District I 1625 N. French Dr., Hobbs, NM 88240 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

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-101

APPLICATION FOR PERMIT TO DRILL

CHEVRON U S A	OGRID Number 4323	
15 Smith Road Midland, TX 7970		
Property Code	Property Name Bell State Com 16	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	16	21S	35E		660	S	1980	W	Lea

Proposed Pools

OSUDO; MORROW (GAS) 82120

Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 3639
Multiple N	Proposed Depth 12800	Formation Morrow	Contractor	Spud Date 02/01/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1360	1300	0
Int1	12.25	9.625	40	5400	1950	0
Int2	8.75	7	26	10700	1780	0
Liner1	6.125	4.5	12.6	12800	550	10200

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
Annular	2000	2000	
Pipe	5000	5000	
Blind	5000	5000	

I hereby certify that the information given above is true and			OIL CONSERVATION DIVISION			
complete to the best of my knowledge and belief.			Electronically Approved By: Chris Williams			
Electronically Signed By: Edward Van Reet			Title: District Supervisor			
Title: Manager			Approval Date: 12/19/2003 Expiration Date: 12/19/2004			
			Conditions of Approval: No Conditions			

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Name	Pool Code
30-025-36510	OSUDO;MORROW, SOUTH (GAS)	82200
Property Code	Property Name	Well No.
33224	BELL STATE 16 COM	001
OGRID No. 4323	Operator Name CHEVRON U S A INC	Elevation 3639

Surface And Bottom Hole Location

UL or Lot	Section	Township 21S	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	16		35E	N	660	S	1980	W	Lea
	ed Acres	Joint or	Infill	Consoli	Consolidation Code		Order 1	No.	

OPERATOR CERTIFICATION

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

| Electronically Signed By: Edward Van Reet

Title: Manager
Date: 01/05/2004

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 belief.

Surveyed By: Gary Eidson
Date of Survey: 10/31/2003
Certificate Number: 12641

Permit Comments

Operator: CHEVRON U S A INC , 4323 Well: BELL STATE 16 COM #001

User Name	Comment	Comment Date
PKAUTZ	APD DENIED - MORROW GAS WELL REQUIRES 320 ACRES DEDICATED THIS WELL ONLY HAS 40 ACRES.	12/19/2003
PKAUTZ	APD DENIED - EOG RESOURCES, SAN SIMON 21 STATE # 1, H-16-21s-35e PRODUCING FROM MORROW WITH E/2 SEC 21 DEDICATED TO OSUDO;MORROW, SOUTH (GAS)	12/19/2003
PKAUTZ	APD DENEID - CONCHO RESOURCES, SAN SIMON 21 STATE # 2 APD APPROVED WITH W/2 SEC 21 DEDICATED TO OSUDO;MORROW, SOUTH (GAS)	12/19/2003
PKAUTZ	THE ONLY WAY THIS WELL CAN BE APPROVED IS IF THIS WELL IS DRILLED AS AN INFILL WELL WITH ONE COMMON OPERATOR AND LEASE NAME	12/19/2003
DMULL	Talked to Laura today. She is going to correct the bottom hole location with correct acreage. The Concho well is in Sec.21 and the EOG well is on the E/2 of Sec.16.	1/5/2004