

OCD-HOBBS

Form 3160-3
(August 2007)

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FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DEC 08 2010

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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 79706

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 UNIT LETTER: N, 660' FSL & 1880' FWL

At proposed prod. zone SAME

14. Distance in miles and direction from nearest town or post office*
2.5 MILES SOUTHWEST OF EUNICE, NM

15. Distance from proposed* location to nearest property or lease line, ft.
(Also to nearest drig. unit line, if any)
330'

16. No. of acres in lease
160

17. Spacing Unit dedicated to this well
40

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

19. Proposed Depth
6800'

20. BLM/BIA Bond No. on file
CA0329 NATIONWIDE BOND

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3408' GL

22. Approximate date work will start*
11/01/2010

23. Estimated duration
17 DAYS TO DRILL

24. Attachments:

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature *Denise Pinkerton*

Name (Printed/Typed)
DENISE PINKERTON

Date
08/03/2010

Title
REGULATORY SPECIALIST

Approved by (Signature) */s/ Don Peterson*

Name (Printed/Typed)

DEC 6 2010

Title
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 TWO YEARS

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.

(C) Conditions of Approval: Approval to drill & test all new zones separate, but cannot produce Downhole commingle until DHC is approved in Hobbs District office according to R-11363.

Capitan Controlled Water Basin

*(Instructions on page 2)

K2 12/13/10

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

DISTRICT 1
1625 N. French Dr., Hobbs, NM 88240
DISTRICT 8
1301 W. Grand Ave., Artesia, NM 88210
DISTRICT 30
1000 9th Street N.E., Aztec, NM 87410
DISTRICT 37
1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

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Form C-102
Revised October 12, 2005

Appropriate District Office
State Leases-4 copies
Fee Leases-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-39981		Pool Code 16660		Pool Name Blindley Oil & Gas				
Property Code 30033		Property Name C.P. FALBY FEDERAL B				Well Number 8		
GSRD No. 4323		Operator Name CHEVRON USA, INC.				Elevation 3408'		
Surface Location								
UL or lot no. N	Section 8	Township 22-S	Range 37-E	Lot Idn 660'	Feet from the South	Feet from the 1880'	East/West line West	County 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
Dedicated Acres 40		Joint or Inlet		Consolidation Code		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, and that this organization either owns a working interest or otherwise 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 a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Denise Pinkerton 8/3/10 Signature Date Denise Pinkerton Printed Name
	18 SURVEYOR CERTIFICATION I hereby certify that this 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. May 10, 2008 Date of Survey John R. [Signature] Signature & Seal of Professional Surveyor
	Certificate No. 7254

○ = Staked Location * = Producing Well * = Injection Well ○ = Water Supply Well * = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing 511477.89 (1927 NAD= 511418.62)		Easting 894965.48 (1927 NAD= 853780.65)	
Latitude 32°24'03.283"		Longitude 103°11'15.263"	
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983/HARN	0.999892833	Weatherly83E.crd
Drawing File Weatherly83E.Dwg		Field Book	

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

DISTRICT II
1301 W. Grand Ave., Artesia, NM 88210

DISTRICT III
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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-1021
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

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Submit to Appropriate District Office
State Lease-4 copies
Fee Lease-3 copies

