

July 14, 1998



Administrative Application
Salt Water Disposal Well
South Black River Field
Murchison 2 State #4
660' FNL & 330' FEL
Section 2, T25S, R26E
Eddy County, New Mexico

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Oil Conservation Division
State of New Mexico
Post office Box 2088
Santa Fe, New Mexico 87501

Mr. Ben Stone:

As per our phone conversation please find attached copies of the return receipts. These receipts serve as proof of notice as outlined in form C-108. This notice is part of the application for disposal on the Murchison 2 State #4.

Chevron plans to convert the Murchison 2 State #4 from Shut-in status to active injection in order to dispose of produced salt water into the Delaware-Bell Canyon formation, South Black River Pool. Legal location of said well is 660' FNL & 330' FEL, Unit A, Section 2, Township 25S, Range 26E, Eddy County, New Mexico.

If you have any questions, please contact Greg Roberts at (915) 687-7766.

Sincerely,

A handwritten signature in cursive script that reads "Greg Roberts".

Greg Roberts
Petroleum Engineer.

SENDER: Re: Murchison 2-44
I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
STATE OF NEW MEXICO
ENERGY, MINERALS & NATURAL RES. DEPT.
OIL CONSERVATION DIVISION
2040 S PACHECO
SANTA FE NEW MEXICO 87505

4a. Article Number
P 497 455 121

4b. Service Type
☐ Registered
☐ Express Mail
☐ Return Receipt for Merchandise
☐ COD

7. Date of Delivery
7/9/98

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)
G. Byrnes

6. Signature: (Addressee or Agent)
X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

SENDER: Re: Murchison 2-44
I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
State of New Mexico
State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

4a. Article Number
P 497 455 120

4b. Service Type
☒ Registered
☐ Express Mail
☐ Return Receipt for Merchandise
☐ COD

7. Date of Delivery
7/9/98

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)
G. Byrnes

6. Signature: (Addressee or Agent)
X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

SENDER: Re: Murchison 2-44
I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
Hamon Operating Co.
8411 Preston Rd. Ste 800
Dallas TX 75225

4a. Article Number
P 497 455 117

4b. Service Type
☐ Registered
☐ Express Mail
☐ Return Receipt for Merchandise
☐ COD

7. Date of Delivery
7-8-98

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

SENDER: Re: Murchison 2-44
I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
Murchison Oil & Gas
1445 Ross Ave, Ste 5300
Dallas TX 75202-2807

4a. Article Number
P 497 455 116

4b. Service Type
☐ Registered
☐ Express Mail
☐ Return Receipt for Merchandise
☐ COD

7. Date of Delivery
7-8-98

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

Is your RETURN (marked on the reverse side)?

SENDER: Pe: Murchison 274

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

OIL CONSERVATION DIVISION
DISTRICT II
811 S. 1ST STREET
ARTESIA, NEW MEXICO 88210

4a. Article Number

497 455 119

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

7-8-98

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X M. M. M. M.

8. Addressee's Address (Only if requested and fee is paid)

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

Consult postmaster for fee.

Thank you for using Return Receipt Service.

PS Form 3811, December 1994 Domestic Return Receipt

July 28, 1998



Administrative Application

Salt Water Disposal Well

South Black River Field

Murchison 2 State #4

660' FNL & 330' FEL

Section 2, T25S, R26E

Eddy County, New Mexico

Chevron U.S.A. Production Company

P.O. Box 1150

Midland, TX 79702

Oil Conservation Division

State of New Mexico

Post office Box 2088

Santa Fe, New Mexico 87501

Mr. Ben Stone:

After discussions with Mr. Mike Dougherty of Murchison Oil & Gas to address his concerns, Chevron proposes to amend the proposed injection interval for the proposed well. The proposed change will serve to protect a possible hydrocarbon zone in the upper Bell Canyon. The amended injection interval should now be 2340' to 2700'. This new interval was mutually agreed upon by Murchison Oil & Gas and Chevron.

Chevron plans to convert the Murchison 2 State #4 from Shut-in status to active injection in order to dispose of produced salt water into the Delaware-Bell Canyon formation, South Black River Pool. Legal location of said well is 660' FNL & 330' FEL, Unit A, Section 2, Township 25S, Range 26E, Eddy County, New Mexico.

If you have any questions, please contact Greg Roberts at (915) 687-7766.

Sincerely,

A handwritten signature in cursive script that reads "Gregory Roberts".

Gregory Roberts

Petroleum Engineer

cc. - Murchison Oil & Gas (attention Mr. Mike Dougherty)