

ChevronTexaco
Permian BU
15 Smith Rd
Midland, TX 79705
Tel 915 687 7212
Fax 915 687 7905
scottingram@chevrontexaco.com

Scott Ingram
Technical Team Leader
Carlsbad Asset Team

WJ 023 1951948 NA 11/15/02

November 15, 2002

ChevronTexaco

Mr. Richard Ezeanyim
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request for Administrative Approval
Unorthodox Gas Well Location
Skelly Unit #950
973' FNL & 2226' FWL, Unit C
Section 28, T17S, R31E
Eddy County, New Mexico

Dear Mr. Ezeanyim,

ChevronTexaco respectfully requests NMOCD administrative approval for a non-standard location for a 320 acre gas proration unit, consisting of the N/2 of Section 28, T17S, R31E, Eddy County, N.M.

This SU #950 well was originally permitted at a location 1650' FNL & 660' FWL Section 28, T17S, R31E (copy attached). It became necessary to move the location to the northeast to reduce reservoir risk after incorporating into our subsurface interpretations new subsurface data acquired through the recent drilling of an offset well. Several attempts were made to re-stake the well at a location which reduced the reservoir risk, based on the revised interpretation, and avoided area pipelines, existing wells, a drainage draw and a rather large arch site in the vicinity. These attempts included locations at 660' FNL & 1650' FWL, 810' FNL & 1650' FWL, 1210' FNL & 1650' FWL, and 1260' FNL & 1650' FWL. These locations all proved unacceptable due to pipelines, topography, or archaeological considerations, therefore it became necessary to stake the well at the unorthodox location referenced above. This location is unorthodox as it encroaches by 246' on an internal quarter section line.

Because this unorthodox location encroaches only ChevronTexaco operated acreage, there are no "affected persons" associated with this request. Furthermore, since ChevronTexaco, et al, own all leasehold rights below the San Andres formation in the N/2 of Section 28 (common ownership in entire N/2 of Section 28), correlative rights will be protected for any future uphole recompletion attempts in this wellbore.

Please refer to the attached C-102 plat and maps for supporting data to this request.

Thank you for your consideration of this proposal. If you have any questions concerning this application, please contact Darrell Carriger at (915) 687-7356 or Scott Ingram at (915) 687-7212.

Sincerely,


Scott M. Ingram
Technical Team Leader / Geologist

/Attachments

Form C-102
Revised February 10, 1964
Submit to Appropriate District Office
State Leads - 4 Copies
FAN Leads - 3 Copies

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

GEODEIC COORDINATES

NAD 27 NME
Y = 658893.7
X = 640871.8
LAT. = 32°48'38.00"N
LONG. = 103°52'31.72"W

OPERATOR CERTIFICATION

I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.

Denise Leake
Signature
DENISE LEAKE
Printed Name
Regulatory Specialist
Title
11-12-02
Date

