DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
7/19/12		Examiner	7/23/12	WFX	PUNK1220734612

Lost order 9/5/12

ABOVE THIS LINE FOR DIVISION USE ONLY

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

RECEIVED OCD
2012 JUL 19 P 12:45

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]

4323 Chevron USA Inc
Central Vacuum Unit 274, 284, 285
30-025-40466, 30-025-40468
30-025-40469
ULE 31 17S 35E ULM 31 17S 35E
ULN 31 17S 35E

[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.

Carolyn Haynie	Carolyn Haynie	NM Petro Engineering Technical Assistant	7-17-12
Print or Type Name	Signature	Title	Date

chay@chevron.com
e-mail Address

Chevron

Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

July 18, 2012

New Mexico Oil Conservations Division
1220 South San Francis Drive
Santa Fe, New Mexico 87504

RE: Application for Authorization to Inject
OCD Form C-108
Central Vacuum Unit
Lea, County, New Mexico

Chevron U.S.A. Inc., respectfully requests administrative approval to place the Central Vacuum Unit wells # 258, (API # 30-025-40463; # 259, (API # 30-025-40464; and # 273, (API # 30-025-40465), on Water and CO_2 injection in the Grayburg San Andres formation.

Chevron plans to inject water, CO2, and produced gas into the Grayburg San Andres formations from approximately 4710' to 5000'.

Attached is an OCD form C-108 and the information relative to the proposed expansion. . A copy of the legal notice has been submitted to the Hobbs News-Sun and the affidavit will be submitted to your office upon our receipt. The enclosed map highlights the location of the referenced wells in relation to your offset operations.

If additional information is required, please contact me at (432-687-7261), or the project engineer, Paul Brown, at (432-687-7351).

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

Chevron

Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

July 11, 2012

New Mexico Oil Conservations Division
1220 South San Francis Drive
Santa Fe, New Mexico 87504

RE: Application for Authorization to Inject
OCD Form C-108
Central Vacuum Unit
Lea, County, New Mexico

Chevron U.S.A. Inc., respectfully requests administrative approval to place the Central Vacuum Unit wells # 284, 285, and 274 on Water and CO_2 injection in the Grayburg San Andres formation.

Chevron plans to inject water, CO2, and produced gas into the Grayburg San Andres formations from approximately 4710' to 5000'.

Attached is an OCD form C-108 and the information relative to the proposed expansion. . A copy of the legal notice has been submitted to the Hobbs News-Sun and the affidavit will be submitted to your office upon our receipt. The enclosed map highlights the location of the referenced wells in relation to your offset operations.

If additional information is required, please contact me at (432-687-7261), or the project engineer, Paul Brown, at (432-687-7351).

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: X Secondary Recovery ____ Pressure Maintenance ____ Disposal ____ Storage
Application qualifies for administrative approval? ____ Yes ____ No

II. OPERATOR: **CHEVRON U.S.A. INC.**

ADDRESS: **15 SMITH ROAD; MIDLAND, TX 79705**

CONTACT PARTY: **PAUL BROWN** PHONE: **432-687-7351**

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? X Yes ____ No
If yes, give the Division order number authorizing the project: **R-5530**

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. **ATTACHED**

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail. **ATTACHED**

VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected; **3,000 bbls water/day 10,000 MCF CO_2/day.**
2. Whether the system is open or closed; **The system will be closed**
1. 3. Proposed average and maximum injection pressure; **1500 psi when injecting water, 2,200 psi when injecting CO_2**
2. 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, **CO2 for injection will either be purchased or CVU produced gas that is stripped of NGLS and re-injected.**
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.). **Injection is not for disposal purposes, but for oil production enhancement**

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any. **The injection wells will be acid stimulated with 15% HCl.**

*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. **Previously Provided**

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form. **Attached, and confirmed by the Hobbs News Sun by email. Official affidavit will be sent upon receipt.**

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: **Paul Brown** TITLE: **Vacuum Project Engineer**

SIGNATURE: Paul Brown By Carolyn Laynes DATE: 7-17-12

E-MAIL ADDRESS: **PaulBrown@chevron.com**

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

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

Side 2

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

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

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

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

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

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

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

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

ATTACHMENT TO FORM C-108

RE: Central Vacuum Unit # 285, 284, and 274

PART I Chevron Corporation plans to add three new wells to the Central Vacuum Unit and inject water, produced gas and CO2 in the Grayburg San Andres formation.

PART II Chevron U.S.A. INC.
15 Smith Road
Midland, TX 79705

PART III Well Data Sheets attached

PART IV This is an expansion of an existing project. Order #R-5530-E

PART V Map attached designating ½ mile and 2 mile radius of review area.

PART VI Well tabulation are attached. There are no P&A wells.

