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

HOBBS OCD
MAY 24 2011
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State of New Mexico
Energy Minerals and Natural Resources

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

Form C-101
June 16, 2008

Submit to appropriate District Office

☐ AMENDED REPORT

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

[1] Operator Name and Address	[2] OGRID Number
CHEVRON U.S.A. INC. 15 SMITH ROAD MIDLAND, TEXAS 79705	4323
	[3] API Number 30 – 025-10100

[3] Property Code	[5] Property Name	[6] Well No.
307992	L.E. GRIZZELL	3

[9] Proposed Pool 1	[10] Proposed Pool 2
BLINEBRY O&G & TUBB O&G	

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	8	22-S	37-E		750'	NORTH	760'	EAST	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	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
PLUGBACK	O		P	3434' GL
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
NO	6200'	BLINEBRY/TUBB		

[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 RECOMPLETE THE SUBJECT WELL INTO THE BLINEBRY & TUBB FORMATIONS.

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

INFORMATION FOR THE DHC PERMIT WILL BE MAILED IN AT A LATER DATE.

Permit Expires 2 Years From Approved Date Unless ~~Drilling~~ Plugback Underway

[23] I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: Denise Pinkerton

Printed name: DENISE PINKERTON	OIL CONSERVATION DIVISION
Title: REGULATORY SPECIALIST	Approved by:
E-mail Address: leakejd@chevron.com	Title: PETROLEUM ENGINEER
Date: 05-20-2011 / Phone: 432-687-7375	Approval Date: MAY 26 2011 / Expiration Date:
	Conditions of Approval Attached ☐

District I
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RECEIVED

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 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
30-025-10100	6660	BLINEBRY OIL & GAS

[4] Property Code	[5] Property Name	[6] Well Number
301992	L.E. GRIZZELL	3

[7] OGRID No.	[8] Operator Name	[9] Elevation
4323	CHEVRON U.S.A. INC.	3434' GL

[10] Surface Location

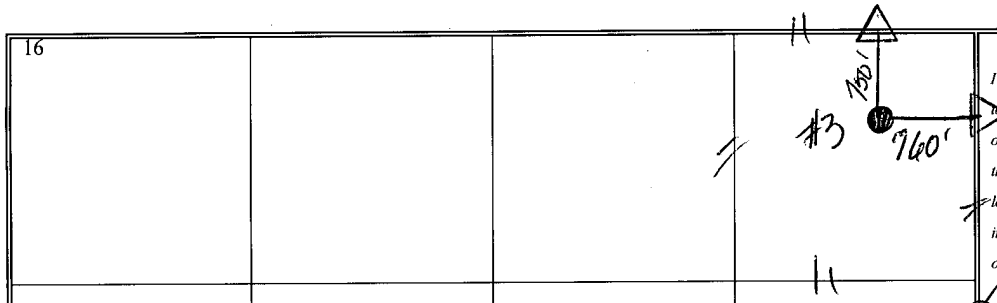
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	8	22-S	37-E		750	NORTH	760	EAST	LEA

[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 — 05-20-2011
Signature — Date

DENISE PINKERTON REGULATORY SPECIALIST
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 belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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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
30-025-10100	60240	TUBB OIL & GAS

[4] Property Code	[5] Property Name	[6] Well Number
307992	L.E. GRIZZELL	3

[7] OGRID No.	[8] Operator Name	[9] Elevation
4323	CHEVRON U.S.A. INC.	3434' GL

[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
A	8	22-S	37-E		750	NORTH	760	EAST	LEA

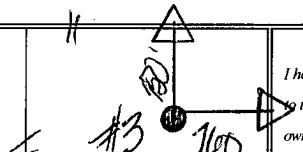
[11] Bottom Hole Location If Different From Surface

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.

16



[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 05-20-2011

Signature Date

DENISE PINKERTON REGULATORY SPECIALIST

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 belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

L. E. Grizzell # 3
Drinkard Field
T22S, R37E, Section 8
Job: PB To Blinebry/Tubb Formations, Frac Stimulate & DHC

Procedure:

1. ***This procedure is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of 5/16/2011. Verify what is in the hole with the well file in the Eunice Field office. Discuss w/ WEO Engineer, Workover Rep, OS, ALS, and FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.***

2. Displace flowline with fresh water. Have field specialist close valve at header. Pressure test line according to the type of pipe. All polypipe (SDR7 and SDR11) will be tested to 1 ½ times the derated poly working pressure. All steel lines will be tested to 1 ½ times the working pressure of the lowest pressure rated component of the flowline. If a leak is found, contact Donnie Ives for repair/replacement. If test is good, bleed off pressure and **open valve** at header. This test must be charted for 30 minutes and the chart turned in to Donnie Ives. Also, document this process in the morning report.

