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11-44

Form 3160-3
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Split Estate

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
LC-067968 NM-10185

6. If Indian, Allotee or Tribe Name
N/A

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
N/A NM 71056A

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No. (38023)
W. DOLLARHIDE DRNKAD UNIT #162

2. Name of Operator CHEVRON U.S.A. INC. (4323)

9. API Well No.
30-025-40004

3a. Address 15 SMITH ROAD
MIDLAND, TEXAS 79705

3b. Phone No. *(include area code)*
432--687-7375

10. Field and Pool, or Exploratory (18830)
DOLLARHIDE; TUBB DRINKARD

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface 1318' FSL & 2409' FEL UL: O
At proposed prod. zone SAME per Denise 11/4/10

11. Sec., T. R. M. or Blk. and Survey or Area
SEC 30, T-24S, R-38E

14. Distance in miles and direction from nearest town or post office*
6 MILES EAST OF JAL, NM

12. County or Parish
LEA COUNTY

13. State
NM

15. 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 280	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 7200'	20. BLM/BIA Bond No. on file CA0329 NATIONWIDE BOND
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3047'	22. Approximate date work will start*	23. Estimated duration 15 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must 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 must 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 BLM.

25. Signature Denise Pinkerton	Name *(Printed/Typed)* DENISE PINKERTON	Date 10/13/2010

Title
REGULATORY SPECIALIST

Approved by *(Signature)* /s/ Don Peterson	Name *(Printed/Typed)*	Date DEC 21 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.

(Continued on page 2)

*(Instructions on page 2)

Capitan Controlled Water Basin

KZ 01/11/11

SEE ATTACHED FOR CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

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 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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DEC 27 2010
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OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-025-40004	18830	Dollarhide;Drinkard

4 Property Code	5 Property Name	6 Well Number
30023	WEST DOLLARHIDE DRINKARD UNIT	162

7 OGRID No.	8 Operator Name	9 Elevation
4323	CHEVRON USA, INC.	3047'

10 Surface Location

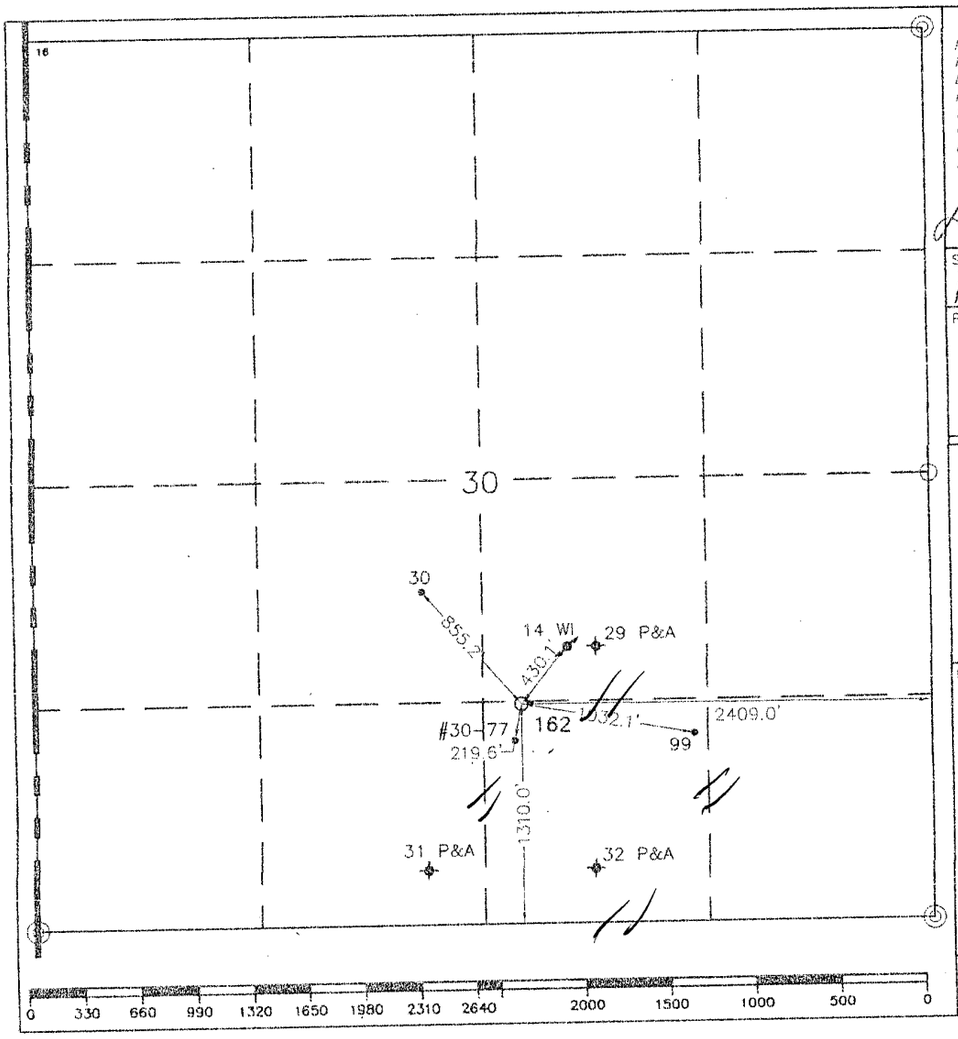
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	30	24-S	38-E		1310.0'	South	2409.0'	East	Lea