PART VII

1. Proposed average daily and maximum daily rate: 3,000 bbls water/day 10,000 MCF CO_2/day.
2. **The system will be closed**.
3. Proposed average and maximum injection pressure: **1500 psi when injecting water, 2,200 psi when injecting CO_2**
4. Water for injection will consist of CVU produced water. **CO2 for injection will either be purchased or CVU produced gas that is stripped of NGLS and re-injected.**

Injection is not for disposal purposes, but for oil production enhancement.

PART VIII This data has been submitted under NMOCD Order No. #R-5530-E.

PART IX The injection wells will be acid stimulated with 15% HCL.

PART X Logs will be submitted as soon as possible after the well is recompleted.

PART XI This data has been submitted under NMOCD Order No. #R-5530-E.

PART XII Chevron U.S.A. INC. has examined available geologic and engineering data and finds no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

PART XIII Copies of the OCD Form C108, the Well Data Sheet and map have been sent to the offset operators and surface owner as per the listing below.

Side 1

INJECTION WELL DATA SHEET

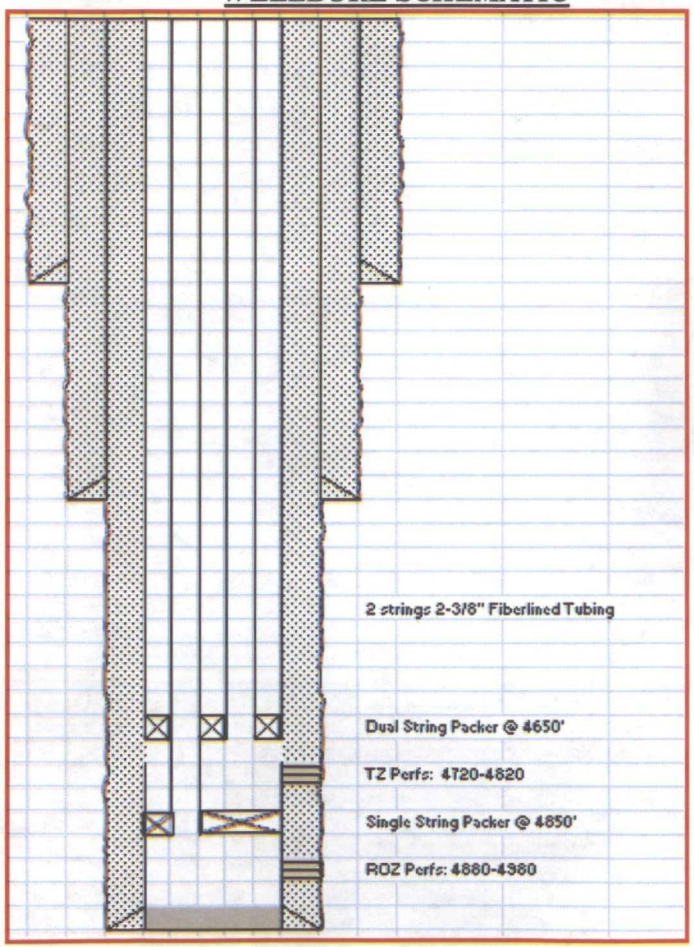
OPERATOR: CHEVRON U.S.A. INC.

WELL NAME & NUMBER: CENTRAL VACUUM UNIT # 273

WELL LOCATION: 2346' FNL & 481' FEL | H | 36 | 17S | 34E

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17.5" Casing Size: 13.375"

Cemented with: 1514 sx. ***or*** _____ ft^3

Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: 12-1/4" Casing Size: 9-5/8"

Cemented with: 970 sxs sx. ***or*** _____ ft^3

Top of Cement: Surface Method Determined: Circ

Production Casing

Hole Size: 8-3/4" Casing Size: 7"

Cemented with: 980 sx. ***or*** _____ ft^3

Top of Cement: Surface Method Determined: Circ

Total Depth: 5200'

Injection Interval

4710' feet to 5000'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8"Two Strings Lining Material: Fiberglass

Type of Packer: Peak Hydro II Dial Packer / Peak ASIX

Packer Setting Depth: 4700' / 4850'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes _____ No

