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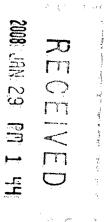
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MidContinent/Alaska BU North American Exploration and Production Company 15 Smith Road, RM-2235 Midland, Texas 79705 Tel 432 687 7461 Fax 432 687 7871 peqd@chevron.com

January 28, 2008

Mark E. Fesmire, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South St. Francis Drive Santa Fe, New Mexico 87505



# RE: APPLICATION OF CHEVRON USA INC. FOR AN UNORTHODOX WELL LOCATION(S), FOR A LEASELINE PRODUCTION WELL(S) AND SIMULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICO

Dear Mr. Fesmire,

Chevron U.S.A. Inc. (Chevron) hereby makes an application requesting the authority and administrative approval for unorthodox well locations for lease line production wells and simultaneous dedication, and in support hereof states:

- 1. Chevron is the operator of the Vacuum Grayburg San Andres Unit and the Central Vacuum Unit;
- 2. The Vacuum Grayburg San Andres Unit was approved by the Division by Order No. R-4433, issued in Case 4851 dated November 8, 1972 and a pressure maintenance project by water flood was authorized for this Unit by Division Order No. R-4442, issued in Case 4852 dated November 27, 1972; and a tertiary recovery project by the injection of CO2 was authorized for this Unit by Division Order No. R-4442-B, issued in Case 13961 dated December 11, 2007;
- 3. The Central Vacuum Unit was approved by Division Order No. R-5496, issued in Case 5907 dated August 9, 1977, and a waterflood project was authorized for this Unit by Division Order No. R-5530, issued in Case 6008 dated September 20, 1977;
- 4. Although the Vacuum-Grayburg San Andres Poll is governed by the Division's statewide rules for spacing and the location of wells which provide for 40-acre proration units, the effective spacing units for this pool was reduced to 20 acres in the 1970's and early 1980's and there was sporadic infill drilling on 10-acre spacing in the late 1980's and early 1990's;
- 5. Chevron's evaluation of the reservoir showed substantial additional reserves would be recovered with development on 10-acre spacing. This was confirmed by the successful drilling of 14 ten-acre wells in 1995;
- 6. Chevron seeks authority to drill the following unorthodox well locations and simultaneous dedication for the following lease line production wells:

Well:	Vacuum Grayburg San Andres Unit Well No. 405
Location:	1,910' FNL & 40' FEL (Unit Letter H)
Well Unit:	SE/4NE/4 of Section 1, Township 18 South, Range 34 East, N.M.P.M.,
	Lea County, New Mexico to produce oil as a lease line producer;

The SE/4NE/4 of Section 1 will be simultaneously dedicated to Well No. 405 and the Vacuum Grayburg San Andres Unit Wells 43, 143, 122, 250 and 235.

Well:	Vacuum Grayburg San Andres Unit Well No. 412
Location:	2,195.8' FSL & 295.9'FEL (SHL) and 2,200 feet FSL & 10 feet FEL (BHL)
	(Unit Letter I)
Well Unit:	NE/4SE/4 of Section 1, Township 18 South, Range 34 East, N.M.P.M.,
	Lea County, New Mexico to produce oil as a lease line producer.

The NE/4SE/4 of Section 1 will be simultaneously dedicated to Well No. 412 and the Vacuum Grayburg San Andres Unit Wells 128 and 13.

Well:	Vacuum Grayburg San Andres Unit Well No. 438 $\checkmark$
Location:	10' FNL & 420' FEL (SHL) and 10' FNL & 670' FEL (BHL)
	(Unit Letter A)
Well Unit:	NE/4NE/4 of Section 1, Township 18 South, Range 34 East, N.M.P.M, Lea County, New Mexico to produce oil as a lease line producer.

The NE/4NE/4 of Section 1 will be simultaneously dedicated to Well No. 438 and the Vacuum Grayburg San Andres Unit Wells 159 and 258.

Well:	Vacuum Grayburg San Andres Unit Well No. 439 🕅
Location:	634' FNL & 1,632' FEL (SHL) and 10' FNL & 1,980' FEL (BHL)
	(Unit Letter B)
Well Unit:	NW/4NE/4 of Section 1, Township 18 South, Range 34 East, N.M.P.M,
	Lea County, New Mexico to produce oil as a lease line producer.

The NW/4NE/4 of Section 1 will be simultaneously dedicated to Well No. 438 and the Vacuum Grayburg San Andres Unit Wells 158 and 57.

Well:	Vacuum Grayburg San Andres Unit Well No. 440 🧳
Location:	100' FNL & 1,980' FWL (Unit Letter C)
Well Unit:	NE/4NW/4 of Section 1, Township 18 South, Range 34 East, N.M.P.M,
	Lea County, New Mexico to produce oil as a lease line producer.

The NE/4NW/4 of Section 1 will be simultaneously dedicated to Well No. 440 and the Vacuum Grayburg San Andres Unit Wells 157, 56 and 156.

Well:	Vacuum Grayburg San Andres Unit Well No. 441
Location:	170' FNL & 710' FWL (SHL) and 10' FNL & 650' FWL (BHL)
	(Unit Letter A)
Well Unit:	NW/4NW/4 of Section 1, Township 18 South, Range 34 East, N.M.P.M,
	Lea County, New Mexico to produce oil as a lease line producer.

The NW/4NW/4 of Section 1 will be simultaneously dedicated to Well No. 440 and the Vacuum Grayburg San Andres Unit Well 55.

Please note that Vacuum Grayburg San Andres Unit Well Nos. 438, 439, 440 & 441 listed above are intended to be water injection wells, but which may initially flow hydrocarbons to the surface for a period of time. Therefore, Chevron has provided for the operation of these wells in the Amendments to the lease line agreements listed in items A and B below as well as copies of the C-108 filed recently and attached as item F below. We have secured full approval of Central Vacuum Unit working interest owners by ballot on the amendment for the water injection wells; and full approval of the working interest owners and royalty owners for the amendment for the production wells.

- 7. These wells will be operated pursuant to the Vacuum Area Cooperative Lease Line Agreement dated March 1, 1996 as amended on November 19, 2007, but effective December 1, 2007 which has been approved by Chevron U.S.A. Inc. which owns 100% of the working interest in the Vacuum Grayburg San Andres Unit and by the owners of 98% of the working interest in the Central Vacuum Unit. The request for approval of this agreement was submitted to the Commissioner of Public Lands, State of New Mexico on January 24, 2008 which owns 100% of the royalty interest in the Vacuum Grayburg San Andres Unit and 98.8% of the royalty interest in the Central Vacuum Unit. The States' final approval is expected prior to February 20, 2008.
- 8. Pursuant to this Amendment to Vacuum Area Cooperative Lease Line Agreement (see item 1 below), half of the production from the proposed wells will be allocated to each Unit;
- 9. Approval of this application will result in an efficient production pattern for each of these waterflood projects and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

Enclosed for your convenience is the following documentation in support of this application:

- A. Copy of the Amendment to Vacuum Area Cooperative Lease Line Agreement dated November 19, 2007, but effective December 1, 2007;
- B. Copy of the Third Amendment to Vacuum (Grayburg-San Andres Cooperative Water Injection Agreement dated November 19, 2008, but effective December 1, 2007;
- C. Copies of Form C-102 for Well Location and Acreage Dedication plat;
- D. Copies of the Standard Planning Reports for the Directional VGSAU wells 412, 438, 439 & & 441 these directional wells are directional due to surface limitations involving existing facilities.
- E. Copy of Letter dated January 24, 2008 to the Commissioner of Public Lands, State of New Mexico.
- F. Copies of Form C-108 Application for Authorization to Inject with all attachments for the Vacuum Grayburg San Andres Unit Well Nos. 438, 439, 440 & 441 which originals have been submitted by separate package to the New Mexico Oil Conservation Division
- G. Copy of Letter dated January 22, 2008 requesting Hobbs News-Sun to publish a Legal Notice for the Vacuum Grayburg San Andres Unit Well Nos. 438, 439, 440 & 441, among others. Copy of the Hobbs News-Sun will be provided later, if required.

Chevron respectfully requests administrative approval for the unorthodox well locations for its proposed Vacuum Grayburg San Andres Unit Well Nos. 405, 412, 438, 439, 440 and 441 as lease line producing wells for the Vacuum Grayburg San Andres Unit and the Central Vacuum Unit and authorization for the simultaneous dedication as outlined above.

If I can be of any assistance or if you need additional information, please let me know by calling me at (432) 687-7461.

Very truly yours, T Peauend Darr Land Representative

Enclosures

Cc: Mr. Pete Martinez State of New Mexico Commissioner of Public Lands P. O. Box 1148 Santa Fe, New Mexico 87504-1148

# Brooks, David K., EMNRD

<b>c</b>		
From:	PEQUENO, DANIEL [PEQD@chevron.com]	N-2412
Sent:	Friday, February 22, 2008 9:59 AM	1-185-34E
То:	Brooks, David K., EMNRD	ł
Cc:	Jones, William V., EMNRD	
Subject:	RE: Chevron Vacuum Grayburg San Andres Unit ## 131,145,438,439,440 and 4	441
Attachments	Document.tif; Document (6).tif	

### Mr. Brooks,

In accordance with your item #2 below, I am attaching (a) a copy of the Amendment to Vacuum Area Cooperative Lease Line Agreement which cover VGSAU Well Nos. 405 & 412 along with copies of the Ratifications for the royalty owners and all the working interest owners; and (b) a copy of the Third Amendment to Vacuum (Grayburg-San Andres) Cooperative Water Injection Agreement which cover VGSAU Well Nos. 438WI, 439WI, 440WI & 441WI along with the signed copies of the ballots from all the working interest owners. I hope you will find them satisfactorily and in compliance with NMOCD rules.

As for the injection wells discussed in your item #1, the C-108 has been filed by separate package for all the wells along with the proper notification to the offset operators/working interest owners as well as the advertisement.

Let me know if I can be of further assistance in this regard.

Thank you, Daniel Pequeno Land Representative Phone 432.687.7461 Fax 432.687.7871

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Thursday, February 21, 2008 5:55 PM
To: PEQUENO, DANIEL
Cc: Jones, William V., EMNRD
Subject: Chevron Vacuum Grayburg San Andres Unit ## 131,145,438,439,440 and 441

Dear Mr. Pequeno:

I have reviewed the non-standard location applications for these wells and have the following observations:

- Simultaneous dedication approval is not required. It would not be required in any case except for the #405, because in all other cases, there will be no more than four wells in a 40-acre unit. However, I do not believe simultaneous dedication approval is required even for the #405, because the 4-wells per 40 acres limitation does not apply in an active secondary recovery unit. For the new injection wells, of course, injection permitting is required, and that will be handled separately. I will be processing the non-standard location applications.
- 2. Our notice rule requires notice of this application to all working interest owners in the Central Vacuum Unit, since Chevron is the operator of both units. You indicate that you have secured approval of the Lease Line Agreement by all of these working interest owners. However, you have not furnished their signed consents with your application, and only Chevron signed the agreement. We must either be furnished with ratifications of the Amendment to the Lease Line Agreement signed by all of the working interest owners, or with proof of notice to them of the filing of the NSL application.

Please contact me by phone or email if you have questions.

Sincerely

David K. Brooks 505-476-3450

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This inbound email has been scanned by the MessageLabs Email Security System.

#### THIRD AMENDMENT TO VACUUM (GRAYBURG-SAN ANDRES) COOPERATIVE WATER INJECTION AGREEMENT

STATE OF NEW MEXICO

COUNTY OF LEA

THIS AMENDMENT shall be effective as of December 1, 2007, by and between the Central Vacuum Unit, represented by CHEVRON U.S.A. INC., Successor-in-interest to TEXACO EXPLORATION AND PRODUCTION INC., as Unit Operator, hereinafter referred as "Unit Operator", and the Vacuum Grayburg- San Andres Unit, represented by CHEVRON USA INC. as Unit Operator, hereinafter referred to as "Chevron".

§

#### WITNESSETH:

WHEREAS, Unit Operator is the Operator of the Central Vacuum Unit covering certain leases and lands, located in Townships 17 South and 18 South, Ranges 34 East and 35 East, Lea County, New Mexico, as more particularly described in the Central Vacuum Unit Agreement to which reference is made for purposes of description; and

WHEREAS, Chevron is the Operator of the Vacuum Grayburg-San Andres Unit covering, among other lands, the following described land in Lea County, New Mexico:

Section 1, Township 18 South, Range 34 East, Lea County, New Mexico, as more particularly described in the Vacuum Grayburg San Andres Unit Agreement to which reference is made for purposes of Description; and

WHEREAS, Unit Operator and Chevron are parties to that certain Cooperative Water Injection Agreement dated April 14, 1978 (the Agreement), providing for the operation of water injection wells on or near the common boundary of the Central Vacuum Unit and the Vacuum Grayburg San Andres Unit, and providing for the injection of water into the underlying Grayburg-San Andres formation through said injection wells; and

WHEREAS, by Amendment to Cooperative Water Injection Agreement dated April 28, 1989, effective October 20, 1988 (First Amendment), said agreement was amended to replace Paragraph 6 found on Page 2 relative to the charge for injection water provided by Unit Operator; and

WHEREAS; by Amendment to Vacuum (Grayburg-San Andres) Cooperative Water Injection Agreement dated and effective January 1, 2001 (Second Amendment), said agreement was further amended to provide for CO2, produced gas, water or any combination thereof, as acceptable injectants for all the water injection wells identified in the agreement; and

WHEREAS, Unit Operator and Chevron desire to further amend the said Cooperative Water Injection Agreement, as amended, to drill and equip additional injection wells at or near the Unit lines between the Vacuum Grayburg San Andres Unit and Central Vacuum Unit to provide for the injection of CO2, produced gas, water or any combination thereof, as acceptable injectants into the underlying Grayburg-San Andres formation through the additional injection wells so that the leases and lands mentioned above will be benefited by an increase in the production of crude oil.

NOW, THEREFORE, for in consideration of the premises, Unit Operator and Chevron have agreed and do by these presents herein agree that Subparagraph 1, page 1 and Subparagraph 4, page 2 of the Cooperative Water Injection Agreement dated April 14, 1978, as amended by the First Amendment and the Second Amendment, are hereby amended by the addition of the following language as set forth in the corresponding numbered paragraph, and that the referenced wells are added as injection wells to be drilled and equipped for the injection of CO2, produced gas, water or any combination

QLS-153175

Page 1 of 4

thereof, as acceptable injectants into the underlying Grayburg-San Andres formations as follows:

- 1. Unit Operator, as soon as practical following the effective date of this Agreement agrees to drill, complete and equip four (4) additional CO2, produced gas, water or any combination thereof, as acceptable injection wells in the Grayburg-San Andres formation at the approximate locations shown on the plat attached hereto as Exhibit "A", and with location descriptions and Working Interest Ownership percentages tabulated on Exhibit "B", also attached and made a part hereof for all purposes. In the event proposed new well or wells not be able to adequately be drilled at the approximate locations as outlined above, it is agreed that the well or wells will be drilled and equipped at a location(s) which are legally as close to the lease line as possible without further action required from the parties to this agreement.
- 4. Chevron agrees to continue to furnish water suitable for injection purposes through the Vacuum Grayburg-San Andres Unit Injection System at the price and on the basis set forth in said Cooperative Water Injection Agreement, as amended. The water delivered hereunder to the injection well by Chevron shall be measured by standard type water metering equipment installed and operated by Chevron.

In addition, Unit Operator and Chevron have agreed and do by these presents herein agree that the Agreement, as amended by the First Amendment and Second Amendment, is further amended by the insertion of the following paragraph:

12. CO2, produced gas, or any combination thereof, are acceptable injectants for all water injection wells identified in the Cooperative Water Injection Agreement and any amendments thereto.

and that the Second Amendment is hereby amended to reflect the addition of the above paragraph 12 to the Agreement, effective as of the date of the Second Amendment.

These additional injection wells to be drilled shall be bound by all the other terms and conditions of the original Cooperative Water Injection Agreement, as amended, and the purpose of this Amendment serves only to add said wells and locations. Except as amended hereby, the Cooperative Water Injection Agreement, as amended, remains in full force and effect.

IN WITNESS WHEREOF, this instrument is executed this <u>1016</u> day of November, 2007, but effective as of the date written above.

CHEVRON U.S.A. INC. As Operator of the Central Vacuum Unit

D. K. Beckham, Attorney-in-Fact

CHEVRON U.S.A. INC. as Operator of the Vacuum Grayburg San Andres Unit

D. K. Beckham, Attorney-in-Fact

QLS-153175

# STATE OF TEXAS

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#### COUNTY OF MIDLAND Ş

November \_, 2007, before me appeared D.K. Beckham, as Attorney-in-Fact for CHEVRON U.S.A. INC., a Pennsylvania corporation, and acknowledged to me that she executed the instrument for the purposes and consideration therein expressed.

EMBER, 2007. WITNESS my hand and official seal this the day of My Commission expires: 2557

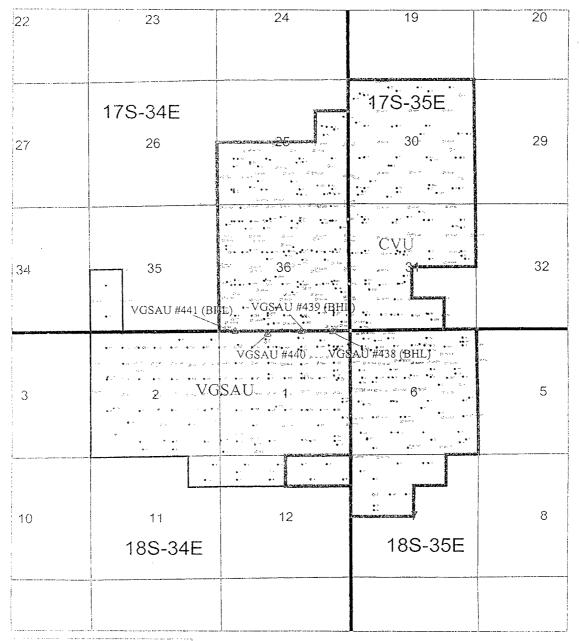
KATHRYN A. NEEPER COMMISSION EXPIRES Slay 5, 2010 COLUMN TO STATE

Notary Public in and for the State of Texas.

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Page 3 of 4

CHEVRON USA INC. COOPERATIVE WATER INJECTION AGREEMENT EXHIBIT "A" LEA COUNTY, NEW MEXICO 12/01/2007



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1" = 3000'

# EXHIBIT "B"

Amendment to Vacuum (Grayburg-San Andres) Cooperative Water Injection Agreement between Central Vacuum Unit and Vacuum Grayburg-San Andres Unit Lea County, New Mexico

# ORIGINAL WELL LOCATIONS AND OWNERSHIP

WELL NO.	WELL LOCATION	<b>OWNERSHIP</b>
133	10' FNL & 1,550' FEL, Section 12	CVU - 50%, VGSAU - 50%
	T-18-S, R-34-E	
141	10' FSL & 1,310' FWL, Section 36	CVU – 50%, VGSAU – 50%
240 (Replaced 140)	257' FSL & 2,519' FWL (SHL) 19' FSL & 2,522' FWL, (BHL) Section 36	CVU – 50%, VGSAU – 50%
139	10' FSL & 1,310' FEL, Section 36	CVU – 50%, VGSAU – 50%
	All in T-17-S, R-34-E	
238 (Replaced 138)	10° FSL & 420' FEL, (SHL) 10' FSL & 10' FEL, (BHL) Section 36	CVU – 75%, VGSAU – 25%
	T-17-S, R-34-E	
137 136 135 134	10' FWL & 1,100' FNL, Section 6 10' FWL & 2,450' FNL, Section 6 10' FWL & 1,600' FSL, Section 6 10' FWL & 10' FSL, Section 6	CVU – 50%, VGSAU 50% CVU – 50%, VGSAU 50% CVU 50%, VGSAU 50% CVU 75%, VGSAU 25%
	All in T-18-S, R-35-E	
	PROSPOSED NEW WELL LOCATIONS AN	ND OWNERSHIP
438	10' FNL & 420' FEL, (SHL) 10' FNL & 670' FEL, (BHL) Section 1	CVU – 50%, VGSAU – 50%
439	634' FNL & 1,632' FEL, (SHL) 10' FNL & 1,980' FEL, (BHL) Section 1	CVU – 50%, VGSAU – 50%

 440
 100' FNL & 1,980' FWL, Section 1
 CVU - 50%, VGSAU - 50%

 441
 170' FNL & 710' FWL, (SHL) 10' FNL & 650' FWL, (BHL) Section 1
 CVU - 50%, VGSAU - 50%

#### All in T-18-S, R-34-E

NOTE:	CVU = Central Vacuum Unit
	VGSAU = Vacuum Grayburg San Andres Unit
	SHL = Surface Hole Location
	BHL = Bottom Hole Location

#### END OF EXHIBIT "B"

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Page 4 of 4



Daniel Pequeno, CPL/ESA Land Representative MidContinent/Alaska BU North American Exploration and Production Company 15 Smith Road, RM-2235 Midland, Texas 79705 Tel 432 687 7461 Fax 432 687 7871 pedd@chevron.com

November 19, 2007

#### CENTRAL VACUUM UNIT WORKING INTEREST OWNERS LIST (ATTACHED)

#### RE: THIRD AMENDMENT TO VACUUM (GRAYBURG-SAN ANDRES) COOPERATIVE WATER INJECTION AGREEMENT CENTRAL VACUUM UNIT/VACUUM GRAYBURG SAN ANDRES UNIT LEA COUNTY, NEW MEXICO (QLS-046074, 153175 & 044246)

Dear Working Interest Owner:

Chevron U.S.A. Inc. is finalizing plans to drill the Vacuum Grayburg San Andres Unit Well Nos. 438WI, 439WI, 440WI and 441WI as lease line water injection wells between the Central Vacuum Unit and the Vacuum Grayburg San Andres Unit. The proposed water injection wells will be in addition to the nine (9) existing water injection wells already contained in the original agreement (attached). The legal description and locations of these and the nine (9) existing wells are contained in the attached Third Amendment to Vacuum (Grayburg-San Andres) Cooperative Water Injection Agreement effective December 1, 2007 (the Amendment). We, therefore, request that you grant your approval, in accordance with Article 38 of the Unit Agreement for the Central Vacuum Unit, for Chevron's execution of the Amendment as Unit Operator of the Central Vacuum Unit.

It is proposed that the Central Vacuum Unit drill, complete and operate each well. The sharing of all costs is outlined in said Amendment. The wells will be proposed to you during the month of December 2007. Please let us have your approval to the Amendment by signing and returning one original copy of this Ballot Letter to me in the self-addressed envelope provided herein at your earliest convenience.

We realize that the end of the year is upon us as well as the holidays, but hope you will grant us your approval so that we can proceed with the plans for these wells. If you have any technical questions, you may contact Mr. Scott Ingram at (432) 687-7212 or the undersigned for all other questions at (432) 687-7461.

Yours very truly, Dani

Page 1 of 4

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COMPANY:

BY:\_\_\_\_\_

PRINT NAME:

TITLE:	 	

DATE: \_\_\_\_\_

Page 2 of 4

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AGREED AND APPROVED: COMPANY: UMM M Bue Buell BY: \_\_\_\_ PRINT NAME: <u>ANN MCBEE</u> BUELL TITLE: OWNER DATE: 11-27-07

Page 2 of 4

COMPANY: FRISCO ENBRGY LLC BY: Cheerle & PRINT NAME: CHARLES E SMITTH TITLE: CO-MANAGER DATE: 11-26-2007 . .....