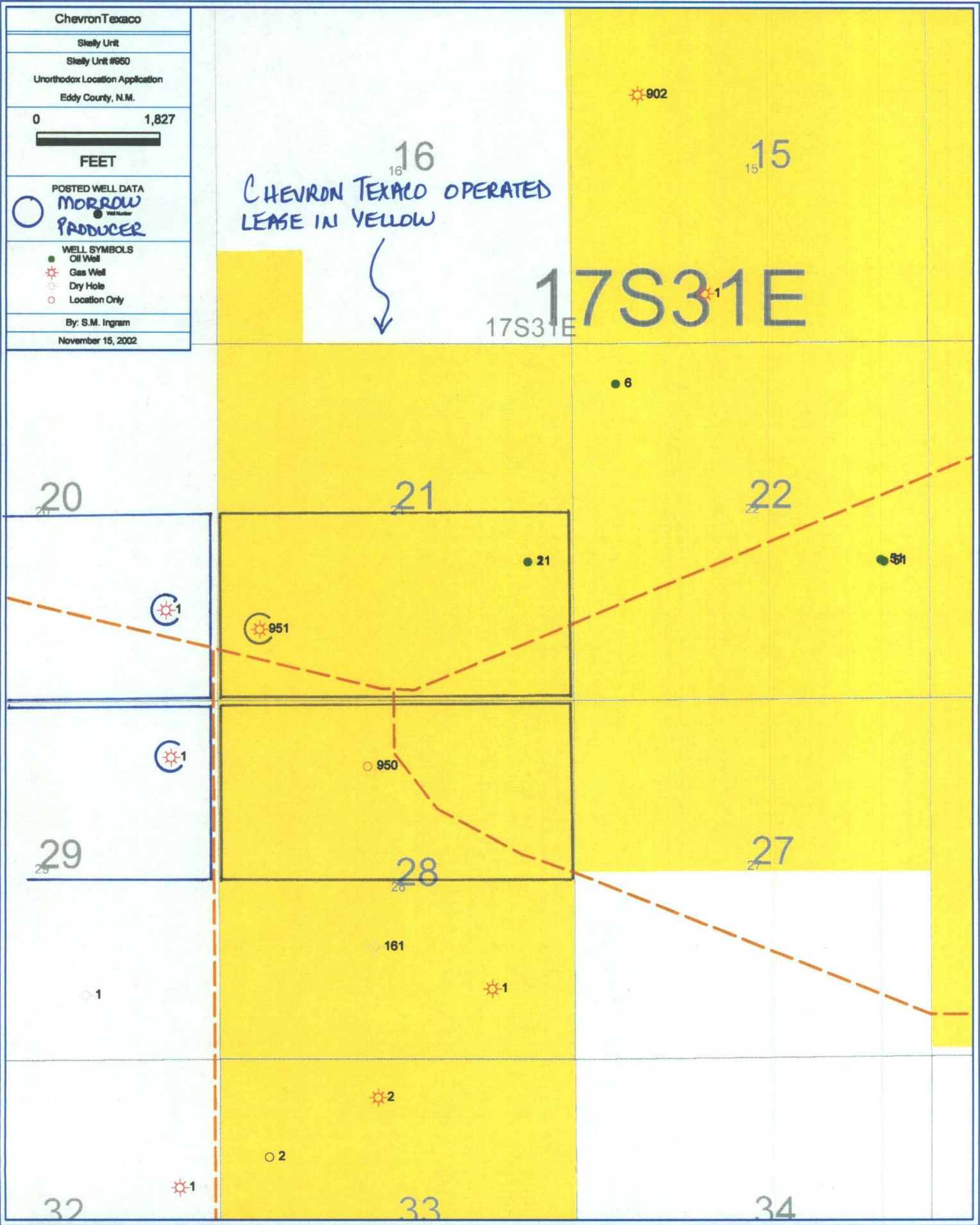
SURVEYOR CERTIFICATION

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.

NOVEMBER 06, 2002

Date Surveyed _____
Signature *Ronald E. Hudson*
Professional Surveyor
RONALD E. HUDSON
NEW MEXICO
Survey No. **108102**
Exp. Date **02.1.08**
Certified Professional Surveyor
No. **3390**
License No. **12843**

DLV J023/957948



**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

Ref no: HI 1842

b. TYPE OF WELL

OIL WELL ☐

Gas Well ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Mack Energy Corporation

3. ADDRESS AND TELEPHONE NO.

P.O. Box 960, Artesia, NM 88211-0960

(505) 748-1288

4. LOCATION OF WELL (Report location clearly and in accordance with any state requirement.)

At surface

1650 FNL & 660 FWL

At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.

NM-98122

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Skelly Unit #950

9. API WELL NO.

30-015-32437

10. FIELD AND POOL, OR WILDCAT

Morrow

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec 28-T17S-R31E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

6 miles east of Loco Hills Post Office

12. COUNTY OR PARISH

Eddy

13. STATE

NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

660

16. NO. OF ACRES IN LEASE

4160

17. NO. OF ACRES IN LEASE TO THIS WELL

320

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.