3. MI & RU workover unit. Bleed pressure from well, if any. Pump down tbg with 8.6 PPG cut brine water, if necessary to kill well. ND WH. NU BOP's. Release pkr. POH LD 2 jts 2 3/8" 6.5 # J-55 EUE 8R tbg. PU and GIH w/ 5 ½" compression-set pkr to 25'. Set pkr at 25'. Test BOP's to 250 psi low, 1000 psi high. Release pkr. POH LD top pkr. POH standing back 2 3/8" production tbg string. LD production pkr.

4. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH and make GR/JB (use gauge ring for 5 ½" 14# csg) run to 6250'. POH. GIH and set CIBP at 6235'. POH. Fill casing with 8.6 PPG cut brine water. Pressure test casing and CIBP to 500 psi. GIH and conduct GR/CNL/CCL log from PBTD up to 2500'. POH. E-mail log to Caleb Osborn (COFT@chevron.com) for picking new perfs. GIH and conduct GR/CBL/CCL from PBTD up to up to 100' above top of cement. Run log with with 500 psi on casing. POH. Inspect log for good cement bond from approximately 6200' up to 5400'. If bond does not appear to be good from 6200' to 5400', discuss with Engineering before proceeding. GIH with 3 3/8" RHSC Gunslinger casing guns (0.42" EH & 47" penetration) and perforate from 6058-62', 6071-78', 6092-97', 6100-04', 6111-14', and 6122-26' with 4 JSPF at 120 degree phasing, using 25 gram premium charges. POH. GIH and dump bail 35' of cement on top of CIBP at 6235'. POH. RD & release electric line unit. **Note: Use Welex Radioactivity Log dated 10/9/1974 for depth correlation.**

5. PU 10K treating pkr and GIH on 2 3/8" production tbg string to 5900', testing to 5500 psi. Set pkr at 5900'. Pressure test pkr and csg to 500 psi. Leave 250 psi on csg during acid job.

6. MI & RU Petroplex. Acidize perfs 6058-6126' with 4,000 gals anti-sludge 15% HCl acid *** at a maximum rate of **5 BPM** and a maximum surface pressure of **5000 psi**. Pump acid as follows:

   Pump 1000 gals acid followed by dropping 50 – 1.3 sp. gr. ball sealers
   Pump 1000 gals acid followed by dropping 50 – 1.3 sp. gr. ball sealers
   Pump 1000 gals acid followed by dropping 50 – 1.3 sp. gr. ball sealers
   Pump 1000 gals acid
   Displace acid to bottom perf with 29 bbls 8.6 PPG cut brine water.

   Surge balls off perfs. Record ISIP, 5, 10, & 15 minute SIP's.

*** Acid system is to contain:	2 GPT I-8	Corrosion Inhibitor
	5 GPT FEDX	Iron Reducing Agent
	3 GPT FEBX	Iron Reducing Activator
	20 GPT Petrosol	Mutual Solvent
	2 GPT EP-3	Non-Emulsifier

7. Open well. Release pkr. Lower down to 6150' with pkr to wipe balls off perfs. POH LD 2 3/8" production tbg string and pkr.

8. PU and GIH w/ 5 ½" Arrow-Set 10K pkr & On-Off tool w/ 2.25" "F" profile and 161 jts. of 3 ½" EUE 8R L-80 work string, testing to 8500 psi. Space out. Set pkr at approximately 5000'. Install 10K frac valve. Pressure annulus to 500 psi to test csg and pkr.

