District I PO Box 1960, Hobbs, NM \$8241-1960 District []

Form C-104 Revised February 10, 1994 Instructions on back

PO Drawer DD, Artesia, NM \$8311-0719 OIL CONSERVATION DIVISION Subpait to Appropriate District Office PO Box 2088 Santa Fe, NM 87504-2088 District III 5 Copies 1000 Rio Brazos Rd., Aztec, NM 87410 District IV AMENDED REPORT PO Box 2008, Santa Fe, NM 87504-2008 REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT Operator name and Address OGRID Number 147701 Mountain States Petroleum Corp. Reason for Filing Code P. O. Box 3531 New OGRID Number Midland, TX 79702 API Number Pool Name Pool Code 30-045-07924 11880 Cha Cha Gallup Property Code 1 Property Name Well Number -8095 MMS/ NW Cha Cha Unit 36 10 Surface Location Ul or lot bo. Lot.Ida Fast from the Section Towards Range North/South Line Feet from the East/West Las Consty 29N 14W San Juan 28 660 North 660 East 11 Bottom Hole Location UL or lot so. Section Township Lot Ida Feet from the North/South Mas Feet from the East/West Lac Consty 11 Lee Code 12 Producing Method Code 15 C-129 Permit Number " C-129 Effective Date 17 C-129 Expiration Date N Ρ Oil and Gas Transporters 1º Treasporter Name Transporter " POD 11 O/G " POD ULSTR Location and Address and Description Giant Refining Co. P O Box 12999 947810 Battery L NW Cha Cha Unit 0 009018 Scottsdale AZ 85267 AUS 1 4 1995 IV. Produced Water <del>Oll Con. Div.</del> POD " POD ULSTR Location and Description DIST. 3 Well Completion Data Soud Date " Ready Date " TD H PBTD ALLEGE " Perforations " Hole Size 11 Casing & Tubing Size n Depth Set 3 Sacks Coment VI. Well Test Data Date New Oil " Gas Delivery Date " Test Date " Test Length " Tog. Pressure H Cag. Pressure " Choke Size " QU d Water 4 GM " AOF " Test Method " I hereby certify that the fules of the Oil Conservation Division have been complied with and that the information given above is trugted complete to the best of my OIL CONSERVATION DIVISION knowledge and belief. 0 4 Signature: Z7.8 Approved by: Printed name: SUPERVISOR DISTRICT #3 Μ. A. Sirgo, Title: Tiuc: Approval Date: Agent AUG 1 4 1995 Date: August 10, 1995 Phone: 915/685-0878 " If this is a change of operator fill in the OGRID number and name of the previous operator Previous Operator Signature Printed Name Title Date

State of New Mexico
Energy, Minerals & Natural Resources Dep

AZTEC DISTRICT OFFICE 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178 Fax (505)334-6170

GARY E. JOHNSON GOVERNOR

JENNIFER A. SALISBURY CABINET SECRETARY

Certified Receipt P-987-892-173

June 18, 1996

Mountain States Petroleum Corporation Attn Paul Slayton PO Box 1936 Roswell NM 88202-1936

RE: Violations at the Northwest Cha Cha Unit Water Flood Facility and the adjacent production facility at G-21-29N-14W, San Juan County, New Mexico

Dear Mr. Slayton:

Mountain States Petroleum Corporation continues violating Oil Conservation Division rules and orders. Mountain States has failed to bring the injection and production facilities of the Northwest Cha Cha Unit into compliance with OCD rules and orders as outlined in certified letters dated 12/13/95 and 04/01/96 from this office. At the Northwest Cha Cha Unit Water Flood Facility, specifically, there has been no effort to remove water and oil from the existing overflow pit and failure to initiate closure of the pit.

Authority for production and injection activities associated with the wells listed below is canceled until satisfactory compliance activities are initiated:

30-045-25968, Northwest Cha Cha Unit #01, G-18-29N-14W 30-045-07877, Northwest Cha Cha Unit #46, E-26-29N-14W 30-045-08142, Northwest Cha Cha Unit #11, A-20-29N-14W 30-045-07837, Northwest Cha Cha Unit #50, K-27-29N-14W 30-045-08068, Northwest Cha Cha Unit #16, E-22-29N-14W 30-045-07774, Northwest Cha Cha Unit #56, O-25-29N-14W 30-045-08141, Northwest Cha Cha Unit #17, H-21-29N-14W 30-045-07756, Northwest Cha Cha Unit #57, M-25-29N-14W 30-045-25979, Northwest Cha Cha Unit #02, L-18-29N-14W 30-045-07779, Northwest Cha Cha Unit #58, O-26-29N-14W 30-045-25808, Northwest Cha Cha Unit #20, G-20-29N-14W 30-045-07772, Northwest Cha Cha Unit #59, M-26-29N-14W 30-045-07990, Northwest Cha Cha Unit #24, H-21-29N-14W 30-045-07686, Northwest Cha Cha Unit #66, G-36-29N-14W

Paul Slayton Mountain States Petroleum Corp Page 2 June 18, 1996

```
30-045-13104, Northwest Cha Cha Unit #30, O-22-29N-14W 30-045-07684, Northwest Cha Cha Unit #67, E-36-29N-14W 30-045-07932, Northwest Cha Cha Unit #35, C-28-29N-14W 30-045-07692, Northwest Cha Cha Unit #68, G-35-29N-14W 30-045-07924, Northwest Cha Cha Unit #36, A-28-29N-14W 30-045-08215, Northwest Cha Cha Unit #07, M-17-29N-14W 30-045-07920, Northwest Cha Cha Unit #39, A-27-29N-14W 30-045-07598, Northwest Cha Cha Unit #74, O-36-29N-14W 30-045-07864, Northwest Cha Cha Unit #43, G-25-29N-14W 30-045-13267, Northwest Cha Cha Unit #75, M-36-29N-14W 30-045-07865, Northwest Cha Cha Unit #44, E-25-29N-14W 30-045-07596, Northwest Cha Cha Unit #76, O-35-29N-14W
```

Further lack of activity to come into compliance may result in fines or other enforcement action.

Please feel free to contact me or Denny Foust if you have questions.

Sincerely,

Frank T. Chave District Supervisor

FTC\sh

cc: Well files
Operator file