

State of New Mexico
Energy and Minerals Department
Oil Conservation Division

COUNTY OF OKLAHOMA)

STATE OF OKLAHOMA)

BEFORE ME, I, _____ COUNTY, _____ Kern McGee EXPIRATION DATE 24 C.O.D. 9682, 9683

Affidavit of Mailing

The undersigned hereby certifies that on this 20th day of April, 1989, he sent copies of the attached Application for Authorization to Inject by certified U. S. Mail, return receipt requested, to the parties listed below:

Surface Owners

Paul Davis, Thomas E. Davis, Jr., Marqurete S. Davis and Thomas H. Davis,
trustees for H. H. and Margurete S. Davis Trust dated 6/16/87
South Star Route
Elida, NM 88116

Finus M. and Laura J. Tucker Revocable Trust
United New Mexico Trust Co.
P. O. Box 1927
Roswell, NM 88201

Leasehold Operators Within One-Half Mile

Murphy Operating Co.
P. O. Box 2648
Roswell, New Mexico 88202-2648
Attn: Ann Murphy Ezzell

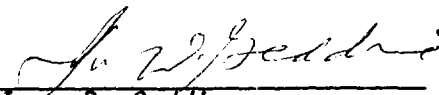
Fina Oil and Chemical Company
1004 N. Big Spring Street
Suite 400
P. O. Box 2990
Midland, TX 79701

Yates Petroleum Corporation
Yates Building
207 South Fourth
Artesia, NM 88210

Bristol Resources Corporation
3601 East 51st St.
Suites B&C
Tulsa, OK 74136
Attn: Mr. Bob Key

Warren American Oil Company
P. O. Box 971
Midland, TX 79702
Attn: Mr. James A. O'Neill


Marathon Oil Company
P. O. Box 552
125 West Missouri Street
Midland, TX 79702


Ivan D. Geddie
T-25C McGee Tower
P. O. Box 25861
Oklahoma City, OK 73125
Tel: (405) 270-2124

Sworn to before me, a Notary Public, this 20th day of April, 1989.

My commission expires:

4-13-93


Notary Public in and for
Oklahoma County, Oklahoma

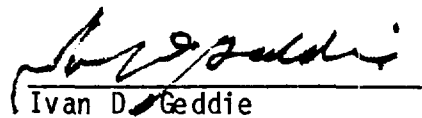
State of New Mexico
Energy and Minerals Department
Oil Conservation Division

County of Oklahoma)
)
State of Oklahoma)

Affidavit of Mailing

The undersigned hereby certifies that on May 12, 1989, he sent a copy of the K-M Chaveroo San Andres Application for Authorization to Inject by certified U. S. Mail, return receipt requested, to the additional party listed below:

Texaco, Inc.
P. O. Box 3109
Midland, TX 79702


Ivan D. Geddie
T-25C McGee Tower
P. O. Box 25861
Oklahoma City, OK 73125
Tel: (405) 270-2124

Sworn to before me, a Notary Public, this 23rd day of May, 1989.


Notary Public in and for
Oklahoma County, Oklahoma

My Commission Expires:

4-13-93

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF KERR MCGEE CORPORATION
FOR WATERFLOOD PROJECT
CHAVES COUNTY, NEW MEXICO


CASE NO. 9683

CERTIFICATE OF MAILING

AND

COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on May 1, 1989, I caused to be mailed by certified mail-return receipt requested, a notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for June 7, 1989 to the parties shown in the Application evidenced by the attached Exhibit A. .


KAREN AUBREY

SUBSCRIBED AND SWORN TO before me this 5th day of June, 1989 by Karen Aubrey, attorney for the applicant.