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COMPANY: H. M. BETTIS INC.
BY: Ambetti
PRINTNAME: H.M. BETDS
TITLE: / R)=5
DATE: /2-17-07

AGREED AND APPROVED:
COMPANY: JAPPO, HULSter & Cr.
BY: Dula
PRINT NAME: HARDYO. HULSUY
TITLE: PRESIDEXIS
DATE: 11-27-07

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AGREED AND APPROVED THE THIRD AMENDMENT TO VACUUM (GRAYBURG-SAN ANDRES) COOPERATIVE WATER INJECTION AGREEMENT:

COMPANY: CONOCOPHILLIPS-PETROLEUM COMPANY BY: CARACTERISTICS PRINT NAME: CRAIG T KENT

TITLE: Sussurface Manager \_\_\_\_\_ 107 12/12 DATE: \_\_\_\_

Nanette Boehme My Commission Expires

AGREED AND APPROVED:			
COMPANY: JAMorgan Truste.	e for the	circled	trusts
BY: JANA WT	V	In next	page.
PRINT NAME: TIM 6. RALTZ			
TITLE:			
DATE: 11-24-07		•	

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#### LIST OF CENTRAL VACUUM UNIT WORKING INTEREST OWNERS

Ann McBee Buell 11241 Russwood Circle Dallas, Texas 75229

ConocoPhillips Petroleum Company Attn. Mr. Tom Scarbrough, Land Department 1070 Plaza Office Building Bartlesville, OK 74004

Mobil Producing Texas & New Mexico c/o ExxonMobil Attn.: Mr. Paul Alldred P. O. Box 4707 Houston, Texas 77210-4707

Frisco Energy LLC Attn.: Ms. Kathy B. McGuire 2431 East 51<sup>st</sup> Street, Suite 300 Tulsa, OK 74105

Larry O. Hulsey P. O. Box 1143 Graham, Texas 76450-1143

\_\_\_\_\_

Martha Leonard Revocable Trust c/o National Oil & Gas Operations P. O. Box 2050 Fort Worth, Texas 76113-2050

McBee Operating Company LLC 4311 Oak Lawn Avenue, Suite 310 Dallas, Texas 75219

and and a second se

MVP Production Company c/o Chevron 15 Smith Road, RM-2235 Midland, Texas 79705 Chevron USA Production Company 15 Smith Road, RM-2235 Midland, Texas 79705

Marathon Oil Company Joint Interest Department P. O. Box 22232 Tulsa, OK 74121-2232

Quantum Resources Management LLC Attn. Mr. Kenneth Atnip 1775 Sherman Street, Suite 1200 Denver, CO 80203-0000

H. M. Bettis Inc. P. O. Box 1240 Graham, Texas 76450-1240

Madelon L. Bradshaw 2120 Ridgmar Blvd., Suite 12 Fort Worth, Texas 76116

Mary Leonard Children's Trust c/o National Oil & Gas Operations P. O. Box 2050 Fort Worth, Texas 76113-2050

Miranda Leonard Trust c/o National Oil & Gas Operations P. O. Box 2050 Fort Worth, Texas 76113-2050

Norman D. Stovall, Jr. P. O. Box 10 Graham, Texas 76450-0010

-

Page 3 of 4

AGREED AND APPROVED: COMPANY: <u>Jullian D. M.B. End</u>uprices, LTD. BY: <u>Michael B. M.B.</u> PRINT NAME: MICHAEL B. MCBEE TITLE: MANAGER DATE: 11.26.07

Page 2 of 4

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COMPANY: <u>Exxon Mabil</u> BY: <u>Paul 3 Allace</u> PRINT NAME: Paul B. Allred TITLE: Joint Interest Advisor DATE: 10 Jan 08

AGREED AND APPROVED THE THIRD AMENDMENT TO VACUUM (GRAYBURG-SAN ANDRES) COOPERATIVE WATER INJECTION AGREEMENT:

### NORMAN D. STOVALL JR.

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BY: <u>Korman Oxstonatel</u> PRINT NAME: <u>KARMON II. STON</u>OU SK

TITLE: \_\_\_\_\_\_\_

DATE: 1 21.02

AGREED AN	ID APPROVED:			
COMPANY:	CONOCOPHUL	DS LomPA	ny	
WBBY:	Rugous		. ∨	
114 PRINT NAM	E: J. P. Gre	gory	_	
TITLE:	Attorney-In-Fact			
DATE:	1/29/08			

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Page 2 of 4

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AGREED AND APPROVED THE THIRD AMENDMENT TO VACUUM (GRAYBURG-SAN ANDRES) COOPERATIVE WATER INJECTION AGREEMENT:

COMPANY, S. B. STREET & COMPANY incu State BY: PRINT NAME: SPEACER B. STREET III TITLE: PRESIDENT DATE: 1-9-2008 \_\_\_\_

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#### Page 2 of 4

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AGREED AND APPROVED THE THIRD AMENDMENT TO VACUUM (GRAYBURG-SAN ANDRES) COOPERATIVE WATER INJECTION AGREEMENT:

TRIPLE T RESOURCES LP ~ BY:C PRINT NAME: David Weir TITLE: Land Manager 1, 11/08 DATE:

r

#### RE: THIRD AMENDMENT TO VACUUM (GRAYBURG-SAN ANDRES) COOPERATIVE WATER INJECTION AGREEMENT CENTRAL VACUUM UNIT/VACUUM GRAYBURG SAN ANDRES UNIT LEA COUNTY, NEW MEXICO (QLS-046074, 153175 & 044246)

AGREED AND APPROVED:

#### AMENDMENT TO VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT

§

STATE OF NEW MEXICO

COUNTY OF LEA §

THIS AMENDMENT is entered between CHEVRON U.S.A. INC., Successor-in-interest to TEXACO EXPLORATION AND PRODUCTION INC., ("CHEVRON") as Operator and sole working interest owner in the Vacuum Grayburg San Andres Unit, and CHEVRON USA INC. as Operator and on behalf of all the working interest owners in the Central Vacuum Unit ("Unit Operator").

#### WITNESSETH:

WHEREAS, Unit Operator is the Operator of the Central Vacuum Unit covering certain leases and lands, located in Townships 17 South and 18 South, Ranges 34 East and 35 East, Lea County, New Mexico, as shown on Exhibit "A" and more particularly described in the Central Vacuum Unit Agreement to which reference is made for purposes of description; and

WHEREAS, Chevron is the Operator of the Vacuum Grayburg San Andres Unit covering, among other lands, the following described land in Lea County, New Mexico:

Section 1, Township 18 South, Range 34 East, Lea County, New Mexico, as shown on Exhibit "A" and more particularly described in the Vacuum Grayburg San Andres Unit Agreement to which reference is made for purposes of Description; and

WHEREAS, Unit Operator and Chevron are parties to that certain Vacuum Area Cooperative Lease Line Agreement dated March 1, 1996 in the interest of more properly producing and conserving the oil and gas from the Vacuum Grayburg San Andres Unit and the Central Vacuum Unit; and

WHEREAS, Unit Operator and Chevron desire to amend the said Vacuum Area Cooperative Lease Line Agreement for the purpose of drilling additional producing wells at or near the Unit lines between the Vacuum Grayburg San Andres Unit and Central Vacuum Unit in order to further enhance the ultimate recovery of hydrocarbons from the lands and Units;

NOW, THEREFORE, for and in consideration of the premises, Unit Operator and Chevron have agreed and do by these presents herein agree that Article I found on page 1 of the Vacuum Area Cooperative Lease Line Agreement shall be amended to add the following wells to be drilled and equipped at approximately the referenced location for the production of oil and gas from the Grayburg and San Andres formations:

Vacuum Grayburg San Andres Unit Well No. 405, located 1,910 feet from the North line and 40 feet from the East line of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 412, location 2,195.8 feet from the South line and 295.9 feet from the East line (SL) and 2,200 feet from the South line and 10 feet from the East line (BHL) of Section 1, T-18-S, R-34-E

In addition, it is hereby agreed by the parties hereto to amend the Vacuum Area Cooperative Lease Line Agreement to include four (4) water injection wells, as described below (the Wells), to be drilled on or near the common boundary of the Central Vacuum Unit and the Vacuum San Andres Unit to provide for the injection of water into the underlying Grayburg-San Andres formation which shall benefit both Units. The Wells will be equipped for injection, and shall not be utilized as producing wells, except as specifically provided for herein. Due to reservoir pressure in this portion of the Vacuum field, these wells may initially flow hydrocarbons to the surface for a period of time. Unit Operator, at its sole discretion, may initially and temporarily connect the Wells to the producing facilities and the operation of the Wells and any production therefrom will be governed by the terms and conditions of said Vacuum Area Cooperative Lease Line Agreement. At such time as any hydrocarbons cease to flow, or at Unit Operator's sole discretion, the well or wells will automatically be converted to the intended water injection wells status and shall be governed by the terms and conditions of the Cooperative Water Injection Agreement dated April 14, 1978, as amended without any further action required from the parties to this agreement. The proposed water injection wells to be drilled & equipped and their approximate locations are as follows:

Vacuum Grayburg San Andres Unit Well No. 438WI, located 10 feet from the North line and 420 feet from the East Line (SHL) and 10 feet from the North line and 670 feet from East line (BHL) of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 439WI, located 634 feet from the North line and 1,632 feet from the East line (SHL) and 10 feet from the North line and 1,980 feet from the East Line (BHL) of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 440WI, located 100 feet from the North line and 1,980 feet from the West line of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 441WI, located 170 feet from the North line and 710 feet from the West line (SHL) and 10 feet from the North line and 650 feet from the West Line (BHL) of Section 1, T-18-S, R-34-E

Should any of the locations for the well or wells listed above deviate slightly while drilling from the surface location to the bottom hole location, it is agreed that the well or wells will be equipped at a locations drilled and completed without further action required from the parties to this agreement. All of the above wells are located in Lea County, New Mexico as shown on the map attached as Exhibit "A" attached hereto and made a part hereof.

All remaining terms and conditions of the original Vacuum Area Cooperative Lease Line Agreement, excepting those herein amended, shall remain unchanged and shall in full force and effect.

1412 day of November, IN WITNESS WHEREOF, this instrument is executed on this but is effective as of the 1<sup>ST</sup> day of December, 2007.

CHEVRON U.S.A. INC. As Operator and on behalf of the Working Interest Owners of the Central Vacuum Unit

Beckham, Attorney-in-Fact

CHEVRON U.S.A. INC. As Operator and Sole Working Interest Owner of the Vacuum Grayburg San Andres Unit

Beckham, Attorney-in-Fact

# STATE OF TEXAS

# COUNTY OF MIDLAND §

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On this the <u>H</u> day of <u>November</u>, 2007, before me appeared D.K. Beckham, as Attorney-in-Fact for CHEVRON U.S.A. INC., a Pennsylvania corporation, and acknowledged to me that she executed the instrument for the purposes and consideration therein expressed.

WITNESS my hand and official seal this the 19th day of 100ember, 2007.

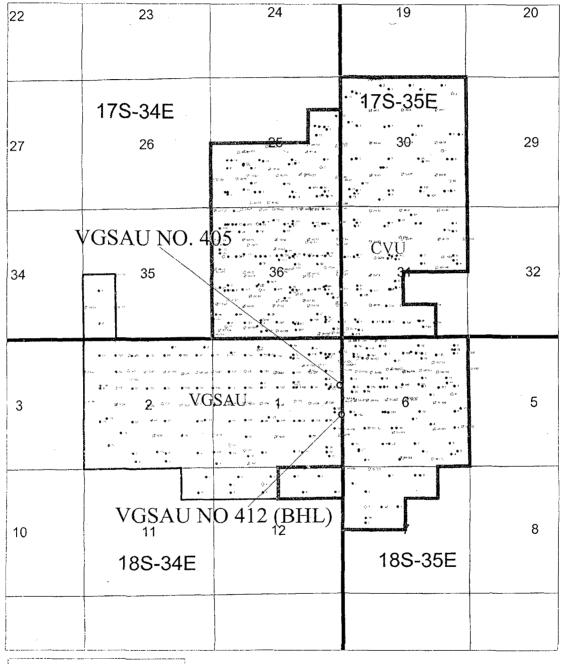
My Commission expires:

MY COMMISSION EXPIRES May 5, 2010

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š Notary Public in and for the State of Texas. KATHRYN A. NEEPER

# CHEVRON USA INC. VACUUM FIELD AREA EXHIBIT "A" LEA COUNTY, NEW MEXICO 12/01/2007



This document may include proprietary, confidential and copyrighted data. For internal use only. Portions of this data may be copyrighted by TOBIN International, Ltd., Copyright 2000 Mapmakers Alaska, Copyright 2002 PennWell MAPSearch.

1" = 3000'

### RATIFICATION OF AGREEMENTS ENTITLED "VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" AND "AMENDMENT TO VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" LEA COUNTY, NEW MEXICO

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STATE OF NEW MEXICO

COUNTY OF LEA

# KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, each of the undersigned owners of a Working Interest, Royalty Interest or interests hereby acknowledges receipt of a true and correct copy of that certain agreement dated March 1, 1996, entitled "Vacuum Area Cooperative Lease Line Agreement, Lea County, New Mexico" ("Lease Line Agreement"), and a true and correct copy of that certain agreement effective December 1, 2007, entitled "Amendment to Vacuum Area Cooperative Lease Line Agreement, Lea County, New Mexico" ("Amendment"), which said agreements are hereafter referred to as the Lease Line Agreement and Amendment; and

WHEREAS, Exhibits "A" to the Exhibits "A" to the Lease Line Agreement and Amendment, identify the Vacuum Grayburg San Andres Unit and the Central Vacuum Unit (and wells) producing oil and gas from the Grayburg and San Andres formations; and

WHEREAS, each of the undersigned represents that it is a Working Interest Owner or Royalty Owner, or both, in the Lease Line Agreement and Amendment identified by said Exhibits; and

WHEREAS, each undersigned Royalty Owner, being familiar with the contents thereof, desires to ratify and confirm said Lease Line Agreement and Amendment; and each undersigned Working Interest Owner, being familiar with the contents thereof, desires to ratify and confirm said Lease Line Agreement and Amendment.

NOW THEREFORE, each of the undersigned, who is the owner of a royalty interest or interests only, does hereby ratify and confirm said Lease Line Agreement and Amendment, and each of the undersigned, who is the owner of a working interest or interests, does hereby ratify and confirm said Lease Line Agreement and Amendment, each owner with respect to all of its interests in the two (2) Exhibits to said Lease Line Agreement and Amendment, thereby becoming a party hereto.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: Jan 11. 2008

Signature:	Signature:	Mutis MARTIN KEE	AJIL VIIIV
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SINGLE ACKNOWLEDGMENT	
STATE OF New Mexico \$	
COUNTY OF Eddy §	
The forgoing instrument was acknowledged before me this	day of
Eddy County, Ne	W Mexico
My Commission Expires: SULY 54 2011 Nancy T. Agnew NOTARY PUBLIC STA	TE OF NEW MEXICO
My commission ex	pires: 7151201

QLS-153177

#### RATIFICATION OF AGREEMENTS ENTITLED "VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" AND "AMENDMENT TO VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" LEA COUNTY, NEW MEXICO

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STATE OF NEW MEXICO

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: 12/17/07

Signature: \_MU

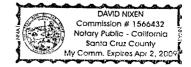
SINGLE ACKNOWLEDGMENT

STATE OF CHOLIFOZZA COUNTY OF SAX D CA-2

The forgoing instrument was acknowledged before me this 17th day of DECCN VER, 2007, by 1424 SIAPPIPAR ALCON	
Notary Public in and for	

SHAP OUN County, CANERPID

My Commission Expires:



#### RATIFICATION OF AGREEMENTS ENTITLED "VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" AND "AMENDMENT TO VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" LEA COUNTY, NEW MEXICO

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STATE OF NEW MEXICO

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: 24

Signature ILTON LEE BURNS

SINGLE ACKNOWLEDGMENT

STATE OF TEXAS COUNTY OF \_ HARRIS

The forgoing instrument was acknowledged before me this November, 2007, by Milton BURNS

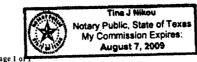
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Imag Notary Public in and for

HARLIS County,

My Commission Expires: 8 7 2009



QLS-153177

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STATE OF NEW MEXICO §

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: 12-14-07

Signature: Churles Kendell (

#### SINGLE ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ NEW MEXICO

COUNTY OF CHAVES

The forgoing instrument was acknowledged before me this <u>14th</u> day of <u>December</u>, 2007, by <u>Charles Kendall Joyce</u>

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2.2--x\_/ Notary Public in and for

<u>Chaves</u> County, <u>New Mexico</u>

My Commission Expires: July 31, 2009

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STATE OF NEW MEXICO

COUNTY OF LEA

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DATE: 120707	Signature: JANNE G. MURPHY
<u>SINGI</u>	LE ACKNOWLEDGMENT
STATE OF Dew Mexico	§
COUNTY OF Chaves	ş
OFFICIAL SEAL BRICEYDA OLIVAS NOTARY PUBLIC - STATE OF NEW MEX My commission expires:	Notary Public in and (or)
$M_{\underline{V}}$ Commission Expires:	

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STATE OF NEW MEXICO

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: 11-26-07

Signature JOEL KERRY JOY

#### SINGLE ACKNOWLEDGMENT

ş Sandbraf 20 8

The forgoing instrument was acknowledged before me this	26	day of
Wonember, 2007, by Splices (plasty		

Notary Public in and for

Sandtral County, Now Mexico

My Commission Expires: 5- February 22,200 S

QLS-153177

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STATE OF NEW MEXICO

COUNTY OF LEA

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DATE: 12-3-07	Signature: Huy Churry IERRY C. BURNS REVOCABLE TRUST
STATE OF <u>OKIG homa</u> § COUNTY OF <u>ULS</u> §	
The forgoing instrument was acknowld Dece n. bey, 2007, by Jerry C. Burns Revocable Trust.	edgeet before me this $382$ day of $382$ as Trustee for the
	North Public in and for Tuisa_County, _OK
My Commission Expires: <u>7-1σ σ 8</u>	

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STATE OF NEW MEXICO

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: 26 Nov 2001

Signature: Chidit and ason

Notary Public in and for <u>SHNTH FE</u> County, <u>New</u> Marien

SINGLE ACKNOWLEDGMENT

STATE OF NEW MONION COUNTY OF SANTA FE

The forgoing instrument was acknowledged before me this \_\_\_\_\_ day of ovember, 2007, by PAULINE S. FREEMON Hauferie Maleman Notary Public in and for



My Commission Expires: 2-6-11

OLS-153177

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STATE OF NEW MEXICO

COUNTY OF LEA

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DATE: 11-26-07

Signature SANDRA D. GIPSON **REVOCABLE TRUST** 

STATE OF TEXAS ON Shome

COUNTY OF 72/5A

The forgoing instrument was acknowledged before me this der day of 100 VAHN \_, 2007, by \_ 61050 Nas Trustee of the Sandra D. Gipson Revocable Trust. Patterson chelle Public Oklahomatotary Public in and for SFRICIAL SEAL Micheile Patterson Klahoma County, Rogers County 05007419 Exp. 8-11-09 Commission 11 2000

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STATE OF NEW MEXICO

COUNTY OF LEA

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WHEREAS, Exhibits "A" to the Exhibits "A" to the Lease Line Agreement and Amendment, identify the Vacuum Grayburg San Andres Unit and the Central Vacuum Unit (and wells) producing oil and gas from the Grayburg and San Andres formations; and

WHEREAS, each of the undersigned represents that it is a Working Interest Owner or Royalty Owner, or both, in the Lease Line Agreement and Amendment identified by said Exhibits; and

WHEREAS, each undersigned Royalty Owner, being familiar with the contents thereof, desires to ratify and confirm said Lease Line Agreement and Amendment; and each undersigned Working Interest Owner, being familiar with the contents thereof, desires to ratify and confirm said Lease Line Agreement and Amendment.

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

SINGLE ACKNOWLEDGMENT

DATE: 11/26/07

Signature:

RONALD ROBBINS

STATE OF Calif ş COUNTY OF

The forgoing instrument was	acknowledged before me this $2 - \frac{1}{4}$ day of
	Notary Public in and for
	Sons ma County, C466
My Commission Expires: 	P. ROBBINS COMM. #1493543 NOTARY PUBLIC - CALIFORNIA O SO - JUNA COUNTY My Comm. Expires June 29, 2008

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STATE OF NEW MEXICO

COUNTY OF LEA

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DATE: 12/10/07 Signature: Morrison Cent NORMAN KENT FOYCE SINGLE ACKNOWLEDGMENT
STATE OF TEXAS
COUNTY OF DALLAS §
The forgoing instrument was acknowledged before me this, day of , 2007, by DL V(1) + V(1) NENDO NENDO NENDO NENDO NENDO NENDO NOTATION TO A COUNTY, My Commission Expires: 2000 County,

QLS-153177

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STATE OF NEW MEXICO

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: 11/28/07

ephenne alden Signature:

#### SINGLE ACKNOWLEDGMENT

STATE OF ş

COUNTY OF \_\_\_\_\_ §

The forgoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by \_\_\_\_\_\_

Notary Public in and for

\_\_\_\_\_ County, \_\_\_\_\_

My Commission Expires:

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California	
County of Orange	
On <u>11/28/07</u> Date	before me,Adriana Prause, Notary Public, Name and Title of Officer
personally appeared	***Stephanie Aldemir*** Name of Signer
ADBIANA PRAISE Commission # 1736636 Motory Public - Collifornia Ordage County Cordinge County	personally known to me(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) (is/are subscribed to the within instrument and acknowledged to me that be(she) they executed the same in his/her/their authorized capacity(ies), and that by bis/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Amana Pranse

## OPTIONAL

# **Description of Attached Document**

Title or Type of Document: Document Date: \_\_\_\_\_\_\_ #of Pages Signer(s) Other Than Named Above:

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STATE OF NEW MEXICO

COUNTY OF LEA

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Signature:	Jeboph	anato	[·
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SINGLE	ACKNOWLED	GMENT

STATE OF \_\_\_\_\_ ş

COUNTY OF \_\_\_\_\_ §

The forgoing instrument was acknowledged before me this \_\_\_\_\_ day of

, 2007, by	
	SEE ATTACHED
	TOTARY CERTIFICATE

Notary Public in and for

County,

My Commission Expires:

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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State of California	)
County of MACOTELER	· }
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On $11 - 26 - 61$ before me, $14 + 47$	Namo and Trile of Officer (e.g., Jane Doe, Netary Public)
personally appeared <u>Debarah</u>	Concerts
	■ Name(s) pf Signer(s)
	personally known to me
	(or proved to me on the basis of satisfactory evidence)
Z S COMM. #1746154 NOTARY PUBLIC - CALIFORNIA MONTEREY COUNTY My Comm. Exp. May 28, 2011	to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
	WITNESS my hand and official seal.
Piace Notary Seal Above	Signature April Cirlis
	t may prove valuable to persons relying on the document eattachment of this form to another document.
Description of Attached Document	
Title or Type of Document:	a 4 Agelements
Document Date:	Number of Pages: 425+44
Signer(s) Other Than Named Above:	
Capacity(ies) Claimed by Signer(s)	
Signer's Name:	Signer's Name:
Corporate Officer — Title(s):	Individual     Corporate Officer — Title(s):
C Attorney in Fact	Attorney in Eact
[] Trustee Top of thumb here	Top of thumb here
Guardian or Conservator	Guardian or Conservator
Other:	□ Other:
Signer Is Representing:	Signer Is Representing:

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СССАЖИСИИМ ХАКИХОНСКИ СОИСКИСКИ, ССОКОНСКИ СССАКОСКИ СОИСКИСКИ, СОИСКИ СОИСКИ, СОИСКИ, СОИСКИ СОИСКИ СОИСКИ СО Ф 2006 National Notary Association • 9350 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91313-2402 Item No. 5907 v609 Reorder: Cali Toll-Free 1-800-876-6827

## AMENDMENT TO VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT

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STATE OF NEW MEXICO

COUNTY OF LEA §

THIS AMENDMENT is entered between CHEVRON U.S.A. INC., Successor-in-interest to TEXACO EXPLORATION AND PRODUCTION INC., ("CHEVRON") as Operator and sole working interest owner in the Vacuum Grayburg San Andres Unit, and CHEVRON USA INC. as Operator and on behalf of all the working interest owners in the Central Vacuum Unit ("Unit Operator").