9. RD & MO workover rig.

10. MI & RU Schlumberger Services. Pressure test casing and pkr to 500 psi. Leave 250 psi on annulus during frac to monitor for communication. Frac well down 3 ½" tubing at **40 BPM** with 56,000 gals of YF125, 78,500 lbs. 16/30 mesh Jordan Sand, and 25,000 lbs **resin-coated** 16/30 mesh CR16/30 proppant. Observe a maximum surface treating pressure of **8000 psi**. Pump job as follows:

    Pump 1,000 gals 2% KCL water spacer at **20 BPM**
    Pump 14,000 gals YF125 pad containing 5 GPT J451 Fluid Loss Additive at **40 BPM**
    Pump 14,000 gals YF125 containing 0.5 PPG 16/30 mesh Jordan Sand
    Pump 5,000 gals YF125 containing 1.5 PPG 16/30 mesh Jordan Sand
    Pump 5,500 gals YF125 containing 2.5 PPG 16/30 mesh Jordan Sand
    Pump 6,000 gals YF125 containing 3.5 PPG 16/30 mesh Jordan Sand
    Pump 6,500 gals YF125 containing 4.5 PPG 16/30 mesh Jordan Sand
    Pump 5,000 gals YF125 containing 5 PPG **resin-coated** 16/30 mesh CR16/30 proppant.

    Flush to 6000' with 2,852 gals WF125. **Do not overflush.** Shut well in. Record ISIP, 5, 10, and 15 minute SI tbg pressures. SWI. RD & release Schlumberger Services. **Leave well SI overnight.**

11. MI & RU workover rig.

12. Open well. Bleed pressure from well, if any. Release pkr. POH with 3 ½" work string, on-off tool, and pkr.

13. MI & RU Baker Atlas electric line unit. Install lubricator and test to 2000 psi. GIH and make GR/JB (use gauge ring for 5 ½" 14# csg) run to 5950'. POH. GIH and set CBP at 5940'. POH. Fill casing with 8.6 PPG cut brine water. Pressure test casing and CBP to 500 psi. GIH with 3 3/8" RHSC Gunslinger casing guns (0.42" EH & 47" penetration) and perforate from 5493-97', 5503-07', 5513-17', 5569-79', 5627-33', 5656-63', 5678-84', 5702-05', 5711-16', 5741-46', 5749-52', 5760-68', 5802-06', 5824-31', 5860-66', and 5881-83' with 4 JSPF at 120 degree phasing, using 25 gram premium charges. POH. RD & release electric line unit. **Note: Use Baker Atlas GR/CBL/CCL Log dated conducted in Step # 4 for depth correlation.**

14. PU and GIH w/ 5 ½" Arrow-Set 10K pkr & On-Off tool w/ 2.25" "F" profile and 161 jts. of 3 ½" EUE 8R L-80 work string, testing to 8500 psi. Space out. Set pkr at approximately 5000'. Install 10K frac valve. Pressure annulus to 500 psi to test csg and pkr.

15. RD & MO workover rig.

16. MI & RU Schlumberger Services. Pressure test casing and pkr to 500 psi. Leave 250 psi on annulus during frac to monitor for communication. Frac well down 3 ½" tubing at **40 BPM** with 88,000 gals of YF125, 176,000 lbs. 16/30 mesh Jordan Sand, and 30,000 lbs **resin-coated** 16/30 mesh CR1630 proppant. Observe a maximum surface treating pressure of **8000 psi**. Pump job as follows:

    Pump 2,000 gals 2% KCL water at **10 BPM**
    Pump 5,000 gals 15% NEFE HCl acid* at **20 BPM**
    Pump 1,000 gals 2% KCL water at **40 BPM**
    Pump 14,000 gals YF125 pad containing 5 GPT J451 Fluid Loss Additive at **40 BPM**
    Pump 14,000 gals YF125 containing 0.5 PPG 16/30 mesh Jordan Sand
    Pump 12,000 gals YF125 containing 1.5 PPG 16/30 mesh Jordan Sand
    Pump 12,000 gals YF125 containing 2.5 PPG 16/30 mesh Jordan Sand
    Pump 14,000 gals YF125 containing 3.5 PPG 16/30 mesh Jordan Sand
    Pump 16,000 gals YF125 containing 4.5 PPG 16/30 mesh Jordan Sand
    Pump 6,000 gals YF125 containing 5 PPG **resin-coated** 16/30 mesh CR1630 proppant.

    Flush to 5443' with 2,281 gals WF125. **Do not overflush.** Shut well in. Record ISIP, 5, 10, and 15 minute SI tbg pressures. RD & release Schlumberger Services. **Leave well SI overnight.**

    * Acid system is to contain:

1 GPT A264	Corrosion Inhibitor
8 GPT L63	Iron Control Agent
2 PPT A179	Iron Control Aid
20 GPT U66	Mutual Solvent
2 GPT W53	Non-Emulsifier

17. MI & RU workover rig.

18. Open well. Bleed pressure from well, if any. Release pkr. POH LD 3 ½" work string, on-off tool, and pkr.

19. PU and GIH with 4 ¾" MT bit, float & float sub, and 6 – 3 ½" DC's on new 2 7/8" 6.50# EUE 8R J-55 production tbg string to top of fill in 5 ½" casing. Lower down and cleanout sand and CBP to PBTD at 6200' using 8.6 PPG cut brine water and air unit as per attached Air Foam procedure. POH with 2 7/8" production tbg string and bit. LD bit and DC's.

