

RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



JUL 06 2004

CONSERVATION DIVISION

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

Application Acronyms:

- [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]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] 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 SLO
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

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

Denise Pinkerton
 Print or Type Name

Denise Pinkerton
 Signature

Regulatory Specialist
 Title

6-04
 Date

LeaKeid@chevronTexaco.com
 e-mail Address

June 22, 2004

ChevronTexaco

*Administrative Application for
Unorthodox Oil Well Location
Chevron U.S.A. Inc.
Scott "E" Federal #1
Re-entry and Sidetrack
1148' FSL & 775' FWL
Section 28, T-18-S, R-32-E
Querecho Plains; Lower Bone Springs
Lea County, New Mexico*

*State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504*

Attn: Mr. Michael Stogner

Dear Mr. Stogner,

Chevron U.S.A. Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Oil Well Location in the Querecho Plains; Lower Bone Springs pool.

Chevron proposes to re-enter the Scott "E" Federal #1 at a non-standard location and recomplete as a sidetrack in the Bone Spring. The proposed bottomhole location will be 1151' FSL & 907' FWL in unit letter M of Section 28. The location will be unorthodox due to the well being deviated. (See attached wellbore diagrams)

Chevron proposes to set a CIBP at 11,600' & dump 35' cmt on top to abandon the Strawn perforations, perf in the Bone Spring from 8624-

*Side Track was
done in
1998*

*Produced
from
Strawn*

8633, & 8651-8658, acidize and frac the Lower Bone Spring, then set a CIBP at 8550, perf 8397-8714, 8488-8493, 8460-8470, acidize & frac Upper Bone Spring, drill out the CIBP to 8900' & flow back until dead, TIH w/tbg, rods, & pump and place on production.

A C-102 plat is attached for your approval, as is the notification list of offset operators and working interest owners. Those offset operators and WIO have been notified by certified mail (copies attached).

Thank you for your consideration. If you have any questions and/or concerns, please contact me at 432-687-7375.

Sincerely,

A handwritten signature in black ink that reads "Denise Pinkerton". The signature is written in a cursive, flowing style.

*Denise Pinkerton
Regulatory Specialist
Chevron U.S.A. Inc.
Midland, Texas 79705*

Cc: NMOCD-Hobbs District Office

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

** Amended*

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

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: <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	5. Lease Designation and Serial No.
2. Name of Operator CHEVRON USA INC	6. If Indian, Alottee or Tribe Name
3. Address and Telephone No. 15 SMITH ROAD, MIDLAND, TX 79705 915-687-737	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit Letter <u>M</u> : <u>1148'</u> Feet From The <u>SOUTH</u> Line and <u>775'</u> Feet From The <u>WEST</u> Line Section <u>28</u> Township <u>18-S</u> Range <u>32-E</u>	8. Well Name and Number SCOTT E FEDERAL COM 1
	9. API Well No. 30-025-27442
	10. Field and Pool, Exploaratory Area QUERECHO PLAINS;LWR BN SPRINGS
	11. County or Parish, State LEA , NM

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> OTHER: <u>PLUGBACK TO BONE SPR</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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.)*

CHEVRON U.S.A. INC. INTENDS TO RECOMPLETE THE SUBJECT WELL FROM THE STRAWN TO THE BONE SPRING RESERVOIR. THE INTENDED PROCEDURE IS AS FOLLOWS:

MIRU PU. TIH W/CIBP & SET @ 11,600'. DUMP 35' CMT ON TOP. PERF 8651-8658 & 8624-8633. ACIDIZE PERFS 8624-8658 W/1500 GALS 15% HCL.

FRAC LOWER BONE SPRINGS W/21,000 GALS YF135 ST, 60,000 LBS 20/40 SUPER LC CRCS & 8500 GALS 2F110 FLUSH.

TIH W/CIBP & SET @ 8550. PERF 8488-8493, 8460-8470, & 8397-8417. ACIDIZE PERFS 8624-8658 W/1500 GALS 15% HCL. FRAC UPPER BONE SPRINGS W/32,000 GALS YF135 ST, 94,000 LBS 20/40 SUPER LC CRCS & 8200 GALS WF110 FLUSH.

TIH W/BIT & C/O & DRILL OUT CIBP TO 8900. FLOW BACK UNTIL DEAD. TIH W/TBG, RDS & PUMP. TURN WELL OVER TO PRODUCTION.

A PIT WILL NOT BE USED DURING THIS PLUG BACK.

NON-STANDARD LOCATION HAS BEEN APPLIED FOR THROUGH SANTA FE, NM

The field & pool name has been changed due to NMOCD request -

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

SIGNATURE Denise Leake TITLE Regulatory Specialist DATE 6/22/2004

TYPE OR PRINT NAME Denise Leake

(This space for Federal or State office use)

APPROVED _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

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.

