

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2008

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

RECEIVED

☐ AMENDED REPORT

JAN 18 2011

HOBBSOCD

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,
PLUGBACK, OR ADD A ZONE

| | | |
|--|--|---|
| ¹ Operator Name and Address CHEVRON U.S.A. INC. 15 SMITH ROAD MIDLAND, TEXAS 79705 | | ² OGRID Number 4323 |
| | | ³ API Number 30 - 025-32271 |
| ³ Property Code 29984 | ⁵ Property Name NEW MEXICO "O" STATE NCT-1 | |
| | | ⁶ Well No. 34 |
| ⁹ Proposed Pool 1 VACUUM YATES | | ¹⁰ Proposed Pool 2 |

| | | | | | | | | | |
|-------------------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|
| ⁷ Surface Location | | | | | | | | | |
| UL or lot no. P | Section 36 | Township 17-S | Range 34-E | Lot Idn | Feet from the 380' | North/South line SOUTH | Feet from the 330' | East/West line EAST | County LEA |

| | | | | | | | | | |
|--|---------|----------|-------|---------|---------------|-----------------|---------------|----------------|--------|
| ⁸ Proposed Bottom Hole Location If Different From Surface | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South lin | Feet from the | East/West line | County |

Additional Well Information

| | | | | |
|--|---------------------------------------|----------------------------------|------------------------------------|--|
| ¹¹ Work Type Code PLUGBACK | ¹² Well Type Code O | ¹³ Cable/Rotary | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3986' GL |
| ¹⁶ Multiple NO | ¹⁷ Proposed Depth 8000' | ¹⁸ Formation YATES | ¹⁹ Contractor | ²⁰ Spud Date |

²¹ Proposed Casing and Cement Program



| | | | | | |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
| NO CHANGE | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

CHEVRON U.S.A. INC. INTENDS TO RECOMLETE THE SUBJECT WELL INTO THE VACUUM YATES FORMATION.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAM, C-102 PLAT, & C-144 PIT INFORMATION.

Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Plugback

| | | | |
|--|------------------------|--|------------------|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. | | OIL CONSERVATION DIVISION | |
| Signature:  | | Approved by:  | |
| Printed name: DENISE PINKERTON | | Title: PETROLEUM ENGINEER | |
| Title: REGULATORY SPECIALIST | | Approval Date: JAN 25 2011 | Expiration Date: |
| E-mail Address: leakejd@chevron.com | | | |
| Date: 01-11-2011 | Phone: 432-687-7375 | Conditions of Approval Attached <input type="checkbox"/> | |

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|--|
| ¹ API Number 30-025-32271 | ² Pool Code 62400 | ³ Pool Name VACUUM YATES |
| ⁴ Property Code 29984 | ⁵ Property Name NEW MEXICO "O" STATE NCT-1 | ⁶ Well Number 34 |
| ⁷ OGRID No. 4323 | ⁸ Operator Name CHEVRON U.S.A. INC. | ⁹ Elevation 3986' GL |

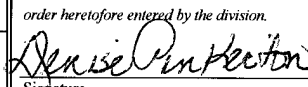
¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no. P | Section 36 | Township 17S | Range 34E | Lot Idn | Feet from the 380 | North/South line SOUTH | Feet from the 330 | East/West line EAST | 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.

| | | | | |
|---------------|--|--|--|--|
| ¹⁶ | | | | ¹⁷ OPERATOR CERTIFICATION <i>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.</i>  Signature 01-11-2011 Date DENISE PINKERTON Printed Name REGULATORY SPECIALIST leakejd@chevron.com E-mail Address |
| | | | | ¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number |

Handwritten diagram showing a well location with coordinates: 380' (vertical), 330' (horizontal), and 334' (diagonal).