20. PU and GIH w/ BP mud anchor jt of 2 7/8" tbg, 2 7/8" x 4' perforated sub, SN, 1 jt 2 7/8" EUE 8R J-55 IPC tbg, 21 jts 2 7/8" EUE 8R J-55 tbg, TAC, and 175 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 5435', with EOT at 6155' and SN at 6120'.

21. ND BOP's and NU WH. GIH with rods, weight bars, and pump per ALS recommended design. RD & release pulling unit.

22. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

5/17/2011

Well: **L. E. Grizzell # 3**

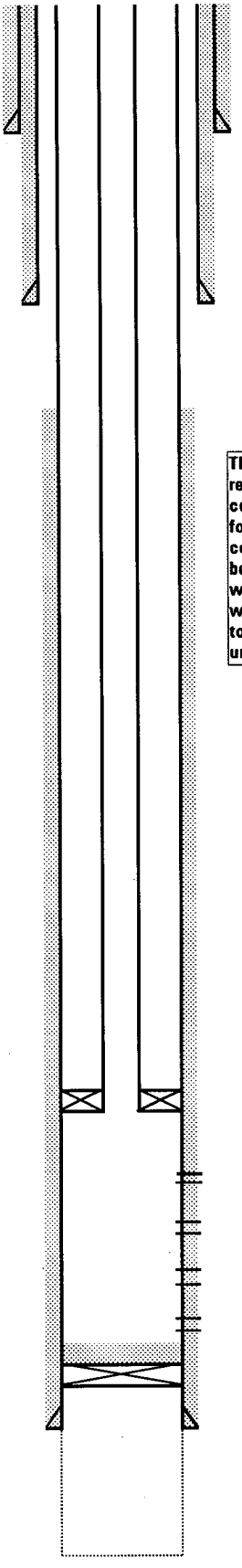
Field: **Drinkard**

Reservoir: **Drinkard**

Location:
750' FNL & 760' FEL
Section: 8 Unit Letter: A
Township: 22S
Range: 37E
County: Lea State: NM

Elevations:
GL: 3434'
KB: 3444'
DF: 3443'

Current
Wellbore Diagram



Well ID Info:
Chevno: FB1108
API No: 30-025-10100
L5/L6: U41AA00
Spud Date: 12/13/51
Compl. Date: 1/18/1952

Surf. Csg: 10 3/4", 32.75# ERW
Set: @ 253' w/ 250 sks
Hole Size: 15"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Interm. Csg: 7 5/8", 24# SS
Set: @ 2808' w/ 1200 sks
Hole Size: 9 7/8"
Circ: Yes **TOC:** Surface
TOC By: Circulated

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/ WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

Tubing Detail:

#Jts:	Size:	Footage
	KB Correction	10.00
198	Jts. 2 3/8" J-55 Tbg	6135.00
	5 1/2" Packer (Unknown Type)	7.22
198	**Bottom Of String >>**	**6152.22**

Perfs:		Status:
6251'	6302'	Drinkard - Open
6255'	6308'	Drinkard - Open
6258'	6326'	Drinkard - Open
6261'	6351'	Drinkard - Open
6272'	6355'	Drinkard - Open
6288'	6358'	Drinkard - Open
6291'	6373'	Drinkard - Open
6298'	6376'	Drinkard - Open

CIBP @ 6410'
(15' cmt on top)

Prod. Csg: 5 1/2", 14#, J-55
Set: @ 6438' w/ 350 sks
Hole Size: 6 3/4"
Circ: No **TOC:** 3649'
TOC By: Calculated (15% Hole Enlargement)

6438-6545' OH Drinkard - Below CIBP

COTD: 6395'
PBTD: 6395'
TD: 6545'