Well: Scott E Federal Com #1

Field: North Lusk

Reservoir: Strawn

Location:
1148' FSL & 775' FWL
Section: 28 (SW/4 SW/4)
Township: 18S
Range: 32E Unit: M
County: Lea State: NM

Elevations:
GL: 3718'
KB: 3734'
DF: 3733'

Log Formation Tops	
Delware	5203'
Bone Spring	7005'
Wolfcamp	10288'
Strawn	11536'
Atoka	11942'
Morrow	12303'
Barnett	12969'

Intermediate Csg: 8 5/8" 28# S-80
Set: @ 4158' w/ 1700 sx cmt
Hole Size: 11"
Circ: Yes **TOC:** Surface
TOC By: Circulation

TUBING DETAIL - 8/13/98
372 jts - 2-7/8" 6.5# L-80 EUE-8-rd tbg
1 2 7/8" x 2 3/8" x-over
1 2 3/8" x 4.5 FL On Off tool w/ 1.87" F nipple
1 45-A4 Sur-Lok pkr

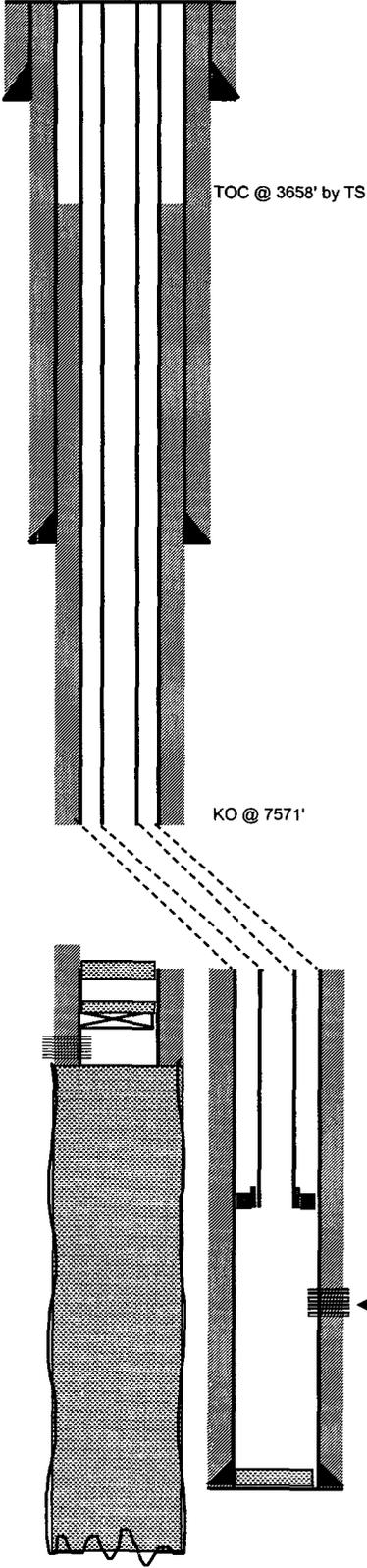
EOT landed @ 11537.68'

Cmt plug 7537'-7751' (50 sx)
5 1/2" csg stub @ 7667'
CIBP @ 8730' (50' cmt on top)
Perfs **Status**
8790-8900' Bone Spring - abandoned

Prod. Csg: 5 1/2" 17# N-80 & K-55
Set: @ 9000' w/225 sx cmt
Hole Size: 7 7/8"
Circ: No **TOC:** 7900'
TOC By: Temperature Survey

PBTD: 7537'
TD: 13100'

Current Wellbore Diagram



Well ID Info:
Chevno: EQ6821
API No: 30-025-27442
L5/L6: T54 / 2600
Spud Date: 5/31/81
Rig Released:
Compl. Date: 9/14/81

Surface Csg: 11 3/4" 42# H-40
Set: @ 416' w/ 400 sx cmt
Hole Size: 14 3/4"
Circ: Yes **TOC:** Surface
TOC By: Circulation

Initial Completion:
7/13/81 100 sx cmt plugs @ 12900'-13100', 12150'-12350', 10150'-10350'
200 sx cmt plug @ 8720'-9000'; DO cmt to 9000'; ran 5 1/2" csg
8/4/81 Perf BSPG 8790'-8900' A/125gal 20% NEFE

Subsequent Work
8/93 Set CIBP @ 8730 cap w/50' cmt; 50 sx cmt plug 7751'-7537'
Pulled 7667' of 5 1/2" csg; Cmt plugs @ 5717'-5561' (40 sx),
4214'-4090' (65 sx), 460'-275' (50 sx) & 60'-surf (15 sx)