New Mexico "O" State NCT 1 #34

Job: Recompletion - Yates

API No. 30-025-32271

Vacuum Field

Lea County, NM

Procedure

1. MIRU PU. Kill well as necessary.
2. ND wellhead. NU 5K hydraulic BOP w/ blind rams on bottom and 2 3/8" pipe rams on top. PU 5 1/2" tension set packer on 1 jt 2 3/8", set packer @ 30', close pipe rams and test BOP to 250psi low, 1000psi high, un-set packer, LD JT and packer, load casing w/fresh water and repeat test against blind rams.
3. RU perforating services, RU lubricator. RIH with a 4" OD cased carrier gun and perforate the following Abo interval with 2 JSPF, 120 degree phasing and a 0.47" hole (Correlate depth to Halliburton Spectral Density Dual Spaced Neutron Spectral Gamma Log dated 12/24/93): 3018'-3026', 3042'-3046', 3076'-3078', 3090'-3096', 3118'-3122', 3128'-3132'
4. RIH w/ 1.43 PN, 1 jt, tension pkr, on/off tool, and 2 3/8" J55 IPC-TK15 EUE production tubing. Set pkr @ 2990'. Test backside to 500# for 10 min. If any leakage, then contact Remedial Engineer.
5. MIRU Acid Unit. Acidize perms w/ 3,000 gallons of 15% HCL. Divert using 100, 1", 1.3 SG ball sealers. Pump acid at 5-6 BPM. Max Pressure = 5,000 psi. Displace acid w/ 2 tbg volumes of FW to clear any residual acid from tubing. Shut-in for one hour.
6. Flow back or swab back load.
7. Record stabilized fluid level, fluid entry rate, oil/water cut and notify Engineer.
8. Unset pkr and RIH to 3150' to knock balls off perms, pull back up hole and reset pkr. So that EOT is @ ~3010'.
9. ND BOP. NU wellhead.
10. Load backside w/packer fluid.
11. RDMO PU.
12. Turn well over to production. RTP.
13. Report production tests.

Contacts:

Ty Gill – Remedial Engineer (432-853-3652)

Carlos Valenzuela – ALCR (Cell: 575-390-9615)

Edgar Acero – Production Engineer (432-687-7343 / Cell: 432-230-0704)

Sam Prieto - Peak Packers – (525-631-7704)

New Mexico "O" State NCT-1 # 34

Created: 10/04/10 By: Chay
 Updated: By:
 Lease: New Mexico "O" State NCT-1
 Field: Vacuum
 Surf. Loc.: 380' FSL & 330' FEL
 Wellbore: 428884
 County: LEA St.: NM
 Status: TA'd Oil Well

Well #: 34 Fd./St. #: B-155
 API: 30-025-32271
 Surface Tshp/Rng: T17S & R34E
 Unit Ltr.: P Section: 36
 Bottom hole Tshp/Rng:
 Unit Ltr.: Section:
 Cost Code: UCT494400
 Chevno: QU2252

Surface Casing

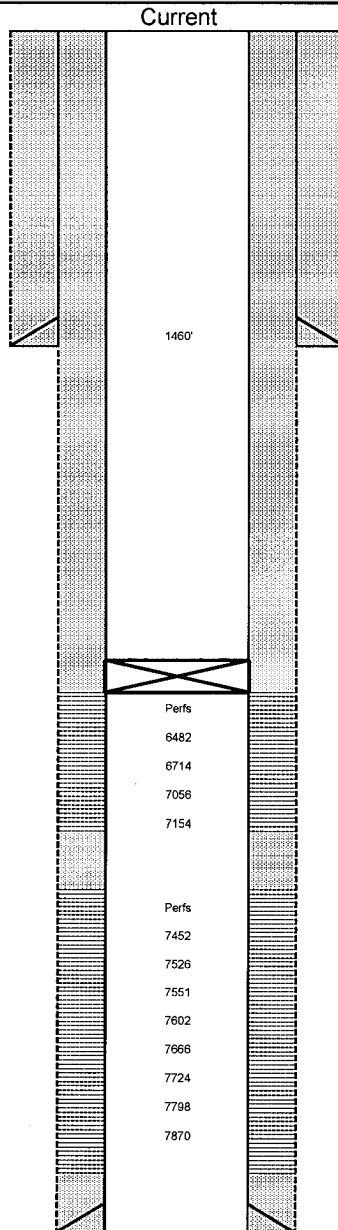
Size: 8-5/8"
 Wt., Grd.: 24#, WC-50
 Depth: 1460'
 Sxs Cmt: 650
 Circulate: Yes, 100 sxs
 TOC: Surf
 Hole Size: 11"

Production Casing

Size: 5-1/2"
 Wt., Grd.: 17#, L-80, WC-50
 Depth: 8000'
 Sxs Cmt: 3285 sxs
 Circulate: Yes, 116 sxs
 TOC: Surf
 Hole Size: 7-7/8"
 DV Tool: 5003'