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	13 Joint or Infill	14 Consolidation Code	15 Order No.
40			

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.

Denise Pinkerton 10-13-10

Signature Date

DENISE PINKERTON

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.

8/29/10

Date of Survey

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 /4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates Northing 433115.99 (1927NAD = 433059.45)	Easting 923258.91 (1927NAD = 882071.30)
Latitude 32°11'04.878"	Longitude 103°05'55.831"
Zone: East North American Datum: 1983/CORS 96	Combined Grid Factor: 0.9999340 Coordinate File: W_Dollarhide_Drinkard83e
Drawing File: W_Dollarhide_Drinkard83e.Dwg	Field Book: See 8x14 Calc. Sheet

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE *– Other instructions on page 2.*

5. Lease Serial No.
LC-067968

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
WEST DOLLARHIDE DRINKARD UNIT #162

2. Name of Operator
CHEVRON U.S.A. INC.

9. API Well No.

3a. Address
15 SMITH ROAD
MIDLAND, TEXAS 79705

3b. Phone No. *(include area code)*
432-687-7375

10. Field and Pool or Exploratory Area
DOLLARHIDE; TUBB DRINKARD

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1310' FSL & 2409' FEL, UL: O, SEC 30, T-24-S, R-38-E

11. Country or Parish, State
LEA COUNTY, NEW MEXICO

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☑ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

CHEVRON U.S.A. INC. RECEIVED APPROVAL TO BEGIN CONSTRUCTION OF THE LOCATION PAD ON 11-16-2010.
SINCE THAT TIME, THE SIZE OF THE PAD HAS CHANGED FROM 300'X185' TO 350'X250'. NEW SCHEMATIC IS ATTACHED.
CHEVRON RESPECTFULLY REQUESTS APPROVAL FOR THE CHANGE IN PAD SIZE.

ALSO, THE ACTUAL LOCATION OF THE WELL IS 1310' FSL. THE ORIGINAL APD HAD A TYPO AND LISTED AS 1319' FSL WHICH IS INCORRECT.

THANK YOU FOR YOUR KIND CONSIDERATION.

RECEIVED
DEC 27 2010
HOBBSOCD

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
DENISE PINKERTON

Title REGULATORY SPECIALIST

Signature Denise Pinkerton

Date 11/24/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title AFM

Date 12/27/10

Conditions of approval, if any, are attached. Approval of this notice 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.

Office CARLSBAD FIELD OFFICE

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 page 2)

BLM 9 Point Drilling Plan

Chevron U.S.A.