7/1/98 Re-entered; DO cmt; KO @ 7571'; Drl new hole to TD: 11975'
& run 5 1/2" csg

8/13/98 Perf Strawn 11636'-11638', 11688'-11692', 11754'-11764', 11766'-
11770' & 11774'-11779'; A/7600 gal 15% HCL

Perfs **Status**
11636'-38', 11688'-92', 11754'-64'
11766'-70' & 11774'-79' Strawn - open

Prod. Csg: 5 1/2" 17# N-80 & S-95
Set: @ 11975' w/1375 sx class H cmt
Hole Size: 7 7/8"
Circ: No **TOC:** 3658'
TOC By: Temperature Survey

COTD: 11926'
PBTD: 11926'
TD: 11975'

Querecho Plains

4145D Lower Bone Spring

Well: Scott E Federal Com #1

Field: North Lusk

Reservoir: ~~Strawn~~

Location:
 1148' FSL & 775' FWL
 Section: 28 (SW/4 SW/4)
 Township: 18S
 Range: 32E Unit: M
 County: Lea State: NM

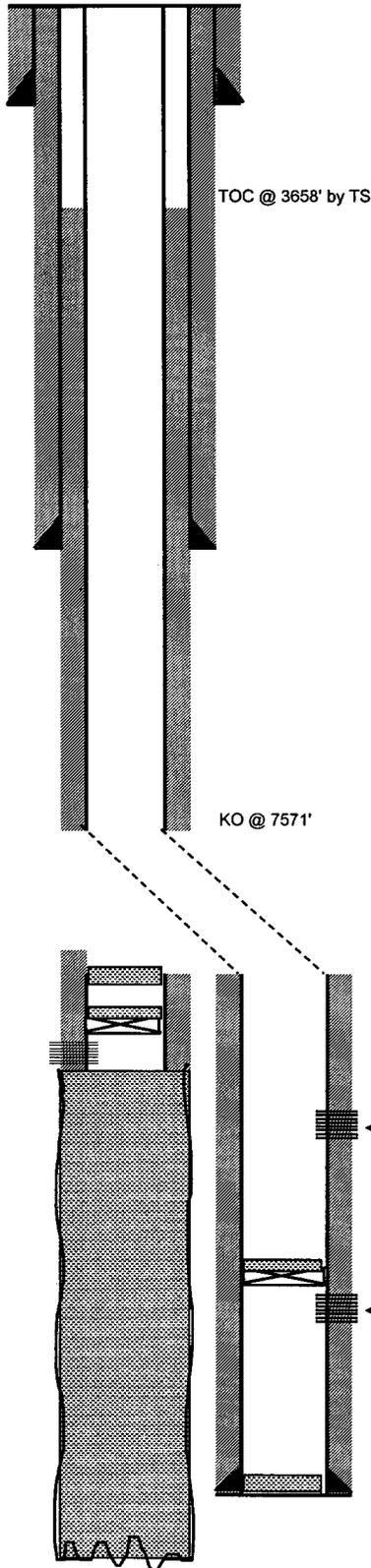
Elevations:
 GL: 3718'
 KB: 3734'
 DF: 3733'

Log Formation Tops	
Delaware	5203'
Bone Spring	7005'
Wolfcamp	10288'
Strawn	11536'
Atoka	11942'
Morrow	12303'
Barnett	12969'

Intermediate Csg: 8 5/8" 28# S-80
 Set: @ 4158' w/ 1700 sx cmt
 Hole Size: 11"
 Circ: Yes TOC: Surface
 TOC By: Circulation

TUBING DETAIL -

Proposed Wellbore Diagram



Well ID Info:
 Chevno: EQ6821
 API No: 30-025-27442
 L5/L6: T54 / 2600
 Spud Date: 5/31/81
 Rig Released:
 Compl. Date: 9/14/81

Surface Csg: 11 3/4" 42# H-40
 Set: @ 416' w/ 400 sx cmt
Hole Size: 14 3/4"
Circ: Yes **TOC:** Surface
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Initial Completion:
 7/13/81 100 sx cmt plugs @ 12900'-13100', 12150'-12350', 10150'-10350'
 200 sx cmt plug @ 8720'-9000'; DO cmt to 9000'; ran 5 1/2" csg
 8/4/81 Perf BSPG 8790'-8900' A/125gal 20% NEFE