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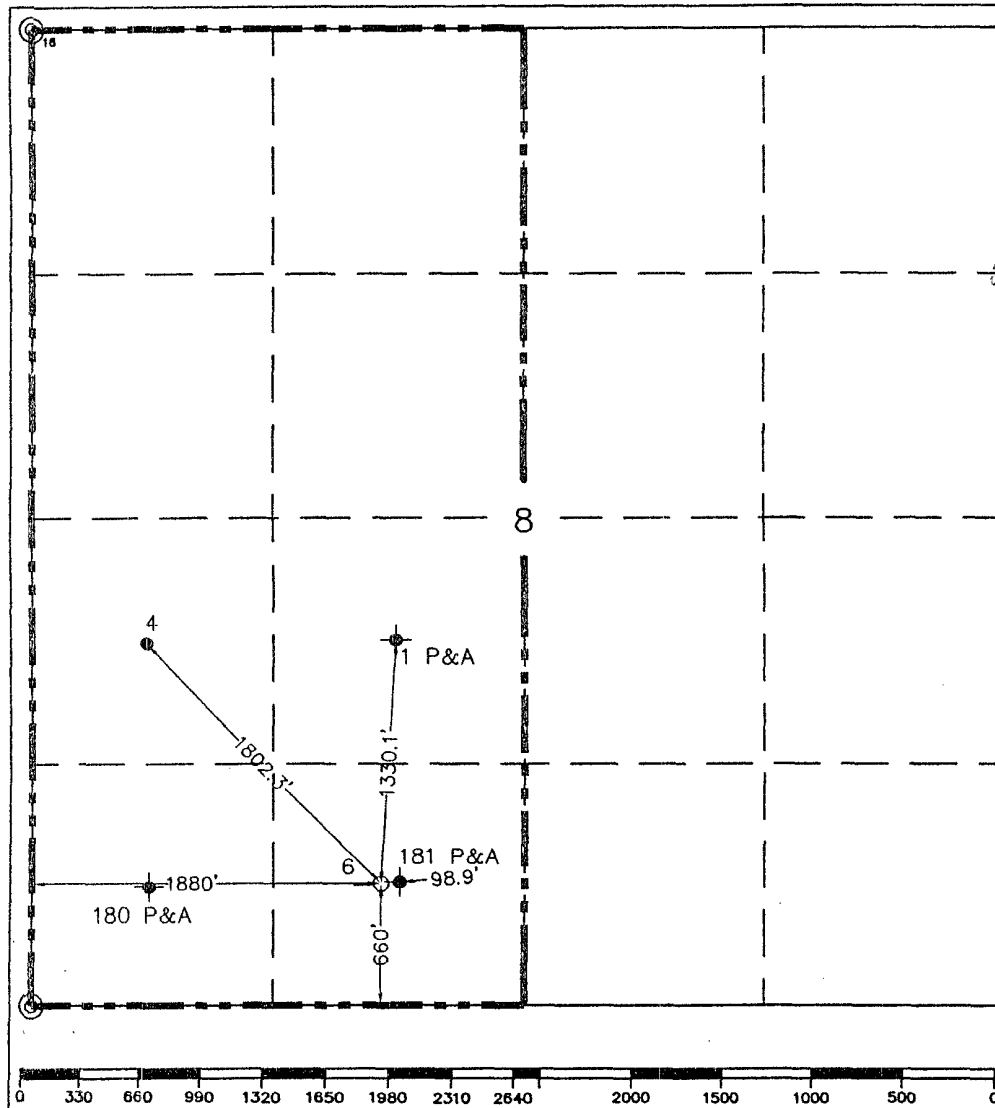
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-39981		² Pool Code 19190		³ Pool Name Lunkard					
⁴ Property Code 30033		⁵ Property Name C.P. FALBY FEDERAL B				⁶ Well Number 6			
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON USA, INC.				⁹ Elevation 3408'			
¹⁰ Surface Location									
UL or lot no. N	Section 8	Township 22-S	Range 37-E	Lot Idn	Feet from the 660'	North/South line South	Feet from the 1880'	East/West line West	County Lea
¹¹ 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
¹² Dedicated Acres 40		¹³ Joint or Infill		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, 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 a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
Signature Dewise Pinkerton	Date 8/3/10
Printed Name	
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 of Survey May 20, 2008	
Signature & Seal of Professional Surveyor John S. Brown	
Certificate No. 7254	

○ = Staked Location • = Producing Well ● = Injection Well ◊ = Water Supply Well ◆ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found /4 Section Corner, 1" Iron Pipe & GLO B.C.

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Drawing File		Field Book	
Weatherly83E.Dwg			

updated -

BLM 9 Point Drilling Plan

Chevron U.S.A.

C.P. Falby Federal B #6

Lea County, New Mexico

Lot N, Section 8, T22S, R37E

660 FSL, 1880' FWL

(1) Formation Tops

Formation	Depth
Rustler	1,068'
Yates	2,638'
Queen	3,364'
Glorieta	5,076'
Blinbry	5,540'
Drinkard	6,358'

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

Formation	Top	Bottom	Properties
Blinebry	5,540'	6,067'	Oil & Gas
Drinkard	6,358'	6,675'	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 CoA*

CIT { Surface Casing: 1500 psi test pressure
Production Casing: 3000 psi test pressure

Casing Head: QCS 8 5/8" LC Box, 11" 3M QCS- PIN top

Tubing Head: FTCTM-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 casing will be used

Drill 12 1/4" hole to $\pm 1193'$. Set 8 5/8", 24#/ft, J55 casing and cement to surface. WOC and drill 7-7/8" hole to $\pm 6800'$. Log well. Set 5-1/2", 17#, L80 casing and cement.

See CoA

Hole Size	Casing Size	Wt/Ft	Grade	Joint	Depth Set
12 1/4"	8-5/8"	24	J-55	STC	1193' / 60'
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 CZ + 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.