   If no, for what purpose was the well originally drilled? _____

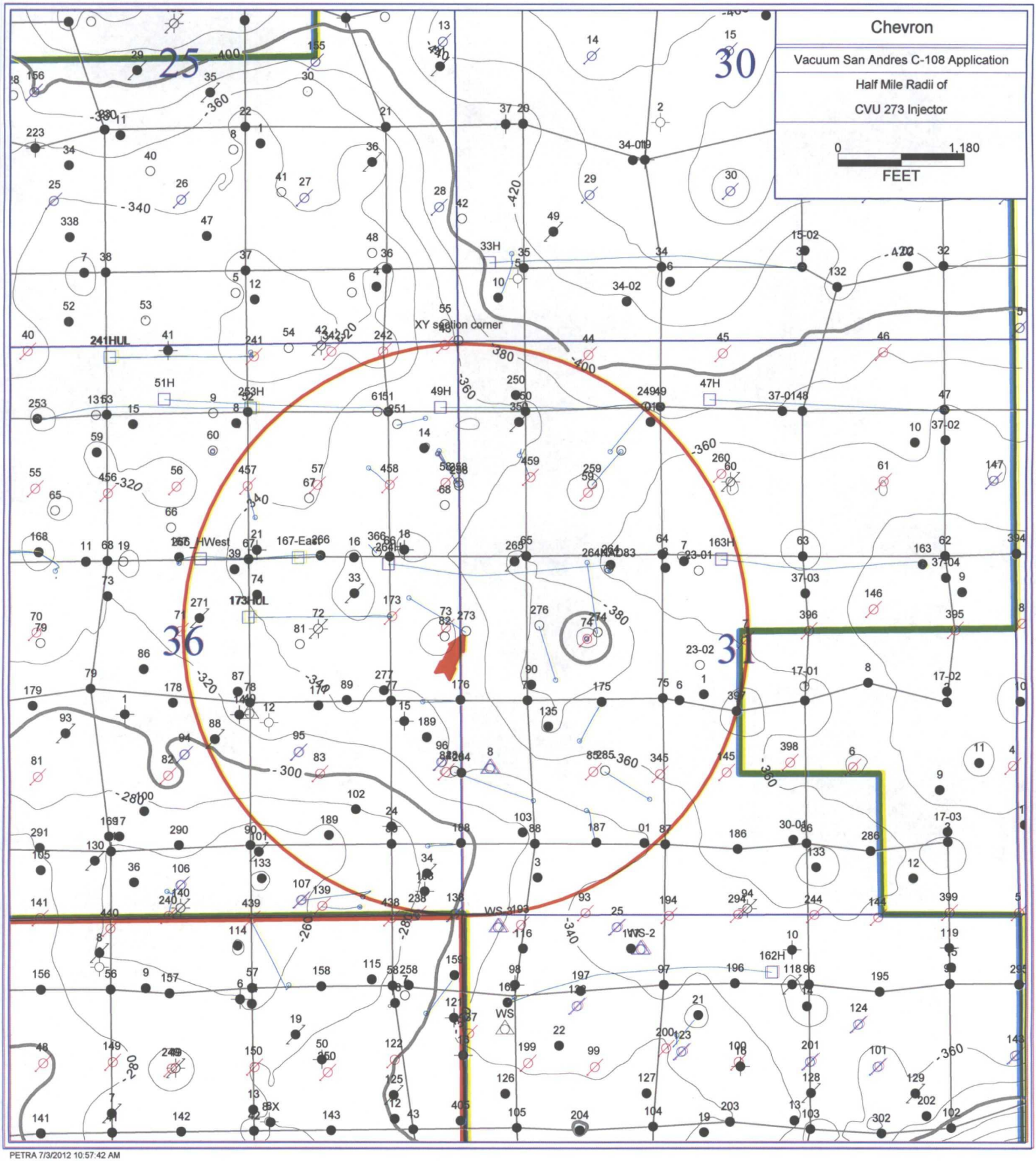
2. Name of the Injection Formation: SAN ANDRES

3. Name of Field or Pool (if applicable): VACUUM (Grayburg – San Andres)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

   Glorieta 5900'



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Side 1

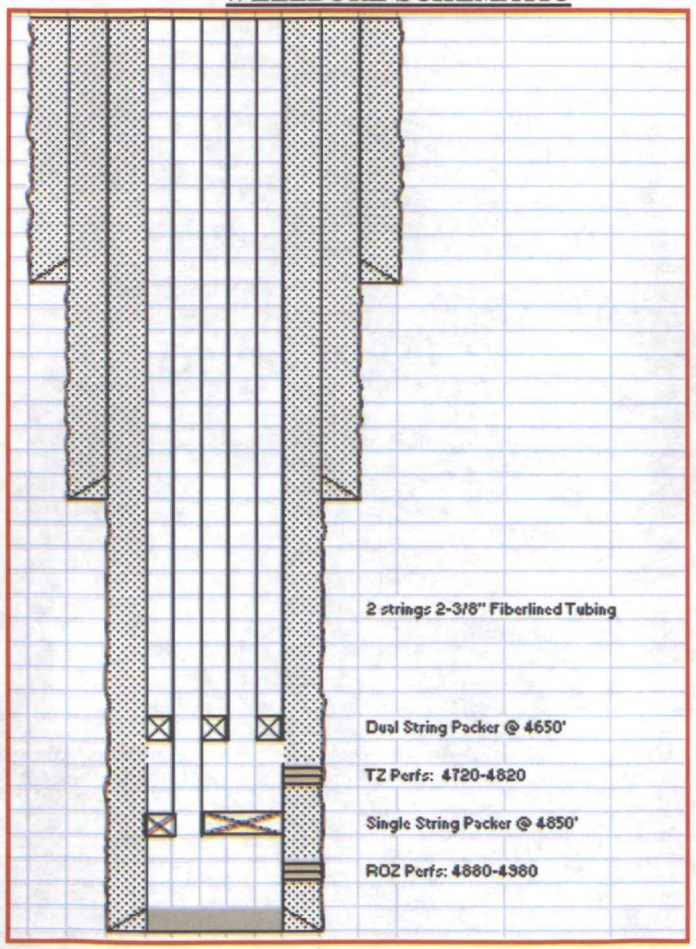
INJECTION WELL DATA SHEET

OPERATOR: CHEVRON U.S.A. INC.