Subsequent Work
 8/83 Set CIBP @ 8730 cap w/50' cmt; 50 sx cmt plug 7751'-7537'
 Pulled 7667' of 5 1/2" csg; Cmt plugs @ 5717'-5561' (40 sx),
 4214'-4090' (65 sx), 460'-275' (50 sx) & 60'-surf (15 sx)

7/1/98 Re-entered; DO cmt; KO @ 7571'; Drl new hole to TD: 11975'
 & run 5 1/2" csg

8/13/98 Perf Strawn 11636'-11638', 11688'-11692', 11754'-11764', 11766'-
 11770' & 11774'-11779'; A/7600 gal 15% HCL

4/04 Proposed Set CIBP @ 11600'; top w/35' cmt
 Perf Bone Spring 8397'-8417', 8460'-8470', 8488'-8493', 8624'-8633'
 & 8651'-8658'; fracture stimulate & complete as an oil well

Cmt plug 7537'-7751' (50 sx)
 5 1/2" csg stub @ 7667'
 CIBP @ 8730' (50' cmt on top)
Perfs **Status**
 8790-8900' Bone Spring - abandoned

Perfs **Status**
 8397'-8417', 8460'-70', 8488'-93',
 8624'-33' & 8651'-58' Bone Spring - open

Perfs **Status**
 11636'-38', 11688'-92', 11754'-64'
 11766'-70' & 11774'-79' Strawn - abandoned

Prod. Csg: 5 1/2" 17# N-80 & K-55
 Set: @ 9000' w/225 sx cmt
 Hole Size: 7 7/8"
 Circ: No TOC: 7900'
 TOC By: Temperature Survey

Prod. Csg: 5 1/2" 17# N-80 & S-95
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 Hole Size: 7 7/8"
 Circ: No TOC: 3658'
 TOC By: Temperature Survey

PBTD: 7537'
TD: 13100'

COTD: 11926'
PBTD: 11926'
TD: 11975'

By: W.P. Johnson

Updated: 4-16-04 by WAYN

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1999

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copie

Fee Lease - 3 Copie

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27442		² Pool Code 50510		³ Pool Name QUERECHO PLAINS; LOWER BONE SPRINGS	
⁴ Property Code		⁵ Property Name SCOTT E FEDERAL COM			⁶ Well No. 1
⁷ OGRID Number 4323		⁸ Operator Name CHEVRON USA INC			⁹ Elevation

¹⁰ Surface Location

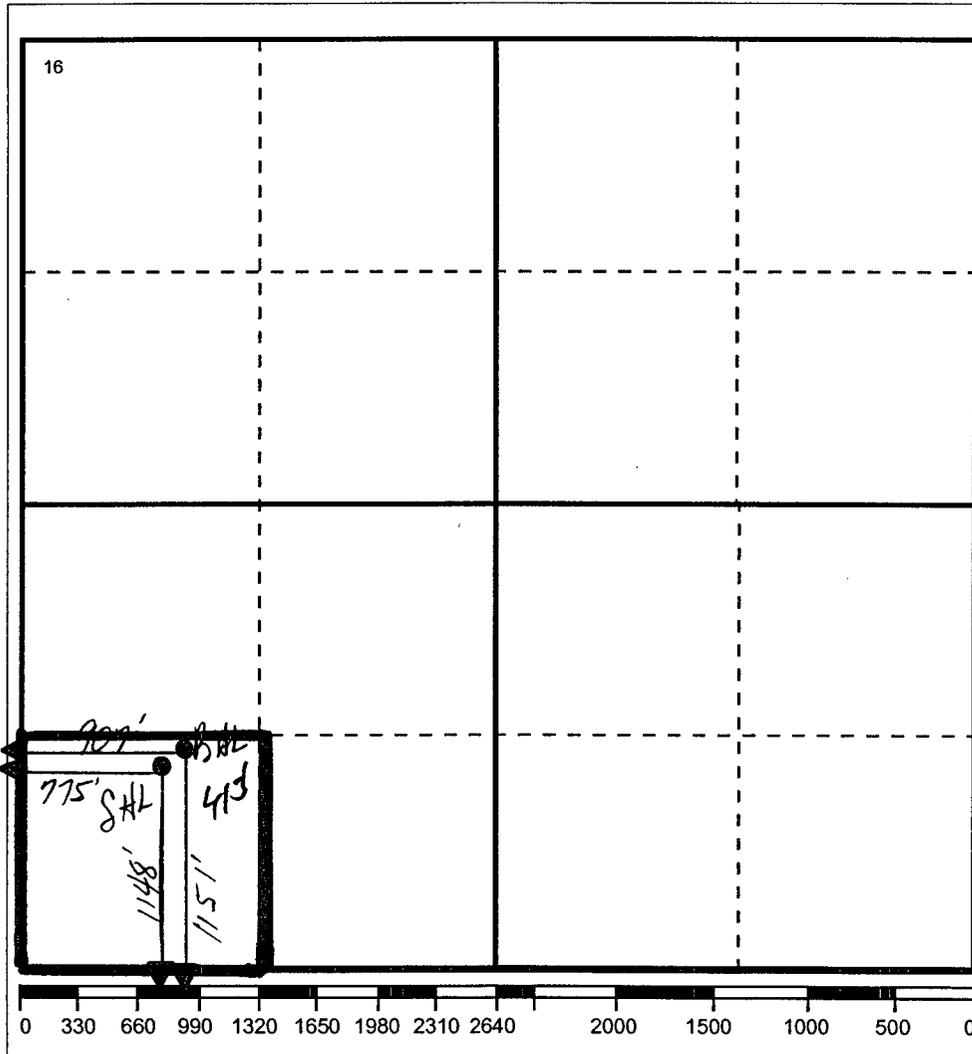
Ul or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
M	28	18-S	32-E		1148'	SOUTH	775'	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
M	28	18-S	32-E		1151'	SOUTH	907'	WEST	LEA

