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

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

RECEIVED

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 – 025-34407

[3] Property Code	[5] Property Name	[6] Well No.
20870	MONUMENT 23 STATE	23

[9] Proposed Pool 1	[10] Proposed Pool 2
MONUMENT; YESO, NW	

[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
L	23	19-S	36-E		1700'	SOUTH	869'	WEST	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		S	3730' GL
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
NO	7502'	YESO		

[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 MONUMENT; YESO, NW 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.

Signature: Denise Pinkerton

Printed name: DENISE PINKERTON

Title: REGULATORY SPECIALIST

E-mail Address: leakejd@chevron.com

Date: 05-20-2011

Phone: 432-687-7375

OIL CONSERVATION DIVISION

Approved by:

Title: PETROLEUM ENGINEER

Approval Date: MAY 26 2011

Expiration Date:

Conditions of Approval Attached ☐

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HOBBS OCD
MAY 24 2011
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
30-025-34407	~~20070~~ 97088	MONUMENT; YESO, NW

[4] Property Code	[5] Property Name	[6] Well Number
20070	MONUMENT 23 STATE	23

[7] OGRID No.	[8] Operator Name	[9] Elevation
4323	CHEVRON U.S.A. INC.	3730' 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
L	23	19-S	36-E		1700	SOUTH	869	WEST	LEA

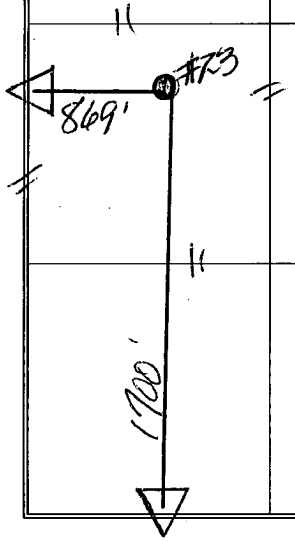
[11] Bottom Hole Location If Different From Surface

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

April 6, 2011

Monument 23 State #23
Monument North Field
T19S, R36E, Sec.34, 869' FWL 1700' FSL
Job: Plugback to Drinkard/Yeso zones and isolate water as needed

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 April 6, 2011. Verify what is in the hole with the well file in the Eunice field office. Discuss with WEO Engineer, Workover Rep, OS, ALCR, 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 line according to the type of line. Buried fiberglass lines will be tested with 300 psi. All polypipe (SDR7 and SDR11) will be tested w/100 psi. All steel lines will be tested w/1000 psi. If a leak is found, contact Donnie Ives for repair/replacement. If test is good, bleed off pressure and **open valve** at header. Document this process in the morning report. **Note: Prior to performing this step of the procedure, ensure that all valves, pipe, and fittings that will be exposed to test pressure are rated higher than the planned test pressure.**

3. MI & RU workover unit. Bleed pressure from well, if any. Pump down casing with 8.6 PPG cut brine water, if necessary to kill well. Unseat pump and POOH rods and pump. Examine rods for wear and pitting. If rods show paraffin, clean rods with 40 bbls fresh hot water and 70 gals PAO-104. ND WH.

4. Release TAC. Record tension on TAC. Install BOP's. PU 5-1/2" x 2-7/8" compression set packer and RIH to 25'. Pressure test BOP's to 250 low/500 high. TOOH tbg. Scan 2 7/8" production tbg while tripping out of hole with tbg. Send all non-yellow band pipe to 1788 yard. Stand back all yellow band pipe.

5. MI & RU Baker Hughes electric line unit. Install lubricator and test to 2000 psi. GIH with gauge ring and junk basket for 5-1/2" csg to 7145'. If unable to get below 7140', make cleanout run with bit and scraper with 2-7/8" workstring. PU 5-1/2" CIBP and GIH and set CIBP at 7125'. GIH with 3 3/8" RHSC Gunslinger casing gun (0.42" EH & 47" penetration). Perforate the following intervals with 4 JSPF at 120 degree phasing, using 25 gram premium charges:
    - 6708'-6712'
    - 6759'-6766'

- 6777'-6780'
- 6832'-6836'
- 6842'-6847'
- 6905'-6908'

POH. TIH with dump bailer with cement. Dump 35' of cement on CIBP. POOH w/ wireline. RD and release electric line unit. **Note: Use CCL with Wedge Dia-Log, Inc. CBL log dated August 18, 1998 for depth correlation.**

6. PU and GIH with 5 1/2" RBP with high capacity (400 balls) ball catcher and 5 1/2" treating pkr and 2 7/8" EUE 8R L-80 workstring while hydrotesting to 8000 psi below slips. Set RBP at 6933'. Pick up 5' and pressure test RBP to 500 psi. Set pkr at 6792'.

Note: There will be two individual acid jobs in this procedure. The plan is to schedule Petroplex in the morning for the first acid job and then the morning two days after the first job for the second acid job. There will be about a day and a half to swab test the first perforation interval between acid jobs.