WELL NAME & NUMBER: CENTRAL VACUUM UNIT # 258

WELL LOCATION: 1005' FNL & 185' FEL (FOOTAGE LOCATION) | A (UNIT LETTER) | 36 (SECTION) | 17S (TOWNSHIP) | 34E (RANGE)

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17.5" Casing Size: 13.375"

Cemented with: 1514 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: 12-1/4" Casing Size: 9-5/8"

Cemented with: 970 sxs sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circ

Production Casing

Hole Size: 8-3/4" Casing Size: 7"

Cemented with: 980 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circ

Total Depth: 5200'

Injection Interval

4710' feet to 5000'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8"Two Strings Lining Material: Fiberglass

Type of Packer: Peak Hydro II Dial Packer / Peak ASIX

Packer Setting Depth: 4700' / 4850'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes _____ No

   If no, for what purpose was the well originally drilled? _____

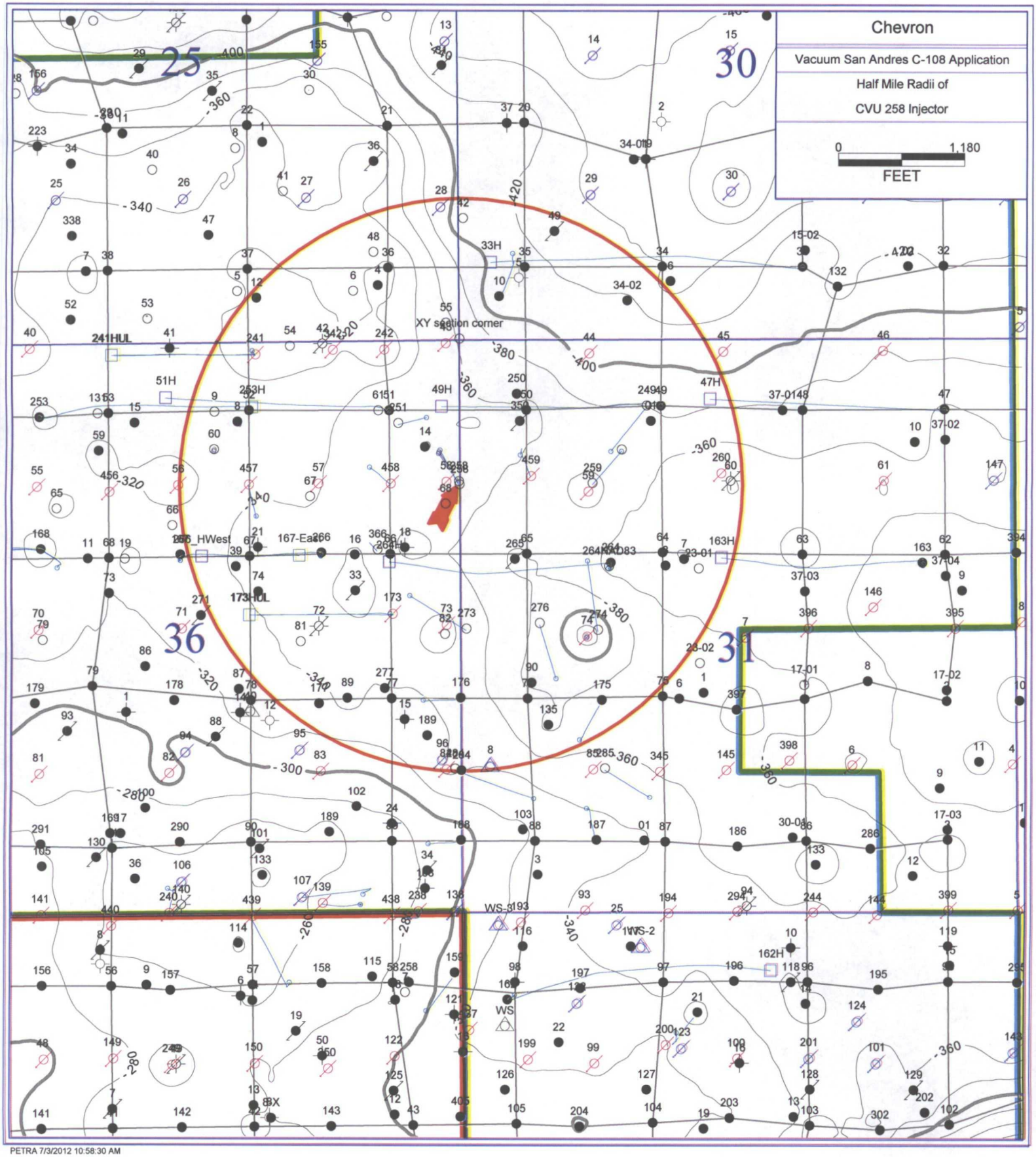
2. Name of the Injection Formation: SAN ANDRES