Notary Public

My Commission Expires:

March 3, 1993

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe
Post Office Box 2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

Santa Fe, New Mexico 87504-2265

May 1, 1989

RECEIVED

MAY 2 1989

OIL CONSERVATION DIVISION

HAND DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application of Kerr McGee Corporation for Waterflood
Project, Chaves County, New Mexico

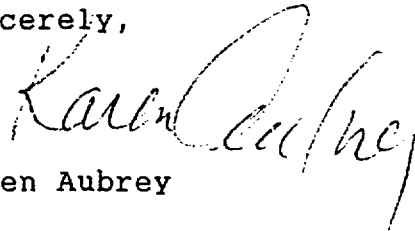
Dear Mr. LeMay:

Enclosed are the original and one copy of Oil Conservation Division Form C-108 and attachments which constitutes the application of Kerr McGee Corporation for a Waterflood Project, Chaves County, New Mexico.

We would appreciate it if you would set this application for hearing before the Division's Examiner on May 24, 1989.

Copies of the Form C-108 were sent by certified mail to the surface owners and leasehold operators within one-half mile on April 20, 1989. By copy of this letter, sent certified mail, we are notifying the surface owners and leasehold operators of our request for a hearing on May 24, 1989.

Sincerely,



Karen Aubrey

KA/rs
Encl.

cc: Ivan Geddie
Kerr McGee Corporation

KELLAHIN, KELLAHIN and AUBREY

Mr. William J. LeMay
May 1, 1989
Page 2

CERTIFIED MAIL RETURN RECEIPT REQUESTED:

w/encl:

Floyd Prondo
State Land Office, with C-108

w/o encl:

Paul Davis, Thomas E. Davis, Jr., Margurete S. Davis
and Thomas H. Davis, trustees for H.H. and Mar-
gurete S. Davis Trust dated 6/16/87

Finus M. and Laura J. Tucker Revocable Trust
United New Mexico Trust Company

Murphy Operating Company

Fina Oil and Chemical Company

Yates Petroleum Corporation

Bristol Resources Corporation

Warren American Oil Company

Marathon Oil Company

RECEIVED

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☒ Secondary Recovery ☐ Pressure Maintenance ☐ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ yes ☒ no

OIL CONSERVATION DIVISION

II. Operator: KERR-MCGEE CORPORATION

Address: P. O. BOX 25861, OKLAHOMA CITY, OKLAHOMA 73125

Contact party: R. J. QUANCE

Phone: (405) 848-9750

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? ☐ yes ☒ no
If yes, give the Division order number authorizing the project _____

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.

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, data 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:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. 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.).

VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological 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 source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

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. 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.

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 source of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

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: R. J. QUANCE

Title: SENIOR STAFF ENGINEER

Signature: [Signature]

Date: APRIL 1, 1989

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.
1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Warren Amer. Oil Co P.O. Box 971 Midland, TX 79702 Attn: Mr. James A. O'Neill	4. Article Number P 484 051 619 Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. 8. Addressee's Address (ONLY if requested and fee paid) <i>See not paid</i>
5. Signature — Address <input checked="" type="checkbox"/>	6. Signature — Agent <i>James A. O'Neill</i>
7. Date of Delivery MAY - 4 1989	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGee/Waterflood Project Chaves County

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.
1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Margarete S. Davis South Star Route Elida, NM 89116	4. Article Number P 484 051 622 Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. 8. Addressee's Address (ONLY if requested and fee paid)
5. Signature — Address <input checked="" type="checkbox"/>	6. Signature — Agent <i>Margarete S. Davis</i>
7. Date of Delivery MAY 8 1989	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.
1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Marathon Oil Company P.O. Box 552 Midland, Texas 79702	4. Article Number P 484 051 620 Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. 8. Addressee's Address (ONLY if requested and fee paid)
5. Signature — Address <input checked="" type="checkbox"/>	6. Signature — Agent <i>Don Marcoe</i>
7. Date of Delivery MAY 8 1989	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGee/Waterflood Proj Chaves Co

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.
1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Paul Davis South Star Route Elida, NM 88116	4. Article Number P 484 051 621 Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. 8. Addressee's Address (ONLY if requested and fee paid)
5. Signature — Address <input checked="" type="checkbox"/>	6. Signature — Agent <input checked="" type="checkbox"/>
7. Date of Delivery	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGee/Waterflood Proj.