WDDU #162

Lea County, New Mexico

Lot M, Section 30, T24S, R38E

1310' FSL, 2409' FWL

1. Formation Tops

Formation	Depth TVD, ft
Rustler	1164
Yates	2676
Queen	3585
Glorieta	5153
Tubb	6041
Drinkard	6418

2. Zones Containing Oil, Gas, Water, and Other Minerals

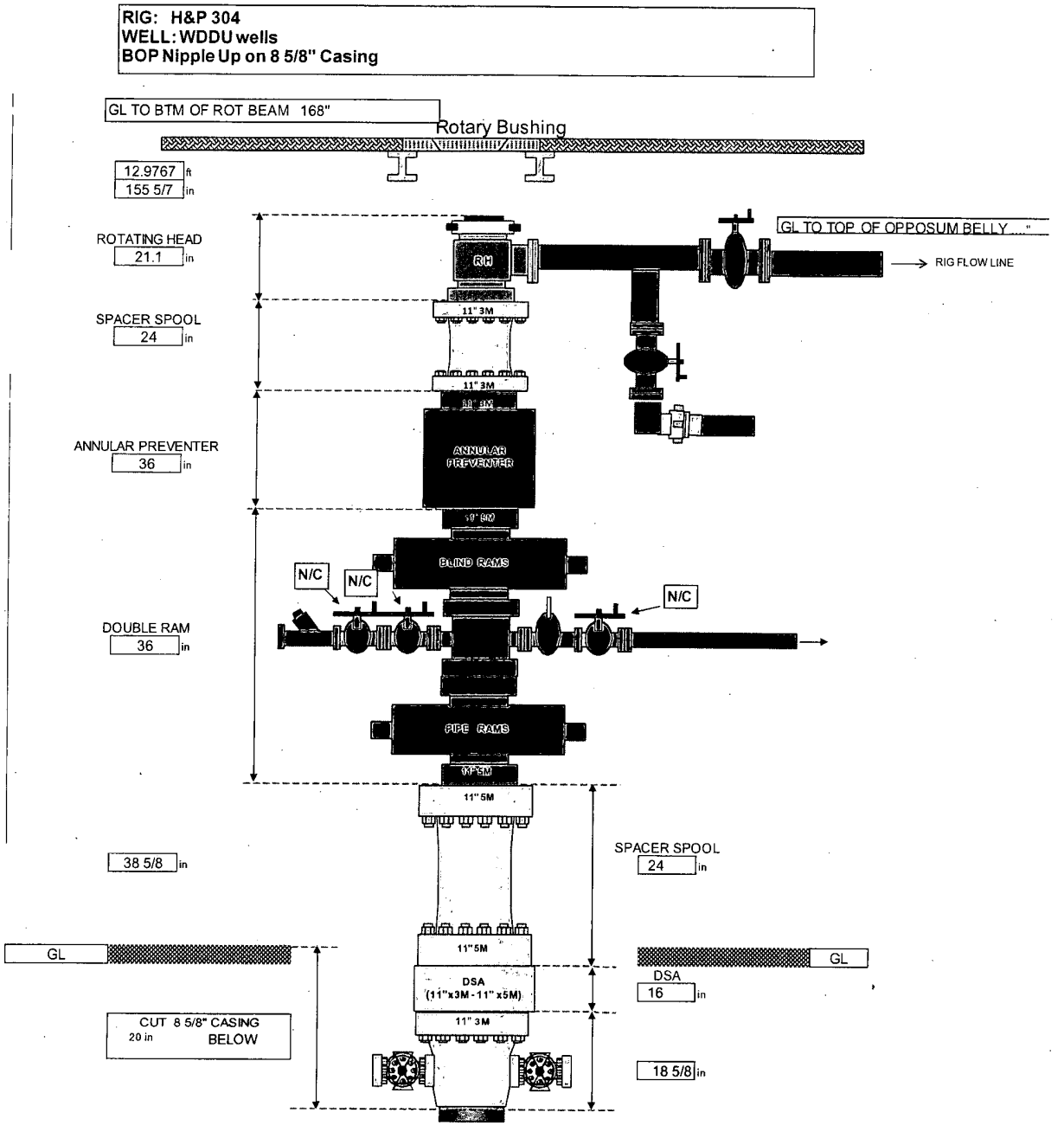
Formation	Top, ft	Bottom, ft	Properties
Tubb	6041	6180	Oil & Gas
Drinkard	6418	6617	Oil & Gas
Abo	6617	7200	Oil & Gas

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

3. Blowout Prevention

This well falls under a **Class III** Blowout Preventer Stack based on the MASP between 2000 and 5000 psi. The stack is composed of a single pipe ram preventer, then a drilling spool, a blinds ram preventer, and a hydraulically operated annular preventer on top.