3. Name of Field or Pool (if applicable): VACUUM (Grayburg – San Andres)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

   Glorieta 5900'



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Side 1

INJECTION WELL DATA SHEET

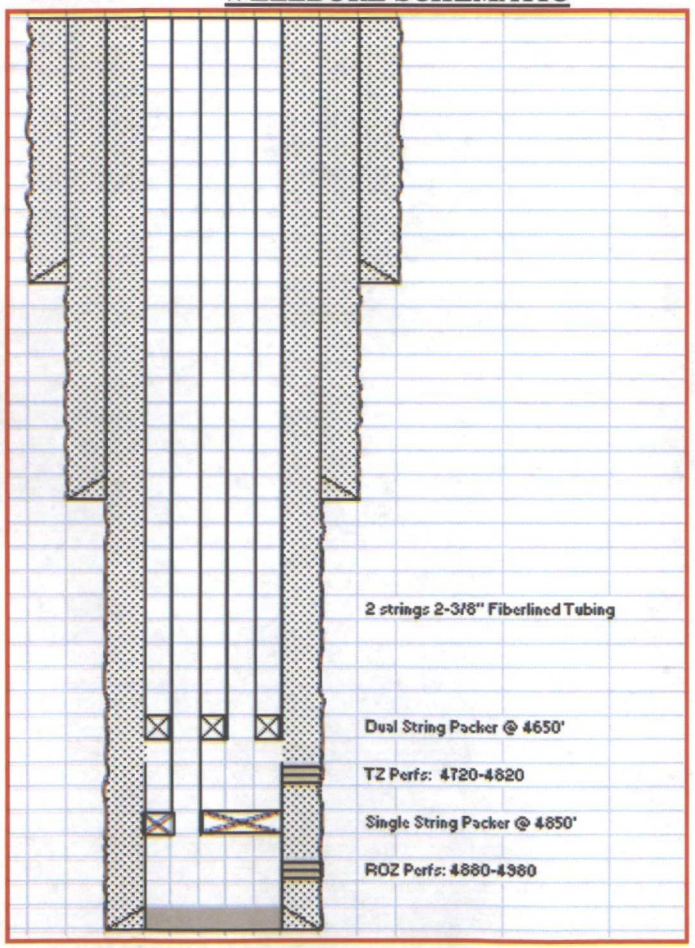
OPERATOR: CHEVRON U.S.A. INC.

WELL NAME & NUMBER: CENTRAL VACUUM UNIT # 259

WELL LOCATION: 1019' FNL & 1514' FWL | C | 31 | 17S | 35E

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17.5" Casing Size: 13.375"

Cemented with: 1514 sx. *or* _____ ft^3

Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: 12-1/4" Casing Size: 9-5/8"

Cemented with: 970 sxs sx. *or* _____ ft^3

Top of Cement: Surface Method Determined: Circ

Production Casing

Hole Size: 8-3/4" Casing Size: 7"

Cemented with: 980 sx. *or* _____ ft^3

Top of Cement: Surface Method Determined: Circ

Total Depth: 5200'

Injection Interval

4710' feet to 5000'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8"Two Strings Lining Material: Fiberglass

Type of Packer: Peak Hydro II Dial Packer / Peak ASIX

Packer Setting Depth: 4700' / 4850'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes _____ No