¹² Dedicated Acre 40	¹³ Joint or Infill No	¹⁴ Consolidation Code	¹⁵ Order No.
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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



¹⁷ OPERATOR CERTIFICATION

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

Signature: *Denise Leake*

Printed Name: Denise Leake

Positio: Regulatory Specialist

Date: 6/22/2004

¹⁸ 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 knowledge and belief.

Date Surveyed:

Signature & Seal of Professional Surveyor:

Certificate No.:

<p>U.S. 17 H.E. Yates Chevron 40450</p>	<p>U.S. 18 H.E. Yates Chevron 40448</p>	<p>U.S. 19 H.E. Yates Chevron 40447</p>	<p>U.S. 20 H.E. Yates Chevron 40446</p>	<p>U.S. 21 H.E. Yates Chevron 40445</p>	<p>U.S. 22 H.E. Yates Chevron 40444</p>	<p>U.S. 23 H.E. Yates Chevron 40443</p>	<p>U.S. 24 H.E. Yates Chevron 40442</p>	<p>U.S. 25 H.E. Yates Chevron 40441</p>	<p>U.S. 26 H.E. Yates Chevron 40440</p>	<p>U.S. 27 H.E. Yates Chevron 40439</p>	<p>U.S. 28 H.E. Yates Chevron 40438</p>	<p>U.S. 29 H.E. Yates Chevron 40437</p>	<p>U.S. 30 H.E. Yates Chevron 40436</p>	<p>U.S. 31 H.E. Yates Chevron 40435</p>	<p>U.S. 32 H.E. Yates Chevron 40434</p>	<p>U.S. 33 H.E. Yates Chevron 40433</p>	<p>U.S. 34 H.E. Yates Chevron 40432</p>	<p>U.S. 35 H.E. Yates Chevron 40431</p>	<p>U.S. 36 H.E. Yates Chevron 40430</p>	<p>U.S. 37 H.E. Yates Chevron 40429</p>	<p>U.S. 38 H.E. Yates Chevron 40428</p>	<p>U.S. 39 H.E. Yates Chevron 40427</p>	<p>U.S. 40 H.E. Yates Chevron 40426</p>	<p>U.S. 41 H.E. Yates Chevron 40425</p>	<p>U.S. 42 H.E. Yates Chevron 40424</p>	<p>U.S. 43 H.E. Yates Chevron 40423</p>	<p>U.S. 44 H.E. Yates Chevron 40422</p>	<p>U.S. 45 H.E. Yates Chevron 40421</p>	<p>U.S. 46 H.E. Yates Chevron 40420</p>	<p>U.S. 47 H.E. Yates Chevron 40419</p>	<p>U.S. 48 H.E. Yates Chevron 40418</p>	<p>U.S. 49 H.E. Yates Chevron 40417</p>	<p>U.S. 50 H.E. Yates Chevron 40416</p>						
<p>U.S. 51 H.E. Yates Chevron 40415</p>	<p>U.S. 52 H.E. Yates Chevron 40414</p>	<p>U.S. 53 H.E. Yates Chevron 40413</p>	<p>U.S. 54 H.E. Yates Chevron 40412</p>	<p>U.S. 55 H.E. Yates Chevron 40411</p>	<p>U.S. 56 H.E. Yates Chevron 40410</p>	<p>U.S. 57 H.E. Yates Chevron 40409</p>	<p>U.S. 58 H.E. Yates Chevron 40408</p>	<p>U.S. 59 H.E. Yates Chevron 40407</p>	<p>U.S. 60 H.E. Yates Chevron 40406</p>	<p>U.S. 61 H.E. Yates Chevron 40405</p>	<p>U.S. 62 H.E. Yates Chevron 40404</p>	<p>U.S. 63 H.E. Yates Chevron 40403</p>	<p>U.S. 64 H.E. Yates Chevron 40402</p>	<p>U.S. 65 H.E. Yates Chevron 40401</p>	<p>U.S. 66 H.E. Yates Chevron 40400</p>	<p>U.S. 67 H.E. Yates Chevron 39999</p>	<p>U.S. 68 H.E. Yates Chevron 39998</p>	<p>U.S. 69 H.E. Yates Chevron 39997</p>	<p>U.S. 70 H.E. Yates Chevron 39996</p>	<p>U.S. 71 H.E. Yates Chevron 39995</p>	<p>U.S. 72 H.E. Yates Chevron 39994</p>	<p>U.S. 73 H.E. Yates Chevron 39993</p>	<p>U.S. 74 H.E. Yates Chevron 39992</p>	<p>U.S. 75 H.E. Yates Chevron 39991</p>	<p>U.S. 76 H.E. Yates Chevron 39990</p>	<p>U.S. 77 H.E. Yates Chevron 39989</p>	<p>U.S. 78 H.E. Yates Chevron 39988</p>	<p>U.S. 79 H.E. Yates Chevron 39987</p>	<p>U.S. 80 H.E. Yates Chevron 39986</p>	<p>U.S. 81 H.E. Yates Chevron 39985</p>	<p>U.S. 82 H.E. Yates Chevron 39984</p>	<p>U.S. 83 H.E. Yates Chevron 39983</p>	<p>U.S. 84 H.E. Yates Chevron 39982</p>	<p>U.S. 85 H.E. Yates Chevron 39981</p>	<p>U.S. 86 H.E. Yates Chevron 39980</p>	<p>U.S. 87 H.E. Yates Chevron 39979</p>	<p>U.S. 88 H.E. Yates Chevron 39978</p>	<p>U.S. 89 H.E. Yates Chevron 39977</p>	<p>U.S. 90 H.E. Yates Chevron 39976</p>