#### WITNESSETH:

WHEREAS, Unit Operator is the Operator of the Central Vacuum Unit covering certain leases and lands, located in Townships 17 South and 18 South, Ranges 34 East and 35 East, Lea County, New Mexico, as shown on Exhibit "A" and more particularly described in the Central Vacuum Unit Agreement to which reference is made for purposes of description; and

WHEREAS, Chevron is the Operator of the Vacuum Grayburg San Andres Unit covering, among other lands, the following described land in Lea County, New Mexico:

Section 1, Township 18 South, Range 34 East, Lea County, New Mexico, as shown on Exhibit "A" and more particularly described in the Vacuum Grayburg San Andres Unit Agreement to which reference is made for purposes of Description; and

WHEREAS, Unit Operator and Chevron are parties to that certain Vacuum Area Cooperative Lease Line Agreement dated March 1, 1996 in the interest of more properly producing and conserving the oil and gas from the Vacuum Grayburg San Andres Unit and the Central Vacuum Unit; and

WHEREAS, Unit Operator and Chevron desire to amend the said Vacuum Area Cooperative Lease Line Agreement for the purpose of drilling additional producing wells at or near the Unit lines between the Vacuum Grayburg San Andres Unit and Central Vacuum Unit in order to further enhance the ultimate recovery of hydrocarbons from the lands and Units;

NOW, THEREFORE, for and in consideration of the premises, Unit Operator and Chevron have agreed and do by these presents herein agree that Article I found on page 1 of the Vacuum Area Cooperative Lease Line Agreement shall be amended to add the following wells to be drilled and equipped at approximately the referenced location for the production of oil and gas from the Grayburg and San Andres formations:

Vacuum Grayburg San Andres Unit Well No. 405, located 1,910 feet from the North line and 40 feet from the East line of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 412, location 2,195.8 feet from the South line and 295.9 feet from the East line (SL) and 2,200 feet from the South line and 10 feet from the East line (BHL) of Section 1, T-18-S, R-34-E

In addition, it is hereby agreed by the parties hereto to amend the Vacuum Area Cooperative Lease Line Agreement to include four (4) water injection wells, as described below (the Wells), to be drilled on or near the common boundary of the Central Vacuum Unit and the Vacuum San Andres Unit to provide for the injection of water into the underlying Grayburg-San Andres formation which shall benefit both Units. The Wells will be equipped for injection, and shall not be utilized as producing wells, except as

QLS-153177

Page 1 of 3

specifically provided for herein. Due to reservoir pressure in this portion of the Vacuum field, these wells may initially flow hydrocarbons to the surface for a period of time. Unit Operator, at its sole discretion, may initially and temporarily connect the Wells to the producing facilities and the operation of the Wells and any production therefrom will be governed by the terms and conditions of said Vacuum Area Cooperative Lease Line Agreement. At such time as any hydrocarbons cease to flow, or at Unit Operator's sole discretion, the well or wells will automatically be converted to the intended water injection wells status and shall be governed by the terms and conditions of the Cooperative Water Injection Agreement dated April 14, 1978, as amended without any further action required from the parties to this agreement. The proposed water injection wells to be drilled & equipped and their approximate locations are as follows:

Vacuum Grayburg San Andres Unit Well No. 438WI, located 10 feet from the North line and 420 feet from the East Line (SHL) and 10 feet from the North line and 670 feet from East line (BHL) of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 439WI, located 634 feet from the North line and 1,632 feet from the East line (SHL) and 10 feet from the North line and 1,980 feet from the East Line (BHL) of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 440WI, located 100 feet from the North line and 1,980 feet from the West line of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 441WI, located 170 feet from the North line and 710 feet from the West line (SHL) and 10 feet from the North line and 650 feet from the West Line (BHL) of Section 1, T-18-S, R-34-E

Should any of the locations for the well or wells listed above deviate slightly while drilling from the surface location to the bottom hole location, it is agreed that the well or wells will be equipped at a locations drilled and completed without further action required from the parties to this agreement. All of the above wells are located in Lea County, New Mexico as shown on the map attached as Exhibit "A" attached hereto and made a part hereof.

All remaining terms and conditions of the original Vacuum Area Cooperative Lease Line Agreement, excepting those herein amended, shall remain unchanged and shall in full force and effect.

IN WITNESS WHEREOF, this instrument is executed on this  $\underline{/4/2}$  day of November, but is effective as of the 1<sup>ST</sup> day of December, 2007.

CHEVRON U.S.A. INC. As Operator and on behalf of the Working Interest Owners of the Central Vacuum Unit

K. Beckham, Attorney-in-Fact

CHEVRON U.S.A. INC. As Operator and Sole Working Interest Owner of the Vacuum Grayburg San Andres Unit

D. K. Beckham, Attorney-in-Fact

## STATE OF TEXAS

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#### COUNTY OF MIDLAND ş

On this the <u>Clin</u> day of <u>Movember</u>, 2007, before me appeared D.K. Beckham, as Attorney-in-Fact for CHEVRON U.S.A. INC., a Pennsylvania corporation, and acknowledged to me that she executed the instrument for the purposes and consideration therein expressed.

WITNESS my hand and official seal this the 10th day of Maximum, 2007.

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My Commission expires:

KATHRYN A, NEEPER

WY COMMISSION EXPIRES May 5, 2010 

100 Notary Public in and for the State of Texas.

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STATE OF NEW MEXICO

COUNTY OF LEA

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DATE: DATE:

tine Campos Signature:

SINGLE ACKNOWLEDGMENT

STATE OF COUNTY OF ş

The forgoing instrument was acknowledged before me this 3rd day of December, 2007, by Christine Cam 100

Notary Public in and for

Brige County,

My Commission Expires: 29-10

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## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of Cationnes	
County of Annae	
On <u>12-3-07</u> befor	e me, C. GRAVES, Notor Public NAME: TITLE OF OFFICER - E.G., JANE DOE, NOTARY PUBLIC"
personally appeared Christin	ve Campos
🗆 personally known to me - ÔB - [	NAME(S) OF SIGNER(S) Proved to me on the basis of satisfactory evidence
	to be the person(s) whose name(s) (share
	subscribed to the within instrument and ac- knowledged to me that he/she/they executed the same in his/her/their authorized
C. GRAVES Commission # 1662042 Notary Public - California	signature(s) on the instrument the person(s); or the entity upon behalf of which the
Orange County My Comm. Expires Apr 29, 2010	person(s) acted, executed the instrument.
	WITNESS my hand and official seal.
	C. Anaves
	OPTIONAL     Augusture of Notary
Though the data below is not required by law, it m	
Though the data below is not required by law, it m fraudulent reattachment of this form.	ay prove valuable to persons relying on the document and could prevent
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STATE OF NEW MEXICO

COUNTY OF LEA §

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DATE: 11/27/07

er Buell Signature: U

ANN MCBEE BUELT

STATE OF TEXAS COUNTY OF Dallas

The forgoing instrument was acknown	howledged before me this $\frac{27}{BCBCC}$ day of
LAUREN JOHNSON Notary Public, State of Texus My Comm. Expires Aug. 5, 200	Roberty Public in and for Dallas County, Toxas

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My Commission Expires: AUGUEST 8, 2009

QLS-153177

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STATE OF NEW MEXICO

COUNTY OF LEA

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DATE: 11-26-2007

**FRISCO ENERGY LLC** By: Charles 7

Print Name: CHARLES E SMITH

Title: CO-MANAGOR

## CORPORATE ACKNOWLEDGMENT

} }

STATE OF OKlahoma	
COUNTY OF TUISA	

BEFORE ME, the undersigned authority, on this day personally appeared <u>Charles E. Smith</u>, as <u>Co-Manager</u> for Fisco Energy, L.L.C., a<u>limited Liability</u> corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE on this <u>26</u> day of <u>November</u>, 2007.

MY COMMISSION EXPIRES:

SEAL SEAL KATHY B. MCGUIRE Notary Public State of Oklahoma Commission # 01015789 Expires 10/21/09

Areluy R. Milline

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STATE OF NEW MEXICO

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: - 8-08

H M BETTIS INC By: Mm Print Name: 1J. M. BET Title:

## CORPORATE ACKNOWLEDGMENT

STATE OF Leya COUNTY OF <u>Access of</u>

BEFORE ME, the undersigned authority, on this day personally appeared m. After for Better Dre a Depar \_\_\_\_\_ corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE on this <u>Sta</u> day of <u>Mauary</u>, 2007.

MY COMMISSION EXPIRES:

Landia

SANDRAK. WILEY Notary Public STATE OF TEXAS My Comm. Exp. 04/19/2011 ana and a second and a second

Notary Public

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107 83 2007

STATE OF NEW MEXICO

COUNTY OF LEA

#### KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, each of the undersigned owners of a Working Interest, Royalty Interest or interests hereby acknowledges receipt of a true and correct copy of that certain agreement dated March 1, 1996, entitled "Vacuum Area Cooperative Lease Line Agreement, Lea County, New Mexico" ("Lease Line Agreement"), and a true and correct copy of that certain agreement effective December 1, 2007, entitled "Amendment to Vacuum Area Cooperative Lease Line Agreement, Lea County, New Mexico" ("Amendment"), which said agreements are hereafter referred to as the Lease Line Agreement and Amendment; and

WHEREAS, Exhibits "A" to the Exhibits "A" to the Lease Line Agreement and Amendment, identify the Vacuum Grayburg San Andres Unit and the Central Vacuum Unit (and wells) producing oil and gas from the Grayburg and San Andres formations; and

WHEREAS, each of the undersigned represents that it is a Working Interest Owner or Royalty Owner, or both, in the Lease Line Agreement and Amendment identified by said Exhibits; and

WHEREAS, each undersigned Royalty Owner, being familiar with the contents thereof, desires to ratify and confirm said Lease Line Agreement and Amendment; and each undersigned Working Interest Owner, being familiar with the contents thereof, desires to ratify and confirm said Lease Line Agreement and Amendment.

NOW THEREFORE, each of the undersigned, who is the owner of a royalty interest or interests only, does hereby ratify and confirm said Lease Line Agreement and Amendment, and each of the undersigned, who is the owner of a working interest or interests, does hereby ratify and confirm said Lease Line Agreement and Amendment, each owner with respect to all of its interests in the two (2) Exhibits to said Lease Line Agreement and Amendment, thereby becoming a party hereto.

DATE: 11-27-07 Signature: STATE OF TEXAS ş COUNTY OF YOUND § The forgoing instrument was acknowledged before me this 27 Thday of , 2007, by <u>Larry</u> VICKIE L. GANNON Notary Public in and for NOTARY PUBLIC STATE OF TEXAS CORDISSION EXPIRES: County, Lowns 10-11-2011 My Commission Expires: 10-11-2011

QLS-153177

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STATE OF NEW MEXICO

COUNTY OF LEA

#### KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, each of the undersigned owners of a Working Interest, Royalty Interest or interests hereby acknowledges receipt of a true and correct copy of that certain agreement dated March 1, 1996, entitled "Vacuum Area Cooperative Lease Line Agreement, Lea County, New Mexico" ("Lease Line Agreement"), and a true and correct copy of that certain agreement effective December 1, 2007, entitled "Amendment to Vacuum Area Cooperative Lease Line Agreement, Lea County, New Mexico" ("Amendment"), which said agreements are hereafter referred to as the Lease Line Agreement and Amendment; and

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: \_11/28/07

Signature:

ADELON L BRADSHA

ublic in and for

Tarvant County, Texas

STATE OF TEXAS § COUNTY OF Tarrant Ş

The forgoing instrument was acknowledged before	me this Q8th day of
November_, 2007, by Madelon L. Bu	adshaw
	1.0



My Commission Expires:

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STATE OF NEW MEXICO

COUNTY OF LEA §

#### KNOW ALL MEN BY THESE PRESENTS, THAT:

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DATE: 12/12/07

MARATHON OL

### CORPORATE ACKNOWLEDGMENT

STATE OF TEX95 } COUNTY OF Harris }

BEFORE ME, the undersigned authority, on this day personally appeared <u>Craig Kent</u>, as <u>Subsurfuce Manager</u> for <u>Marathon 0; 1 Company</u>, a <u>Ohico</u> corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE on this 24th day of <u>December</u>, 2007.

MY COMMISSION EXPIRES:

anette Bochme Notary Public

Nanette Boehme My Commission Expires February 23, 2008

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STATE OF NEW MEXICO

COUNTY OF LEA

## KNOW ALL MEN BY THESE PRESENS, THAT:

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: 1-15-08

Martha Leonard Revocable Trust

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Print Name: TIM G. RAET2 Title: VICE PRES.

Page 1 of 2

SINGLE ACKNOWLEDGMENT	
STATE OF DUJAD	ş
COUNTY OF Darrant	\$
The forgoing instrument was acl AMULY . 2008, by	cnowledged before me this <u>16</u> day of <u>DOUMIL Full</u> Berry Hadlif Notary Public in and for <u>AMUME</u> County, <u>DULAS</u>
My Commission Expires:	

## CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS }
COUNTY OF \_\_\_\_\_ }
BEFORE ME, the undersigned authority, on this day personally appeared

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE on this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

MY COMMISSION EXPIRES:

Notary Public

Page 2 of 2

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STATE OF NEW MEXICO

COUNTY OF LEA

#### KNOW ALL MEN BY THESE PRESENS, THAT:

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: <u>[-15</u>-08

Mary Leonard Children's Trust

Print Name: TIMG. RAETZ VICE PRES Title:

Page 1 of 2

SINGLE ACKNOWLEDGMENT
STATE OF DULAD: §
COUNTY OF Janaat \$
The forgoing instrument was acknowledged before me this 16 day of AMUAN, 2008, by AMU A ett BONNIE FAVE BERRY HODGE Notary Public, State of Texas My commission Expires September 03, 2008 September 03, 2008
My Commission Expires: $\begin{array}{c c} \begin{array}{c} \begin{array}{c} \\ \end{array} \end{array} \\ \hline \end{array} $
CORPORATE ACKNOWLEDGMENT
STATE OF } COUNTY OF }
BEFORE ME, the undersigned authority, on this day personally appeared , as for

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE on this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

MY COMMISSION EXPIRES:

Notary Public

Page 2 of 2

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STATE OF NEW MEXICO

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: November 28, 2007

#### MCBEE OPERATING COMPANY LLC

By: Lock,

Print Name: Michael A. McBee, Jr.

Title: VP Operations

#### CORPORATE ACKNOWLEDGMENT

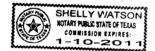
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STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Michael A. McBel, N., as <u>VP Operations</u> for mcBel Operating (onpany, UC, a \_\_\_\_\_\_, or corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE on this 28th day of NOULY OLK, 2007.

MY COMMISSION EXPIRES:



Shelly Wats

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STATE OF NEW MEXICO . §

COUNTY OF LEA

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DATE: (1-21-127

Signature:

STATE OF TEXAS ş COUNTY OF DAAM Ş The forgoing instrument was acknowledged before me this 27th day of MUN\_, 2007, by <u>www. D. Kaet / as Trustee of the Mirand</u> ATHMMAN. as Trustee of the Miranda Leonard Frust. 14833 REAL MARKS Notary Public in and fo handen MARCHE County, My, Commission Expires:

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STATE OF NEW MEXICO

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: 11 Jan 08

MOBIL PRODUCING TEXAS & NEW MEXICO

By: Donall forder

Print Name: Dorold E. Loveless

Title: Attorney In Fait

## CORPORATE ACKNOWLEDGMENT

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STATE OF Texas \_ COUNTY OF Harris

BEFORE ME, the undersigned authority, on this day personally appeared <u>Don Love(es s</u>, as <u>Attorney in Fact</u> for <u>Nabil Coloring Teres + New Nexce</u>, a <u>Attorney in Fact</u> for corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND OFFICIAL	. SEAL OF OFFICE on this/ day
of <u>January</u> , 2008.	Ω
V	. V
MY COMMISSION EXPIRES: /-//-09	$\Lambda$
	Notary Public
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STATE OF TEL	
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STATE OF NEW MEXICO

COUNTY OF LEA

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DATE: 11-24107	Signature: <u>Houses &amp; Stryadd</u> NORMAN D STOVALL JR
STATE OF TEXAS	§
COUNTY OF Apriney	\$
The forgoing instrument was at <u>Aprices be</u> , 2007, by <u>7</u>	cknowledged before me this 341th day of ormon D: Alovall Fr. <u>Munda S. Alephero</u> Notary Public in and for
My Commission Expires:	Young County, Teyas

#### RATIFICATION OF AGREEMENTS ENTITLED "VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" AND "AMENDMENT TO VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" LEA COUNTY, NEW MEXICO

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STATE OF NEW MEXICO

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: 1/29/08

By: J. P. Gregory M Print Name:

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Title: \_\_\_\_ Attorney-In-Fact

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#### CORPORATE ACKNOWLEDGMENT

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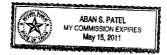
STATE OF EXAS COUNTY OF HARRIS

that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE on this 29th day of

MY COMMISSION EXPIRES:

Aban S. Notary Public



#### RATIFICATION OF AGREEMENTS ENTITLED "VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" AND "AMENDMENT TO VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" LEA COUNTY, NEW MEXICO

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STATE OF NEW MEXICO

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: 11/28/07

TRIPLE T\_RESOURCES TP

Print Name: David Weir

Title: Land Manager

#### RATIFICATION OF AGREEMENTS ENTITLED "VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" AND "AMENDMENT TO VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT" LEA COUNTY, NEW MEXICO

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STATE OF NEW MEXICO

COUNTY OF LEA

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth below and opposite it signature.

DATE: Nov 26 2.007

W T BOYLE & CO Print Name Title:

#### CORPORATE ACKNOWLEDGMENT

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STATE OF	TEXAS
COUNTY OF	YOUNG

BEFORE ME, the undersigned authority, on this day personally appeared  $\underline{DWIGHT}$  BOYLE for for  $\underline{WTBOYLE}$ , as  $\underline{FRESIDENT}$  for corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE on this 26<sup>th</sup> day of <u>November</u>, 2007.

MY COMMISSION EXPIRES:

i in graan

aren Prast Notary Public

KAREN PRATT NOTARY PUBLIC STATE OF TEXAS My Commission Expires 04-14-08 \$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$

#### THIRD AMENDMENT TO VACUUM (GRAYBURG-SAN ANDRES) COOPERATIVE WATER INJECTION AGREEMENT

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#### STATE OF NEW MEXICO

#### COUNTY OF LEA §

THIS AMENDMENT shall be effective as of December 1, 2007, by and between the Central Vacuum Unit, represented by CHEVRON U.S.A. INC., Successor-in-interest to TEXACO EXPLORATION AND PRODUCTION INC., as Unit Operator, hereinafter referred as "Unit Operator", and the Vacuum Grayburg- San Andres Unit, represented by CHEVRON USA INC. as Unit Operator, hereinafter referred to as "Chevron".

#### WITNESSETH:

WHEREAS, Unit Operator is the Operator of the Central Vacuum Unit covering certain leases and lands, located in Townships 17 South and 18 South, Ranges 34 East and 35 East, Lea County, New Mexico, as more particularly described in the Central Vacuum Unit Agreement to which reference is made for purposes of description; and

WHEREAS, Chevron is the Operator of the Vacuum Grayburg-San Andres Unit covering, among other lands, the following described land in Lea County, New Mexico:

Section 1, Township 18 South, Range 34 East, Lea County, New Mexico, as more particularly described in the Vacuum Grayburg San Andres Unit Agreement to which reference is made for purposes of Description; and

WHEREAS, Unit Operator and Chevron are parties to that certain Cooperative Water Injection Agreement dated April 14, 1978 (the Agreement), providing for the operation of water injection wells on or near the common boundary of the Central Vacuum Unit and the Vacuum Grayburg San Andres Unit, and providing for the injection of water into the underlying Grayburg-San Andres formation through said injection wells; and

WHEREAS, by Amendment to Cooperative Water Injection Agreement dated April 28, 1989, effective October 20, 1988 (First Amendment), said agreement was amended to replace Paragraph 6 found on Page 2 relative to the charge for injection water provided by Unit Operator; and

WHEREAS, by Amendment to Vacuum (Grayburg-San Andres) Cooperative Water Injection Agreement dated and effective January 1, 2001 (Second Amendment), said agreement was further amended to provide for CO2, produced gas, water or any combination thereof, as acceptable injectants for all the water injection wells identified in the agreement; and

WHEREAS, Unit Operator and Chevron desire to further amend the said Cooperative Water Injection Agreement, as amended, to drill and equip additional injection wells at or near the Unit lines between the Vacuum Grayburg San Andres Unit and Central Vacuum Unit to provide for the injection of CO2, produced gas, water or any combination thereof, as acceptable injectants into the underlying Grayburg-San Andres formation through the additional injection wells so that the leases and lands mentioned above will be benefited by an increase in the production of crude oil.

NOW, THEREFORE, for in consideration of the premises, Unit Operator and Chevron have agreed and do by these presents herein agree that Subparagraph 1, page 1 and Subparagraph 4, page 2 of the Cooperative Water Injection Agreement dated April 14, 1978, as amended by the First Amendment and the Second Amendment, are hereby amended by the addition of the following language as set forth in the corresponding numbered paragraph, and that the referenced wells are added as injection wells to be drilled and equipped for the injection of CO2, produced gas, water or any combination thereof, as acceptable injectants into the underlying Grayburg-San Andres formations as follows:

- 1. Unit Operator, as soon as practical following the effective date of this Agreement agrees to drill, complete and equip four (4) additional CO2, produced gas, water or any combination thereof, as acceptable injection wells in the Grayburg-San Andres formation at the approximate locations shown on the plat attached hereto as Exhibit "A", and with location descriptions and Working Interest Ownership percentages tabulated on Exhibit "B", also attached and made a part hereof for all purposes. In the event proposed new well or wells not be able to adequately be drilled at the approximate locations as outlined above, it is agreed that the well or wells will be drilled and equipped at a location(s) which are legally as close to the lease line as possible without further action required from the parties to this agreement.
- 4. Chevron agrees to continue to furnish water suitable for injection purposes through the Vacuum Grayburg-San Andres Unit Injection System at the price and on the basis set forth in said Cooperative Water Injection Agreement, as amended. The water delivered hereunder to the injection well by Chevron shall be measured by standard type water metering equipment installed and operated by Chevron.

In addition, Unit Operator and Chevron have agreed and do by these presents herein agree that the Agreement, as amended by the First Amendment and Second Amendment, is further amended by the insertion of the following paragraph:

12. CO2, produced gas, or any combination thereof, are acceptable injectants for all water injection wells identified in the Cooperative Water Injection Agreement and any amendments thereto.

and that the Second Amendment is hereby amended to reflect the addition of the above paragraph 12 to the Agreement, effective as of the date of the Second Amendment.

These additional injection wells to be drilled shall be bound by all the other terms and conditions of the original Cooperative Water Injection Agreement, as amended, and the purpose of this Amendment serves only to add said wells and locations. Except as amended hereby, the Cooperative Water Injection Agreement, as amended, remains in full force and effect.

IN WITNESS WHEREOF, this instrument is executed this <u>day</u> of November, 2007, but effective as of the date written above.

CHEVRON U.S.A. INC. As Operator of the Central Vacuum Unit

D. K. Beckham, Attorney-in-Fact

CHEVRON U.S.A. INC. as Operator of the Vacuum Grayburg San Andres Unit

D. K. Beckham, Attorney-in-Fact

QLS-153175

Page 2 of 4

#### STATE OF TEXAS

#### COUNTY OF MIDLAND

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On this the day of <u>NORMBET</u>, 2007, before me appeared D.K. Beckham, as Attorney-in-Fact for CHEVRON U.S.A. INC., a Pennsylvania corporation, and acknowledged to me that she executed the instrument for the purposes and consideration therein expressed.