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Floyd Prondo State Land Office P.O. Box 1148 Santa Fe, NM 87504-1148	4. Article Number P 484 051 613
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
8. Addressee's Address (ONLY if requested and fee paid)	
5. Signature — Address X <i>Mike L</i>	
6. Signature — Agent X	
7. Date of Delivery MAY 3 1989	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGee/Waterflood Proj-Chaves Co

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

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1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Yates Petroleum Corp. Yates Building 207 S. 4th Street Artesia, NM 88210	4. Article Number P 494- 051-617
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
8. Addressee's Address (ONLY if requested and fee paid)	
5. Signature — Address X <i>Cy</i>	
6. Signature — Agent X	
7. Date of Delivery 5/3/89	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Fina Oil & Chemical Co. P.O. Box 2990 Midland, TX 70701	4. Article Number P 484-051-616
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
8. Addressee's Address (ONLY if requested and fee paid)	
5. Signature — Address X	
6. Signature — Agent X <i>KA/Kerr McGee</i>	
7. Date of Delivery MAY - 4 1989	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGee/Waterflood Project-Chaves

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Bristol Resources Corp 3601 East 51st St Suites B & C Tulsa, OK 74136 Attn: Bob Key	4. Article Number P 484 051 618
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
8. Addressee's Address (ONLY if requested and fee paid)	
5. Signature — Address X	
6. Signature — Agent X <i>KA/Kerr McGee</i>	
7. Date of Delivery 5-4-89	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.
1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Thomas E. Davis, South Star Route HC 60 Box 45 Elida, NM 88116		4. Article Number P 484 051 624
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		<input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.		
5. Signature — Address <i>Thomas E. Davis</i>		8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <i>[Signature]</i>		
7. Date of Delivery 05-04-89		

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGEE/Waterflood Proj-Chaves CO

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.
1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Murphy Operating Company P.O. Box 2648 Roswell, NM 88202 ATTN: Ann Murphy Ezzel		4. Article Number P 484 051 615
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		<input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.		
5. Signature — Address <i>Ann Murphy Ezzel</i>		8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <i>[Signature]</i>		
7. Date of Delivery 5-3-89		

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.
1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Thomas E. Davis South Star Route HC 60 Box 45 Elida, NM 88116		4. Article Number P 484 051 623
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		<input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.		
5. Signature — Address <i>Thomas E. Davis</i>		8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <i>[Signature]</i>		
7. Date of Delivery 05-04-89		

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGEE/Unit

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.
1. ☐ Show to whom delivered, date, and addressee's address. 2. ☒ Restricted Delivery (Extra charge)

3. Article Addressed to: Finns & Taira Trucking United New Mexico Bank P.O. Box 1927 Roswell, NM 88201		4. Article Number P 155 278 614
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		<input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.		
5. Signature — Address <i>[Signature]</i>		8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <i>[Signature]</i>		
7. Date of Delivery 5 May 89		

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

1. SENDER: Complete items 1, and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO:" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available: Consult postmaster for fees and check box(es) for additional service(s) requested.
1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
Finis A. Vavra, Tucker Trust
United New Mexico Bank
P.O. Box 1927
Roswell, NM 88201

4. Article Number
P 155 278 614

Type of Service:
☒ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee of agent and DATE DELIVERED

5. Signature of Agent
X *Finis A. Vavra*

6. Date of Delivery
5 May 89

7. Addressee's Address (ONLY if requested and fee paid)
*Bob
1917*

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF KERR MCGEE CORPORATION
FOR STATUTORY UNITIZATION
CHAVES COUNTY, NEW MEXICO

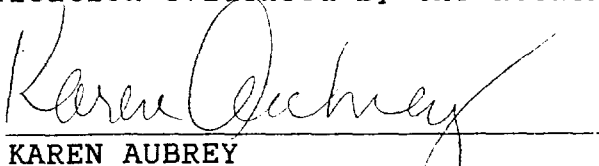
CASE NO. 9682

CERTIFICATE OF MAILING

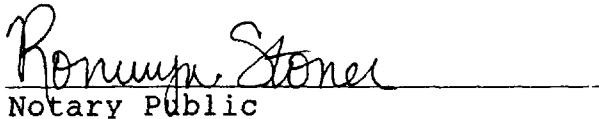
AND

COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on May 2, 1989, I caused to be mailed by certified mail-return receipt requested, a notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for June 7, 1989 to the parties shown in the Application evidenced by the attached Exhibit A.