The choke and kill lines are installed onto drilling spool, and must have a minimum internal diameter of 2". All side outlets on the preventers or drilling spool must be flanged, studded, or clamped. An emergency kill line may be installed on the wellhead. A double ram preventer should only be used when space limitations make it necessary to remove the drilling spool. In these instances, the choke manifold should be connected to the flanged outlet between the preventer rams only (in the words, not the bottom side outlet). In this hookup, the pipe rams are considered master rams only, and cannot be used to routinely circulate out a kick.

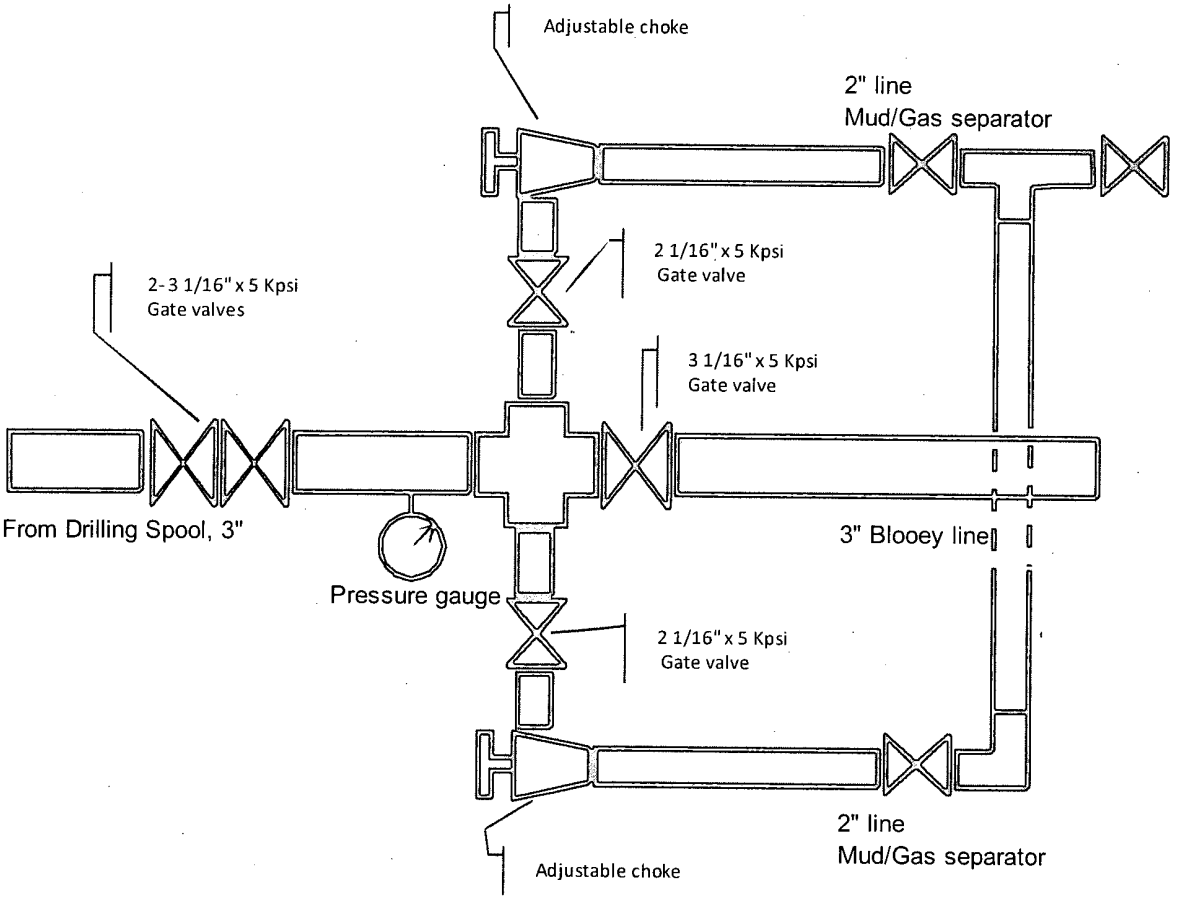


The Class III choke manifold is suitable for class III well operations. Specific design features of the Class III manifold are:

- The manifold is attached to a drilling spool or the ram preventer side outlet (i.e. attached to the side outlet below the top ram of a double ram that may be used without a drilling spool due to space limitations).
- The minimum internal diameter is 2" (nominal) for outlet, flanges, vales and lines.
- Includes two steel gate valves in the choke line at the drilling spool outlet. The inside choke line valve may be remotely controlled (HCR).
- Includes two manually adjustable chokes which are installed on both sides of the manifold cross. Steel isolation gate valves are installed between both chokes and the cross and also downstream of both chokes.