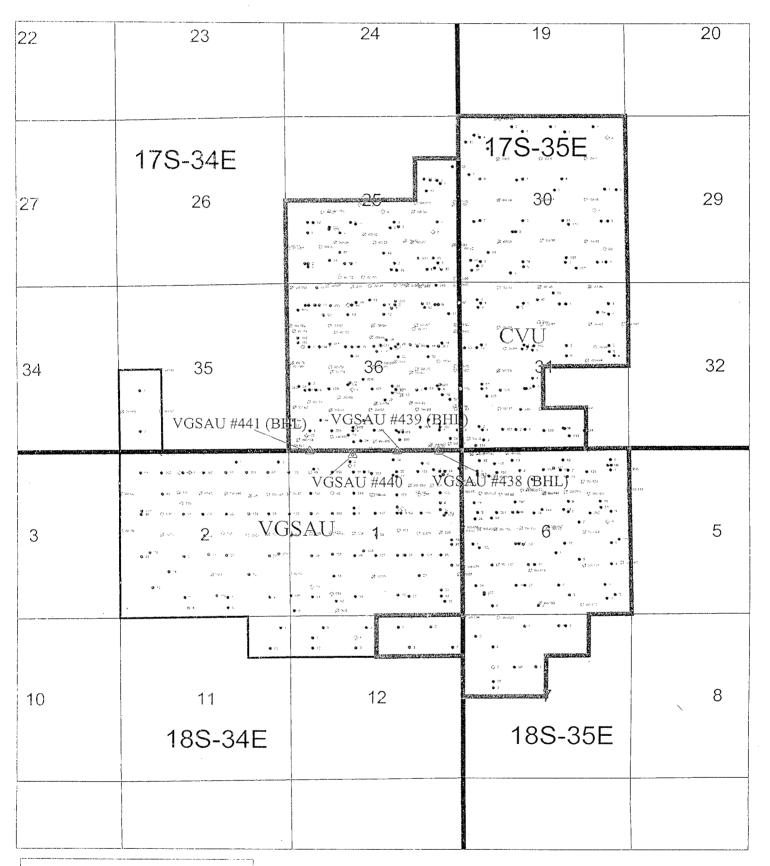
WITNESS my hand and official seal this the <u>Ft</u> day of <u>Datember</u>, 2007.

My Commission expires:

aa Notary Public in and for the State of Texas.



## CHEVRON USA INC. COOPERATIVE WATER INJECTION AGREEMENT EXHIBIT "A" LEA COUNTY, NEW MEXICO 12/01/2007



This document may include proprietary, confidential and copyrighted data. For internal use only. Portions of this data may be copyrighted by TOBIN International, Ltd., Copyright 2000 Mapmakers Alaska, Copyright 2002 PennWell MAPSearch.

1" = 3000'

### EXHIBIT "B"

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Amendment to Vacuum (Grayburg-San Andres) Cooperative Water Injection Agreement between Central Vacuum Unit and Vacuum Grayburg-San Andres Unit Lea County, New Mexico

#### ORIGINAL WELL LOCATIONS AND OWNERSHIP

<u>WELL NO.</u>	WELL LOCATION	<b>OWNERSHIP</b>
133	10' FNL & 1,550' FEL, Section 12	CVU – 50%, VGSAU – 50%
	T-18-S, R-34-E	
141	10' FSL & 1,310' FWL, Section 36	CVU – 50%, VGSAU – 50%
240 (Replaced 140)	257' FSL & 2,519' FWL (SHL) 19' FSL & 2,522' FWL, (BHL) Section 36	CVU – 50%, VGSAU – 50%
139	10' FSL & 1,310' FEL, Section 36	CVU – 50%, VGSAU – 50%
	All in T-17-S, R-34-E	
238 (Replaced 138)	10' FSL & 420' FEL, (SHL) 10' FSL & 10' FEL, (BHL) Section 36	CVU – 75%, VGSAU – 25%
	T-17-S, R-34-E	
137 136 135 134	10' FWL & 1,100' FNL, Section 6 10' FWL & 2,450' FNL, Section 6 10' FWL & 1,600' FSL, Section 6 10' FWL & 10' FSL, Section 6	CVU – 50%, VGSAU – 50% CVU – 50%, VGSAU – 50% CVU – 50%, VGSAU – 50% CVU – 75%, VGSAU – 25%

#### All in T-18-S, R-35-E

#### PROSPOSED NEW WELL LOCATIONS AND OWNERSHIP

438	10' FNL & 420' FEL, (SHL) 10' FNL & 670' FEL, (BHL) Section 1	CVU – 50%, VGSAU – 50%
439	634' FNL & 1,632' FEL, (SHL) 10' FNL & 1,980' FEL, (BHL) Section 1	CVU – 50%, VGSAU – 50%
440	100' FNL & 1,980' FWL, Section 1	CVU – 50%, VGSAU – 50%
441	170' FNL & 710' FWL, (SHL) 10' FNL & 650' FWL, (BHL) Section 1	CVU – 50%, VGSAU – 50%

#### All in T-18-S, R-34-E

NOTE:	CVU = Central Vacuum Unit
	VGSAU = Vacuum Grayburg San Andres Unit
	SHL = Surface Hole Location
	BHL = Bottom Hole Location

#### END OF EXHIBIT "B"

#### Page 4 of 4

#### AMENDMENT TO VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT

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STATE OF NEW MEXICO

COUNTY OF LEA §

THIS AMENDMENT is entered between CHEVRON U.S.A. INC., Successor-in-interest to TEXACO EXPLORATION AND PRODUCTION INC., ("CHEVRON") as Operator and sole working interest owner in the Vacuum Grayburg San Andres Unit, and CHEVRON USA INC. as Operator and on behalf of all the working interest owners in the Central Vacuum Unit ("Unit Operator").

#### WITNESSETH:

WHEREAS, Unit Operator is the Operator of the Central Vacuum Unit covering certain leases and lands, located in Townships 17 South and 18 South, Ranges 34 East and 35 East, Lea County, New Mexico, as shown on Exhibit "A" and more particularly described in the Central Vacuum Unit Agreement to which reference is made for purposes of description; and

WHEREAS, Chevron is the Operator of the Vacuum Grayburg San Andres Unit covering, among other lands, the following described land in Lea County, New Mexico:

Section 1, Township 18 South, Range 34 East, Lea County, New Mexico, as shown on Exhibit "A" and more particularly described in the Vacuum Grayburg San Andres Unit Agreement to which reference is made for purposes of Description; and

WHEREAS, Unit Operator and Chevron are parties to that certain Vacuum Area Cooperative Lease Line Agreement dated March 1, 1996 in the interest of more properly producing and conserving the oil and gas from the Vacuum Grayburg San Andres Unit and the Central Vacuum Unit; and

WHEREAS, Unit Operator and Chevron desire to amend the said Vacuum Area Cooperative Lease Line Agreement for the purpose of drilling additional producing wells at or near the Unit lines between the Vacuum Grayburg San Andres Unit and Central Vacuum Unit in order to further enhance the ultimate recovery of hydrocarbons from the lands and Units;

NOW, THEREFORE, for and in consideration of the premises, Unit Operator and Chevron have agreed and do by these presents herein agree that Article I found on page 1 of the Vacuum Area Cooperative Lease Line Agreement shall be amended to add the following wells to be drilled and equipped at approximately the referenced location for the production of oil and gas from the Grayburg and San Andres formations:

Vacuum Grayburg San Andres Unit Well No. 405, located 1,910 feet from the North line and 40 feet from the East line of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 412, location 2,195.8 feet from the South line and 295.9 feet from the East line (SL) and 2,200 feet from the South line and 10 feet from the East line (BHL) of Section 1, T-18-S, R-34-E

In addition, it is hereby agreed by the parties hereto to amend the Vacuum Area Cooperative Lease Line Agreement to include four (4) water injection wells, as described below (the Wells), to be drilled on or near the common boundary of the Central Vacuum Unit and the Vacuum San Andres Unit to provide for the injection of water into the underlying Grayburg-San Andres formation which shall benefit both Units. The Wells will be equipped for injection, and shall not be utilized as producing wells, except as specifically provided for herein. Due to reservoir pressure in this portion of the Vacuum field, these wells may initially flow hydrocarbons to the surface for a period of time. Unit Operator, at its sole discretion, may initially and temporarily connect the Wells to the producing facilities and the operation of the Wells and any production therefrom will be governed by the terms and conditions of said Vacuum Area Cooperative Lease Line Agreement. At such time as any hydrocarbons cease to flow, or at Unit Operator's sole discretion, the well or wells will automatically be converted to the intended water injection wells status and shall be governed by the terms and conditions of the Cooperative Water Injection Agreement dated April 14, 1978, as amended without any further action required from the parties to this agreement. The proposed water injection wells to be drilled & equipped and their approximate locations are as follows:

Vacuum Grayburg San Andres Unit Well No. 438WI, located 10 feet from the North line and 420 feet from the East Line (SHL) and 10 feet from the North line and 670 feet from East line (BHL) of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 439WI, located 634 feet from the North line and 1,632 feet from the East line (SHL) and 10 feet from the North line and 1,980 feet from the East Line (BHL) of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 440WI, located 100 feet from the North line and 1,980 feet from the West line of Section 1, T-18-S, R-34-E

Vacuum Grayburg San Andres Unit Well No. 441WI, located 170 feet from the North line and 710 feet from the West line (SHL) and 10 feet from the North line and 650 feet from the West Line (BHL) of Section 1, T-18-S, R-34-E

Should any of the locations for the well or wells listed above deviate slightly while drilling from the surface location to the bottom hole location, it is agreed that the well or wells will be equipped at a locations drilled and completed without further action required from the parties to this agreement. All of the above wells are located in Lea County, New Mexico as shown on the map attached as Exhibit "A" attached hereto and made a part hereof.

All remaining terms and conditions of the original Vacuum Area Cooperative Lease Line Agreement, excepting those herein amended, shall remain unchanged and shall in full force and effect.

IN WITNESS WHEREOF, this instrument is executed on this  $\underline{/4/h}$  day of November, but is effective as of the 1<sup>ST</sup> day of December, 2007.

CHEVRON U.S.A. INC. As Operator and on behalf of the Working Interest Owners of the Central Vacuum Unit

Beckham, Attorney-in-Fact

CHEVRON U.S.A. INC. As Operator and Sole Working Interest Owner of the Vacuum Grayburg San Andres Unit

D. K. Beckham, Attorney-in-Fact

#### STATE OF TEXAS

#### COUNTY OF MIDLAND §

§

On this the <u>th</u> day of <u>Movember</u>, 2007, before me appeared D.K. Beckham, as Attorney-in-Fact for CHEVRON U.S.A. INC., a Pennsylvania corporation, and acknowledged to me that she executed the instrument for the purposes and consideration therein expressed.

WITNESS my hand and official seal this the 19th day of November, 2007.

My Commission expires:

KATHRYN A. NEEPER WY COMMISSION EXPIRES May 5, 2010

Notary Public in and for the State of Texas.

DATE IN SUSPENSE ENGINEER LOGGED IN TYPE APP NO.	

ABOVE THIS LINE FOR DIVISION USE ONLY

#### NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



# ADMINISTRATIVE APPLICATION CHECKLIST THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

		WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE	
Applic	[DHC-Down [PC-Poo [	adard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] hole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] of Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] ified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]	
[1]	TYPE OF API [A]	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD	
	Check [B]	One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM	<b>D</b>
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery         WFX       PMX         SWD       IPI         EOR       PPR	
	[D]	Other: Specify	$\leq$
[2]	NOTIFICATI [A]	ON REQUIRED TO: - Check Those Which Apply, or Does Not Apply Solution Working, Royalty or Overriding Royalty Interest Owners	· · · · · · · · · · · · · · · · · · ·
	[B]	Offset Operators, Leaseholders or Surface Owner	· • *,
	[C]	Application is One Which Requires Published Legal Notice	
	[D]	Notification and/or Concurrent Approval by BLM or <b>SLO</b> U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office	
	[E]	For all of the above, Proof of Notification or Publication is Attached, and/or,	
	[F]	Waivers are attached (See Amendments to Lease Line Agreements for Productio & water injection wells)	on wells

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Stat	ement must be completed by a	n individual w	ith managerial and/or supervisory ca	pacity.
	NAT			
Daniel Pequeno	- tort		Land Representative	January 28, 2008
Print or Type Name	Signature	,	Title	Date
			_peqd@chevron.com	
			e-mail Address	

#### C102Report

#### Page 1 of 1

#### District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

#### District II

1301 W. Grand Ave., Artesia, NM 88210 Phone: (505) 748-1283 Fax: (505) 748-9720

#### District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

#### District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

# State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

3.500

1. API Number	2. Pool Code 62180		ool Name BURG-SAN ANDRES
4. Property Code	5. Property	6. Well No.	
30022	VACUUM GRAYBURG	405	
7. OGRID No.	8. Operato	9. Elevation	
4323	CHEVRON U	3977	

#### 10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
Н	1	18S	34E		1910	N	40	Е	LEA

#### 11. Bottom Hole Location If Different From Surface

UL-L	ot S	Section	Township	iship Range Lot I		Idn	Feet From	N/S Line		Feet From	E/W Line	County
12.1	Dedicated		13. J	13. Joint or Infill			14. Consolidation Code				15. Order No.	
	10:00	)										

# 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

	~

#### **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(s) 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.

E-Signed By: Title: Date:

#### 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.

Surveyed Byn-I	<u>QUALDIDED</u>
Date of Survey:	7/9/2007

Certificate Number: 7254

Form C-102 Permit 60427

OSTRICT 1 1625 N. French Dr., Ho DISTRICT II 1301 W. Grond Ann., A DISTRICT III 1000 Rie Brazee Rd., J DISTRICT M 1220 SL Frencie Dr., S	rtesia, NM Aztec, NM I	88210 87410	WELL	State of New Mexico Energy, Minerols and Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe, NM 87505 ELL LOCATION AND ACREAGE DEDICATION PLAT					Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease-4 copies Fee Lease-3 copies		
1 API	Number			2000 Code	80 Vac	uum Grayburg S	<sup>3</sup> Pool Nam San Ándres	e			
Property Code				Vacui	Property N Im Grayburg S	ome San Andres Unit			Well Number 405		
10GRID No. 4323		-			<sup>ROperator N</sup> CHEVRON U			Elevation 3977'			
					<sup>10</sup> Surface L	ocation					
ULoriotno. H	Section	Township 18-S	Ronge 34-E	Lot kin	Feet from the 1910'	North/South line North	Feet from the 40'	East/West line East	<sup>7</sup> County Lea		
· · · · · · · · · · · · · · · · · · ·			11 B	ottom Hol	e Location If	Different From	Surface				
UL or lot no.	Section	Township	Range	Lot kin	Feet from the	North/South line	Feet from the	East/West line	<sup>7</sup> County		
<sup>1</sup> Dedicated Acres 10	13 <sub>Joi</sub>	nt or Infill	<sup>1</sup> Consolid	ation Code	<sup>15</sup> 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.

441 BHL 441 SHL • 55	440 <sup>0</sup>	<sup>17</sup> OPERATOR CERTIFICATION ( hereby certify that the information contained herein is two or complete to the best of my knowledge and beief, and that this argunization either owns o working interest or unleased mineral interest in the tod including interest or unleased mineral interest in the tod including interest or unleased mineral interest in the tod including interest or unleased mineral interest in the index including interest or unleased mineral interest in the index including interest or working interest or is a walking packing operation or o computing packing operation entered by the distance in a computing packing and here the is a stated by the distance in a computing packing and here the interest of the indication entered by the distance in a computing packing and here the interest of the distance in a computing packing and here the interest of the distance in a computing packing and here the interest of the distance in a computing packing and here the interest of the distance in a computing packing and here the interest of the interest of the interest of the interest of the distance is a computing packing and the interest of the inte
<u> </u>		120 • VGWU 121 • OF VGWU 121
• 40	• 141 • 41	142 • 42 • 143 43 • 448 05
• 25	126 • 26	
	   	68 7/9/07 Date of Survey Signature & Seal of Professional Surveyor:
• 10	+11	• 12 • 13
0 330 580 990	1320 1650 1980 2310 2640	2000 1500 1000 500 0 Certificate No. 254

○ = 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 Coord	inates		
Northing 648138.25		Easting 795763.52	
Latitude 32°46'	44.507"	Longitude 103*30'19.8	32"
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.99979647	Buckeye.Crd
Drawing File		Field Book	····
VGSAU-Sec1.D	wg	Lea #23, Pg. 76	

## Č102Report

Page 1 of 1

Form C-102

Permit 61023

District I

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1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II 1301 W. Grand Ave., Artesia, NM 88210

Phone: (505) 748-1283 Fax: (505) 748-9720 District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

# State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 62180		
4. Property Code	5. Property Name		6. Well No.
30022	VACUUM GRAYBURG SAN ANDRES UNIT		412
7. OGRID No.	8. Operator Name		9. Elevation
4323	CHEVRON U S A INC		3983

#### 10. Surface Location

	To. Surface Elocation										
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County		
I	1	18S	34E		2196	S	296	Е	LEA		

#### 11. Bottom Hole Location If Different From Surface

11: Doctom Hote Docation II Different From Surface											
UL - Lot	Section	Township	Range	Lot Id	n	Feet From	N/S L	ine	Feet From	E/W Line	County
I	1	18S	34E	I	1	2200	S		10	Е	LEA
12. Dedicated Acres 13. Jo		oint or Infill		14	. Consolidation C	Code			15. Order No.		
10	0.00										

#### 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

#### **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(s) 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.

E-Signed By: Title: Date:

#### 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.

Surveyed By: JOHN PIPER Date of Survey: 7/18/2007 Certificate Number: 7254

DISTRICT II 1301 W. Grond Awa., DISTRICT III 1000 Rio Brazos Rd DISTRICT IV	RZD N. Franch Dr., Hobba, NM 88240     State of INEW MEXICO       ISTRICT II     Energy, Minerals and Natural Resources Department       301 W. Grond Ave., Artesio, NM 88210     OIL CONSERVATION DIVISION       ISTRICT III     1220 South St. Francis Drive						Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease-4 copies Fee Lease-3 copies			
1220 St. Frankis G.	,		WELL	LOCATIO	ON AND ACF	REAGE DEDICA	TION PLAT	Ē	AMENDED REA	PORT
1	Pl Number		6	2180	) Vac	uum Grayburg S	<sup>3</sup> Pool Nam San Andres	90		
Property Co	de .			Vacu	<sup>sp</sup> roperty N um Graybûrg S	<sub>ome</sub> San Andres Unit			Well Number 412	
<sup>7</sup> DGRID No. 4323		•			<sup>80</sup> perator N CHEVRON U	JSA, INC.			Bevation 3983'	
					<sup>10</sup> Surface L	ocation				
UL or lot no.	Section 1	Township 18S	Ronge 34-E	Lot kin	Feet from the 2195.8'	North/South line South	Feet from the 295.9'	East/West East	line <sup>7</sup> County Lea	i
······································			" Be	ottom Hol	e Location If	Different From	Surface			
UL or lot no.	Section 1	Township 18-S	Range 34—E	Lot Idn	Feet from the 2200'	North/South line South	Feet from the 10'	East/West East	line <sup>7</sup> County Lea	
17Dedicated Acres 10	135	oint or Infill	<sup>1</sup> Consolid	ation Code	<sup>15</sup> Order No.	£	L			

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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.

• 55 156 • 56 • 157 $5739$ SHL $58$ • 127 15 • 55 156 • 56 • 157 $5739$ SHL $58$ • 12 15 120 • $122• 148 149 249 149 120 • 122• 148 149 249 150 250 NH 1^{-9} 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160 160$	441 BHL	4400	439 BHL 43	B BHL 438 SHL	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and
$\frac{143}{143} = \frac{143}{150} = \frac{143}{243} = \frac{120}{150} = \frac{120}{250} = \frac{122}{150} = \frac{122}{250} = \frac{122}{150} = \frac{123}{150} = $			157 57 • O <sup>158</sup>	5a <sup>•</sup> <sup>•</sup> <sup>1</sup> • 15	belief, and that this arganization either owns a marking interest or unleased mineral interest in the land including the proposed battom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		1		L 7 159	or a computacy pooling order heretofore entered by the division.
• 40 141 • 41 142 • 42 • 143 • 43 • 405 • 40 141 • 41 142 • 42 • 143 • 43 • 405 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 • 135 •	<del>+ 148</del>	- <u>149</u> 	4ª 150 250 D		
<ul> <li>135.</li> <li>1412</li> <li< td=""><td>• 40</td><td>1 141 • 41</td><td>1 1</td><td>M 1 12</td><td>Printed Name</td></li<></ul>	• 40	1 141 • 41	1 1	M 1 12	Printed Name
<ul> <li>33</li> <li>34</li> <li>35</li> <li>235</li> <li>235</li> <li>1<sup>15</sup> SURVEYOR CERTIFICATION</li> <li>1 hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and by the or under my supervision, and the best of my knowledge and belief.</li> <li>10</li> <li>11</li> <li>12</li> <li>13</li> <li>25</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>10</li> <li>11</li> <li>12</li> <li>13</li> <li>25</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>10</li> <li>11</li> <li>12</li> <li>13</li> <li>25</li> <li>25</li> <li>26</li> <li>27</li> <li>28</li> <li>29</li> <li>20</li> <li>20</li> <li>20</li> <li>20</li> <li>20</li> <li>21</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> <li>28</li> <li>29</li> <li>20</li> <li>20</li></ul>			135.		
<ul> <li>412 SHL 2019 mode by me or under my supervision, an under my supervision, an under my supervision, an that the same is true and correct to the best or my knowledge and belief.</li> <li>25 126 26 127 27 26 128 25 3 4 128 25 68 7 128 25 68 7 128 25 68 7 128 25 68 7 128 25 68 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 128 7 1</li></ul>	32	<sup>33</sup> — — ,			I hereby certify that the well location shown on
<ul> <li>10</li> <li>11</li> <li>12</li> <li>13</li> <li>20</li> <li>2</li></ul>	• 25	126 • 26	1 127 27 • • 26 • 1	412 SHL 285.9 28 25 685 1	surveys made by me or under my supervision, and that the same is true and correct to the best of
• 10 + 11 • 12 • 13 2959 Certrecte No.		 		<b>68</b>	
• 10 • 12 • 13 295 9 • 10 • 12 • 13 295 9 • • • • • • • • • • • • • • • • • • •			20	-2195.8'-	Signature & Seal of Professional Surveyor:
	• 10	+	• 12		h
330 860 990 1320 1850 1980 2310 2640 2000 1500 1000 500 0 1/254	<b></b>				
O = 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 Coord			
646943.09 Northing 646951.72	- SHL	795520.92 SHL Easting 795806.72 BHL	
32°46'3 Latitude 32°46'3	32.700" SHL 32.763" BHL	103'30'22.78 Longitude 103'30'19.4	32" SHL 34" BHL
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.99979581	Buckeye.Crd
Drawing File		Field Book	
VGSAU-Sec1.Dv	Рġ	Lea #24, Pg. 12	

## C102Report

Form C-102

Permit 61098

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720 District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

#### District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

# State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 62180	3. Pool Name VACUUM;GRAYBURG-SAN ANDRES	
4. Property Code	5. Property Name		6. Well No.
30022	VACUUM GRAYBURG SAN ANDRES UNIT		438
7. OGRID No.	8. Operato	9. Elevation	
4323	CHEVRON	3986	

#### **10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County		
А	1	18S	34E		10	N	420	E	LEA		

#### 11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Lot Idn Feet From		N/S L	ine Feet From E/W Line		E/W Line	County
12. Dedicated Acres		13. 1	loint or Infill		14	. Consolidation (	Code			15. Order No.	
1	10.00										

#### 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

#### **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(s) 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.

E-Signed By: Title: Date:

#### 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.

Surveyed By: YOHN PAPER

Date of Survey: 7/9/2007 Certificate Number: 7254

DISTRICT 1 DISTRICT 1 DISTRICT 11 INSO1 W. Grand Ave., DISTRICT 111 INSO Rio Brazon Rd., DISTRICT IV 1220 St. Francis Dr.,	Artesia, NW Aztec, NW	88210 87410	WELL	Energy, OIL 1220	Minerols and CONSE ) South Santa	RVA RVA St. Fe, N	W Mexico Resources Deportm FION DIVISIO Francis Driv IM 87505 EAGE DEDICA	ON e		o Approp Sto F	Form C-102 ctober 12, 2005 riate District Office te Lease-4 copies ee Lease-3 copies
1 AP	1 Number			2Pool Code	D	Vacu	um Grayburg S	<sup>3</sup> Pool Name San Andres			
Property Code			Vacui		operty No Surg S	<sup>me</sup> an Andres Unit				Well Number 438	
10GRID No. 4373						erator Na RON U	SA, INC.				Elevation 3986
					<sup>10</sup> Surf	ace La	ocation				
UL or lot no. A	Section 1	Township 18-S	Ronge 34E	Lot idn	Feet from 10*		North/South line North	Feet from the 420'	East/We East		<sup>7</sup> County Lea
			" Bo	ttom Hol	e Locatio	on If [	Different From	Surface			
UL or lot no. A	Section 1	Township 18-S	Ronge 34-E	Lot Idn	Feet from 10'	n the	North/South line North	Feet from the 670'	East/We East		<sup>7</sup> County Lea
<sup>12</sup> Dedicated Acres 10	13.30	sint or Infill	1 Consolida	tion Code	<sup>15</sup> 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.