   If no, for what purpose was the well originally drilled? _____

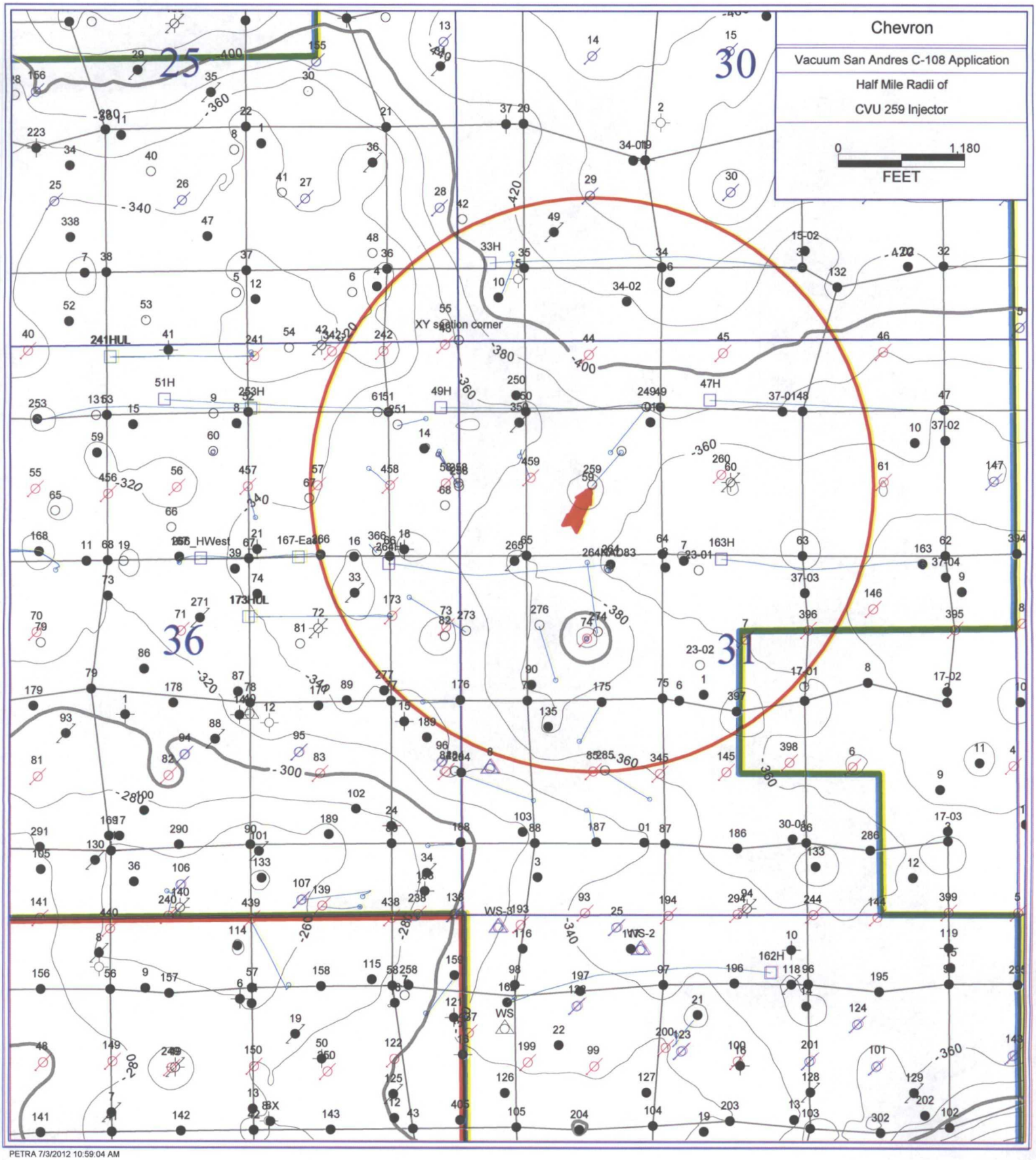
2. Name of the Injection Formation: SAN ANDRES

3. Name of Field or Pool (if applicable): VACUUM (Grayburg – San Andres)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

   Glorieta 5900'


Chevron
Vacuum San Andres C-108 Application
Half Mile Radii of
CVU 259 Injector
0
1,180
FEET
XY section corner
25
30
36
31
241HUL
173-HUL
51H
253H
49H
47H
33H
34-02
15-02
37-0148
37-02
37-03
37-04
23-01
23-02
17-01
17-02
17-03
30-04
163H
162H
167-East
HWest
WS
WS-2
PETRA 7/3/2012 10:59:04 AM

Side 1

INJECTION WELL DATA SHEET

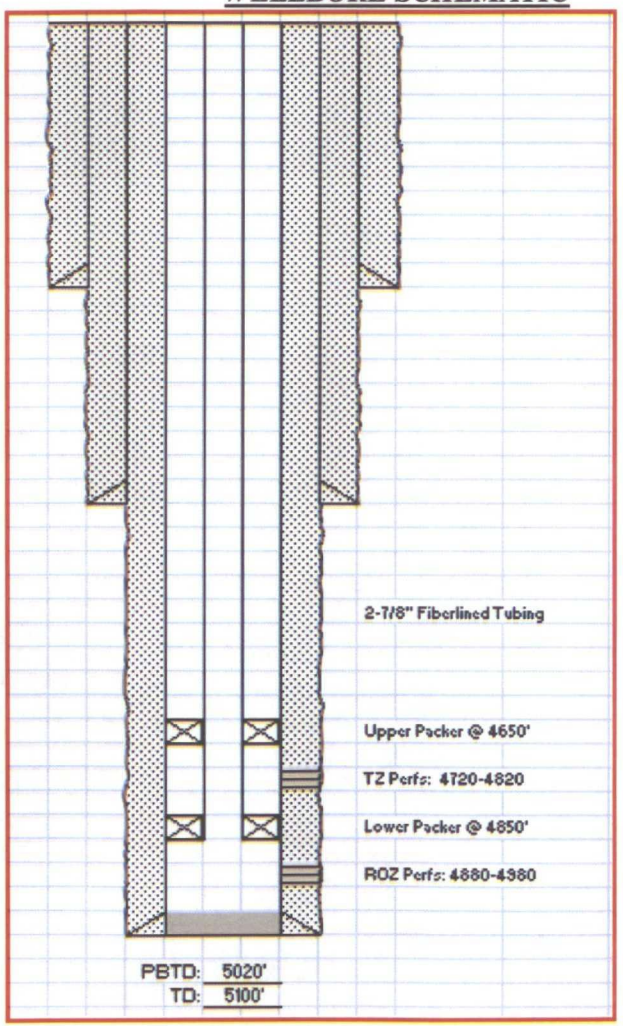
OPERATOR: CHEVRON U.S.A. INC.

