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	31II 3100-3	D-HOBES MIC	BBS(FORM APP OMB NO. 10		
(A	August 2007) UNITED STATES	2b1		S C PExpires July		
	DEPARTMENT OF THE D BUREAU OF LAND MAN	INTERIOR		5. Lease Serial No. USA LC 033706		
	APPLICATION FOR PERMIT TO			6. If Indian, Allotee or N/A	Tribe Name	
=	la. Type of work: 📝 DRILL 🗌 REENTH	ER		7 If Unit or CA Agreem	ent, Name and No.	
1	lb. Type of Well: ✔ Oil Well Gas Well Other	Single Zone 🗸 Multi	nle Zone	8. Lease Name and Wel C.P. FALBY FEDERA		
	2. Name of Operator CHEVRON U.S.A. INC.		<u> </u>	9. API Well No.		
		<u> </u>		30-025		
3	^{3a.} Address 15 SMITH ROAD MIDLAND, TEXAS 79706	3b. Phone No. (include area code) 432-687-7375		10. Field and Pool, or Exp BLINEBRY OIL AND	•	
4	4. Location of Well (Report location clearly and in accordance with an	ty State requirements.*)		11. Sec., T. R. M. or Blk.		
	At surface UNIT LETTER: M, 660' FSL & 560' FWL			SEC 8, T-22S, R-37E	•	
_	At proposed prod. zone SAME					
	4. Distance in miles and direction from nearest town or post office* 2.5 MILES SOUTHWEST OF EUNICE, NM		· .	12. County or Parish LEA	13. State NM	
15	5. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease 160	17. Spacin 40	ng Unit dedicated to this well		
18	 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 	19. Proposed Depth 6800'		BIA Bond No. on file NATIONWIDE BOND		
	1. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will sta	_L irt*	23. Estimated duration		
_	3484' GL	11/01/2010		17 DAYS TO DRILL		
-		24. Attachments	4 1 1	· · ·		
11	he following, completed in accordance with the requirements of Onsho			ns torm: ons unless covered by an ex	isting hand on file /	
1	Well plat cartified by a registered surveyor			ms unces covered by all ex	isong cond on the (se	
~	 Well plat certified by a registered surveyor. A Drilling Plan. 	4. Bond to cover a Item 20 above).				
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UL ar lot no. Secti	on Township	Range Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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- Updated -

BLM 9 Point Drilling Plan

Chevron U.S.A. C.P. Falby Federal B #7 Lea County, New Mexico Lot M, Section 8, T22S, R37E 660 FSL, 560' FWL

(1) Formation Tops

Formation	Depth
Rustler	1,063'
Yates	2,596'
Queen	3,354'
Glorieta	5,096'
Blinebry	5,557'
Drinkard	6,372'

(2) Zones Containing Oil, Gas, Water, and Other Minerals

Formation	Тор	Bottom	Properties
Blinebry	5,557'	6,088'	Oil & Gas
Drinkard	6,372'	6,692"	Oil & Gas

Shallow water sands may contain fresh water. These sands will be protected by bringing surface casing cement to surface.

(3) Blow-Out Prevention See (A

T Surface Casing: Production Casing:

1500 psi test pressure 3000 psi test pressure

Casing Head: QCS 8 5/8" LC Box, 11" 3M QCS- PIN top Tubing Head: FTCM-IT 5 1/2" QCS 5M Pin x 7 1/16" 5M Top

BOPE: 11" 3M Double ram and 11" 3M Annular preventer Testing:

250/3000 psi for production hole Test upon installation and every 14 days

(4) Casing Design

New cosing will be used

Drill 12 ¼" hole to ±1188'. Set 8 5/8", 24#/ft, J55 casing and cement to surface. WOC and drill 7-7/8" hole to ±6800'. Log well. Set 5-1/2", 17#, L80 casing and cement.