330

19. PROPOSED DEPTH

12,200'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3761' GR

Kuswell Controlled Water Basin

22. APPROX. DATE WORK WILL START*

8/17/02

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	J-55, 13 3/8	48	400	Circ
12 1/4	J-55, 8 5/8	32	4500	Sufficient to Circ
7 7/8	S-95 & N-80, 5 1/2	17	12,200	Sufficient to Circ

Mack Energy proposes to drill to a depth sufficient to test the Morrow Formation for gas. If productive, 5 1/2" casing will be cemented. If non-productive, plugging and abandoning in a manor consistent with federal regulation. Specific programs as per Onshore Oil and Gas Order #1 are outlined in the following attachments:

1. Surveys

Exhibit #1- Well Location Plat
Exhibit #2- Vicinity Map
Exhibit #3- Location Verification Map

4. Certification

5. Hydrogen Sulfide Drilling Operation Plan

Exhibit #7- H2S Warning Sign
Exhibit #8- H2S Safety Equipment

7. Responsibility Statement

2. Drilling Program

3. Surface Use & Operating Plan

Exhibit #4- One Mile Radius Map
Exhibit #5- Production Facilities Layout
Exhibit #6- Location Layout

6. Blowout Preventers

Exhibit #9- BOPE Schematic
Exhibit #10- Blowout Preventer Requirements
Exhibit #11- Choke Manifold

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Chris D. Cole* TITLE Production Analyst

DATE 7/22/02

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

SEP - 4 2002

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Joey Y. Lara

Acting

FIELD MANAGER

DATE

8/30/02

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

NM-98122

6. If Indian, Allotment or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Mack Energy Corporation

3. Address and Telephone No.

P.O. Box 960, Artesia, NM 88211-0960

(505)748-1288

4. Location of Well (Footage, Sec., T. R., M. or Survey Description)

1650 FNL & 660 FWL, Sec. 28, T17S R31E, E

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Skelly Unit #950

9. API Well No.

10. Field and Pool, or Exploratory Area

Morrow

11. County or Parish, State

Eddy, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐
- Notice of Intent
-
- ☒
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- ☐
- Abandonment
-
- ☐
- Recompletion
-
- ☐
- Plugging Back
-
- ☐
- Casing Repair
-
- ☐
- Altering Casing
-
- ☒
- Other
- Change Operator

- ☐
- Change of Plans
-
- ☐
- New Construction
-
- ☐
- Non-Routine Fracturing
-
- ☐
- Water Shut-Off
-
- ☐
- Conversion to Injection
-
- ☐
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Mack Energy Corporation respectfully request a change of operator on the Skelly Unit #950 from Mack Energy Corporation to ChevronTexaco E & P Inc.

14. I hereby certify that the foregoing is true and correct

Signed

Max D. Cat

Title

Production Analyst

Date

8/20/02

(This space for Federal or State office use)

Approved by

Alexis C. Swoboda

PETROLEUM ENGINEER

Conditions of approval, if any:

Date

SEP 30 2002

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

TRANSACTION REPORT

P. 01

NOV-15-2002 FRI 09:55 AM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
NOV-15	09:54 AM	+9156877905	1'34"	6	RECEIVE	OK		

Cedar Lake - narrow (Eoz 74560)
 East Cedar Lake - narrow (Eoz 74605)
 North " " " " 74600

TRANSACTION REPORT

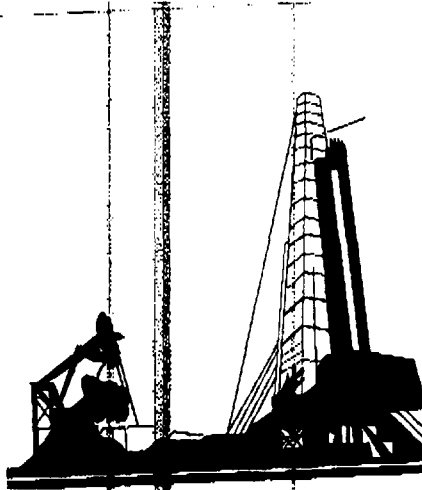
P. 01

NOV-15-2002 FRI 02:46 PM

FOR:

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
NOV-15	02:45 PM	919156877905	29"	2	SEND	OK	922	

TOTAL : 29S PAGES: 2



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3440
(505) 476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO:

SCOTT INGRAM - CHEVRON TEXACO

FROM:

WILL JONES - NM OCD SANTA FE