Notification List (Rule 37)
Lea County, New Mexico
T-18-S, R-32-E
Section 20
May 26, 2004
Page 1 of 1

NM-9019

T-18-S, R-32-E

Section 20: Southeast Quarter of the Southeast Quarter (SE/4 SE/4)
Below 5,000'

Operating Rights:

LESSEE

Pecos Production Company
400 W, Illinois, Suite 1070
Midland, TX 79701

INTEREST

100%

Notification List (Rule 37)
Lea County, New Mexico
T-18-S, R-32-E
Section 21
May 26, 2004
Page 1 of 1

NM-4371-B & NM-94875

T-18-S, R-32-E

Section 21: South-half of the Southwest Quarter (S/2 SW/4)
Below 5,000'

Operating Rights:

Operator

TMBR/Sharp Drilling, Inc.
P. O. Drawer 10970
Midland, TX 79702

*Pecos Production Company
400 W. Illinios, Suite 1070
Midland, TX 79701

*Anadarko owned the E/2 SW/4 and went Non-Consent in the drilling of the
TMBR/Sharp "21" Fed Com Well (300% penalty clause)

Notification List (Rule 37)
Lea County, New Mexico
T-18-S, R-32-E
Section 28
May 26, 2004
Page 1 of 2

*Lease Description
of W1/2 and R32-E*

NM-9020

T-18-S, R-32-E

Section 28: Southwest-Quarter of the Northwest-Quarter (SW/4 NW/4) 5,000' to 13,200',
West-Half of the Southwest-Quarter (W/2 SW/4) from 5,000' to 13,200';
Northwest-Quarter of the Northwest-Quarter (NW/4 NW/4) from 5,000' to
13,200' Save and Except the Queen Formation

Operating Rights:

LESSEE

INTEREST

Harvey E. Yates Company
P. O. Box 1933
Roswell, NM 88202

50%

Chevron/Texaco
P. O. Box 1150
Midland, TX 79702

50%

West-Half of the West-Half (W/2 W/2) Below 13,200'

LESSEE

INTEREST

BP America
501 Westlake Park Blvd
Houston, TX 77079

100%

Notification List (Rule 37)
Lea County, New Mexico
T-18-S, R-32-E
Section 28
May 26, 2004
Page 2 of 2

NM 92770
T-18-S, R-32-E
Section 28: East-half of the West-half (E/2 W/2)