KAREN AUBREY

SUBSCRIBED AND SWORN TO before me this 5th day of June, 1989 by Karen Aubrey, attorney for the applicant.


Notary Public

My Commission Expires:

March 3, 1993

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe
Post Office Box 2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

Santa Fe, New Mexico 87504-2265

May 2, 1989

HAND DELIVERED

RECEIVED

MAY 2 1989

OIL CONSERVATION DIVISION

William J. LeMay
Director
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

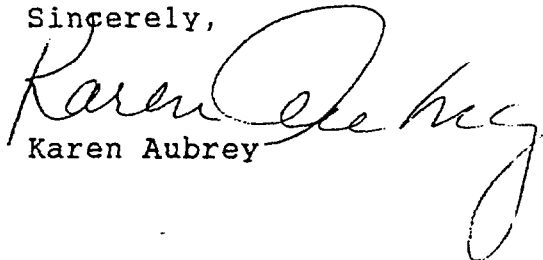
Re: Application of Kerr-McGee Corporation for Statutory
Unitization, Chaves County, New Mexico

Dear Mr. LeMay:

Enclosed are the original and one copy of the application of Kerr-McGee for statutory unitization which we would appreciate being set for hearing on the Examiner's docket on May 24, 1989.

We are sending all affected parties copies of the application and this letter by certified mail.

Sincerely,


Karen Aubrey

KA/rs
Encl.

cc: All persons on attached service list

Service List

Floyd Prondo
State Land Office, with C-108
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Paul Davis, Thomas E. Davis, Jr., Marqurete S. Davis
and Thomas H. Davis, trustees for H.H. and Mar-
qurete S. Davis Trust dated 6/16/87
South Star Route
Elida, New Mexico 88116

Finus M. and Laura J. Tucker Revocable Trust
United New Mexico Trust Company
P.O. Box 1927
Roswell, New Mexico 88201

Murphy Operating Company
P.O. Box 2648
Roswell, New Mexico 88202
Attn: Ann Murphy Ezzell

Fina Oil and Chemical Company
P.O. Box 2990
Midland, Texas 79701

Yates Petroleum Corporation
Yates Building
207 South Fourth
Artesia, New Mexico 88210

Bristol Resources Corporation
3601 East 51st Street
Suites B & C
Tulsa, Oklahoma 74136
Attn. Mr. Bob Key

Warren American Oil Company
P.O. Box 971
Midland, Texas 70702
Attn: Mr. James A. O'Neill

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

BEFORE THE OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY,

MINERALS AND NATURAL RESOURCES

RECEIVED

MAY 2 1989

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF KERR-MCGEE CORPORATION FOR
APPROVAL OF STATUTORY UNITIZATION,
CHAVES COUNTY, NEW MEXICO

CASE NO. _____

A P P L I C A T I O N

COMES NOW KERR-MCGEE CORPORATION, by and through its attorneys, Kellahin, Kellahin & Aubrey, and pursuant to the provision of the Statutory Unitization Act (Sections 70-7-1 through 70-7-21, N.M.S.A., 1978 Comp.) hereby applies to the New Mexico Oil Conservation Division for an order unitizing the K-M CHAVEROO SAN ANDRES UNIT, Chaves County, New Mexico, and in support of its application states:

1. Kerr-McGee Corporation is a Delaware corporation authorized to transact business in the State of New Mexico, is engaged in the business of, among other things, producing and selling oil and gas and seeks to be designated operator of the K-M Chevroo San Andres Unit.