See coA 3

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) Circulating Medium

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
0-1093	FW spud	8.4-9.0	26-30	NC
1093-6800	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. ~~Setting intermediate 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, JESUS
Sent: Friday, August 27, 2010 2:14 PM
To: Pinkerton, J. Denise (leakejd)
Cc: Pritchard, George F (GPritchard); Guerra, Jesus Gilberto
Subject: RE: Blinebry - 9pt Drilling Programs Federal well

Denise,

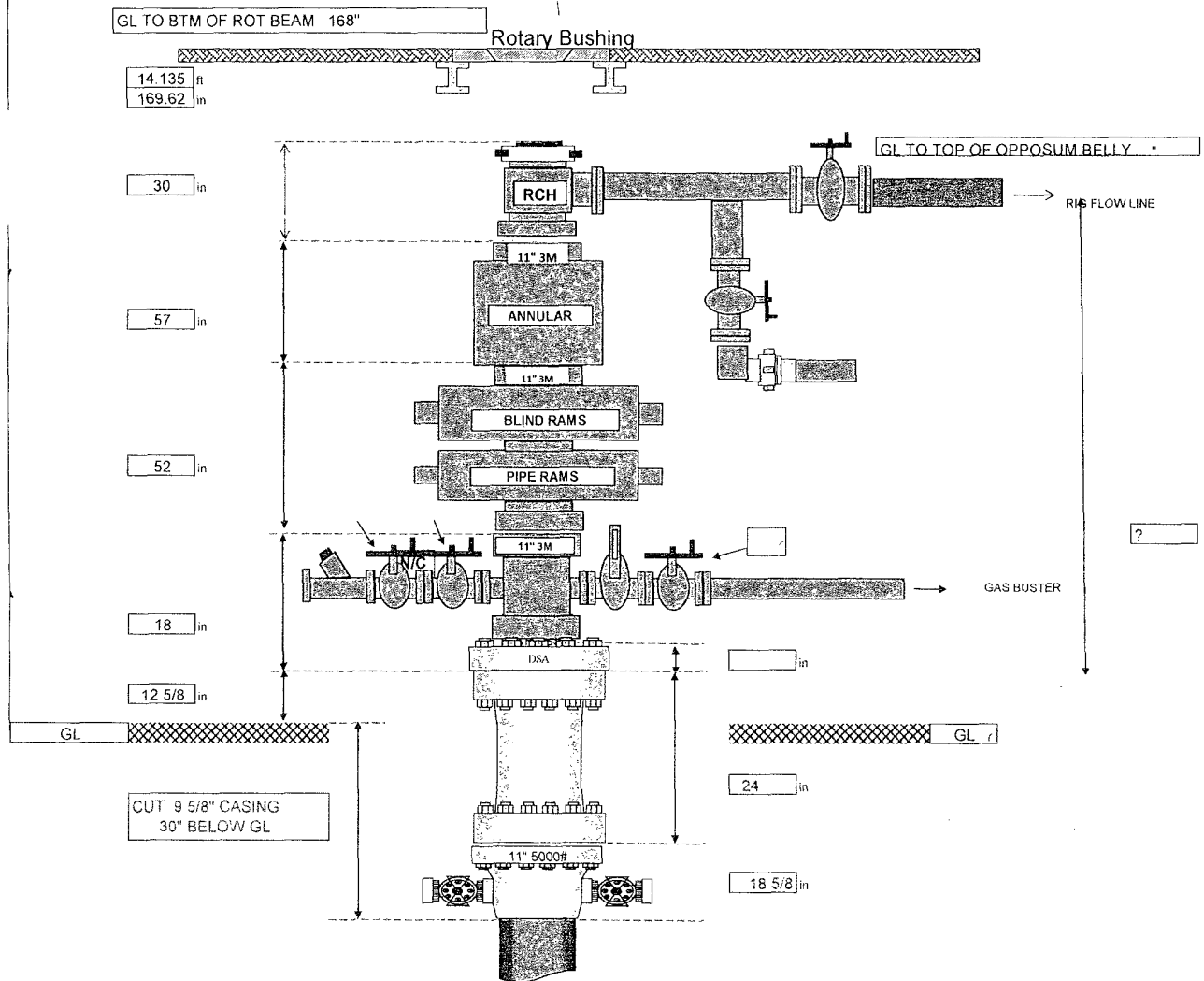
Below you will find the safety factors for the
(Falby wells).

HOLE SIZE	CASING (Indicate if liner)	CASING SIZE	WEIGHT	GRADE	BURST RATING	COLLAPSE RATING	TYPE CONNECTION	MASP	SAFETY FACTORS		
									B	C	T
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

BOP TYPE	WORKING PRESSURE RATING	TEST RATING	MANUFACTURER
11" Double Ram Preventer	3000 psi	3000 psi	
11" Annular Preventer	3000 psi	3000 psi	

[illegible]

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



RIG: H&P 304
WELL: Falby Fed wells
Choke Manifold