				"OPERATOR CERTIFICATION
441 BHL 441 SHL	440 <sup>0</sup>	57 • 158	438 BHL 488 SHL 17 2 20 438 CHL 438	<sup>10</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete the information contained herein beind, and that this organization either owns a working interest or unleased mixed interest in the iand including the proposed bottom hele faccion or has a right to drill the well at this faccion pursuant to a contract with an evener of such the proposed bottom hele faccion or has a right to drill the well at this faccion pursuant to a contract with an evener of such the proposed bottom hele faccion here and the memory of such and the faccion pursuant to a contract with an evener of such the proposed bottom here the contract with an evener of such and the factor pursuant of a contract with an evener of such and the factor pursuant of the factor pursuant the such and the pursuant factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor pursuant of the factor
148	149,	120 • 50	58 °L° 15 2°7 159 VGWU 121° 122	o mineral or working interest or to a valentary rocking agreement or a computery pooling order hardestore entered by the desiston.
• · · · · · · · · · · · · · · · · · · ·	249 <b>9</b>	<sup>49</sup> 150 250	D NM "L" 9 1 NM "L" 12 160	Printed Nome
• 40	• 141 • 41	142 • 42	• 143 • C	
<b>9</b> <sub>32</sub>		135 <u>.</u>	NH 1" 17	<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on
• 25	• 126 • 26	127 27 • • 26	• 128 • 25	this plot 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.
	 	 	+68	7/9/07 Date of Survey
		9	20	Signature & Soal of Professional Surveyor:
• 10	+ <sup>11</sup>	• 12	• 13	hid
() 		0 2000 1500		Certificate No.
0 330 660 990 13	20 1650 1980 2310 264	0 2000 1500	1000 500 0	7254

O = Staked Location ● = Producing Well ● = Injection Well ● = Water Supply Well ◆ = Plugged & Abandon Well O = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. O = Found /4 Section Corner, 1" Iron Pipe & GLO B.C.

State Plane Coordi		795588-99-582				
850033.17 Northing 650029.86		Eosting 795110.94 BHL				
32°47'0 Latitude 32'47'0	3.286" SHL 3.273" BHL	103'30'24.374" SHL Longitude 103'30'27.302" BHL				
Zone	North American Datum	Combined Grid Factor	Coordinate File			
East	1983	0.99979581 Buckeye.Crd				
Drawing File		Field Book				
VGSAU-Sec1.Dw	9	Lea #23, Pg. 77				

#### ADDITIONAL INFORMATION ON THE LOCATION

Page 1 of 1

District I

1625 N. French Dr., Hobbs, NM 88240 Phone: (505) 393-6161 Fax: (505) 393-0720 District II

1301 W. Grand Ave., Artesia, NM 88210 Phone: (505) 748-1283 Fax: (505) 748-9720 District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

## State of New Mexico **Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. Santa Fe, NM 87505

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 62180				
4. Property Code	5. Propert	6. Well No.			
30022	VACUUM GRAYBURG	439			
7. OGRID No.	8. Operato	9. Elevation			
4323	CHEVRON	3989			

10. Surface Location									
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
В	1	18S	34E		634	N	1632	Е	LEA

#### 11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	e Feet From	E/W Line	County
	cated Acres	13	loint 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

#### **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(s) 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.

E-Signed By:

Title: Date:

#### SURVEYOR CERTIFICATION

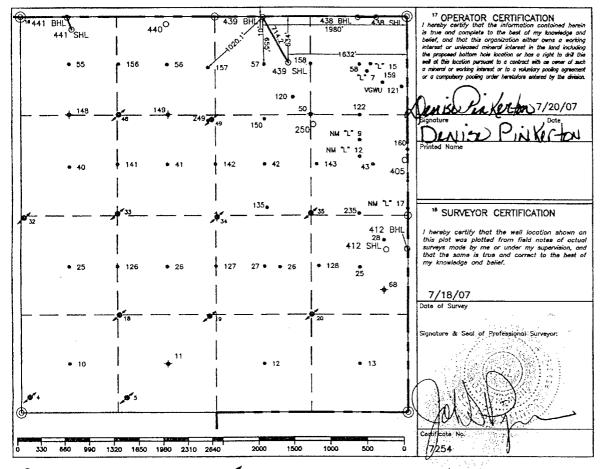
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed Ry: JOHN PIPER

Date of Survey: 7/18/2007 Certificate Number: 7254

DISTRICT 1, 1625 N. French Dr., DISTRICT II 1301 W. Grand Ave., DISTRICT III 1000 Réo Brazoe Rd. DISTRICT IV 1220 SL. Frencie Dr.,	Artesio, Xili	88210 87410		Energy,	Minerals and Naturn	ew Mexico <sup>31 Resources Deportm</sup> TION DIVISIO Francis Drive NM 87505	NC		a Approp Sta	Form C-102 ctober 12, 2005 riate District Office ate Lease-4 copies ee Lease-3 copies
1220 SE PIURA DI	, 30110 70,	1 m 07565	WELL	LOCATIO	ON AND ACF	REAGE DEDICA		-	□ AM	ENDED REPORT
1AI	Pl Number		10	2180	Vaci	uum Grayburg S	<sup>3</sup> Pool Nam an Andres	60		
Property Code				Vacui	<sup>5</sup> Property. N Jm Grayburg S	ome San Andres Unit				Well Number 439
<sup>7</sup> OGRID No. 4323		•	Poperator Nome CHEVRON USA, INC.							<sup>Bevation</sup> 3989'
					<sup>10</sup> Surface L	ocation				
UL or lot no. B	Section 1	Township 18-S	Range 34-E	Lot kin	Feet from the 634'	North/South line North	Feet from the 1632'	East/Wes East		<sup>7</sup> County Lea
· · · · · · · · · · · · · · · · · · ·			" B	ottom Ho	e Location If	Different From	Surface			~~~~~~
UL or lot no. B	Section 1	Township 18-S	Ronge 34-E	t Kin	Feet from the 10'	North/South line North	Feet from the 1980'	East/We East		<sup>7</sup> County Lea
<sup>12</sup> Dedicated Acres 10	13,	pint or Infill	<sup>1</sup> Consolid	lation Code	<sup>15</sup> Order No.	*** <u>***</u> **	<u></u>			

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○ = 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.

State Plane Coord	inates	784458.52 84					
Northing 650012.77	BHL	Easting 793801.03 BHL					
32°46' Latitude 32°47'0	57.049" SHL )3.205" BHL	103'30'38.539" SHL Longitude 103'30'42.646" BHL					
Zone	North American Datum	Combined Grid Factor	Coordinate File				
East	1983	0.99979581	Buckeye.Crd				
Drawing File		Field Book					
VGSAU-Sec1.D	PM	Lea #24, Pg. 11					

.

#### ADDITIONAL INFORMATION ON THE LOCATION

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

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1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

#### District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

# State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 62180	ool Name BURG-SAN ANDRES
4. Property Code	5. Propert	6. Well No.
30022	VACUUM GRAYBURG	440
7. OGRID No.	8. Operato	9. Elevation
4323	CHEVRON	3996

#### **10. Surface Location**

				10. 1	Jui mee hoe	<u>ativii</u>				
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
С	1	18S	34E		100	N	1980	W	LEA	

#### 11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine.	Feet From	E/W Line	County
12. Dedi	cated Acres	13. 1	loint or Infill		14	. Consolidation (	Code			15. Order No.	
10	0.00										

#### 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

8	

#### **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(s) 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.

E-Signed By: Title: Date:

#### SURVEYOR CERTIFICATION

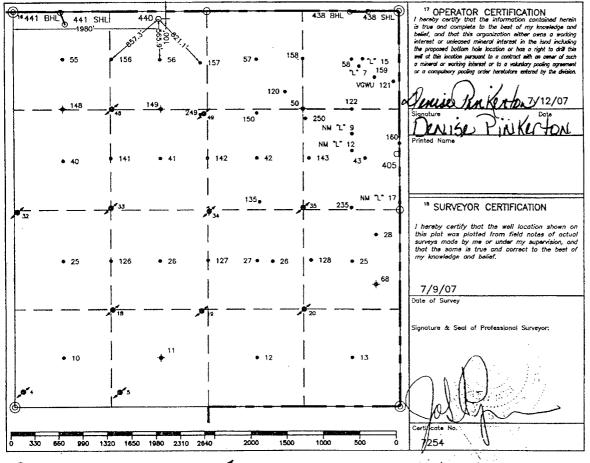
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By. Winvillen

Date of Survey: 7/9/2007 Certificate Number: 7254

DISTRICT 1 1625 N. French Dr., DISTRICT II 1301 W. Grand Ave., DISTRICT III 1000 Rio Brazon Rd. DISTRICT N.	Artesia, i ., Aztec, 1	NM 89210 NM 87410		Energy,	Minerals and Natura	ew Mexico <sup>I Resources Deportm</sup> TION DIVISK Francis Drive NM 87505	ЛС		Approp Sto	Form C-102 ctober 12, 2005 riate District Office te Lease-4 copies ee Lease-3 copies
1220 St. France Dr.			WELL	LOCATIO	N AND ACF	REAGE DEDICA	TION PLAT	[	_] AM	ENDED REPORT
· · · ·	Pl Numb	er	6	2181	D Vacı	uum Grayburg S	<sup>3 Pool Nam</sup> an Andres			
Property Cox	de			Vacuu	, , ,	San Andres Unit				Well Number 440
OCRID No.	Z3	·			CHEVRON L	JSA, INC.				Elevention 3996'
					<sup>10</sup> Surface L				_	
UL or lot no. C	Sectio	n Township 18–S	Ronge 34-E	Lot Idn	Feet from the 100'	North/South line North	Feet from the 1980'	East/Wes West		<sup>7</sup> County Lea
·····			11 B	ottom Hol	e Location If	Different From S	Surface			· · · · · · · · · · · · · · · · · · ·
UL or lot no.	Sectio	n Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	t line	<sup>7</sup> County
12Dedicated Acres 10	; 	<sup>3</sup> Joint or Infill	<sup>1</sup> Consolic	lation Code	<sup>15</sup> Ord <del>a</del> r No.	1	I			L

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.



O = 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.

State Plane Coord	linates		
Northing 649905.52	2	Easting 792481.78	
Latitude 32'47'	02.245"	Longitude 103*30'58.10	)8"
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.99979368	Buckeye.Crd
Drowing File		Field Book	
VGSAU-Sec1.D	Ψq	Lea #23, Pg. 79	

#### ADDITIONAL INFORMATION ON THE LOCATION

and sectors and president and sectors and an

District I

District II

Form C-102 Permit 61101

1625 N. French Dr., Hobbs, NM 88240 Phone: (505) 393-6161 Fax: (505) 393-0720 1301 W. Grand Ave., Artesia, NM 88210 Phone: (505) 748-1283 Fax: (505) 748-9720

#### District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

## State of New Mexico **Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. Santa Fe, NM 87505

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 62180		ool Name BURG-SAN ANDRES
4. Property Code	5. Proper	,	6. Well No.
30022	VACUUM GRAYBUR		441
7. OGRID No.	8. Operat	tor Name	9. Elevation
4323	CHEVRON	USAINC	4002

				<u> </u>	Surface Loc	ation				_
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	ĺ
 А	1	18S	34E		170	N	710	W	LEA	

#### 11. Bottom Hole Location If Different From Surface

UL - Lot Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 10.00	13	. Joint or Infill		4. 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

	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(s) 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. E-Signed By: Title: Date:
	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.
A CONTRACTOR AND A CONTRACT	Surveyed By: JOHN PIPER
·	Date of Survey: 7/9/2007
· ·	Certificate Number: 7254

DISTRICT 1 1825 N. French Dr., DISTRICT II 1301 W. Grand Ava., DISTRICT III 1000 Rio Brazos Rd., DISTRICT M 1220 SL Frencie Dr.,	r Artesia, NM , Aztec, NM i	88210 87410	WELL	Energy, OIL 1220	Minerals and Natur CONSERVA 0 South St. Santa Fe,	ew Mexico Resources Departm TION DIVISH Francis Driv NM 87505 REAGE DEDICA	ON e	Submit to Appro St	Form C-102 october 12, 2005 priate District Office ate Lease-4 copies Fee Lease-3 copies
1 AF	Pl Number		1	27001 Code	O Vac	uum Grayburg S	<sup>3</sup> Pool Non San Andres	16	
Property Cod	le			•	<sup>5</sup> Property N	<sub>ome</sub> San Andres Unit			<sup>8</sup> Well Number 441
106810 No. 432	3	•			CHEVRON 1				Elevation 4002'
					<sup>10</sup> Surface L	ocation			·····
UL or lat no. A	Section 1	Township 18S	Ronge 34-E	Lot kin	Feet from the 170'	North/South line North	Feet from the 710'	Eost/West line West	County
				attom Hal		Different From		mcat	
UL or lot no. A	Section 1	Township 18—S	Range 34-E	Lot Idn	Feet from the	North/South line North	Feet from the 650'	East/West line West	County .
<sup>12</sup> Dedicated Acres 10	13,10	int or Infill	<sup>1</sup> Consolid	ation Code	<sup>15</sup> 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.

-710-5		440 156 	• 56 • 15	120	50 • 250	58 ° 1 ° 15 7 ° 7 ° 159 VGWU 121° 122	<sup>17</sup> OPERATOR CERTIFICATION / horsely certify that the information contained herein is true and complete to the best of my knowledge and befef, and that this organization wither owns a working interest or unleaded mineral interest in the land including the proposed bottom hale location or has a right to dial this we of this location pursuent to a contract with an owner of such a mixed or working interest or to a value policy optiment or a computery poling order heretotors entered by the division.
	• 40	141		142 • 42 135 <b>.</b>	NW 1 • 143	12 160 12 C 43 405	Printed Name
32	• 25	126	• 26		26 • 128	• 28 • 25 + <sup>68</sup>	I hereby cartify 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. 7/9/07
	• 10	<b>1</b> 8	/ * + <sup>11</sup> /	• 12	20	• 13	Date of Survey Signature & Seal of Professional Surveyor:
0 330	660 <b>99</b> 0 132		80 2310 2840	2000	1500 1000	500	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.

State Plane Coord		791212.83 SHI		
Northing 649978.08		Easting 791150.79 BHL		New York Contract South
32°47' Latitude 32°47'	01.484" SHL 03.064" BHL	103'31'12.9 Longitude 103'31'13.6		
Zone	North American Datum	Combined Grid Factor	Coordinate File	
East	1983	0.99979267	Buckeye.Crd	
Drowing File		Field Book		
VGSAU-Sec1.D	wg	Lea #23, Pg. 78		

#### ADDITIONAL INFORMATION ON THE LOCATION



# Chevron

Lea County, NM (NAD 83 NME) VGSAU #412 VGSAU #412 OH

Plan: Plan #1

# **Standard Planning Report**

23 July, 2007



Chevron				S	cientific D Planning Re	-	1947 - 1979 - 1979 - 1979 - 1979 - 1979 - 1979 - 1979 - 1979 - 1979 - 1979 - 1979 - 1979 - 1979 - 1970 - 1970 -			
Database: Company: Project: Site: Well: Wellbore: Design:	Chevron			нина анаралынын ж. анын 	TVD Reference MD Reference North Reference	e:	M M G	ell VGSAU #412 ELL @ 0.00ft (O ELL @ 0.00ft (O rid inimum Curvatur	riginal Well Ele riginal Well Ele	
Project	Lea Co	ounty, NM (NAD	) 83 NME)							
Map System: Geo Datum: Map Zone:	North Ar	e Plane 1983 nerican Datum xico Eastern Zo			System Dat	um:	Μ	ean Sea Level		
Site	VGSA	J #412								
Site Position: From: Position Uncerta	Ma ainty:	p 0.00 ft	Northi Eastin Slot R	-		520.92 ft	Latitude: Longitude: Grid Conver	gence:		32° 46' 32.700 N 103° 30' 22.782 W 0.45 °
Well	VGSAL	J #412								
Well Position	+N/-S +E/-W			orthing: sting:		646,943.09 795,520.92		iitude: ngitude:		32° 46' 32.700 N 103° 30' 22.782 W
Position Uncerta	linty	0.0	00 ft We	ellhead Elevat	lion:		ft Gr	ound Level:		0.00 ft
Wellbore	ОН									
Magnetics	Mc	odel Name	Sample	e Date	Declina (°)	tion	-	Angle °)		trength T)
		IGRF200510		7/23/2007		8.06		60.82		49,397
Design	Plan #	1								
Audit Notes:			······							
Version:			Phase	e: F	PLAN	Tie	On Depth:		0.00	
Vertical Section		C	Depth From (T) (ft) 0.00	/D)	+N/-S (ft) 0.00		/-W it)		ection (°) 8.27	
Plan Sections	<u> </u>			A (Transland) (T		a a constante da constante de la constante de l		nter 14. medina menter rechtigen 11. minner 1994		atantania secondo arreiro, su our so ree
Measured	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3,180.00 3,699.46	0.00 10.39	0.00 88.27	3,180.00 3,696.62	0.00 1.42	0.00 46.95	0.00 2.00	0.00 2.00	16.99	0.00 88.27	
5,024.57	10.39	88.27	5,000.00	8.63	285.80	0.00	0.00	0.00	0.00	PBHL-VGSAU #412

## **Scientific Drilling**

#### Planning Report



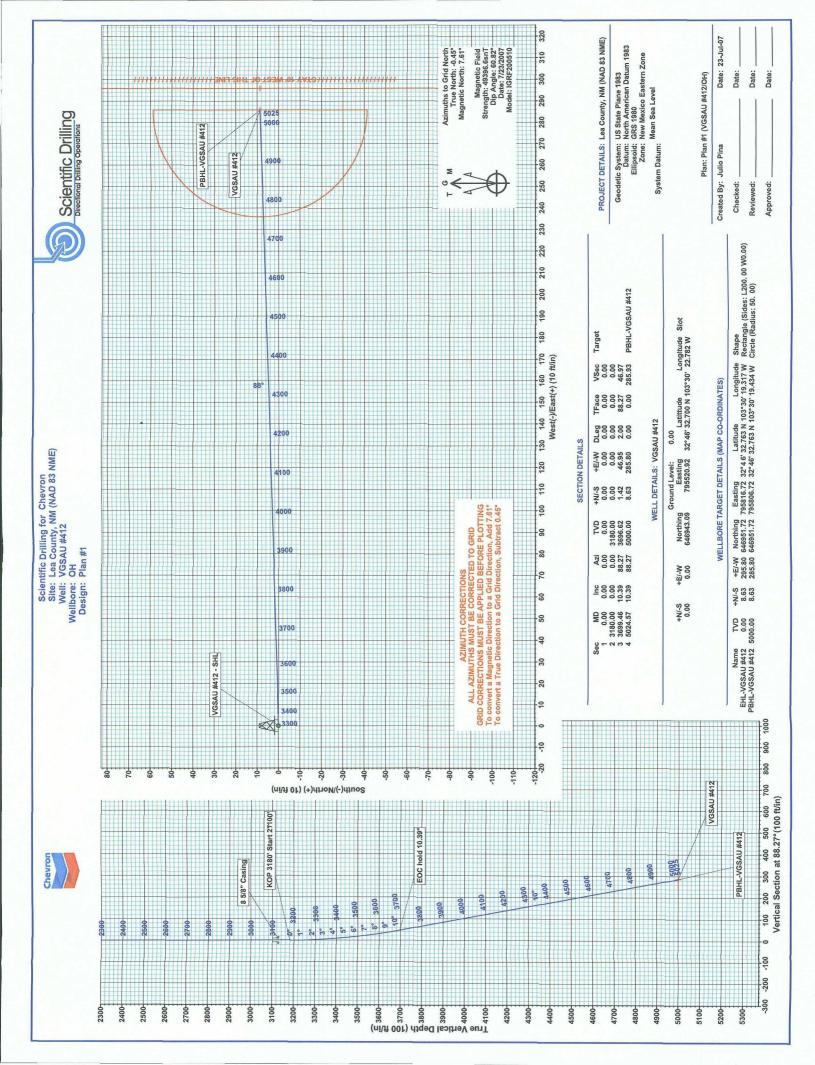
1				
	Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well VGSAU #412
	Company:	Chevron	TVD Reference:	WELL @ 0.00ft (Original Well Elev)
	Project:	Lea County, NM (NAD 83 NME)	MD Reference:	WELL @ 0.00ft (Original Well Elev)
	Site:	VGSAU #412	North Reference:	Grid
	Well:	VGSAU #412	Survey Calculation Method:	Minimum Curvature
	Wellbore:	ОН		
	Design:	Plan #1		

#### Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EHL-VGSAU	#412								
3,180.00	0.00	0.00	3,180.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP 3180' S	tart 2°/100'								
3,200.00	0.40	88.27	3,200.00	0.00	0.07	0.07	2.00	2.00	0.00
3,300.00	2.40	88.27	3,299.96	0.08	2.51	2.51	2.00	2.00	0.00
3,400.00	4.40	88.27	3,399.78	0.25	8.44	8.44	2.00	2.00	0.00
3,500.00	6.40	88.27	3,499.33	0.54	17.85	17.85	2.00	2.00	0.00
3,600.00	8.40	88.27	3,598.50	0.93	30.72	30.73	2.00	2.00	0.00
3,699.46	10.39	88.27	3,696.62	1.42	46.95	46.97	2.00	2.00	0.00
EOC hold 10	.39°								
3,700.00	10.39	88.27	3,697.15	1.42	47.04	47.06	0.00	0.00	0.00
3,800.00	10.3 <del>9</del>	88.27	3,795.51	1.96	65.07	65.10	0.00	0.00	0.00
3,900.00	10.39	88.27	3,893.87	2.51	83.09	83.13	0.00	0.00	0.00
4,000.00	10.39	88.27	3,992.23	3.05	101.12	101.16	0.00	0.00	0.00
4,100.00	10.39	88.27	4,090.59	3.60	119.14	119.20	0.00	0.00	0.00
4,200.00	10.39	88.27	4,188.95	4.14	137.17	137.23	0.00	0.00	0.00
4,300.00	10.39	88.27	4,287.31	4.69	155.19	155.27	0.00	0.00	0.00
4,400.00	10.39	88.27	4,385.67	5.23	173.22	173.30	0.00	0.00	0.00
4,500.00	10.39	88.27	4,484.03	5.77	191.25	191.33	0.00	0.00	0.00
4,600.00	10.39	88.27	4,582.39	6.32	209.27	209.37	0.00	0.00	0.00
4,700.00	10.39	88.27	4,680.75	6.86	227.30	227.40	0.00	0.00	0.00
4,800.00	10.39	88.27	4,779.11	7.41	245.32	245.43	0.00	0.00	0.00
4,900.00	10.39	88.27	4,877.48	7.95	263.35	263.47	0.00	0.00	0.00
5,000.00	10.39	88.27	4,975.84	8.50	281.37	281.50	0.00	0.00	0.00
5,024,57	10.39	88.27	5,000.00	8.63	285.80	285,93	0.00	0.00	0.00

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
EHL-VGSAU #412 - plan misses by 29 - Rectangle (sides '			0.00 /D, 0.00 N, 0	8.63 .00 E)	295.80	646,951.72	795,816.72	32° 46' 32.763 N	103° 30' 19.317 W
PBHL-VGSAU #412 - plan hits target - Circle (radius 50.0	0.00	0.00	5,000.00	8.63	285.80	646,951.72	795,806.72	32° 46' 32.763 N	103° 30' 19.434 W