2. The proposed unit area for which this application is made consists of 1280.37 acres, more or less, of State of

New Mexico lands located in Chaves County, New Mexico, and is more particularly described in Exhibit A attached hereto and incorporated herein by reference. Kerr-McGee Corporation seeks an order pursuant to the Statutory Unitization Act providing for unitized management, operation and further development of the project area.

3. The vertical limits of the formation to be included within the proposed unit area includes that interval known as the San Andres formation which extends from 4211 feet to 4341 feet as measured on the compensated formation density log run in the Kerr-McGee Corporation State "F" Well No. 1 on April 29, 1966, said well located 660 feet from the North line and 660 feet from the West line of Section 2, Township 8 South, Range 33 East, Chaves County, New Mexico. The Unitized Formation shall further include all subsurface points throughout the Unit which are correlative to the aforementioned identified depths.

4. The portion of the reservoir involved in this application has been reasonably defined by development.

5. The type of operations to be conducted in this unit is secondary recovery by means of water flooding.

6. Attached to this application as Exhibit B and incorporated herein by reference is a copy of the proposed plan of unitization which Kerr-McGee considers fair, reasonable and equitable.

7. Attached to this application as Exhibit C and incorporated herein by reference is a copy of the proposed operating plan covering the manner in which the unit will be supervised and managed and costs allocated and paid.

8. Kerr-McGee Corporation has obtained the concurrence of at least 94% of the working interest ownership within the unit area of the proposed plan of unit operations, thereby assuring effective and efficient control of the unit.

9. Kerr-McGee Corporation further states:

a. Unitized management, operating and further development of the K-M Chaveroo San Andres Unit is reasonably necessary in order to effectively carry on secondary recovery and to substantially increase the ultimate recovery of oil from the unitized portion thereof.

b. Unitized methods of operations applied to the K-M Chaveroo San Andres Unit are feasible, will prevent waste and will result with reasonable probability in the increased recovery of substantially more oil than would otherwise be recovered.

c. The estimated additional costs, if any, of conducting such operations will not exceed the estimated value of additional oil so recovered plus reasonable profit.

d. Unitization and adoption of unitized methods of operation will benefit the working interest owners, royalty owners and overriding royalty owner of the oil and gas rights within the pool.

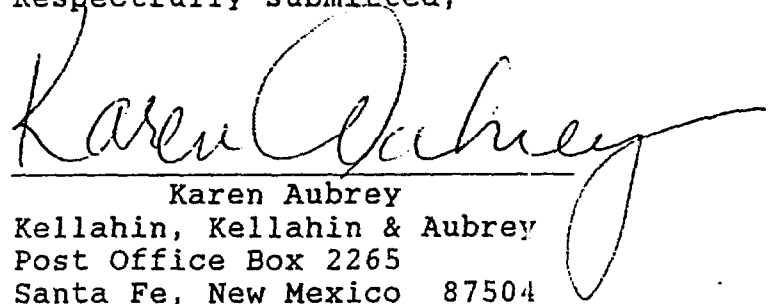
e. Kerr-McGee Corporation, as operator, has made a good faith effort to secure voluntary unitization of all interests in the pool.

f. The participation formula contained in the unitization agreement allocated the produced and saved unitized hydrocarbons to the separately owned tracts in the unit area on a fair, reasonable and equitable basis.

9. Statutory unitization of the San Andres formation is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Kerr-McGee Corporation respectfully requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 24, 1989, and, that after notice and hearing as required by law and the rules of the Division, the Division enter its order granting this application to statutorily unitize the San Andres formation, Chaves County, New Mexico.

