approval (if any):

WORKOVER PROCEDURE

1. MIRU RU. NU BOP. Pressure test casing to NMOCD from surface to 8,431' to 500 psi. PU and RIH w/ 4-3/4" bit and DC's on 2-7/8" work string.
2. RIH to 8431'. Tag and drill out 35' of cement and CIBP @ 8,466'. RIH to 9,002' and drill out 2' of cmt and CIBP @ 9,000'.
3. RIH and DO fill to PBTD @ 10360'. Circulate well clean with at least 1 hole volume (approx 240 bbls for 10,360' 17# 5-1/2" csg). POOH with 2-7/8" work string laying down bit and DC's.
4. PU 3-1/8" casing gun loaded at 4 SPF and 90 degree phasing. Perforate Ellenburger and Fusselman as follows top down. Correlate to Schlumberger's Electrical Log dated 11/17/51. POOH with perforating guns.

8526 – 8549'	23'
8576 – 8720'	144'
10010 – 10178'	168'
10312 – 10360'	48'
Total	383'

5. RU Petroplex and pressure test all lines to 5000 psi. PU and RIH with 5-1/2" treating packer on 2-7/8" work string and set packer at approx 9950'. Acidize Ellenburger perforations 10010 – 10360' with 8500 gals 15% gelled acid in 3 stages with 8500# GRS mixed in 10 ppg gelled brine between each stage to divert. Record ISIP, 5, 10 and 15 minute shut in pressure.
6. Shut well in for one hour allowing acid time to spend. Flow or swab load back.
7. Release packer and POOH. PU 5-1/2" RBP. RIH with treating packer and RBP. Set RBP at 9950' and test to 3000 psi. PU and set packer at 8444'. Acidize Fusselman perforations 8494' – 8720' with 7500 gals gelled 15% acid in 3 stages with 7500# GRS mixed in 10 ppg gelled brine between each stage to divert. Record ISIP, 5, 10 and 15 minute shut in pressure.
8. Unset packer and RIH and retrieve RBP at 9950'. POOH laying down work string, RBP and packer.
9. PU and RIH with NEW 5-1/2" injection packer, NEW on-off tool on NEW 2-7/8" IPC L-80 tubing. Set packer at 8400'. ND BOP NU WH. Place well on injection at max allowed injection rate and pressure (pending NMOCD permit). RDMO.

Ivone da Silva
Production Engineer
432-238-0903

David Rhodes
D&C Engineer
432-557-8311

Bryan Musgrave
Geologist
432-210-9669

CURRENT WELLBORE DIAGRAM

Field: Dollarhide	Well Name: Mexico "L" #1	Lease Type: State
Location: 660' FNL & 660' FEL	Sec: 5-A Township: 25S	Range: 38E
County: Lea State: New Mexico	Refno: FB3302	API: 30-025-12365
Current Status: TA'd		Cost Center: UCU881700
Current Producing Formation(s): <i>Dollarhide</i> Fusselman		
Initial Prod Field/Formation(s): Wildcat		

Surface Csg.