WELL NAME & NUMBER: CENTRAL VACUUM UNIT # 274

WELL LOCATION: 2033' FNL & 1187' FEL | E | 31 | 17S | 35E

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 15.5" Casing Size: 11.75"

Cemented with: 1248 sx. *or* _____ ft^3

Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: 11" Casing Size: 8-5/8"

Cemented with: 656 sxs sx. *or* _____ ft^3

Top of Cement: Surface Method Determined: Circ

Production Casing

Hole Size: 7-875" Casing Size: 5.5"

Cemented with: 1086 sx. *or* _____ ft^3

Top of Cement: Surface Method Determined: Circ

Total Depth: 5100'

Injection Interval

4710' feet to 5000'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8" Lining Material: Fiberglass

Type of Packer: Double Grip Mechanical Set/ Double Element Hydro IV Hydraulic Set

Packer Setting Depth: 4700' / 4850'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes _____ No

   If no, for what purpose was the well originally drilled? _____

   _____

2. Name of the Injection Formation: SAN ANDRES

3. Name of Field or Pool (if applicable): VACUUM (Grayburg – San Andres)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. NO

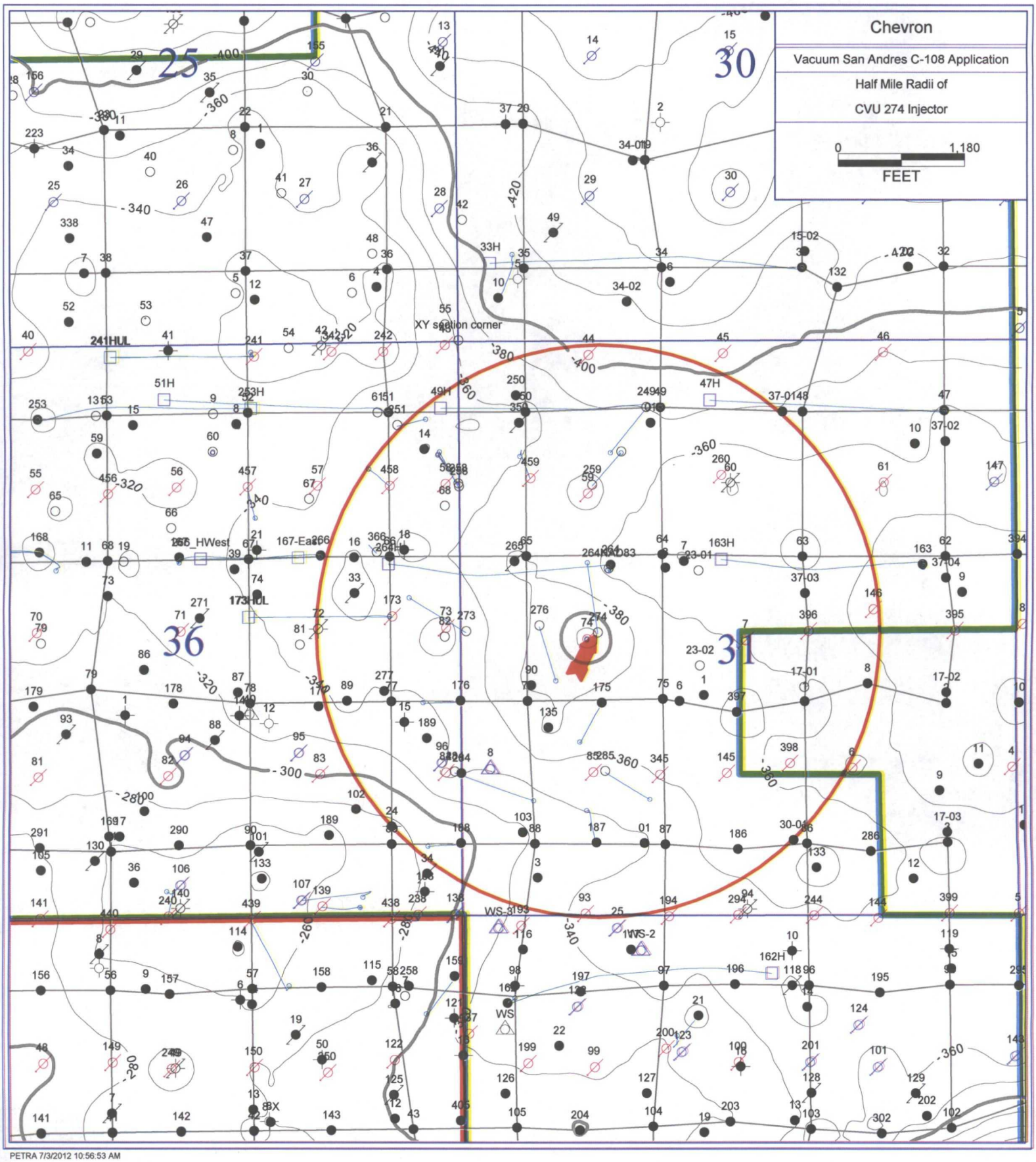
   _____

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

   Glorieta 5900'

   _____

   _____


Chevron
Vacuum San Andres C-108 Application