Respectfully submitted,


Karen Aubrey

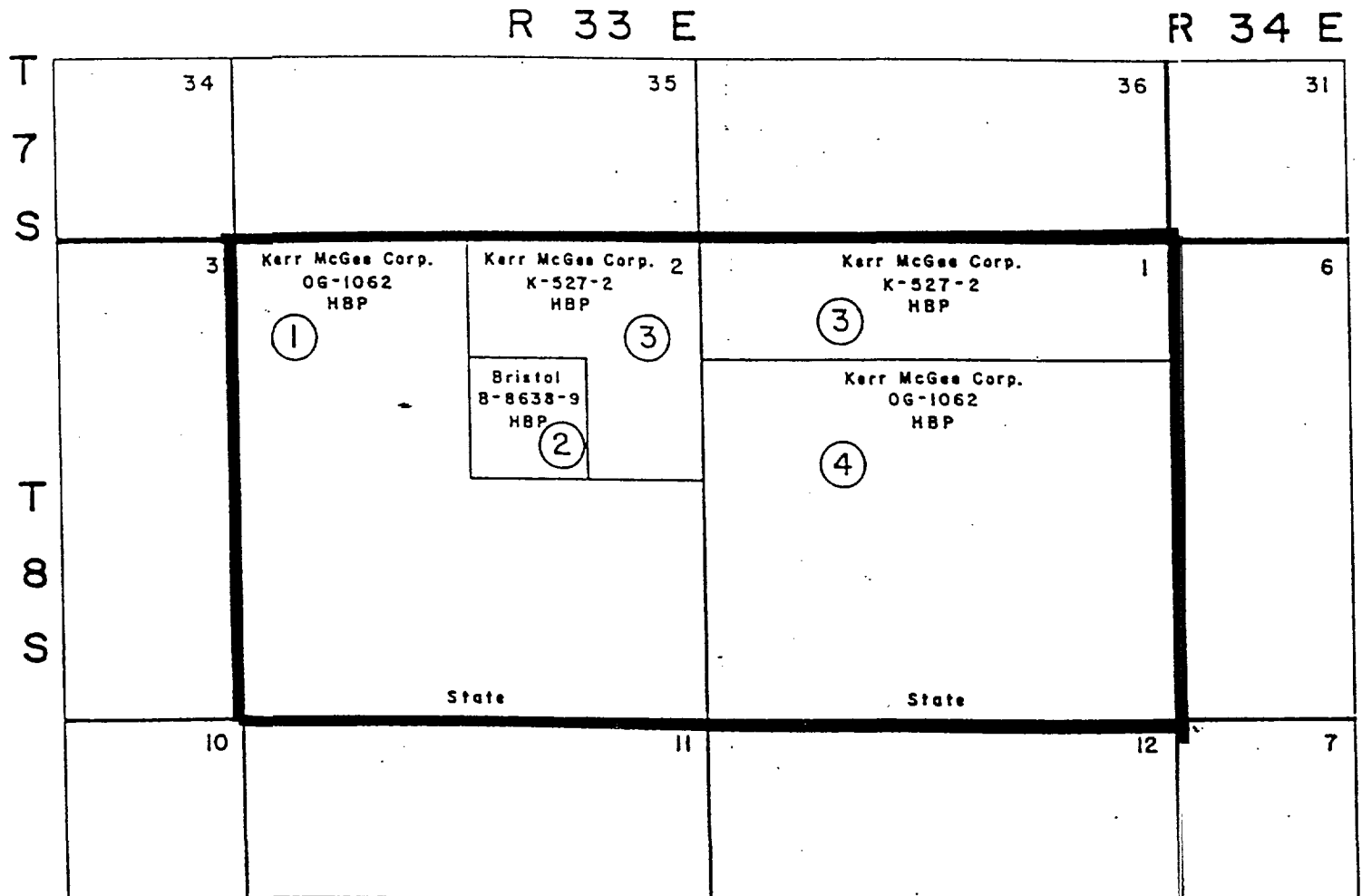
Kellahin, Kellahin & Aubrey
Post Office Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

Attorneys for Kerr-McGee
Corporation

EXHIBIT "A"

K-M CHAVEROO SAN ANDRES UNIT CHAVES COUNTY, NEW MEXICO



○ Tract Number

■ Unit Outline

1280.37 Acres
100% Unit Area
Scale: 1" = 2000'

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.
1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:	4. Article Number
Wates Petroleum Co 207 S. 4th St Artesia, NM 88210	P 155 278 617
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature — Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery 5/5/89	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGee/Unit