- Includes a blooey line which runs straight through the cross and is isolated by a steel gate valve.
- Includes suitable valve isolated pressure gauge which can display the casing pressure within view of the choke operator.
- Returns through the choke manifold must be diverted through a mud/gas separator, and then be routed to either the active mud pits or the reserve pit through a buffer tank or manifold arrangement.
- If the choke manifold is remote from the wellhead, a third master valve should be installed immediately upstream of the manifold cross.

Class III Choke Manifold - 3,000 psi



Testing of Blowout Prevention Equipment (BOPE)

Generally, BOPE function tests should be performed weekly, alternating between remote panels. Pressure tests should be conducted in prior to spud or upon installation, after disconnection or repair of any pressure containment seal, (but limited to the affected component), and, not to exceed 21 days.

- All tests are to be performed using clear water. Adding a small amount of commercially available dye to the water will assist in detection of small leaks.
- The initial low pressure test of each piece of BOPE must be conducted at a pressure between 200 and 300 psi.

- The subsequent high pressure test is conducted at the rated working pressure of the equipment for all: Ram-type preventers choke manifold and valves, kill lines and valves, upper and lower Kelly cocks, top drive, inside BOPs and safety valves.
- The high pressure test of the bag type annular preventer should be conducted at 70% of its rated working pressure.
- All valves located downstream of the valve being tested must be placed I the open position.
- Variable bore pipe ram should be tested with all sizes of pipe in use, excluding drill collars and bottom hole tools.
- All pressure tests must be held for a minimum duration of five minutes, with no observable pressure decline.
- A record of all pressure tests must be made on a pressure recording chart.
- The results of all pressure tests, actuations, and inspection must be recorded in the tour report.

See - Per Onshore Order #2 All casing strings below the conductor shall be pressure tested to 0.22 psi/Ft of casing length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield.

Surface Casing: **1,500** psi test pressure

Production Casing: ~~**3,000** psi test pressure~~ CIT only

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

Tubing Head: FTCM-IT 5 ½" QCS 5M Pin x 7 1/16" 5M Top

See COA

BOPE: 11" 5M double ram preventer and 11" 3M annular preventer

Testing: **250/3,000** psi for production hole

Test upon installation and every 14 days

4. Casing Design

Hole size	Casing size	Weight #/ft	Grade	Burst rating psi	collapse rating psi	Type connection	MASP psi	Safety factors			Casing depth / Hole depth	
								B	C	T	Md ft	Tvd ft
12 ¼"	8 5/8"	24	J-55	2946	1371	STC	812	7.28	1.7	1.8	1250	1250
7 7/8"	5 1/2"	17	L-80	7738	6285	LTC	1694	1.11	1.8	1.7	5200	5200
7 7/8"	5 1/2"	17	HCL-80	6285	8580	LTC	1694	1.01	2.3	2.6	7200	7200

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

See COA

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.

3 JOINTS

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.

Interval	Mud Type	Density	Viscosity	Fluid Loss
0-1250	FW spud	8.4-9.0	26-30	NC
1250-7200	Brine	10	26	NC

7. Testing, Logging, and Coring

See COA *

Logs

Platform Express/Sonic/Spectral GR TD to surface

XPT

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.