Updated: 5/4/2011

By: A. M. Howell

Well: **L. E. Grizzell # 3**

Field: **Blinebry O&G & Tubb O&G**

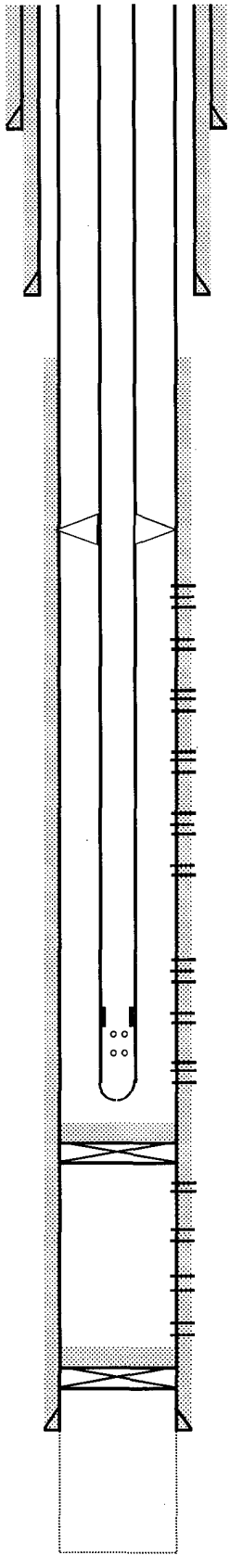
Reservoir: **Blinebry & Tubb (DHC)**

Location:
750' FNL & 760' FEL
Section: 8 Unit Letter: A
Township: 22S
Range: 37E
County: Lea State: NM

Elevations:
GL: 3434'
KB: 3444'
DF: 3443'

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date *below*. *Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/ WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.*

Proposed Wellbore Diagram



Well ID Info:
Chevno: FB1108
API No: 30-025-10100
L5/L6: U46AJ00 & U477800 (DHC)
Spud Date: 12/13/51
Compl. Date: 1/18/1952

Surf. Csg: 10 3/4", 32.75# ERW
Set: @ 253' w/ 250 sks
Hole Size: 15"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Interm. Csg: 7 5/8", 24# SS
Set: @ 2808' w/ 1200 sks
Hole Size: 9 7/8"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Tubing Detail:

#Jts:	Size:	Footage
	KB Correction	10.00
175	Jts. 2 7/8" EUE 8R J-55 Tbg	5425.00
	TAC	2.70
21	Jts. 2 7/8" EUE 8R J-55 Tbg	651.00
1	Jt. 2 7/8" EUE 8R J-55 IPC Tbg	31.43
	SN	1.10
	2 7/8" x 4' Perf Tbg Sub	4.10
1	Jt. 2 7/8" EUE 8R J-55 Tbg	30.14
	Bullplug	0.50
198	**Bottom Of String >>**	6155.97

Perfs:	Status:
5493-97'	Blinebry - Open
5503-07'	Blinebry - Open
5513-17'	Blinebry - Open
5569-79'	Blinebry - Open
5627-33'	Blinebry - Open
5656-63'	Blinebry - Open
5678-84'	Blinebry - Open
5702-05'	Blinebry - Open
5711-16'	Blinebry - Open
5741-46'	Blinebry - Open
5749-52'	Blinebry - Open
5760-68'	Blinebry - Open
5802-06'	Blinebry - Open
5824-31'	Blinebry - Open
5860-66'	Blinebry - Open
5881-83'	Blinebry - Open
6058-62'	Tubb - Open
6071-78'	Tubb - Open
6092-97'	Tubb - Open
6100-04'	Tubb - Open
6111-14'	Tubb - Open
6122-26'	Tubb - Open

CIBP @ 6235'
(35' cmt on top)

CIBP @ 6410'
(15' cmt on top)

COTD: 6200'
PBTD: 6200'
TD: 6545'

Perfs:		Status:
6251'	6302'	Drinkard - Below CIBP
6255'	6308'	Drinkard - Below CIBP
6258'	6326'	Drinkard - Below CIBP
6261'	6351'	Drinkard - Below CIBP
6272'	6355'	Drinkard - Below CIBP
6288'	6358'	Drinkard - Below CIBP
6291'	6373'	Drinkard - Below CIBP
6298'	6376'	Drinkard - Below CIBP

Prod. Csg: *5 1/2", 14#, J-55*
Set: @ 6438' w/ 350 sks
Hole Size: 6 3/4"
Circ: No **TOC:** 3649'
TOC By: Calculated (15% Hole Enlargement)

6438-6545' OH Drinkard - Below CIBP

Updated: 5/12/2011

By: A. M. Howell