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Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.
1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:	4. Article Number
Thomas H. Davis South Star Route Elida, NM 88116	P 155 278 613
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature — Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery May 6 1989	

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1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:	4. Article Number
Bristol Resources Corp 3601 E. 51st Street Suite B & C Tulsa, OK 74136	P 155 278 618
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature — Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery 5-8-89	

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KA/Kerr McGee/UNIT

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1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:	4. Article Number
Warren American Oil Co P.O. Box 971 Midland, TX 79702 Attn James O'Neill	P 155 278 619
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature — Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery 5-5-89	

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1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Fina Oil & Chemical Co P.O. Box 2990 Midland, TX 79701		4. Article Number P 155 278 616
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		<input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.		
5. Signature - Address X		8. Addressee's Address (ONLY if requested and fee paid) P.O. Box 2990 MIDLAND, TX 79702
6. Signature - Agent X <i>[Signature]</i>		
7. Date of Delivery X <i>2-10-88</i>		

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KA/Kerr McGee/Waterflood Proj

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.
1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Finus M. & Laura J Tucker Reyocable Trust United New Mexico Trust Co P.O. Box 1927 Roswell, NM 88201		4. Article Number P 484 051 614
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		<input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.		
5. Signature - Address X		8. Addressee's Address (ONLY if requested and fee paid) <i>[Signature]</i>
6. Signature - Agent X <i>[Signature]</i>		
7. Date of Delivery X <i>3 May 89</i>		

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1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Murphy Operating Co P.O. Box 2648 Roswell, NM 88202 Ann; Ann Murphy Ezzell		4. Article Number P 155 278 615
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		<input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.		
5. Signature - Address X		8. Addressee's Address (ONLY if requested and fee paid) <i>[Signature]</i>
6. Signature - Agent X <i>[Signature]</i>		
7. Date of Delivery X <i>2-10-88</i>		

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KA/Kerr McGee/Unit

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1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Marguerite Davis South Star Route Elida, NM 88116		4. Article Number P 155 278 612
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		<input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.		
5. Signature - Address X		8. Addressee's Address (ONLY if requested and fee paid) <i>[Signature]</i>
6. Signature - Agent X <i>[Signature]</i>		
7. Date of Delivery X <i>5-8-88</i>		

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1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
 Thomas E. Davis, Jr.
 South Star Route
 Elida, NM 88116

4. Article Number:
 P 155 278 611

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD ☐ Return Receipt for Merchandise
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
Thomas E. Davis

6. Signature - Agent
James E. Davis

7. Date of Delivery
 05-09-89

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1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
 Marathon Oil Co.
 P.O. Box 552
 Midland, TX 79702

4. Article Number:
 P 155 278 609

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD ☐ Return Receipt for Merchandise
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
John Narco

6. Signature - Agent
John Narco

7. Date of Delivery
 JMA 4/89

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1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
 Paul Davis
 South Star Route
 Elida, NM 88116

4. Article Number:
 P 155 278 610

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD ☐ Return Receipt for Merchandise
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
Paul Davis

6. Signature - Agent
Paul Davis

7. Date of Delivery
 5-9-89

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1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
 Floyd Prondo
 State Land Office
 P.O. Box 1148
 Santa Fe, NM 87504

4. Article Number:
 P 155 278 608

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD ☐ Return Receipt for Merchandise
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
Andrew Freaney

6. Signature - Agent
Andrew Freaney

7. Date of Delivery
 MAY 5 1989 USPO

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1. Article/Addressed to: Finnis & Laura Tucker Trust United New Mexico Bank P.O. Box 1927 Roswell, NM 88201		4. Article Number P 155 278 614	
2. Show to whom delivered, date, and addressee's address. (Extra charge)		Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise	
5. Signature - Address X		Always obtain signature of addressee or agent and DATE DELIVERED.	
6. Signature - Agent X <i>Eric Mercha</i>		8. Addressee's Address (ONLY if requested and fee paid) <i>Boyle</i> <i>1977</i>	
7. Date of Delivery <i>5 May 89</i>			

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