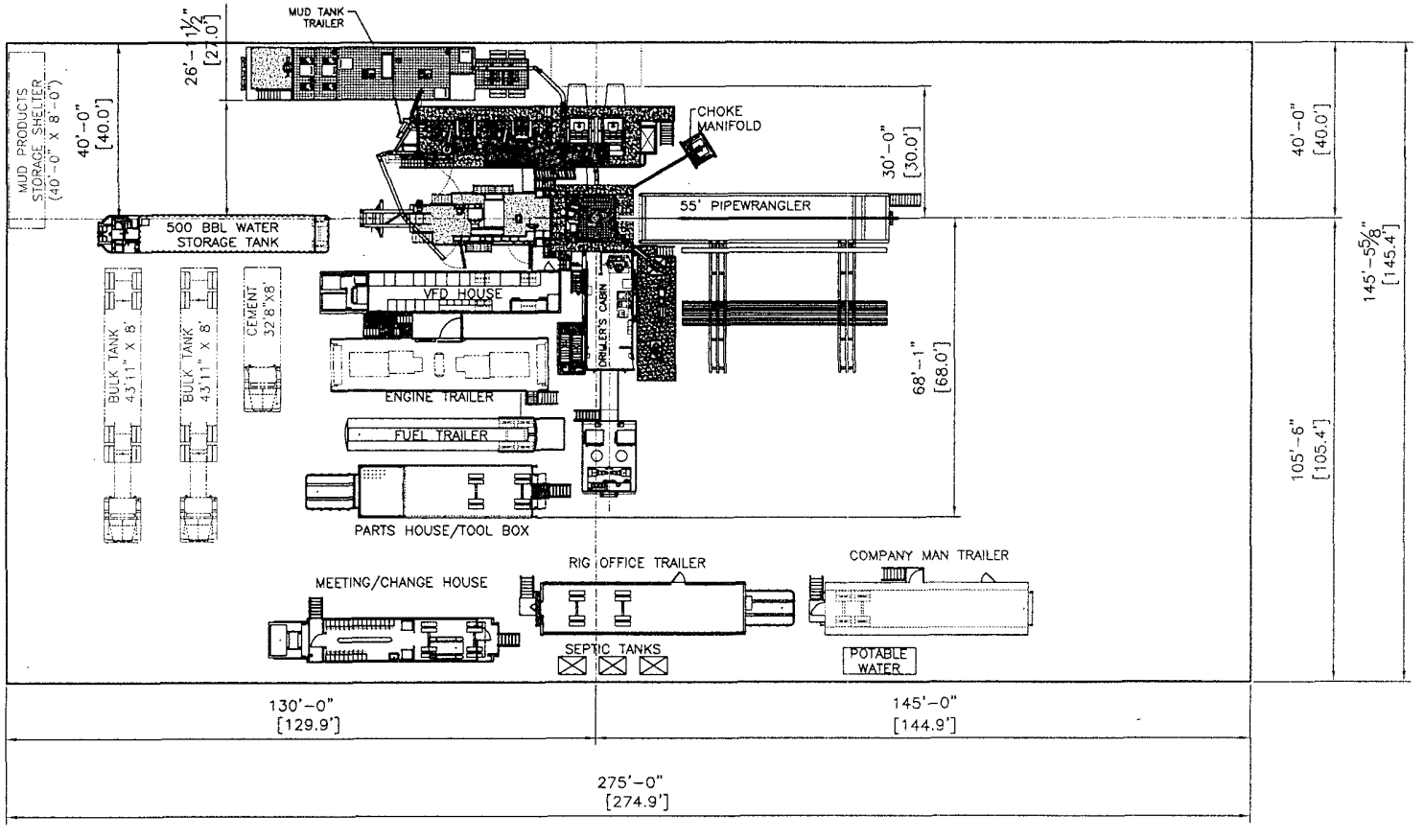
Losses and/or flares may be encountered from surface casing to TD. Maximum anticipated bottom-hole pressure is 2,320 psi with a maximum anticipated surface pressure of 2000 psi.

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

9. Other Facets of the Proposal

Anticipated Start Date: November 2010

Drilling Days: 15



HELMERICH & PAYNE
INTERNATIONAL DRILLING CO.