 LESSEE

Chevron/Texaco
P. O. Box 1150
Midland, TX 79702

INTEREST

100%

X 320
- 907

C/13

Notification List (Rule 37)
Lea County, New Mexico
T-18-S, R-32-E
Section 29
May 26, 2004
Page 1 of 1

T-18-S, R-32-E

Section 29: Northeast Quarter of the Northeast Quarter (NE/4 NE/4) Below the
Base of the Penrose Sand

OPEN MINERALS

MINERAL OWNER

United States of America
c/o BLM
Santa Fe, NM

NM-96855

T-18-S, R-32-E

Section 29: Southeast Quarter of the Northeast Quarter (SE/4 NE/4) and the East-
half of the Southeast Quarter (E/2 SE/4)

Operating Rights:

Operator

Chevron/Texaco
P. O. Box 1150
Midland, TX 79702

Notification List (Rule 37)
Lea County, New Mexico
T-18-S, R-32-E
Section 32
May 26, 2004
Page 1 of 1

LG-7655

T-18-S, R-32-E

Section 32: East-half to the Northeast Quarter, Below the Base of the Bone
Springs Formation

Operating Rights:

Operator

Chevron/Texaco
P. O. Box 1150
Midland, TX 79702

Notification List (Rule 37)
Lea County, New Mexico
T-18-S, R-32-E
Section 33
May 26, 2004
Page 1 of 1

NM-18232

T-18-S, R-32-E

Section 33: Northwest Quarter (NW/4)

Operating Rights:

Operator

Chevron/Texaco
P. O. Box 1150
Midland, TX 79702

NOTIFICATION (RULE 37)
T-18-S, R-32-E,
LEA COUNTY, NM

<p style="text-align: right;">20 (SE SE)</p> <p>Pecos Production Co.</p>	<p style="text-align: right;">21 (S/2 SW/4)</p> <p style="text-align: center;">TMBR/Sharp Drilling, Inc.</p>	
<p style="text-align: right;">29 (E/2 E/2)</p> <p>OPEN MINERALS (USA) (NE NE)</p>	<p style="text-align: center;">Chevron/Texaco Harvey E. Yates Co. (W/2 W/2)</p>	<p style="text-align: right;">28 (W/2)</p> <p style="text-align: center;">Chevron/Texaco (E/2 W/2)</p>
<p style="text-align: center;">Chevron/Texaco (SE NE, E/2 SE)</p>		
<p style="text-align: right;">32 (E/2 NE)</p> <p style="text-align: center;">Chevron/Texaco</p>	<p style="text-align: right;">29 (NE)</p> <p style="text-align: center;">Chevron/Texaco</p>	

June 17, 2004

TMBR/Sharp Drilling, Inc.
P.O. Drawer 10970
Midland, Texas 79702

ChevronTexaco

From: Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Chevron U.S.A. Inc. intends to recomplete the Scott E. Federal Com #1 well, Unit Letter M, 1148' South, 775' West, Section 28, T-18-S, R-32-E, to the Querecho Plains; Lower Bone Springs pool in Lea County. The bottomhole location will be 1151' South, & 907' West which is an unorthodox location. Non-standard location approval has been requested and is being sought from the NMOCD in Santa Fe, NM.

TMBR/Sharp Drilling is being notified to fulfill Rule 37 requirements.

Any questions or concerns may be directed to me at 432-687-7375.

Sincerely,



Denise Pinkerton
ChevronTexaco
Midland, Texas 79705
Regulatory Specialist

June 17, 2004

*Harvey E. Yates Company
P.O. Box 1933
Roswell, NM 88202*

ChevronTexaco

*From: Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705*

Chevron U.S.A. Inc. intends to recomplete the Scott E. Federal Com #1 well, Unit Letter M, 1148' South, 775' West, Section 28, T-18-S, R-32-E, to the Querecho Plains; Lower Bone Springs pool in Lea County. The bottomhole location will be 1151' South, & 907' West which is an unorthodox location. Non-standard location approval has been requested and is being sought from the NMOCD in Santa Fe, NM.

Harvey E. Yates is being notified to fulfill Rule 37 requirements.

Any questions or concerns may be directed to me at 432-687-7375.

Sincerely,



*Denise Pinkerton
ChevronTexaco
Midland, Texas 79705
Regulatory Specialist*

June 17, 2004

*Pecos Production Company
400 W. Illinois, Suite 1070
Midland, Texas 79701*

ChevronTexaco

*From: Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705*

Chevron U.S.A. Inc. intends to recomplete the Scott E. Federal Com #1 well, Unit Letter M, 1148' South, 775' West, Section 28, T-18-S, R-32-E, to the Querecho Plains; Lower Bone Springs pool in Lea County. The bottomhole location will be 1151' South, & 907' West which is an unorthodox location. Non-standard location approval has been requested and is being sought from the NMOCD in Santa Fe, NM.