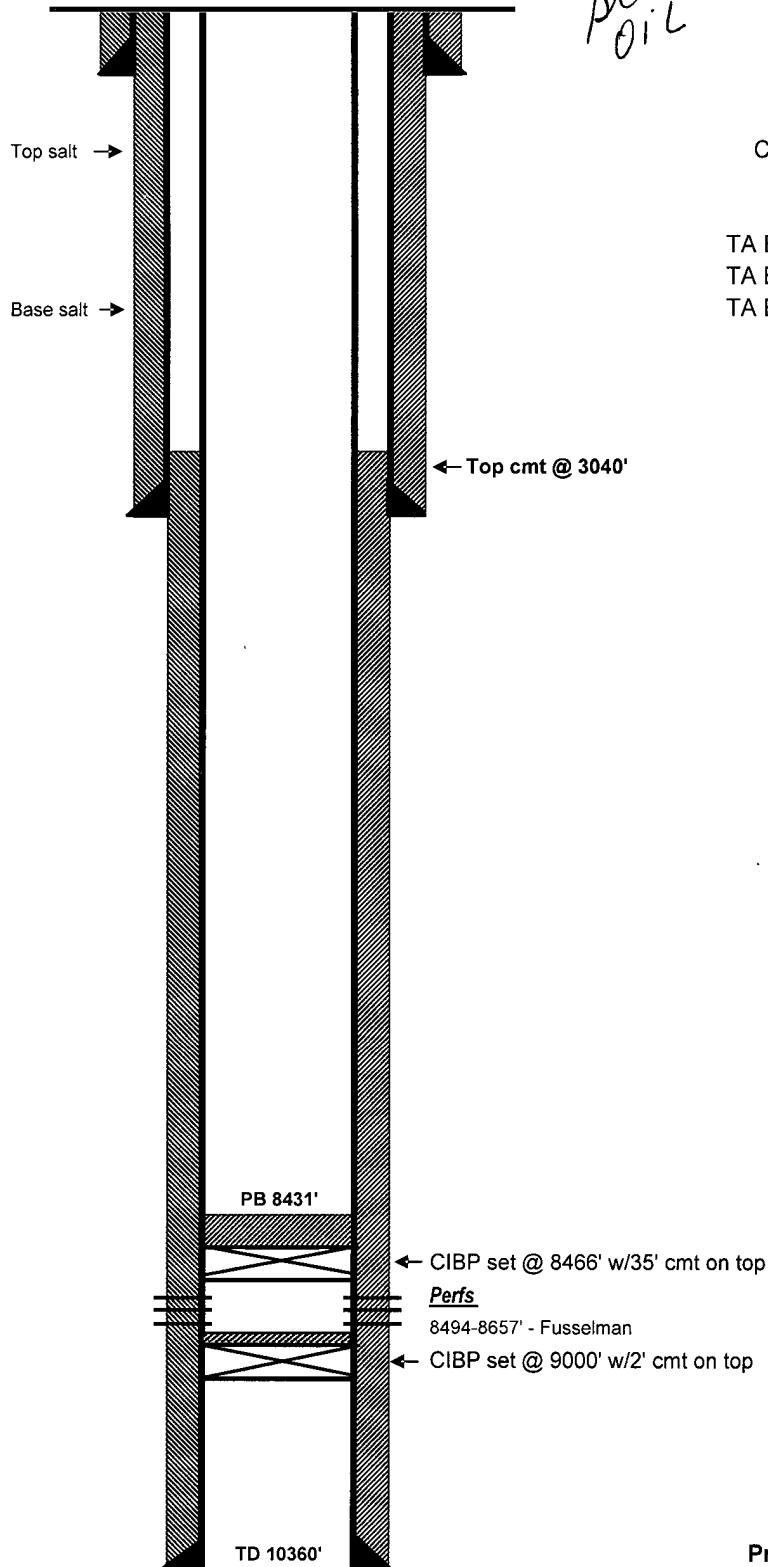
Size: 13 3/8"
 Wt.: 44.5#
 Set @: 304'
 Sxs cmt: 300
 Circ: Yes
 TOC: Surface
 Hole Size: 18"

Intermediate Csg.

Size: 9 5/8"
 Wt.: 32# & 36#
 Set @: 3250'
 Sxs Cmt: 2100
 Circ: Yes
 TOC: Surface
 Hole Size: 12 1/4"

Production Csg.

Size: 5 1/2"
 Wt.: 17#
 Set @: 10360'
 Sxs Cmt: 1613
 Circ: No
 TOC: 3040' by CBL sqz
 Hole Size: 7 7/8"



KB: 3171'
 DF: 3168'
 GL: 3156'
 Spud Date: 8/6/1951
 Compl. Date: 11/23/1951
 TA Date: 4/11/1995
 TA Expiration: 5/1/2000
 TA Expiration: 10/11/2006
 TA Expiration: 10/10/2011

Top Salt	1233'
Base Salt	2488'
Top Queen	3585'
Top Drinkard	6328'
Top Abo	6545'
Top Fusselman	8475'
Top Ellenburger	10,012'

Prepared by: K M Jackson
 Date: 6/25/2003

PROPOSED WELLBORE DIAGRAM

Field: <u>Dollarhide</u>	Well Name: <u>Mexico "L" #1</u>	Lease Type: <u>State</u>
Location: <u>660' FNL & 660' FEL</u>	Sec: <u>5-A</u> Township: <u>25S</u>	Range: <u>38E</u>
County: <u>Lea</u> State: <u>New Mexico</u>	Refno: <u>FB3302</u> API: <u>30-025-12365</u>	Cost Center: <u>UCU881700</u>
Current Status: <u>TA'd</u>		
Current Producing Formation(s): <u>Fusselman</u>		
Initial Prod Field/Formation(s): <u>Wildcat</u>		

Surface Csg.