REV	DATE	DESCRIPTION	BY

ENGINEERING APPROVAL | DATE

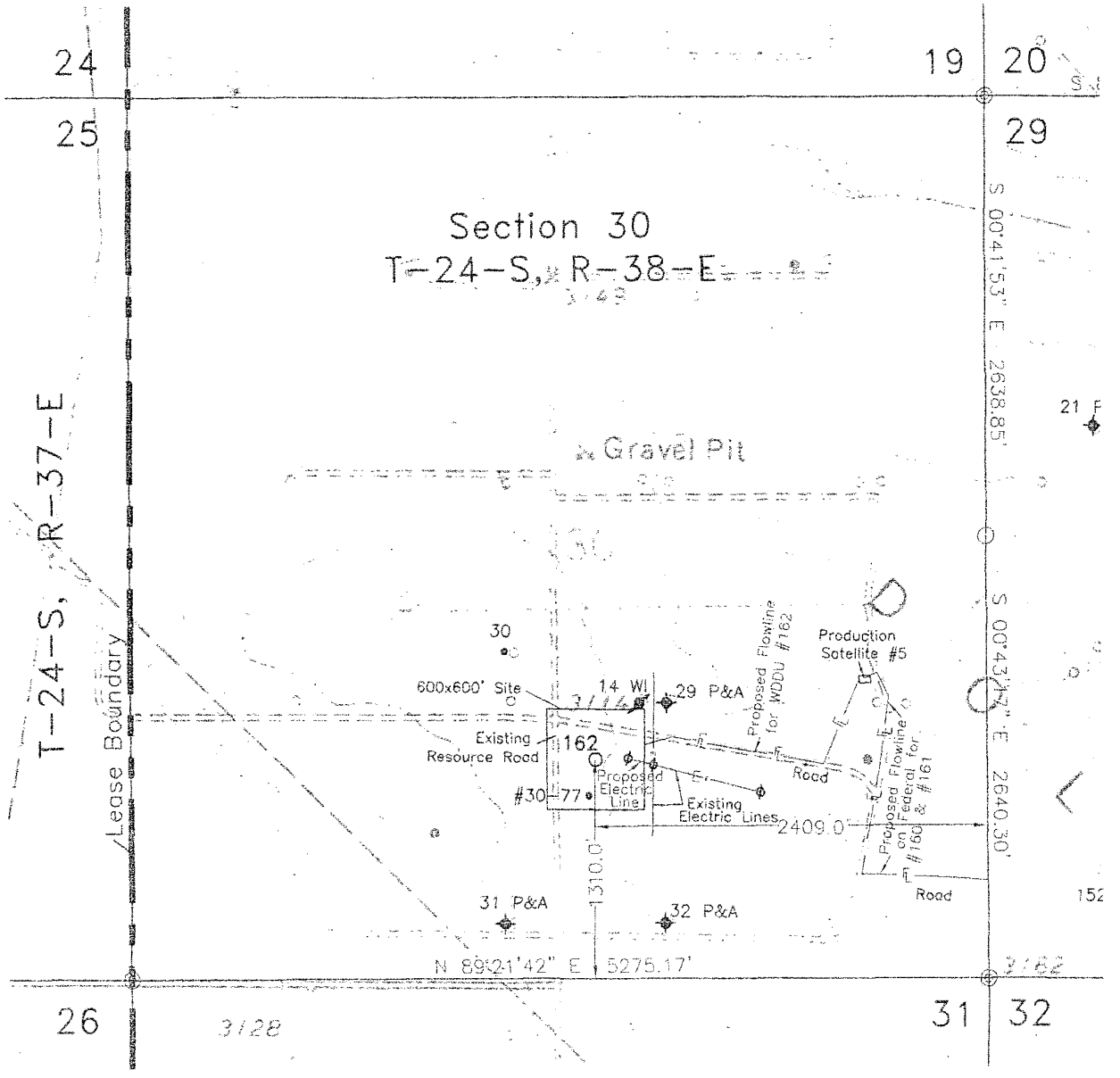
TITLE: F4M RIG SITE LAYOUT

CUSTOMER:

PROJECT: F4M

DRAWN: DJOHNSON | DATE: 03-24-06 | DWG. NO.: | REV:

SCALE: NTS | SHEET: OF



LEGEND OF SYMBOLS

- = Resource Road
- = Road
- = Proposed Electric Line
- = Proposed Production Flow Line
- = Staked Well Location
- = Producing Well Location
- = Water Injection Well
- = Found 1" Iron Pipe with Brass Cap
- = Found 2" or 3" Iron Pipe with Brass Cap
- = Power Pole
- = Unit or Lease Boundary