Measured	Vertical	Local Coord	dinates	
Depth	Depth	+N/-S	+E/-W	
(ft)	(ft)	(ft)	(ft)	Comment
3,180.00	3,180.00	0.00	0.00	KOP 3180' Start 2°/100'
3,699.46	3,696.62	1.42	46.95	EOC hold 10.39°



# Chevron

Lea County, NM (NAD 83 NME) VGSAU #438 VGSAU #438 OH

Plan: Plan #1

# **Standard Survey Report**

23 July, 2007



#### Scientific Drilling

Survey Report



Company:	Chevron	And a straight straight of the second	rafelikasin menintik on this as a sada	Local Co-r	ordinate Refere	nce: 🕠	Vell VGSAU #43	8	The second production of the second sec
		(NAD 83 NME)		TVD Refer				Original Well Ete	v)
- ,	VGSAU #438			MD Refere		1	-	Original Well Ele	
	VGSAU #438			1			Grid	Onginal Weil Lie	V)
				North Refe		1	Jing Minimum Curvati		1
	OH			-	Iculation Meth	1			
Design:	Plan #1		<u></u>	Database:		[1	EDM 2003.16 Si	ngle User Db	
Project	Lea County	y, NM (NAD 83 N	IME)		•				
Map System:	US State Pla			System [	Datum:		Mean Sea Leve		
Geo Datum:		can Datum 1983							
Map Zone:	New Mexico	Eastern Zone							
Site	VGSAU #4	138							
Site Position:			Northing:		50,033.17 ft	Latitude:			32° 47' 3.286 N
From:	Мар		Easting:	7	95,360.93 ft	Longitude	:		103° 30' 24.374 W
Position Uncertain	ty:	0.00 ft	Slot Radius:		ft	Grid Conv	ergence:		0.45 °
· · · ···					·				
Well	VGSAU #4	38							
Well Position	+N/-S	0.00 ft	Northing:		650,033.		.atitude:		32° 47' 3.286 N
	+E/-W	0.00 ft	Easting:		795,360.	93 ft L	.ongitude:		103° 30' 24.374 W
Position Uncertain	ty	0.00 ft	Wellhead Ele	vation:		ft C	Ground Level:		0.00 ft
Wellbore	ОН	· · · ·			an an early and a second s	and a second of another d			annen ange sky som at Affred eller -
Magnetics	Model	Name	Sample Date		ination (°)	Di	p Angle (°)		Strength nT)
	IG	RF200510	7/23/2007		8.06		60.83		49,402
Design	Plan #1	une of the set internation of the set of the	noner vi artennerverskenden sevaar - en soo				1977 - Alexandra and Alexandra and Alexandra		
Audit Notes:									
Version:			Phase:	PLAN	ד	ie On Depth:		0.00	
Vertical Section:	<u></u>	Depth	From (TVD)	+N/-S	. <u></u>	+E/-W		Direction	
			(ft)	(ft)		(ft)		(°)	
			0.00	0.00		0.00		269.24	
Supray Test D									
	200		2007						
Survey Tool Progr		Date 7/23	/2007						
From (ft)	am To (ft)	Date 7/23 Survey (Well			Tool Name		Description		
From (ft) 0.0	To (ft) 0 3,180.0	Survey (Well	bore)		Keeper		Keeper Standa		
From (ft)	To (ft) 0 3,180.0	Survey (Well	bore)				•		
From (ft) 0.0	To (ft) 0 3,180.0	Survey (Well	bore)		Keeper		Keeper Standa		,
From (ft) 0.0 3,180.0 Planned Survey	To (ft) 0 3,180.0 0 5,018.5	Survey (Well	bore)		Keeper	Vertical	Keeper Standar MWD - Standar	d ISCWSA	Turn
From (ft) 0.0 3,180.0 Planned Survey Measured	To (ft) 0 3,180.0 0 5,018.5	Survey (Well 00 Plan #1 (OH) 55 Plan #1 (OH)	bore) Vertical		Keeper MWD	Vertical Section	Keeper Standar MWD - Standar Dogleg	d ISCWSA	, Turn Rate
From (ft) 0.0 3,180.0 Planned Survey Measured Depth	To (ft) 0 3,180.0 0 5,018.5	Survey (Well 00 Plan #1 (OH) 55 Plan #1 (OH)	bore) Vertical Depth	+N/-S	Keeper MWD +E/-W	Section	Keeper Standar MWD - Standar Dogleg Rate	d ISCWSA Build Rate	Rate
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft)	To (ft) 0 3,180.0 0 5,018.5 [	Survey (Well 00 Plan #1 (OH) 55 Plan #1 (OH) n Azimuth (°)	bore) Vertical Depth (ft)	+N/-S (ft)	Keeper MWD +E/-W (ft)	Section (ft)	Keeper Standau MWD - Standar Dogleg Rate (°/100ft)	d ISCWSA Build Rate (°/100ft)	Rate (°/100ft)
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft) 0.0	To (ft) 0 3,180.0 0 5,018.5 Inclination (°) 00 0.	Survey (Well 00 Plan #1 (OH) 55 Plan #1 (OH)	bore) Vertical Depth (ft)	+N/-S	Keeper MWD +E/-W	Section	Keeper Standar MWD - Standar Dogleg Rate	d ISCWSA Build Rate	Rate
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft) 0.0 NHL-VGS	To (ft) 0 3,180.0 0 5,018.5 Inclination (°) 00 0. SAU #438	Survey (Well           00         Plan #1 (OH)           55         Plan #1 (OH)           55         Plan #1 (OH)           6         Plan #1 (OH)           7         Azimuth (°)           00         0.0	bore) Vertical Depth (ft) 0 0.00	+N/-S (ft) 0.00	Keeper MWD +E/-W (ft) 0.00	Section (ft) 0.00	Keeper Standar MWD - Standar Dogleg Rate (*/100ft) 0.00	Build Rate (°/100ft) 0.00	Rate (°/100ft) 0.00
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft) 0.0	To (ft) 0 3,180.0 0 5,018.5 Inclination (°) 00 0. SAU #438	Survey (Well 00 Plan #1 (OH) 55 Plan #1 (OH) n Azimuth (°)	bore) Vertical Depth (ft) 0 0.00	+N/-S (ft)	Keeper MWD +E/-W (ft)	Section (ft)	Keeper Standau MWD - Standar Dogleg Rate (°/100ft)	d ISCWSA Build Rate (°/100ft)	Rate (°/100ft)
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft) 0.0 NHL-VGS 3,130.0 8 5/8" Ca	To (ft) 0 3,180.0 0 5,018.5 	Survey (Well           00         Plan #1 (OH)           55         Plan #1 (OH)           55         Plan #1 (OH)           00         0.0           00         0.0           .00         0.0	bore) Vertical Depth (ft) 0 0.00 0 3,130.00	+N/-S (ft) 0.00 0.00	Keeper MWD +E/-W (ft) 0.00 0.00	Section (ft) 0.00 0.00	Keeper Standaa MWD - Standar Dogleg Rate (*/100ft) 0.00 0.00	Build Rate (*/100ft) 0.00 0.00	Rate (°/100ft) 0.00 0.00
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft) 0.0 NHL-VGS 3,130.0 8 5/8" Ca 3,180.0	To (ft) 0 3,180.0 0 5,018.5 Inclination (°) 00 0. SAU #438 00 0. sing 00 0.	Survey (Well           00         Plan #1 (OH)           55         Plan #1 (OH)           55         Plan #1 (OH)           6         Plan #1 (OH)           7         Azimuth (°)           00         0.0	bore) Vertical Depth (ft) 0 0.00 0 3,130.00	+N/-S (ft) 0.00	Keeper MWD +E/-W (ft) 0.00	Section (ft) 0.00	Keeper Standar MWD - Standar Dogleg Rate (*/100ft) 0.00	Build Rate (°/100ft) 0.00	Rate (°/100ft) 0.00
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft) 0.0 NHL-VGS 3,130.0 8 5/8" Ca 3,180.0 KOP 3180	To (ft) 0 3,180.0 0 5,018.5 Inclination (°) 00 0. SAU #438 00 0. sing 00 0. 0' start 2°/100'	Survey (Well           00         Plan #1 (OH)           55         Plan #1 (OH)           55         Plan #1 (OH)           00         0.0           00         0.0           .00         0.0           .00         0.0           .00         0.0	bore) Vertical Depth (ft) 0 0.00 0 3,130.00 0 3,180.00	+N/-S (ft) 0.00 0.00 0.00	Keeper MWD +E/-W (ft) 0.00 0.00 0.00	Section (ft) 0.00 0.00 0.00	Keeper Standar MWD - Standar Dogleg Rate (*/100ft) 0.00 0.00 0.00	d ISCWSA Build Rate (*/100ft) 0.00 0.00 0.00	Rate (°/100ft) 0.00 0.00 0.00
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft) 0.0 NHL-VGS 3,130.0 8 5/8" Ca 3,180.0 KOP 318 3,200.0	To (ft) 0 3,180.0 0 5,018.5 Inclination (*) 00 0. SAU #438 00 0. sing 00 0. 0' start 2°/100' 00 0.	Survey (Well 00 Plan #1 (OH) 55 Plan #1 (OH) 155 00 0.0 00 0.0 00 0.0 00 0.0 0.0 0.0	bore) Vertical Depth (ft) 0 0.00 0 3,130.00 0 3,180.00 4 3,200.00	+N/-S (ft) 0.00 0.00 0.00 0.00	Keeper MWD +E/-W (ft) 0.00 0.00 0.00 -0.07	Section (ft) 0.00 0.00 0.00 0.07	Keeper Standau MWD - Standar Dogleg Rate (*/100ft) 0.00 0.00 0.00 2.00	d ISCWSA Build Rate (*/100ft) 0.00 0.00 0.00 2.00	Rate (°/100ft) 0.00 0.00 0.00 0.00
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft) 0.0 NHL-VGS 3,130.0 8 5/8" Ca 3,180.0 KOP 3180	To (ft) 0 3,180.0 0 5,018.5 Inclination (*) 00 0. SAU #438 00 0. sing 00 0. 0' start 2°/100' 00 0.	Survey (Well           00         Plan #1 (OH)           55         Plan #1 (OH)           55         Plan #1 (OH)           00         0.0           00         0.0           .00         0.0           .00         0.0           .00         0.0	bore) Vertical Depth (ft) 0 0.00 0 3,130.00 0 3,180.00 4 3,200.00	+N/-S (ft) 0.00 0.00 0.00	Keeper MWD +E/-W (ft) 0.00 0.00 0.00	Section (ft) 0.00 0.00 0.00	Keeper Standar MWD - Standar Dogleg Rate (*/100ft) 0.00 0.00 0.00	d ISCWSA Build Rate (*/100ft) 0.00 0.00 0.00	Rate (°/100ft) 0.00 0.00 0.00
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft) 0.0 NHL-VGS 3,130.0 8 5/8" Ca 3,180.0 KOP 318 3,200.0	To (ft) 0 3,180.0 0 5,018.5 Inclination (°) 00 0. SAU #438 00 0. Sing 00 0. 0' start 2°/100' 00 0.	Survey (Well 00 Plan #1 (OH) 55 Plan #1 (OH) 155 00 0.0 00 0.0 00 0.0 00 0.0 0.0 0.0	bore) Vertical Depth (ft) 0 0.00 0 3,130.00 0 3,180.00 4 3,200.00 4 3,299.96	+N/-S (ft) 0.00 0.00 0.00 0.00	Keeper MWD +E/-W (ft) 0.00 0.00 0.00 -0.07	Section (ft) 0.00 0.00 0.00 0.07	Keeper Standau MWD - Standar Dogleg Rate (*/100ft) 0.00 0.00 0.00 2.00	d ISCWSA Build Rate (*/100ft) 0.00 0.00 0.00 2.00	Rate (°/100ft) 0.00 0.00 0.00 0.00
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft) 0.0 NHL-VGS 3,130.0 8 5/8" Ca 3,180.0 KOP 3184 3,200.0 3,300.0	To (ft) 0 3,180.0 0 5,018.5 Inclination (°) 00 0. SAU #438 00 0. sing 00 0. sing 00 0. 0' start 2°/100' 00 0.	Survey (Well           00         Plan #1 (OH)           55         Plan #1 (OH)           55         Plan #1 (OH)           00         Azimuth (°)           00         0.0           00         0.0           00         0.0           00         0.0           00         0.0           00         0.0	bore) Vertical Depth (ft) 0 0.00 0 3,130.00 0 3,180.00 4 3,200.00 4 3,299.96 4 3,399.78	+N/-S (ft) 0.00 0.00 0.00 0.00 -0.03	Keeper MWD +E/-W (ft) 0.00 0.00 0.00 -0.07 -2.51	Section (ft) 0.00 0.00 0.00 0.07 2.51	Keeper Standar MWD - Standar Dogleg Rate (*/100ft) 0.00 0.00 0.00 2.00 2.00	Build Rate (*/100ft) 0.00 0.00 2.00 2.00 2.00	Rate (*/100ft) 0.00 0.00 0.00 0.00 0.00
From (ft) 0.0 3,180.0 Planned Survey Measured Depth (ft) 0.0 NHL-VGS 3,130.0 8 5/8" Ca 3,180.0 KOP 318 3,200.0 3,300.0 3,300.0	To (ft) 0 3,180.0 0 5,018.5 Inclination (°) 00 0. SAU #438 00 0. Sing 00 0. 0' start 2°/100' 00 2. 00 2.	Survey (Well 00 Plan #1 (OH) 55 Plan #1 (OH) 55 0 0.0 00 0.0 00 0.0 00 0.0 00 0.0 0.0 0	bore) Vertical Depth (ft) 0 0.00 0 3,130.00 0 3,180.00 4 3,200.00 4 3,299.96 4 3,399.78 4 3,499.33	+N/-S (ft) 0.00 0.00 0.00 0.00 -0.03 -0.11	Keeper MWD +E/-W (ft) 0.00 0.00 0.00 -0.07 -2.51 -8.44	Section (ft) 0.00 0.00 0.00 0.07 2.51 8.44	Keeper Standau MWD - Standar Dogleg Rate (*/100ft) 0.00 0.00 0.00 2.00 2.00 2.00	Build Rate (*/100ft) 0.00 0.00 2.00 2.00 2.00 2.00	Rate (°/100ft) 0.00 0.00 0.00 0.00 0.00 0.00 0.00

#### **Scientific Drilling**

Survey Report



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Company:	Chevron	Local Co-ordinate Reference:	Well VGSAU #438
Project:	Lea County, NM (NAD 83 NME)	TVD Reference:	WELL @ 0.00ft (Original Well Elev)
Site:	VGSAU #438	MD Reference:	WELL @ 0.00ft (Original Well Elev)
Well:	VGSAU #438	North Reference:	Grid
Wellbore:	он	Survey Calculation Method:	Minimum Curvature
Design:	Plan #1	Database:	EDM 2003.16 Single User Db

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
EOC hold 8.	90°								
3,700.00	8.90	269.24	3,697.31	-0.61	-46.09	46.09	0.00	0.00	0.00
3,800.00	8.90	269.24	3,796.11	-0.81	-61.55	61.56	0.00	0.00	0.00
3,900.00	8.90	269.24	3,894.90	-1.02	-77.02	77.02	0.00	0.00	0.00
4,000.00	8.90	269.24	3,993.70	-1.22	-92.48	92.49	0.00	0.00	0.00
4,100.00	8.90	269.24	4,092.50	-1.43	-107.94	107.95	0.00	0.00	0.00
4,200.00	8.90	269.24	4,191.29	-1.63	-123.41	123.42	0.00	0.00	0.00
4,300.00	8.90	269.24	4,290.09	-1.84	-138.87	138.88	0.00	0.00	0.00
4,400.00	8.90	269.24	4,388.89	-2.04	-154.34	154.35	0.00	0.00	0.00
4,500.00	8.90	269.24	4,487.69	-2.25	-169.80	169.82	0.00	0.00	0.00
4,600.00	8.90	269.24	4,586.48	-2.45	-185.26	185.28	0.00	0.00	0.00
4,700.00	8.90	269.24	4,685.28	-2.66	-200.73	200.75	0.00	0.00	0.00
4,800.00	8.90	269.24	4,784.08	-2.86	-216.19	216.21	0.00	0.00	0.00
4,900.00	8.90	269.24	4,882.87	-3.07	-231.66	231.68	0.00	0.00	0.00
5,000.00	8.90	269.24	4,981.67	-3.27	-247.12	247.14	0.00	0.00	0.00
5,018.55	8.90	269.24	5,000.00	-3.31	-249.99	250.01	0.00	0.00	0.00

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL-VGSAU #438 - plan hits target - Circle (radius 50.00	0.00	0.07	5,000.00	-3.31	-249.99	650,029.86	795,110.94	32° 47' 3.273 N	103° 30' 27.302 W
NHL-VGSAU #438 - plan misses by 250 - Rectangle (sides V			0.00 /D, 0.00 N, 0	6.69 0.00 E)	-249.99	650,039.86	795,110.94	32° 47' 3.372 N	103° 30' 27.301 W

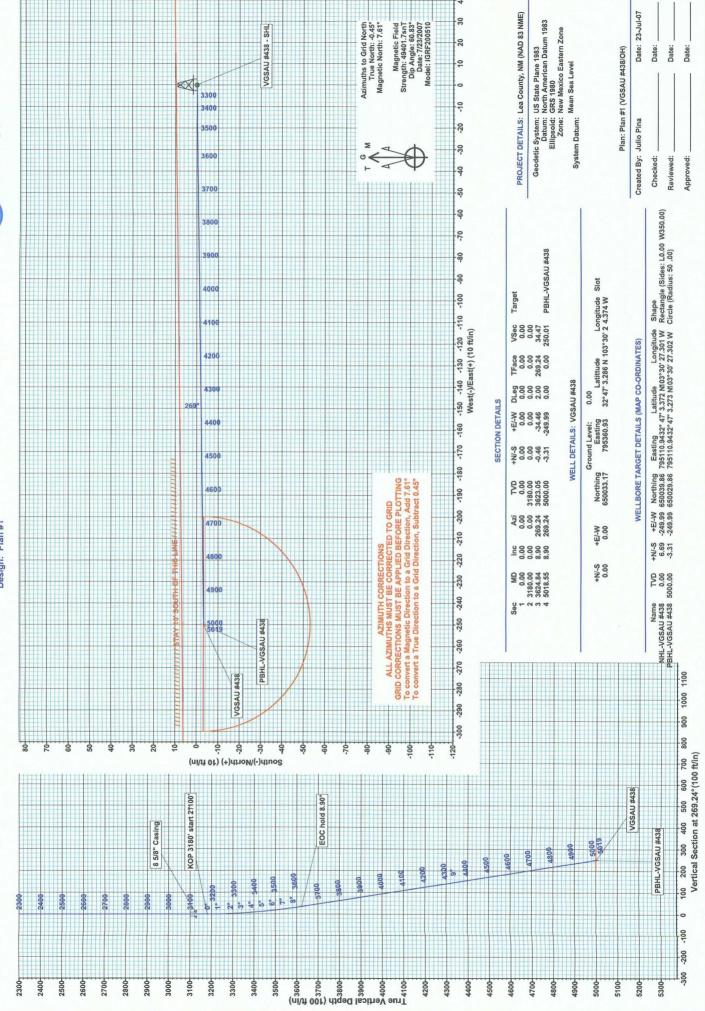
Measured	Vertical			Casing	Hole
Depth	Depth			Diameter	Diameter
(ft)	(ft)		Name	(ft)	(ft)
3,130.00	3,130.00	8 5/8" Casing		8.62500	12.25000

	Measured	Vertical	Local Coor	dinates			
	Depth (ft)	Depth (ft)	+N/-S (ft)	+E/-W (ft)	Comment		
	3,180.00 3,624 <i>.</i> 84	3,180.00 3,623.05	0.00 -0.46	0.00 -34.46	KOP 3180' start 2°/100' EOC hold 8.90°		
cked By:			App	roved By:	······	Date:	



Scientific Drilling for Chevron Site: Lea County, NM (NAD 83 NME) Wellbor: OH Wellbor: OH Design: Plan #1







# Chevron

Lea County, NM (NAD 83 NME) VGSAU #439 VGSAU #439 OH

Plan: Plan #1

# **Standard Planning Report**

23 July, 2007



Chevron	I.
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## Scientific Drilling

#### Planning Report



Database: Company: Project: Site: Well: Wellbore: Design:	Chevron				Local Co-ord TVD Reference MD Reference North Referen Survey Calcu	ce: ' e: nce:	v v G	/ell VGSAU #439 /ELL @ 0.00ft (O /ELL @ 0.00ft (O rid inimum Curvatur	riginal Well Ele riginal Well Ele	
Project	Lea Co	unty, NM (NAD	83 NME)				tarin da yaka kuta kuta kuta kuta kuta kuta kuta k	richteis dienen währendlichen aus au besten sakt		
Map System: Geo Datum: Map Zone:	North An	e Plane 1983 nerican Datum xico Eastern Zo			System Dat	um:	Μ	ean Sea Level		
Site	VGSAL	J #439								
Site Position: From: Position Uncertal	Map Map	0.00 ft	Northin Easting Slot Ra	g:		393.38 ft 156.52 ft ft	Latitude: Longitude: Grid Conver	gence:		32° 46' 57.049 N 103° 30' 38.539 W 0.45 °
Well	VGSAU	#439								
Well Position	+N/-S		0ft Nor	thing:	and a second parameter of the later of the second	649,393.3		litude:	a a manager and the second	32° 46' 57.049 N
Position Uncertai	+E/-W	0.0		sting: Ilhead Elevati	ion:	794,156.5		ngitude: ound Level:		103° 30' 38.539 W 0.00 ft
Position Uncertai	+E/-W	0.0		-	lon:	794,156.5				
	+E/-W inty	0.0 0.0 del Name	0 ft Wel	Ilhead Elevati	lon: Declinat (°)	tion	ft Gru Dip J	Angle ) .		0.00 ft trength
Wellbore	+E/-W inty	0.0	0 ft Wel	llhead Elevati	Declinat		ft Gru Dip J	ound Level:		0.00 ft
Wellbore	+E/-W inty	0.0 0.0 del Name IGRF200510	0 ft Wel	Ilhead Elevati	Declinat	tion	ft Gru Dip J	Angle ) .		0.00 ft trength
Wellbore Magnetics	+E/-W	0.0 0.0 del Name IGRF200510	0 ft Wel	Ilhead Elevati	Declinat	tion	ft Gru Dip J	Angle ) .		0.00 ft trength
Wellbore Magnetics Design	+E/-W	0.0 0.0 del Name IGRF200510	0 ft Wel	Date	Declinat	lion 8.00	ft Gru Dip J	Angle °) . 60.85		0.00 ft trength
Wellbore Magnetics Design Audit Notes:	+E/-W	0.0 0.0 del Name IGRF200510	0 ft Wel Sample 7 Phase: epth From (TVI (ft)	Date 7/23/2007 : P	Declinat (°) PLAN +N/-S (ft)	tion 8.00 Ti +	ft Gr Dip , ( ie On Depth: E/-W (ft)	Dund Level: Angle °) - 60.85 Dire	(n 0.00 ection (°)	0.00 ft trength IT)
Wellbore Magnetics Design Audit Notes: Version:	+E/-W	0.0 0.0 del Name IGRF200510	0 ft Wel Sample 7 Phase: epth From (TVI	Date 7/23/2007 : P	Declinat (°) PLAN +N/-S	tion 8.00 Ti +	ft Gr Dip , ( e On Depth: E/-W	Dund Level: Angle °) - 60.85 Dire	(n 0.00 ection	0.00 ft
Wellbore Magnetics Design Audit Notes: Version: Vertical Section: Plan Sections Measured	+E/-W	0.0 0.0 del Name IGRF200510	0 ft Wel Sample 7 Phase: epth From (TVI (ft)	Date 7/23/2007 : P	Declinat (°) PLAN +N/-S (ft)	tion 8.00 Ti +	ft Gr Dip , ( ie On Depth: E/-W (ft)	Dund Level: Angle °) - 60.85 Dire	(n 0.00 ection (°)	0.00 ft
Wellbore Magnetics Design Audit Notes: Version: Vertical Section: Plan Sections Measured Depth	+E/-W	0.0 0.0 del Name IGRF200510 D	0 ft Wel Sample 7 Phase: epth From (TVI (ft) 0.00 Vertical Depth	Ilhead Elevati Date 7/23/2007 : P D) +N/-S	Declinat (°) PLAN +N/-S (ft) 0.00 +E/-W	tion 8.00 Ti + Dogleg Rate	ft Gr Dip / Dip / (ft) 0.00 Build Rate (°/100ft)	Angle °) - 60.85 Dire 33 Turn Rate	(n 0.00 ection (°) 0.15 TFO	0.00 ft
Wellbore Magnetics Design Audit Notes: Version: Vertical Section: Plan Sections Measured Depth In (ft)	+E/-W	0.0 0.0 del Name IGRF200510	0 ft Wel Sample 7 Phase: epth From (TVI (ft) 0.00 Vertical Depth (ft)	Ilhead Elevati Date 7/23/2007 : P D) +N/-S (ft)	Declinat (°) PLAN +N/-S (ft) 0.00 +E/-W (ft)	tion 8.00 Ti + Dogleg Rate (°/100ft)	ft Gr Dip / Dip / (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	Dund Level: Angle °) - 60.85 Dire 33 Turn Rate (°/100ft)	(n 0.00 ection (°) 0.15 TFO (°) 0.00 0.00 330.15	0.00 ft