7. MI & RU Petroplex acid services. Pump into interval 6832'-6908'. **Note: Pickle tubing in 1 run of 250 gals acid prior to acidizing perfs. Pickle acid is to contain only 1/2 gal I-8 and 1 gal EP-3.** Pump 5000 gals 20% NEFE antisludge HCL acid at a rate of 6 BPM and max treating pressure of 7500 psi dropping a total of 100, 1.3 SG RCN balls. Drop slugs of 20 balls with every 1000 gals of acid. Displace with 8.6 PPG cut brine water. Do not overdisplace. Record ISIP, 5, 10, and 15-minute SIPs. Acid to contain:
    - 2 GPT I-8 Corrosion Inhibitor
    - 10 GPT FEPlex Iron Control Agent
    - 20 GPT Petrosol Mutual Solvent
    - 2 GPT EP-3 Non-emulsifier

8. RD and release Petroplex. Shut in for 1 hour for acid to spend. GIH and swab back treated interval. Recover 100% of treatment and load volumes before shutting well in for night. Report recovered fluid volumes, pressures, and swabbing fluid levels to Production Engineer (Alex Moore).

9. Bleed off pressure. Release pkr. Engage RBP. PUH to 6805' and reset RBP. Pressure test RBP to 500 psi. PUH and set pkr at 6668'.

10. MI & RU Petroplex acid services. Pump into interval 6708'-6780'. Pump 5000 gals 20% NEFE antisludge HCL acid at a rate of 6 BPM and max treating pressure of 7500 psi dropping a total of 100, 1.3 SG RCN balls. Drop slugs of 20 balls with every 1000 gals of

acid. Displace with 8.6 PPG cut brine water. Do not overdisplace. Record ISIP, 5, 10, and 15-minute SIPs. Acid to contain:

- 2 GPT I-8 Corrosion Inhibitor
- 10 GPT FEPlex Iron Control Agent
- 20 GPT Petrosol Mutual Solvent
- 2 GPT EP-3 Non-emulsifier

11. GIH and swab back treated interval. Recover 100% of treatment and load volumes before shutting well in for night. Report recovered fluid volumes, pressures, and swabbing fluid levels. **Note: Discuss with Midland Engineering before continuing with procedure. A decision will be made if a CIBP is needed.**

12. Bleed off pressure and release pkr. Engage RBP. POH with 2 7/8" workstring, RBP, and treating pkr. LD RBP. **Note: If decision is made to set a CIBP, skip to step #15.** LD workstring and pkr.

13. PU and GIH with production tubing string as per Engineering determination (TBD after determining the CIBP setting depth). ND BOP's and NU WH. GIH with rods, weight bars and pump per ALCR recommendations. RD and release workover unit.

14. Turn well over to production. Report producing rates, choke sizes, flowing pressures and fluid levels. Notify field specialist when complete. Kelly Devilbiss 575-631-9138 or Bryan Duncan 575-631-9096.

Procedure if Decision is made to set CIBP for water isolation

15. MI & RU wireline unit. Set CIBP with wireline to depth specified by Midland Engineering. POH. RD and release wireline unit.

16. PU and RIH with 2 7/8" workstring and pkr. Set pkr 10' above CIBP depth. Pressure test CIBP to 1500 psi. If pressure holds, release pkr. POH with 2 7/8" workstring and pkr. LD workstring and pkr.

17. PU and GIH with production tubing string as per Engineering determination (TBD after determining the CIBP setting depth). ND BOP's and NU WH. GIH with rods, weight bars and pump per ALCR recommendations. RD and release workover unit.

18. Turn well over to production. Report producing rates, choke sizes, flowing pressures, and fluid levels. Notify field specialist when complete. Kelly Devilbiss 575-631-9138 or Bryan Duncan 575-631-9096.

Well: **Monument 23 State #23** Field: **Monument North** Reservoir: **Abo**

Location:
1700' FSL & 869' FWL
Section: 23
Township: 19-S
Range: 36-E
County: Lea State: NM

Elevations:
GL: 3730'
KB: 3741'
DF:

Current Wellbore Diagram

Well ID Info:
Chevno: BR8347
API No: 30-025-34407
L5/L6: UCV010500
Spud Date: 07/16/1998
Compl. Date:

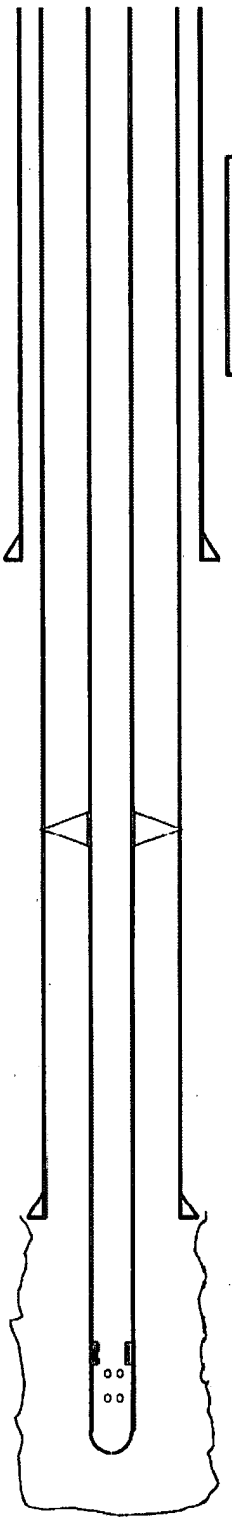
This data is valid until 2000. In July 2000, the well was pulled for the first time since converted to a rod pump. TAC and tubing depths most likely have changed since 2000. Examine well history to find current landing depths for TAC and

Rod Detail

# Jts	Description	Footage
1	1-1/2" Polish Rod	26
1	7/8" Pony Rod	4
1	7/8" Pony Rod	6
1	7/8" Pony Rod	8
116	7/8" N-97 Rods	2900
143	3/4" N-97 Rods	3575
24	1-1/2" K-Bars w/centrilizers	616
1	Double Centrilizer	3
1	Pump	20
1	1-1/4" Gas Anchor	16

Tubing Detail:

#Jts:	Size:	Footage
	KB Correction	11.00
225	Jts. 2 7/8" EUE 8R L-80 Tbg	7012.16
	5 1/2" TAC @ 7023'	2.70
4	Jts. 2 7/8" EUE 8R L-80 Tbg	124.68
1	SN @ 7151.64'	1.10
1	2 7/8" J-55 Perf. Sub	4.10
1	2 7/8" J-55 BPMAJ	31.52
232	Bottom Of String >>	7187.26



Surf. Csg: 8 5/8", 23#, WC-50
Set: @ 1438' w/ 450 sks
Hole Size: 11"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Prod. Csg: 5 1/2", 15.5#, K-55
Set: @ 7150' w/ 850 sks
Hole Size: 7 7/8"
Circ: No **TOC:** 1200'
TOC By: Cmt Bond Log

7 7/8" Open Hole: 7150'-7502'

COTD:
PBTD:
TD: 7502'

Updated: 04/05/2011 **By:** A. Moore

Well: **Monument 23 State #23** Field: **Monument NW** Reservoir: **Yeso**

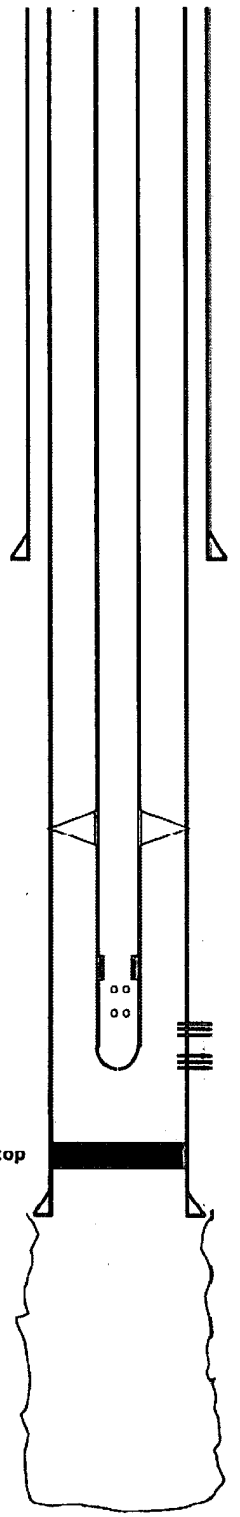
Location:
1700' FSL & 869' FWL
Section: 23
Township: 19-S
Range: 36-E
County: Lea State: NM

Elevations:
GL: 3730'
KB: 3741'
DF:

Proposed
Wellbore Diagram

Well ID Info:
Chevno: BR8347
API No: 30-025-34407
L5/L6: UCV011500
Spud Date: 07/16/1998
Compl. Date:

Rod Detail
To be determined by ALCR



Surf. Csg: 8 5/8", 23#, WC-50
Set: @ 1438' w/ 450 sks
Hole Size: 11"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Tubing Detail
To be determined by ALCR

Perforation	Status
6708'-6712'	Open - Yeso
6759'-6766'	Open - Yeso
6777'-6780'	Open - Yeso
6832'-6836'	Open - Yeso
6842'-6847'	Open - Yeso
6905'-6908'	Open - Yeso

CIBP @ 7125' with 35' cmt on top

Prod. Csg: 5 1/2", 15.5#, K-55
Set: @ 7150' w/ 850 sks
Hole Size: 7 7/8"
Circ: No **TOC:** 1200'
TOC By: Cmt Bond Log

7 7/8" Open Hole: 7150'-7502'

COTD:
PBTD:
TD: 7502'

Updated: 04/05/2011 **By:** A. Moore