C PA	Hole Size	Casing Size	Wt/Ft	Grade	Joint	Depth Set	
See COA	12 1/4"	8-5/8"	24	J-55	STC	1188	35
	7-7/8"	5-1/2"	17	L-80	LTC	6800	

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(5) Cementing

Casing	Slurry	Sacks	Density (ppg)	Yield (cf/sx)	% Excess
8 5/8"	ExtendaCem C + 0.125lbm/sk Poly- E-Flake	430	13.5	1.75	100
	HalCem C + 1%CaCl + 0.125 bm/sk Poly-E-Flake	200	14.8	1.34	100
5-1/2"	VersaCem PBSH2+0.5%LAP- 1+0.5%CFR-3+1 lbm/sk Salt+0.25 lbm/sk Poly-E-Flake+0.25 lbm.sk D- Air+0.2% HR 800	480	13.2	1.61	30
	EconoCem C	375	11.9	2.4	30
	HalCem C	65	14.8	1.33	30

The surface casing will be cemented to surface. A 1" top-job will be performed if necessary. Casing will be centralized on the bottom 2 joints and every 4th joint thereafter to surface.

The production casing is designed to be cemented to surface. Casing will be centralized on the bottom 2 joints and across pay as required.

The above cement volumes are approximate and are calculated on the assumption of a gauge hole being drilled. Actual cement volumes may vary due to hole conditions and/or caliper logs.

(6) <u>Circulating Medium</u>

6

Visual monitoring will be used from surface to TD. Sufficient materials to maintain mud properties will be available on location while drilling. The cut brine will be mudded up near TD to a starch/XCD mud for logging and running casing.

Interval	Mud Type	Density	Viscosity	Fluid Loss
0-1088	FW spud	8.4-9.0	26-30	NC
1088-800	Brine	× 10	26	NC

(7) Testing, Logging, and Coring See CoA

Logs

Platform Express/Sonic/Spectral GR Drillers Log TD to surface TD to surface

DST's

None planned

Core's

None planned

(8) Anticipated Pressures, Abnormal/Hazardous Drilling Conditions

Normal pressures and temperatures are expected to TD. Surface sands have a potential for lost circulation. Losses will be managed with LCM sweeps/pills as required. Losses and/or flares may be encountered from surface casing to TD. Settingintermediate casing should minimize impact by allowing drilling with lighter mud weights with salt zones protected.

Maximum anticipated bottom-hole pressure is 2320 psi with a maximum anticipated surface pressure of 2000 psi.

H2S is possible in Permian Basin drilling; therefore safety monitoring will be in place.

(9) Other Facets of the Proposal

Anticipated Start Date: December 2010 Drilling Days: 15

Pinkerton, J. Denise (leakejd)

From:CAPO, JESUSSent:Friday, August 27, 2010 2:14 PMTo:Pinkerton, J. Denise (leakejd)Cc:Pritchard, George F (GPritchard); Guerra, Jesus GilbertoSubject:RE: Blinebry - 9pt Drilling Programs Federal well

Denise,

Below you will find the safety factors for the (Falby wells).

HOLE SIZE	CASING (Indicate if liner)	CASING SIZE	WEIGHT	GRADE	BURST RATING	COLLAPSE RATING	TYPE CONNECTION	MASP	SAF	ETY FACT	FORS
									В	С	Т
12 1/4"	Conductor Casing	8 5/8"	24	J-55	2946.09	1370.92	STC	718	2.9	1.74	1.98
7 7/8"	Production Casing	5 1/2"	17	N-80	7738.18	6285.44	LTC	1448.	1.5	1.24	1.76

ENTER DATA FOR EACH BLOWOUT PREVENTION UNIT

вор түре	WORKING PRESSURE	TEST	MANUFAC
	RATING	RATING	TURER
11" Double Ram Preventer	3000 psi	3000 psi	
11" Annular Preventer	3000 psi	3000 psi	

H&P 304 layout: 275' x 175'



RIG: H&P 304 WELL: Blinebrywells BOP Nipple Up on 8 5/8" Casing

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Operating & Maintenance Plan and Closure Plan

H&P 304: Operating and Maintenance Plan

- 1. 250 bbl, ¼ frac. Tank, cutting tank with dimensions of 32' x 10.5' x 6' tall will be installed on top of 20 mil plastic barrier.
- 2. Cuttings will be discharged from shaker into cuttings tank.
- 3. Cuttings tank will be continuously monitored by designated roughneck so that cuttings tank will not be overfilled.
- 4. Rig crew will visually inspect fluid integrity of cuttings tank on a daily basis.
- 5. Documentation of visual inspection of cuttings tank will be captured on IADC Drilling Report.

H&P 304: Closure Plan

- 1. Drilled cuttings will be dipped out of tank with backhoe bucket and placed in suitable transport container (dump truck tank or cuttings bin)
- 2. Drill cuttings will be disposed of at a suitable off-location waste facility.