## Chevron

## Scientific Drilling

## Planning Report



Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well VGSAU #439
Company:	Chevron	TVD Reference:	WELL @ 0.00ft (Original Well Elev)
Project:	Lea County, NM (NAD 83 NME)	MD Reference:	WELL @ 0.00ft (Original Well Elev)
Site:	VGSAU #439	North Reference:	Grid
Well:	VGSAU #439	Survey Calculation Method:	Minimum Curvature
Wellbore:	он		
Design:	Plan #1		

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#### Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NHL-VGSAL	#439						·		
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
8 5/8" Casin	g								
3,150.00	0.00	0.00	3,150.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP 3150' S	tart 5°/100'								
3,200.00	2.50	330.15	3,199.98	0.95	-0.54	1.09	5.00	5.00	0.00
3,300.00	7.50	330.15	3,299.57	8.50	-4.88	9.80	5.00	5.00	0.00
3,400.00	12.50	330.15	3,398.02	23.56	-13.52	27.16	5.00	5.00	0.00
3,500.00	17.50	330.15	3,494.58	46.00	-26.40	53.04	5.00	5.00	0.00
3,600.00	22.50	330.15	3,588.52	75.65	-43.42	87.23	5.00	5.00	0.00
3,629.26	23.96	330.15	3,615.41	85.66	-49.16	98.77	5.00	5.00	0.00
EOC hold 23	.96°								-
3,700.00	23.96	330.15	3,680.05	110.58	-63.47	127.50	0.00	0.00	0.00
3,800.00	23.96	330.15	3,771.43	145.81	-83.68	168.11	0.00	0.00	0.00
3,900.00	23.96	330.15	3,862.81	181.03	-103.90	208.73	0.00	0.00	0.00
4,000.00	23.96	330.15	3,954.20	216.26	-124.12	249.34	0.00	0.00	0.00
4,100.00	23.96	330.15	4,045.58	251.48	-144.33	289.96	0.00	0.00	0.00
4,200.00	23.96	330.15	4,136.96	286.71	-164.55	330.57	0.00	0.00	0.00
4,300.00	23.96	330.15	4,228.34	321.93	-184.77	371.19	0.00	0.00	0.00
4,400.00	23.96	330.15	4,319.72	357.16	-204.99	411.80	0.00	0.00	0.00
4,500.00	23.96	330.15	4,411.10	392.38	-225.20	452.42	0.00	0.00	0.00
4,600.00	23.96	330.15	4,502.48	427.61	-245.42	493.03	0.00	0.00	0.00
4,700.00	23.96	330.15	4,593.86	462.83	-265.64	533.64	0.00	0.00	0.00
4,800.00	23.96	330.15	4,685.24	498.06	-285.85	574.26	0.00	0.00	0.00
4,900.00	23.96	330.15	4,776.62	533.28	-306.07	614.87	0.00	0.00	0.00
5,000.00	23.96	330.15	4,868.00	568.51	-326.29	655.49	0.00	0.00	0.00
5,100.00	23.96	330.15	4,959.38	603.73	-346.50	696.10	0.00	0.00	0.00
5,144.45	23.96	330.15	5,000.00	619.39	-355.49	714.15	0.00	0.00	0.00

Targets	[				******				
Target Name - hit/miss target - Shape	t Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W . (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL-VGSAU #43 - plan hits targe - Circle (radius	et	0 0.07	5,000.00	619.39	-355,49	650,012.77	793,801.03	32° 47' 3.205 N	103° 30' 42.646 W
	0.0 oy 722.85ft at 0.0 ides W0.00 H500	Oft MD (0.00 T	0.00 VD, 0.00 N, 0.0	629.39 00 E)	-355.49	650,022.77	793,801.03	32° 47' 3.304 N	103° 30' 42.646 W
Casing Points			a, Alexan, Alexan, a substances						
	Measured Depth (ft)	Vertical Depth (ft)			Name		Cas Diam (fi	eter Diameter	
	3,100.00	3,100.00	8 5/8" Casin	g			8.	62500 12.250	00



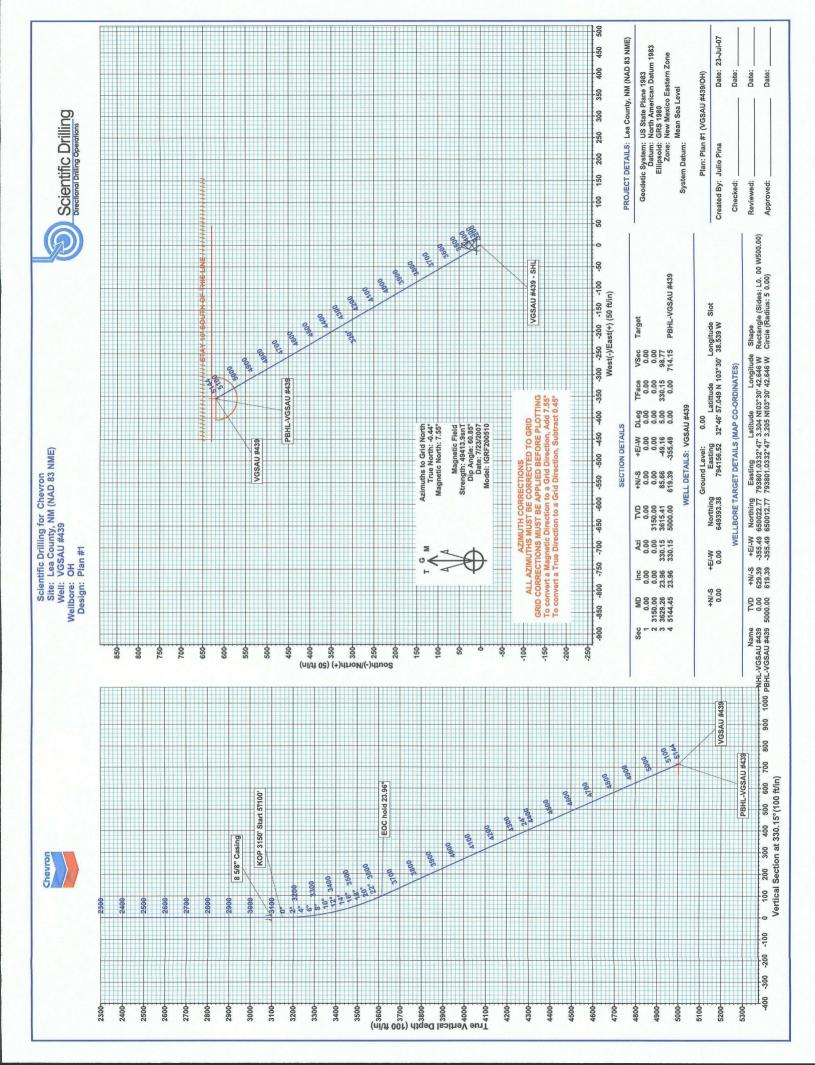
## Scientific Drilling



Planning Report

Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well VGSAU #439
Company:	Chevron	TVD Reference:	WELL @ 0.00ft (Original Well Elev)
Project:	Lea County, NM (NAD 83 NME)	MD Reference:	WELL @ 0.00ft (Original Well Elev)
Site:	VGSAU #439	North Reference:	Grid
Well:	VGSAU #439	Survey Calculation Method:	Minimum Curvature
Wellbore:	ОН	-	
Design:	Plan #1		

Plan Annotatio	ons				
	Measured	Vertical	Local Coor	dinates	
	Depth	Depth	+N/-S	+E/-W	
	(ft)	(ft)	(ft)	(ft)	Comment
	3,150.00	3,150.00	0.00	0.00	KOP 3150' Start 5°/100'
	3,629.26	3,615.41	85.66	-49.16	EOC hold 23.96°



# Chevron



## Chevron

Lea County, NM (NAD 83 NME) VGSAU #441 VGSAU #441 OH

Plan: Plan #1

# **Standard Planning Report**

23 July, 2007



Chevron
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## Scientific Drilling

#### Planning Report



			A CONTRACTOR OF A CONTRACT	the second se	CONTRACTOR OF A DESCRIPTION OF A DESCRIP					And the second
Database: Company: Project: Site: Well: Wellbore: Design:	Chevron				Local Co-ord TVD Referenc MD Referenc North Referen Survey Calcu	ce: e: nce:	v v G	Vell VGSAU #441 VELL @ 0.00ft (O VELL @ 0.00ft (O Srid Inimum Curvatur	riginal Well Ele riginal Well Ele	
Project	Lea Co	unty, NM (NAD	83 NME)							
Map System: Geo Datum: Map Zone:	North Ar	e Plane 1983 nerican Datum xico Eastern Zo			System Dat	um:	N	lean Sea Level		
Site	VGSAU	J #441								
Site Position: From: Position Uncerta	Мај		Northin Easting Slot Ra	]:		818.90 ft 212.83 ft ft	Latitude: Longitude: Grid Conver	gence:		32° 47' 1.484 N 103° 31' 12.979 W 0.44 °
Well	VGSAL	#441						**************************************		
Well Position	+N/-S +E/-W	0.0		rthing: sting:		649,818.9 791,212.8		titude: ngitude:		32° 47' 1.484 N 103° 31' 12.979 W
Position Uncerta	ainty	0.0	00 ft We	lihead Eleva	tion:		ft Gr	ound Level:		0.00 ft
Wellbore	OH						1977 - Photosoffi, filo, choras ar Alfredist 1977 - Nigaga II. alfred - 2. Kantana II.			
Magnetics	Mo	del Name	Sample	Date	Declinar (°)	tion		Angle (°)		trength T)
		IGRF200510		7/19/2007		8.00		60.85		49,415
Design	Plan #1						***		and the second	
Audit Notes:										
Audit Notes: Version:			Phase	:	PLAN	ті	e On Depth:		0.00	
	;	D	Phase epth From (TV (ft)		PLAN +N/-S (ft)	+	e On Depth: E/-W (ft)	Dire	0.00 ection (°)	
Version:	:	D	epth From (TV		+N/-S	+	E/-W	Dire	ection	
Version: Vertical Section Plan Sections Measured	inclination	D Azimuth (°)	epth From (TV (ft)		+N/-S (ft)	+	E/-W (ft)	Dire	ection (°)	Target
Version: Vertical Section Plan Sections Measured Depth	Inclination	Azimuth	epth From (TV (ft) 0.00 Vertical Depth	D) +N/-S	+N/-S (ft) 0.00 +E/-W	+ C Dogleg Rate	E/-W (ft) 0.00 Build Rate (°/100ft)	Diro 33 Turn Rate (°/100ft)	ection (°) 18.71 TFO	Target
Version: Vertical Section Plan Sections Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical (ft) (ft) (ft) (ft)	D) +N/-S (ft)	+N/-S (ft) 0.00 +E/-W (ft)	+ Dogleg Rate (°/100ft)	E/-W (ft) 0.00 Build Rate (°/100ft) 0.00 0.00	Dira 33 Turn Rate (°/100ft) 0 0.00	ection (°) 8.71 TFO (°)	Target

Chevron

## Scientific Drilling





Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well VGSAU #441
Company:	Chevron	TVD Reference:	WELL @ 0.00ft (Original Well Elev)
Project:	Lea County, NM (NAD 83 NME)	MD Reference:	WELL @ 0.00ft (Original Well Elev)
Site:	VGSAU #441	North Reference:	Grid
Weil:	VGSAU #441	Survey Calculation Method:	Minimum Curvature
Wellbore:	ОН	1	
Design:	Plan #1		

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#### Planned Survey

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Depth (ft)	Inclination (°)	Azimuth (°)	Depth (ft)	+N/-S (ft)	+E/-W (ft)	Section (ft)	Rate (°/100ft)	Rate (°/100ft)	Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NHL-VGSAU	#441								
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
8 5/8" Casing	9								
3,150.00	0.00	0.00	3,150.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP 3150' st	tart 2°/100'								
3,200.00	1.00	338.71	3,200.00	0.41	-0.16	0.44	2.00	2.00	0.00
3,300.00	3.00	338.71	3,299.93	3.66	-1.43	3.93	2.00	2.00	0.00
3,400.00	5.00	338.71	3,399,68	10.16	-3.96	10.90	2.00	2.00	0.00
3,435.77	5.72	338.71	3,435.29	13.27	-5.17	14.24	2.00	2.00	0.00
EOC hold 5.7	72°								
3,500,00	5.72	338.71	3,499.21	19.23	-7.49	20.64	0.00	0.00	0.00
3,600.00	5.72	338.71	3,598.71	28.51	-11.11	30.60	0.00	0.00	0.00
3,700.00	5.72	338.71	3,698.21	37.79	-14.73	40.55	0.00	0.00	0.00
3,800.00	5.72	338.71	3,797.72	47.07	-18.34	50.51	0.00	0.00	0.00
3,900.00	5.72	338.71	3,897.22	56.34	-21.96	60.47	0.00	0.00	0.00
4,000.00	5.72	338.71	3,996.72	65.62	-25.58	70.43	0.00	0.00	0.00
4,100.00	5.72	338.71	4,096.22	74.90	-29.19	80.39	0.00	0.00	0.00
4,200.00	5.72	338.71	4,195.73	84.18	-32.81	90.35	0.00	0.00	0.00
4,300.00	5.72	338.71	4,295.23	93.46	-36.43	100.31	0.00	0.00	0.00
4,400.00	5.72	338.71	4,394.73	102.74	-40.04	110.27	0.00	0.00	0.00
4,500.00	5.72	338.71	4,494.24	112.02	-43.66	120.22	0.00	0.00	0.00
4,600.00	5.72	338.71	4,593.74	121.30	-47.27	130.18	0.00	0.00	0.00
4,700.00	5.72	338.71	4,693.24	130.57	-50.89	140.14	0.00	0.00	0.00
4,800.00	5.72	338.71	4,792.74	139.85	-54.51	150.10	0.00	0.00	0.00
4,900.00	5.72	338.71	4,892.25	149.13	-58.12	160.06	0.00	0.00	0.00
5,000.00	5.72	338.71	4,991.75	158.41	-61.74	170.02	0.00	0.00	0.00
5,008.29	5.72	338.71	5,000.00	159.18	-62.04	170.84	0.00	0.00	0.00
PBHL-VGSA	U #441								

- hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
NHL-VGSAU #441 - plan misses by 180 - Rectangle (sides W			0.00 /D, 0.00 N, 0	169.18 .00 E)	-62.04	649,988.08	791,150.79	32° 47' 3.163 N	103° 31' 13.691 W
PBHL-VGSAU #441 - plan hits target - Circle (radius 50.00	0.00	0.07	5,000.00	159.18	-62.04	649,978.08	791,150.79	32° 47' 3.064 N	103° 31' 13.692 V

Measured	Vertical		Casing Hole
Depth	Depth		Diameter Diameter
(ft)	(ft)	Name	(ft) (ft)
3,100.00	3,100.00 8 5/8" Casing		8.62500 12.25000



3,150.00 3,435.77 3,150.00 3,435.29

## **Scientific Drilling**

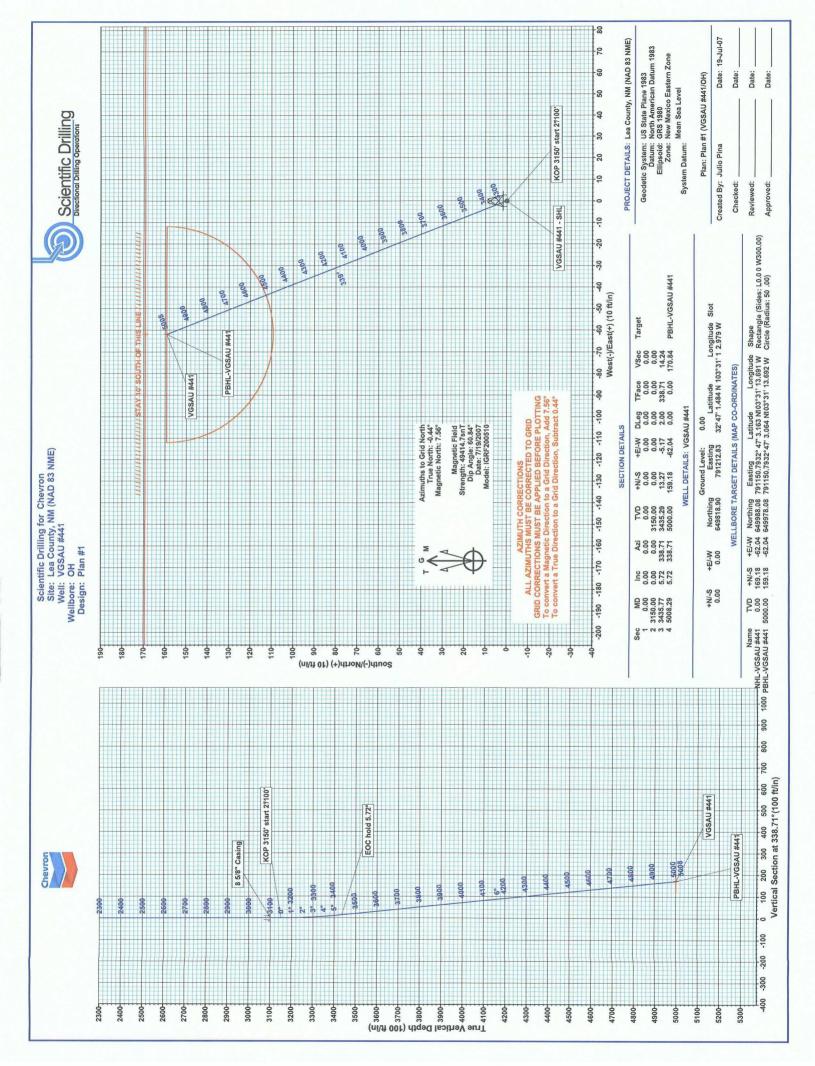
Planning Report



	Depth (ft)	Depth (ft)	+N/-S (ft)	+E/-W (ft)	Comment	
	Measured	Vertical	Local Co	ordinates		
Plan Annotati	ons			•••••		
Design:	, Plan #1			į		
Wellbore:	. OH			1		
Well:	VGSAU #44	11		Survey C	alculation Method:	Minimum Curvature
Site:	VGSAU #44	11		North Ret	ference:	Grid
Project:	Lea County	, NM (NAD 83 NM	ΛE)	MD Refer	ence:	WELL @ 0.00ft (Original Well Elev)
Company:	Chevron			TVD Refe	rence:	WELL @ 0.00ft (Original Well Elev)
Database:	EDM 2003.	16 Single User DI	0	Local Co	ordinate Reference:	Well VGSAU #441

0.00 -5.17

0.00 13.27 KOP 3150' start 2°/100' EOC hold 5.72°



## Brooks, David K., EMNRD

From: Jones, William V., EMNRD

Sent: Wednesday, February 20, 2008 3:36 PM

To: PEQUENO, DANIEL

Cc: Brooks, David K., EMNRD

Subject: RE: OLS-044246 - VGSAU Vertical Expansion & Lease Line Agreement - Lea County, NM

Daniel:

I copied this to David Brooks.

Injection applications are separate from NSL applications as you know and should be sent in under separate cover.

David Brooks handles NSLs and I am doing injection applications.

I do have a couple of packages on the VGSAU to evaluate and will try to get to them next week. I don't think they will be a problem.

Take Care,

William V. Jones PE New Mexico Oil Conservation Division 1220 South St. Francis Santa Fe, NM 87505 505-476-3448

From: PEQUENO, DANIEL [mailto:PEQD@chevron.com]
Sent: Wednesday, February 20, 2008 2:57 PM
To: PMartinez@slo.state.nm.us
Cc: Jones, William V., EMNRD
Subject: OLS-044246 - VGSAU Vertical Expansion & Lease Line Agreement - Lea County, NM

Mr. Martinez,

This is to acknowledge your telephone message of February 20, 2008, left on my answering machine advising of the following information:

1. State Land Office has granted premlimary approval to the Vertical Expansion for the Vacuum Grayburg San Andres Unit in Lea County, New Mexico as requested by our letter of January 31, 2008 along with all proper attachments.

2. State Land Office has also granted approval of the Amendment to Vacuum Area Cooperative Lease Line Agreement and approval of Chevron's plan to drill our Vacuum Grayburg San Andres Unit Well Nos. 405 & 412 as lease line producers between the Central Vacuum Unit and the Vacuum Grayburg San Andres Unit as requested by our letter of January 24, 2008.

## You further advised that final approval will be granted when the NMOCD approves the Order for the Vertical Expansion.

**Mr. Jones**, I don't know if your are handling the administrative approval for the NSL order for the lease line wells submitted as a package to Mr. Mark E. Fesmire by letter of January 28, 2008. Mr. Fesmire was also copied on

the Application for the Vertical Expansion of the Vacuum Grayburg San Andres Unit. If you are not handling this matter, please forward this E-mail to the proper authority in the NMOCD who is reviewing this matter.

Thank you both for your help regarding the above matters. If I can be of further assistance, please let me know by calling me at the listed below.

## Thanks, Daniel Pequeno, CPL/ESA Land Representative

## MidContinent/Alaska SBU

15 Smith Rd., RM-2235 Midland, Texas 79707 Tel 432 687 7461 Fax 432 687 7871 peqd@chevron.com

This inbound email has been scanned by the MessageLabs Email Security System.

## Brooks, David K., EMNRD

From: Brooks, David K., EMNRD

Sent: Thursday, February 21, 2008 4:55 PM

To: 'PEQD@chevron.com'

Cc: Jones, William V., EMNRD

Subject: Chevron Vacuum Grayburg San Andres Unit ## 131,145,438,439,440 and 441

#### Dear Mr. Pequeno:

I have reviewed the non-standard location applications for these wells and have the following observations:

- Simultaneous dedication approval is not required. It would not be required in any case except for the #405, because in all other cases, there will be no more than four wells in a 40-acre unit. However, I do not believe simultaneous dedication approval is required even for the #405, because the 4-wells per 40 acres limitation does not apply in an active secondary recovery unit. For the new injection wells, of course, injection permitting is required, and that will be handled separately. I will be processing the non-standard location applications.
- 2. Our notice rule requires notice of this application to all working interest owners in the Central Vacuum Unit, since Chevron is the operator of both units. You indicate that you have secured approval of the Lease Line Agreement by all of these working interest owners. However, you have not furnished their signed consents with your application, and only Chevron signed the agreement. We must either be furnished with ratifications of the Amendment to the Lease Line Agreement signed by all of the working interest owners, or with proof of notice to them of the filing of the NSL application.

Please contact me by phone or email if you have questions.