Size: 13 3/8"
 Wt.: 44.5#
 Set @: 304'
 Sxs cmt: 300
 Circ: Yes
 TOC: Surface
 Hole Size: 18"

Intermediate Csg.

Size: 9 5/8"
 Wt.: 32# & 36#
 Set @: 3250'
 Sxs Cmt.: 2100
 Circ: Yes
 TOC: Surface
 Hole Size: 12 1/4"

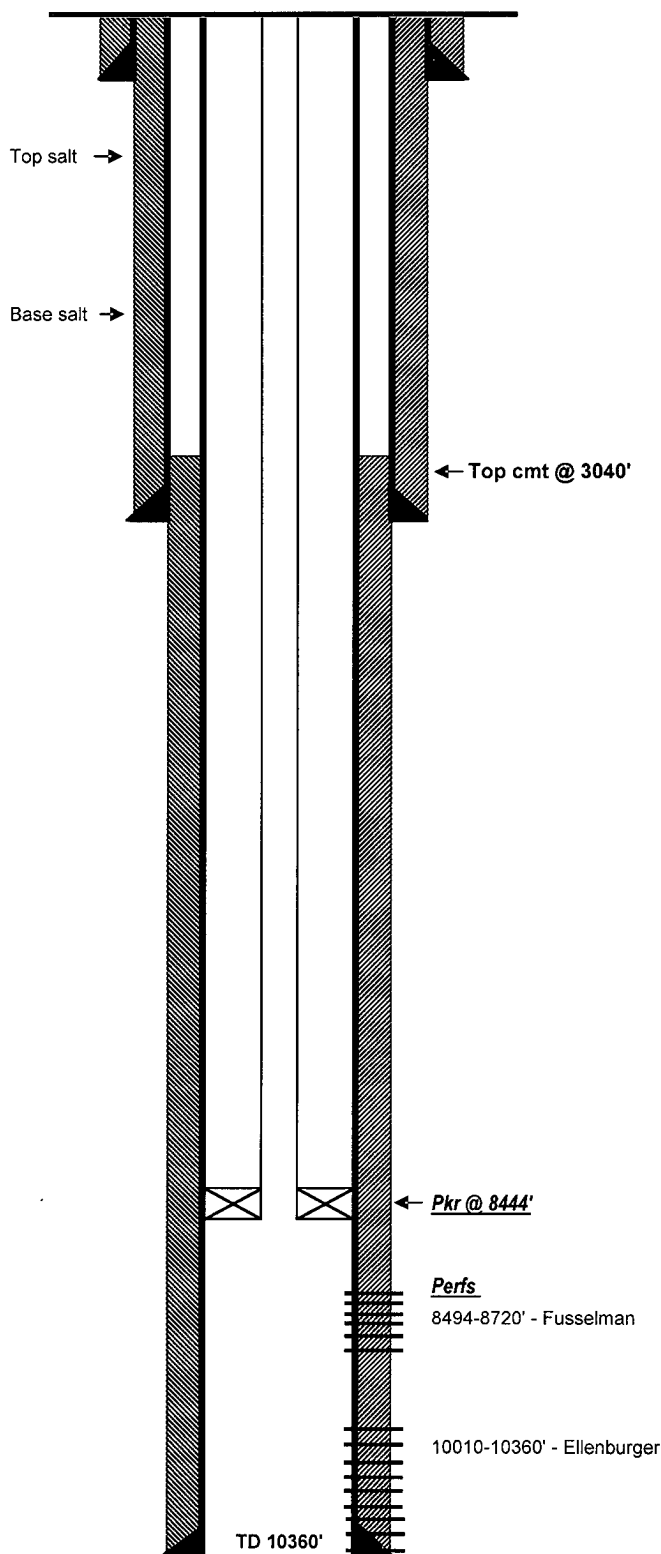
Production Csg.

Size: 5 1/2"
 Wt.: 17#
 Set @: 10360'
 Sxs Cmt: 1613
 Circ: No
 TOC: 3040' by CBL sqz
 Hole Size: 7 7/8"

Injection Tbg.

Size: 2 7/8"
 Pkr @ 8444'

Top Salt	1233'
Base Salt	2488'
Top Queen	3585'
Top Drinkard	6328'
Top Abo	6545'
Top Fusselman	8475'
Top Ellenburger	10,012'



KB: 3171'
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 TA Expiration: 10/11/2006
 TA Expiration: 10/10/2011

Prepared by: W P Johnson
 Date: 5/21/2008