EXHIBIT "A"
ACCESS ROAD AND FACILITIES MAP

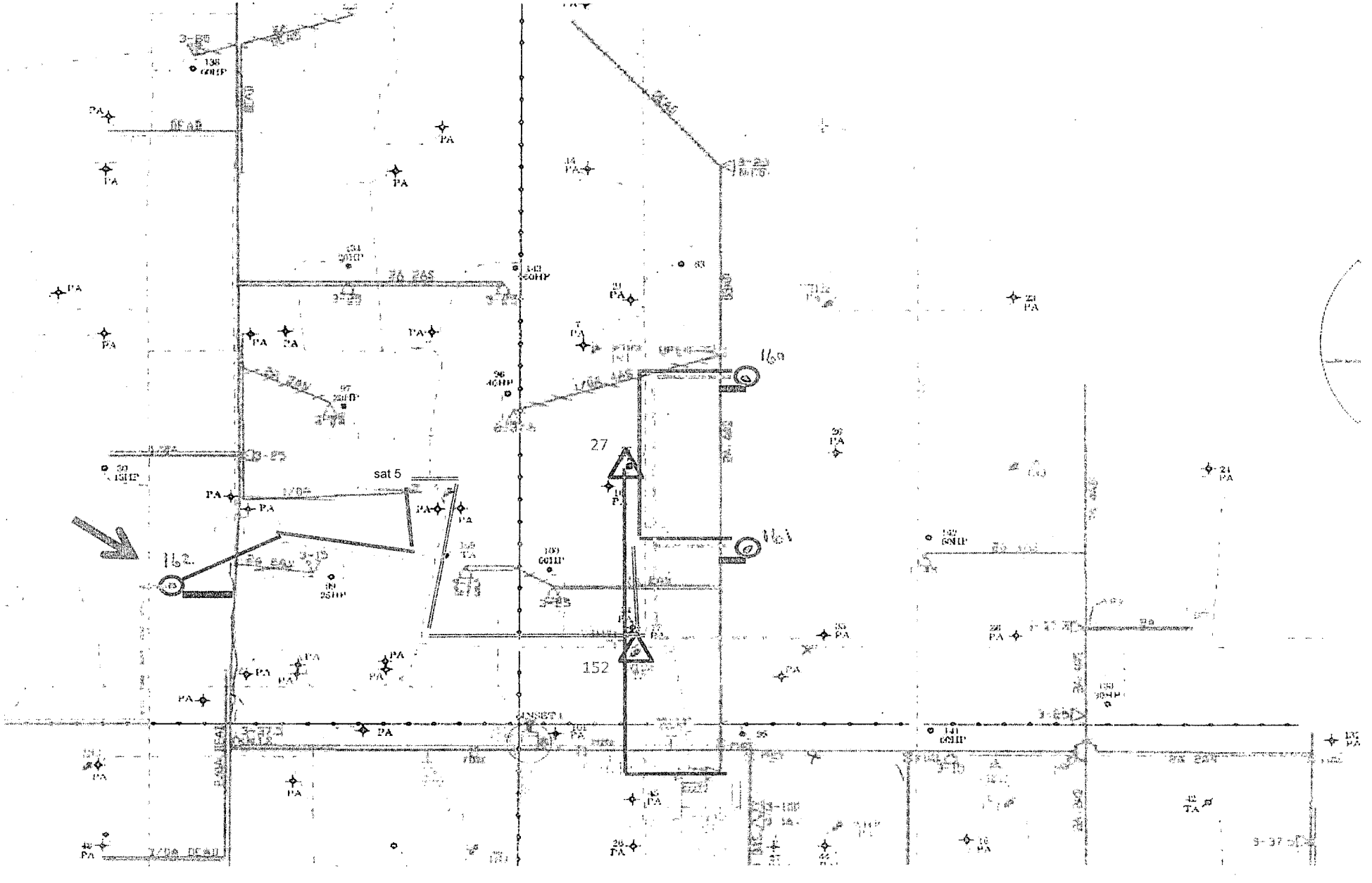
CHEVRON USA, INC.

WEST DOLLARHIDE DRINKARD UNIT #162
Located 1310.0' FSL & 2409.0' FEL, Section 30,
T-24-S, R-38-E, NMPM, Lea County, NM

Drawn by: Tina Chalambaga	Scale: 1" = 1000'
Date: September 2, 2010	Will Kiker
Checked by: J.S. Piper	Sheet 1 of 1

exhibit A - map

8/30/2010



repaired road

new road

new surface flowline

new buried inj line

new power line

O:\nau\mcbu\Oil\SundownMabeeDollarhide\OS_Dollarhide\Facilities\W $Hide\WDDU PE 2010\2010 drlg project.xlsx