Pecos Production Company is being notified to fulfill Rule 37 requirements.

Any questions or concerns may be directed to me at 432-687-7375.

Sincerely,



*Denise Pinkerton
ChevronTexaco
Midland, Texas 79705
Regulatory Specialist*

June 17, 2004

BP America
501 Westlake Park Blvd
Houston, Texas 77079

ChevronTexaco

From: Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Chevron U.S.A. Inc. intends to recomplete the Scott E. Federal Com #1 well, Unit Letter M, 1148' South, 775' West, Section 28, T-18-S, R-32-E, to the Querecho Plains; Lower Bone Springs pool in Lea County. The bottomhole location will be 1151' South, & 907' West which is an unorthodox location. Non-standard location approval has been requested and is being sought from the NMOCD in Santa Fe, NM.

BP America is being notified to fulfill Rule 37 requirements.

Any questions or concerns may be directed to me at 432-687-7375.

Sincerely,



Denise Pinkerton
ChevronTexaco
Midland, Texas 79705
Regulatory Specialist

* As of 6-30'04,
BP America
has not signed
for their letters
sent to them on
6-17'04

Is your RETURN ADDRESS completed on the reverse side?

SENDER: <input type="checkbox"/> Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. <input type="checkbox"/> Print your name and address on the reverse of this form so that we can return this card to you. <input type="checkbox"/> Attach this form to the front of the mailpiece, or on the back if space does not permit. <input type="checkbox"/> Write "Return Receipt Requested" on the mailpiece below the article number. <input type="checkbox"/> The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery
3. Article Addressed to: JMB Sharp Drilling P.O. Drawer 10970 Midland, TX 79702		4a. Article Number 7001 0320 0003 9439 2134 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
5. Received By: (Print Name) Linda Moore		7. Date of Delivery 6-21-04
6. Signature (Addressee or Agent) Linda Moore		8. Addressee's Address (Only if requested and fee is paid)
PS Form 3811, December 1994		102595-99-B-0223 Domestic Return Receipt



Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER: <input type="checkbox"/> Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. <input type="checkbox"/> Print your name and address on the reverse of this form so that we can return this card to you. <input type="checkbox"/> Attach this form to the front of the mailpiece, or on the back if space does not permit. <input type="checkbox"/> Write "Return Receipt Requested" on the mailpiece below the article number. <input type="checkbox"/> The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery
3. Article Addressed to: Harvey E. Yates P.O. Box 1933 Roswell, NM 88202		4a. Article Number 7001 0320 0003 9439 2131 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
5. Received By: (Print Name) Amy Owens		7. Date of Delivery 6-18-04
6. Signature (Addressee or Agent) Amy Owens		8. Addressee's Address (Only if requested and fee is paid)
PS Form 3811, December 1994		102595-99-B-0223 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER: <input type="checkbox"/> Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. <input type="checkbox"/> Print your name and address on the reverse of this form so that we can return this card to you. <input type="checkbox"/> Attach this form to the front of the mailpiece, or on the back if space does not permit. <input type="checkbox"/> Write "Return Receipt Requested" on the mailpiece below the article number. <input type="checkbox"/> The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery
3. Article Addressed to: Pecos Production Co 400 W. Illinois, Suite 107 Midland, TX 79701		4a. Article Number 7001 0320 0003 9439 2117 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
5. Received By: (Print Name) LeAnn Harwell		7. Date of Delivery 6-21-04
6. Signature (Addressee or Agent) Lou ANN Harwell		8. Addressee's Address (Only if requested and fee is paid)
PS Form 3811, December 1994		102595-99-B-0223 Domestic Return Receipt

Thank you for using Return Receipt Service.

Note To File



State of New Mexico
OIL CONSERVATION COMMISSION

From

MICHAEL E. STOGNER
PETROLEUM ENGINEER

August 3, 2004

Memo

To 2:35 PM

Taluel w/ Denise Wynn and

Scott Ingram w/ Chevron

- wants to add the Wolfcamp
formation to their July 6th
filing.

- looks like notification is OK

- will fax an amended request

P.O. BOX 2088
LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
505-827-5811

(over)

Voice Mail Message

9:40 AM 8-3-2004

Gary Portley w/ BLM in Roswell
505-627-0249

Cheron NSL

Scott F. Fed. #1

I left him a message @

10:50 am - 8/5/04

that I would cc him a
copy of any order issued.

A handwritten signature in cursive script, appearing to be "Shes", written in black ink.