CIBP set @ 6400'

| Geology - Tops | |
|----------------|-------|
| Queen | 3690' |
| San Andres | 4253' |
| Glorietta | 5880' |
| Paddock | 5958' |
| Tubb | 7450' |
| Drk | 7548' |



KB: 4000'
 DF:
 GL: 3986'
 Ini. Spud: 12/05/93
 Ini. Comp.: 01/03/94

History

Initial Completion: Vacuum DRK. Perfs: 7872'-7551'. 294 holes. Acdz w/35,000 gals 20% Hcl. Tst 1-27-94; 185 O, 0 Wtr, 84 MCF. Tbg and Pkr set @ 7436'.
 11/14/94: Add Pay & acdz DRK perfs 7452' - 7632'.
 8/9/96: Perf Blinbry : 6482'-7156'.
 DHC - #1314; Blinbry 6482'-7156' (45%-oil 11% Gas); and Drinkard 7452'-7872' (55%-oil and 89% Gas).
 10/24/96 Pool Lease Commingle- # 128 with Prod from Vacuum Atoka, linebry, DRK and Wolfcamp.
 8/27/02 Set CIBP @ 6400'. Circ hole w? inhib fl, tst OK. Well status is TA'd, approved to 4/18/2012.

Blinbry Perfs 284 holes

6482'-84'; 6512'-18'; 6696'-98'; 6714'-20'; 6732'-40';
 6751'-54'; 6784'-98'; 6822'-26'; 6832'-42'; 7056'-58';
 7098'-7110'; 7154'-56';

Drk Perfs

7452'-64'; 7477'-80'; 7498'-7510'; 7516'-20'; 7526'-30';
 7526'-37'; 7542'-48'; 7624'-32'
 Drk Perfs 294 holes
 7551'-56'; 7561'-88'; 7602'-08'; 7612'-20'
 7632'-39'; 7642'-48'; 7655'-62'; 7642'-48';
 7655'-62'; 7666'-70'; 7679'-88'; 7693'-7705';
 7724'-34'; 7741'-46'; 7755'-61'; 7765'-74';
 7778'-80'; 7792'-98'; 7808'-10'; 7819'-32';
 7838'-42'; 7856'-58'; 7870'-72'

PBTD: 7980'
 TD: 8000'

New Mexico "O" State NCT-1 # 34

Created: 10/04/10 By: Chay
 Updated: By:
 Lease: New Mexico "O" State NCT-1
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 Surf. Loc.: 380' FSL & 330' FEL
 Wellbore: 428884
 County: LEA St.: NM
 Status: TA'd Oil Well

Well #: 34 Fd./St. #: B-155
 API 30-025-32271
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 Bottom hole Tshp/Rng:
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 TOC: Surf
 Hole Size: 11"

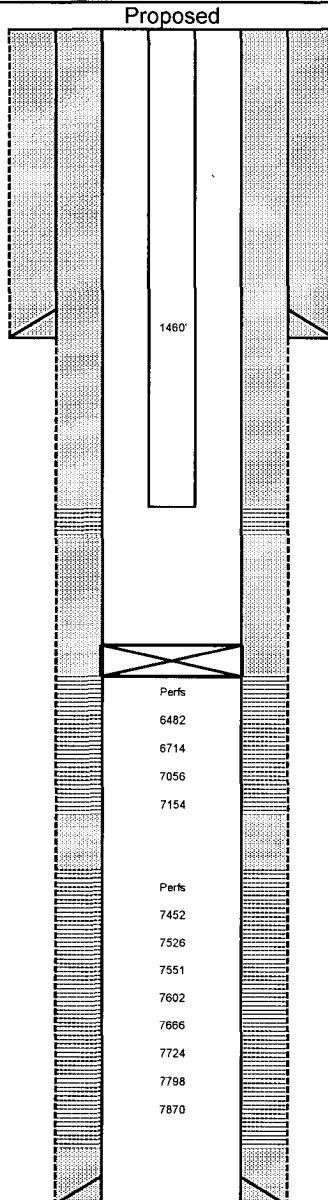
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 Depth: 8000'
 Sxs Cmt: 3285 sxs
 Circulate: Yes, 116 sxs
 TOC: Surf
 Hole Size: 7-7/8"
 DV Tool: 5003'

Proposed Yates Perfs

3018'-3026', 3042'-3046',
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 3118'-3122', 3128'-3132' CIBP set @ 6400'

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