Sincerely

David K. Brooks 505-476-3450



MidContinent/Alaska BU North American Exploration and Production Company 15 Smith Road, RM-2235 Midland, Texas 79705 Tel 432 687 7461 Fax 432 687 7871 pegd@chevron.com

January 24, 2008

Mr. Pete Martinez State of New Mexico Commissioner of Public Lands P. O. Box 1148 Santa Fe, New Mexico 87504-1148

#### RE: REQUEST FOR APPROVAL OF AMENDMENT TO VACUUM AREA COOPERATIVE LEASE LINE AGREEMENT – VACUUM GRAYBURG SAN ANDRES UNIT & CENTRAL VACUUM UNIT - LEA COUNTY, NEW MEXICO (QLS-046074, 153177 & 044246)

Dear Mr. Martinez,

Chevron U.S.A. Inc. ("Chevron") is the Operator of the Vacuum Grayburg San Andres Unit and the Central Vacuum Unit in Lea County, New Mexico. Chevron hereby respectfully requests the State of New Mexico's approval of our plan to drill our Vacuum Grayburg San Andres Unit Well Nos. 405 and 412 as lease line producers between the Central Vacuum Unit and the Vacuum Grayburg San Andres Unit. For your convenience, I am enclosing the following documentation:

- 1. Original copy of the Amendment to Vacuum Area Cooperative Lease Line Agreement dated November 19, 2007, but Effective December 1, 2007;
- 2. Copies of the executed Ratifications for all the Royalty Owners in the Central Vacuum Unit; and
- 3. Copy of the **previously submitted** Vacuum Area Cooperative Lease Line Agreement dated March 1, 1996 for the originally approved and drilled VGSAU Well No. 159 located 572' FNL & 78' FEL of Section 1-18S-34E as lease line producer.

The legal description and locations of the both wells are contained in the Amendment noted in item 1 above. You will also note that the Amendment includes four (4) additional wells which are intended to be water injection wells, but which may initially flow hydrocarbons to the surface for a period of time. Therefore, Chevron has provided for the operation of these additional wells in said Amendment. Each Unit will be sharing equally in the production from these wells.

We estimate that the Vacuum Grayburg San Andres Unit Well Nos. 405 & 412 will produce 206,000 and 107,000 barrels of oil respectfully. The State of New Mexico is the sole owner of the royalty in the Vacuum Grayburg San Andres Unit and a royalty owner, among others, in the Central Vacuum Unit. As a royalty owner under both Units, the State of New Mexico would receive its proportionate part of any royalties from the production allocated to each Unit.



In accordance with Division Rule 104, Chevron will be requesting administrative approval of the unorthodox locations for all the wells from the New Mexico Oil Conservation Division simultaneously with this request. Therefore, we respectfully request the State of New Mexico's approval for the drilling of the above-mentioned lease line well producers at your earliest convenience.

If you have any questions regarding this matter, you may call me at (432) 687-7461.

Yours very truly, iel Bequeno Enclosures

DATE IN	SUSPEN	ISE	ENGINEER		ТҮРЕ	APP NO.			
			ABOVE	THIS LINE FOR DIVISION USE ONLY					
			- Engineerii	NSERVATION DI ng Bureau - ive, Santa Fe, NM 8	2 PEVE				
		Admin	ISTRATIVE	APPLICATIO	ON CHECK	LIST			
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE <b>Application Acronyms:</b> [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]									
]	TYPE OF A [A]		n - S <u>pa</u> cing Unit - Si	Which Apply for [A] multaneous Dedicatio SD					
	Checl [B]	-	v for [B] or [C] ngling - Storage - Me IC [] CTB []	easurement PLC PC	] OLS 🗌 C	РLM			
	[C]	Injection		re Increase - Enhance SWD [] IPI [	/	PPR			
	[D]	Other: S	Specify		<u> </u>	_			
]	NOTIFICAT [A]			ck Those Which App verriding Royalty Inte		t Apply			
	[B]	🕅 Off	fset Operators, Lease	holders or Surface O	wner				
	[C]	K Ap	plication is One Whi	ich Requires Publishe	ed Legal Notice				
	[D]	No U.S.	tification and/or Con Bureau of Land Management -	commissioner of Public Lands,	BLM or SLO State Land Office				
	[E]	X For	all of the above, Pro	oof of Notification or	Publication is A	ttached, and/or,			
	[F]	Wa	ivers are Attached						
-			AND COMPLETE		REQUIRED TO	O PROCESS THE TYPE			

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Signature PROJECT MANAGE 1/25/08 Title Date SCOTT M, INGRAM Print or Type Name -smin C chevron. com e-mail Address

Nancy Cayce Technical Assistant Permian Basin Mid-Continent Business Unit Chevron Corporation 15 Smith Rd. Midland, Texas 79705 Tel 432-687-7455 Fax 432-687-7871 cayn@chevron.com

January 22, 2008

### NEW DRILL – INJECTION WELLS LEA COUNTY, NEW MEXICO

Vacuum Grayburg San Andres Unit Offset Operators:

For your information as an offset operator, Chevron U.S.A., Inc. hereby gives notice of their intent to file an application with the New Mexico Oil Conservation Division to drill the following wells in Lea County, New Mexico:

Well #	Sec-Twn-Rnge	Unit Letter	Surface Location	Bottom Hole Location
131	2-18S-34E	G	2604.9' FNL & 2085' FEL	2630' FSL & 1980' FEL
145	2-18S-34E	C	1286.5' FNL & 1831.1' FWL	1310' FNL & 1980' FWL
438	1-18S-34E	A	10' FNL & 420' FEL	10' FNL & 670 FEL
439	1-18S-34E	B	634' FNL & 1632' FEL	10' FNL & 1980' FEL
440	1-18S-34E	C	100' FNL & 1980' FWL	same
441	1-18S-34E	A	170' FNL & 710' FWL	10' FNL & 650' FWL

Attached is an OCD Form C-108 with information relative to the water injection in the referenced wells. A copy of the legal notice to be posted in the Hobbs News-Sun is included. The enclosed map highlights the location of the subject wells in relation to your offset operations.

Sincerely,

Nancy Cayce Technical Assistant

Attachments

Nancy Cayce Technical Assistant Permian Basin Mid-Continent Business Unit Chevron Corporation 15 Smith Rd. Midland, Texas 79705 Tel 432-687-7455 Fax 432-687-7871 cayn@chevron.com

January 22, 2008

### APPLICATION FOR AUTHORIZATION TO INJECT OCD FORM C-108 VACUUM - GRAYBURG SAN ANDRES POOL LEA COUNTY, NEW MEXICO

State of New Mexico Energy and Minerals Dept. Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Attention: Mark E. Fesmire, P.E., Director

Chevron U.S.A., Inc. requests your approval of the subject application to inject water, produced gas and CO2 into the Vacuum Grayburg San Andres Unit wells listed below:

		Unit		
Well #	Sec-Twn-Rnge	Letter	Surface Location	Bottom Hole Location
131	2-18S-34E	G	2604.9' FNL & 2085' FEL	2630' FSL & 1980' FEL
145	2-18S-34E	С	1286.5' FNL & 1831.1' FWL	1310' FNL & 1980' FWL
438	1-18S-34E	А	10' FNL & 420' FEL	10' FNL & 670 FEL
439	1-18S-34E	В	634' FNL & 1632' FEL	10' FNL & 1980' FEL
440	1-18S-34E	С	100' FNL & 1980' FWL	same
441	1-18S-34E	А	170' FNL & 710' FWL	10' FNL & 650' FWL

Chevron plans to inject water, CO2, and produced gas into these newly drilled injection wells to enhance production of the VGSAU tertiary recovery project.

Attached is an OCD Form C-108 with information relative to the injection in the referenced wells. A copy of the letter sent to this project's surface land owner, the New Mexico Department of Public Lands, along with certified documentation is included in the attachments.

Your prompt consideration and approval of this application will be greatly appreciated. If additional information is required, please contact me at (432) 687-7455 or Scott Ingram, Sr. Staff Geologist at (432) 687-7212.

Sincerely,

Nancy Cayce

Attachments

#### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

.

#### Oil Conservation Division 1220 South Št. Francis Dr. Santa Fe, New Mexico 87505

## APPLICATION FOR AUTHORIZATION TO INJECT

	ATTECATION TO AUTHORIZATION TO INJECT
I.	PURPOSE:       X       Secondary Recovery       Pressure Maintenance       Disposal       Storage         Application qualifies for administrative approval?       X       Yes       No
II.	OPERATOR:Chevron U.S.A., Inc
	ADDRESS:15 Smith Rd., Midland, TX 79705
	CONTACT PARTY: Nancy CaycePHONE: _432-687-7455
III.	WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
IV.	Is this an expansion of an existing project? X Yes No If yes, give the Division order number authorizing the project: Order #R4442-B
V.	Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review. <b><u>ATTACHED</u></b>
VI.	Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
VII.	Attach data on the proposed operation, including:
	<ol> <li>Proposed average and maximum daily rate and volume of fluids to be injected;</li> <li>Whether the system is open or closed;</li> <li>Proposed average and maximum injection pressure;</li> <li>Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,</li> <li>If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).</li> </ol>
*VIII.	Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval. <u>ATTACHED</u>
IX.	Describe the proposed stimulation program, if any. <u>ATTACHED</u>
*X.	Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
*XI.	<u>Will be submitted as soon as received.</u> Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken. <u>Previously submitted</u>
XII.	Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
XIII.	Applicants must complete the "Proof of Notice" section on the reverse side of this form. <u>ATTACHED</u>
XIV.	Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
	NAME:Nancy CayceTITLE:Engineering Tech. Assistant
	SIGNATURE:DATE:
*	E-MAIL ADDRESS:cayn@chevron.com If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: SEE ATTACHMENT

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

#### Side 2

#### III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
  - (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
  - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
  - (3) A description of the tubing to be used including its size, lining material, and setting depth.
  - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well. **<u>ATTACHED</u>** 

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
  - (1) The name of the injection formation and, if applicable, the field or pool name.
  - (2) The injection interval and whether it is perforated or open-hole.
  - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
  - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
  - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any. ATTACHED

#### XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days. <u>ATTACHED</u>

# NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

Newspaper Legal Notice confirmation will be forwarded as soon as received.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

#### ATTACHMENT TO FORM C-108

#### **RE:** Vacuum Grayburg San Andres Unit #131, 145, 438, 439, 440, 441

- PART I Chevron Corporation plans to drill the above referenced wells as injection wells in the Grayburg San Andres formation.
- PART II Chevron Corporation 15 Smith Rd Midland, TX 79705
- PART III Well Data Sheets attached
- PART IV This is an expansion of an existing project. Order #R-4442-B
- PART V Map attached designating  $\frac{1}{2}$  mile and 2 mile radius of review area.
- PART VI Well tabulation and P&A Schematics are attached.
- PART VII 1) Anticipated injection rates could be as high as 3,000 barrels of water per day per well, or 10 million cubic feet of CO2 per day for each well.

2) This will be a closed system.

3) Water, produced gas & CO2 will be injected into the Grayburg San Andres pool of the Vacuum field. Water injection in each well will be at an expected maximum rate of 3,000 barrels of water per day and an expected maximum surface pressure of 1850 psi. CO2 and produced gas injection per well will be at an expected maximum rate of 10 MMCF per day and an expected maximum surface pressure of 1850 psi.

4,5) This data has been previously submitted under NMOCD Order No. R-4442 dated November 27, 1972 and amendment R-4442-A dated August 8, 2001.

- PART VIII This data has been previously submitted under NMOCD Order No. R-4442 dated November 27, 1972 and amendment R-4442-A dated August 8, 2001.
- PART IX The stimulation program will be ~8,000 gallons 15% HCL acid plus rock salt as a diverter.
- PART X Logs will be submitted as soon as possible after the well is drilled.

- PART XI This data has been previously submitted under NMOCD Order No. R-4442 dated November 27, 1972 and amendment R-4442-A dated August 8, 2001.
- PART XII Chevron Corporation has examined available geologic and engineering data and finds no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- PART XIII Copies of the OCD Form C-108, the Well Data Sheet and map have been sent to the offset operators and surface owner as per the listing below.

Marathon Oil Company 5555 San Felipe Road Houston, Texas 77056-2723 Chesapeake Energy Corporation P.O. Box 18496 Oklahoma City, OK 73154-0496 (405) 848-8000

Conoco Phillips 4001 Penbrook Odessa, TX 79762 McGowan Working Partners PO Box 55809 Jackson, MS 39296-5809

Mobil Producing TX & NM PO Box 1760 Denver City, TX 79323 806-592-7800

Surface Owner: State of New Mexico

A copy of the Legal Notice as published in the Hobbs News-Sun is attached to this filing. Certified copy will be forwarded as soon as it is received in this office.

Method Determined: \_Circulation \_ Method Determined: \_Circulation\_ Method Determined: Circulation\_ RANGE 34E\_\_\_\_ feet Casing Size: 11.75" Casing Size: 8.625" WELL CONSTRUCTION DATA Casing Size: 5.5" ft3 TOWNSHIP ff3 18S feet to 5000or\_\_ft<sup>3</sup> Intermediate Casing **Production** Casing Injection Interval Surface Casing or orSX. SX. SX. SECTION Top of Cement: \_\_\_\_\_Surface 14.75" Top of Cement: Surface\_ 7.875" Top of Cement: \_\_Surface\_ 385\_ 3902 Cemented with: \_935\_ Cemented with: \_960\_ 11" Total Depth: \_5200' Cemented with: Hole Size: Hole Size: UNIT LETTER Hole Size: Vacuum Grayburg San Andres Unit 438  $\checkmark$ Chevron U.S.A., Inc.\_ FOOTAGE LOCATION \_\_\_\_ 10' FNL 420' FEL X WELLBORE SCHEMATIC Packer @ 4000 Perfs @ 4200\*-5000' WELL NAME & NUMBER: Surface Casing 11 3/4" 385 [14 3/4\* 935 7 7/8" Intermediate Casing 8 5/8" Próduction Casing Size: 5 1/2" 960 5200' ÷ 350 WELL LOCATION: Sxs Cmt: Holë Size: Síze: Depth: SXs Cmt: Hole Síze: Hole Size: Sxs Cmt: Size: Depth: Depth. Size: **OPERATOR:** 

**INJECTION WELL DATA SHEET** 

Side 1

	<b>INJECTION WELL DATA SHEET</b>
Tu	Tubing Size: 2 3/8" Lining Material: Fiberglass
Ty	Type of Packer:10K Arrow Set 1X packer with on-off tool; nickel-plated
Pa	Packer Setting Depth: ~4000'
Oť	Other Type of Tubing/Casing Seal (if applicable):
	<u>Additional Data</u>
÷	Is this a new well drilled for injection? <u>X</u> Yes <u>No</u>
	If no, for what purpose was the well originally drilled?
5.	Name of the Injection Formation: Grayburg San Andres
3.	Name of Field or Pool (if applicable):Vacuum
4.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) usedNO
5.	Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
	Yates – 2800', Grayburg – 3990', San Andres – 4255', Glorieta – 5820', Blinebry – 6300', Drinkard – 7500', Abo – 7900', Wolfcamp – 9350', Canyon – 10,540', Strawn – 10,750', Atoka – 10,880', Morrow – 11,160', Mississippian – 11,300', Woodford – 12,000'

There are no known producing zones below the Devonian within the area of review

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OPERATOR:	Chevron U.S.A., Inc.		
WELL NAME & NUMBER:	Vacuum Grayburg San Andres Unit 439	ires Unit 439	
WELL LOCATION: 634' FNI FOOTAG	634' FNL 1632' FEL FOOTAGE LOCATION	B UNIT LETTER SECTION	N TOWNSHIP RANGE
WELLBORE SCHEMATIC	MATIC	<u>WE</u>	WELL CONSTRUCTION DATA Surface Casing
Surface Casing Size: 11.3/4" Depth: 350 Sve.Cmt 385		Hole Size:14.75"	Casing Size:11.75"
Hole Size 14 3/4"		Cemented with:385	_sx. <i>or</i> _ft <sup>3</sup>
Infermediate Casing Size: 8 5/8" Danth: 2800		Top of Cement:Surface	Method Determined: _Circulation_
	Z	Interr	Intermediate Casing
Production Casing. Size: 5 1/2" Depth: 5200"		Hole Size:11"	Casing Size:8.625"
1     12 12		Cemented with: _960	sx. <i>or</i> ft <sup>3</sup>
		Top of Cement:Surface	Method Determined: Circulation
		Prod	Production Casing
		Hole Size:7.875''	Casing Size: 5.5"
		Cemented with: _935	sx. orft <sup>3</sup>
Packer @ 4000		Top of Cement:Surface	Method Determined: _Circulation _
Perfs @ 4200'-5000'		Total Depth: _5200'	
		Inje	Injection Interval
		3902	feet to 5000 feet

**INJECTION WELL DATA SHEET** 

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Side 1

	INJECTION WELL DATA SHEET
Tu	Tubing Size: 2 3/8" Lining Material: Fiberglass
Ty	Type of Packer:10K Arrow Set 1X packer with on-off tool; nickel-plated
Pa(	Packer Setting Depth: ~4000'
Oť	Other Type of Tubing/Casing Seal (if applicable):
	Additional Data
1.	Is this a new well drilled for injection?
	If no, for what purpose was the well originally drilled?
7	Name of the Injection Formation: Grayburg San Andres
ю.	Name of Field or Pool (if applicable): Vacuum
4.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
5.	Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
	Yates – 2800', Grayburg – 3990', San Andres – 4255', Glorieta – 5820', Blinebry – 6300', Drinkard – 7500', Abo – 7900', Wolfcamp – 9350', Canyon – 10,540', Strawn – 10,750', Atoka – 10,880', Morrow – 11,160', Mississippian – 11,300', Woodford – 12,000'

There are no known producing zones below the Devonian within the area of review

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Method Determined: \_Circulation \_ Method Determined: \_Circulation\_ Method Determined: Circulation\_ RANGE 34E feet Casing Size: 11.75" Casing Size: 8.625" WELL CONSTRUCTION DATA Casing Size: 5.5" ff3 TOWNSHIP  $\mathrm{ft}^3$ 18S  $or_{--}^{--}$ ft<sup>3</sup> feet to 5000 Intermediate Casing **Production Casing** Injection Interval Surface Casing 0r orsx. SX. SECTION SX. Surface Top of Cement: \_\_Surface\_ Top of Cement: \_\_\_\_Surface\_\_ 7.875" 385 14.75" 3902 Cemented with: \_935\_ Cemented with: \_960\_ Total Depth: 5200' Hole Size: \_\_\_\_11"\_\_ Top of Cement: Cemented with: UNIT LETTER Hole Size: Hole Size: Vacuum Grayburg San Andres Unit 440 C Chevron U.S.A., Inc. FOOTAGE LOCATION 100" FNL 1980' FEL WELLBORE SCHEMATIC Packer @ 4000 Perfs @ 4200'-5000' WELL NAME & NUMBER: 11 3/4" Intermediate Casing 935 7 7/8" 385 14 3/4 8,2/3, 5200 2800 960 Production Casing Surface Casing WELL LOCATION: Size: Depth: Sxs Cmt: Hole Size: Hole Size: Hole Size: Depth: Sxs Cmt: Sxs, Cmt. Depth: Size: Size: **OPERATOR:** 

**INJECTION WELL DATA SHEET** 

Side 1

<b>INJECTION WELL DATA SHEET</b>	Tubing Size: 2 3/8" Lining Material: Fiberglass	Type of Packer:10K Arrow Set 1X packer with on-off tool; nickel-plated	Packer Setting Depth: ~4000'	Other Type of Tubing/Casing Seal (if applicable):	<u>Additional Data</u>	Is this a new well drilled for injection?	If no, for what purpose was the well originally drilled?	Name of the Injection Formation: Grayburg San Andres	Name of Field or Pool (if applicable): Vacuum	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. NO	Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:	Yates – 2800', Grayburg – 3990', San Andres – 4255', Glorieta – 5820', Blinebry – 6300', Drinkard – 7500', Abo – 7900', Wolfcamp – 9350', Canyon – 10,540', Strawn – 10,750', Atoka – 10,880', Morrow – 11,160', Mississippian – 11,300', Woodford – 12,000'
	Tul	Ту	Рас	Otl		1.		2.	ы.	4.	5.	

There are no known producing zones below the Devonian within the area of review

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Method Determined: Circulation\_\_\_\_ Method Determined: \_Circulation \_ Method Determined: \_Circulation\_ RANGE 34E feet Casing Size: 11.75" Casing Size: 8.625" WELL CONSTRUCTION DATA Casing Size: 5.5"  $\mathrm{ft}^3$ TOWNSHIP ft3 18S  $or_{--}ft^3$ feet to 5000 Intermediate Casing **Production Casing** Injection Interval Surface Casing or or SX. SX. SX. SECTION Surface 14.75" Top of Cement: \_\_\_\_Surface\_\_ 7.875" 385 Top of Cement: \_\_Surface\_ 3902 Cemented with: \_960\_ Cemented with: \_935\_ 11" Total Depth: 5200' Top of Cement: \_ Cemented with: Hole Size: Hole Size: UNIT LETTER Hole Size: Vacuum Grayburg San Andres Unit 441 Chevron U.S.A., Inc.\_ FOOTAGE LOCATION 170' FNL 710' FWL WELLBORE SCHEMATIC Packer @ 4000 Perfs @ 4200 5000 WELL NAME & NUMBER: Surface Casing 11.3/4\_ 7 7/8" 14 3/4 Intermediate Casing WELL LOCATION: 8 5/8 2800 960 14 5200 935 Production Casing 350 Sxs Critt: Hole Size: Depth: Sxs Cmt: Hole Size: Depth: Sxs.Cmt: Hole Size: Depth: Size: **OPERATOR:** Size:

**INJECTION WELL DATA SHEET** 

Side 1

Tubing Size:       2 3/8"
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There are no known producing zones below the Devonian within the area of review

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Nancy Cayce Technical Assistant Permian Basin Mid-Continent Business Unit Chevron Corporation 15 Smith Rd. Midland, Texas 79705 Tel 432-687-7455 Fax 432-687-7871 cayn@chevron.com

January 22, 2008

REQUEST TO PUBLISH LEGAL NOTICE Vacuum Grayburg San Andres Unit #131, 145, 438, 439, 440, 441 Hobbs News-Sun 201 N. Thorp Hobbs, NM 88240

Attention: Classified Department

Chevron U.S.A., Inc. requests that you publish the attached notice in your newspaper, one time only, as soon as possible.

Please mail the invoice for this legal notice to the letterhead address above, attention: Nancy Cayce, Room 2237. Please attach a copy of the notice as it was published in your newspaper and an affidavit certifying publication of the attached notice and the date of publication.

Your prompt assistance in this matter will be greatly appreciated. Questions may be directed to me at (432) 687-7455.

Sincerely,

Nancy Cayce Technical Assistant

Attachment

#### Legal Notice

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Chevron U.S.A., Inc. has applied to the Oil Conservation Division of the State of New Mexico for approval to drill and complete the Vacuum Grayburg San Andres Unit #131, 145, 438, 439, 440, and 441 as injection wells. Injection into these wells is designed to enhance production from the Vacuum Grayburg San Andres Unit. These wells are in the following locations in Lea County, New Mexico:

		Unit		
Well #	Sec-Twn-Rnge	Letter	Surface Location	Bottom Hole Location
131	2-18S-34E	G	2604.9' FNL & 2085' FEL	2630' FSL & 1980' FEL
145	2-18S-34E	С	1286.5' FNL & 1831.1' FWL	1310' FNL & 1980' FWL
438	1-18S-34E	А	10' FNL & 420' FEL	10' FNL & 670 FEL
439	1-18S-34E	В	634' FNL & 1632' FEL	10' FNL & 1980' FEL
440	1-18S-34E	С	100' FNL & 1980' FWL	same
441	1-18S-34E	А	170' FNL & 710' FWL	10' FNL & 650' FWL

Water, produced gas & CO2 will be injected into the Grayburg San Andres pool of the Vacuum field. Water injection in each well will be at an expected maximum rate of 3,000 barrels of water per day and an expected maximum surface pressure of 1850 psi. CO2 and produced gas injection per well will be at an expected maximum rate of 10 MMCF per day and an expected maximum surface pressure of 1850 psi. Persons wanting to contact Chevron U.S.A. should direct their inquiries to Nancy Cayce, Chevron U.S.A., 15 Smith Road, Midland, TX 79705; telephone (432) 687-7455.

Interested Parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505, within 15 days of this notice.