Half Mile Radii of
CVU 274 Injector
0
1,180
FEET
25
30
36
31
XY section corner
241HUL
173HUL
51H
253H
33H
34-019
34-02
15-02
47H
37-0148
37-02
37-03
37-04
23-01
163H
23-02
17-01
17-02
17-03
30-04
162H
167-East
HWest
WS-1
WS-2
WS
PETRA 7/3/2012 10:56:53 AM

Side 1

INJECTION WELL DATA SHEET

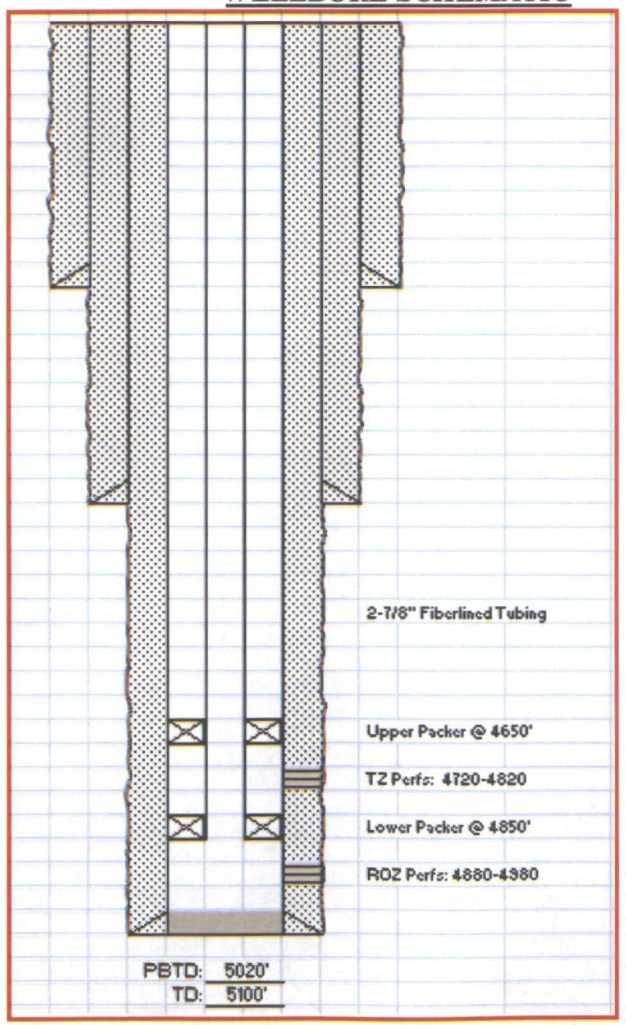
OPERATOR: CHEVRON U.S.A. INC.

WELL NAME & NUMBER: CENTRAL VACUUM UNIT # 284

WELL LOCATION: 1070'' FSL & 665' FWL | M | 31 | 17S | 35E

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 15.5" Casing Size: 11.75"

Cemented with: 1248 sx. ***or*** _____ ft^3

Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: 11" Casing Size: 8-5/8"

Cemented with: 656 sxs sx. ***or*** _____ ft^3

Top of Cement: Surface Method Determined: Circ

Production Casing

Hole Size: 7-875" Casing Size: 5.5"

Cemented with: 1086 sx. ***or*** _____ ft^3

Top of Cement: Surface Method Determined: Circ

Total Depth: 5100'

Injection Interval

4710' feet to 5000'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8" Lining Material: Fiberglass

Type of Packer: Double Grip Mechanical Set/ Double Element Hydro IV Hydraulic Set

Packer Setting Depth: 4700' / 4850'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes _____ No

   If no, for what purpose was the well originally drilled? _____

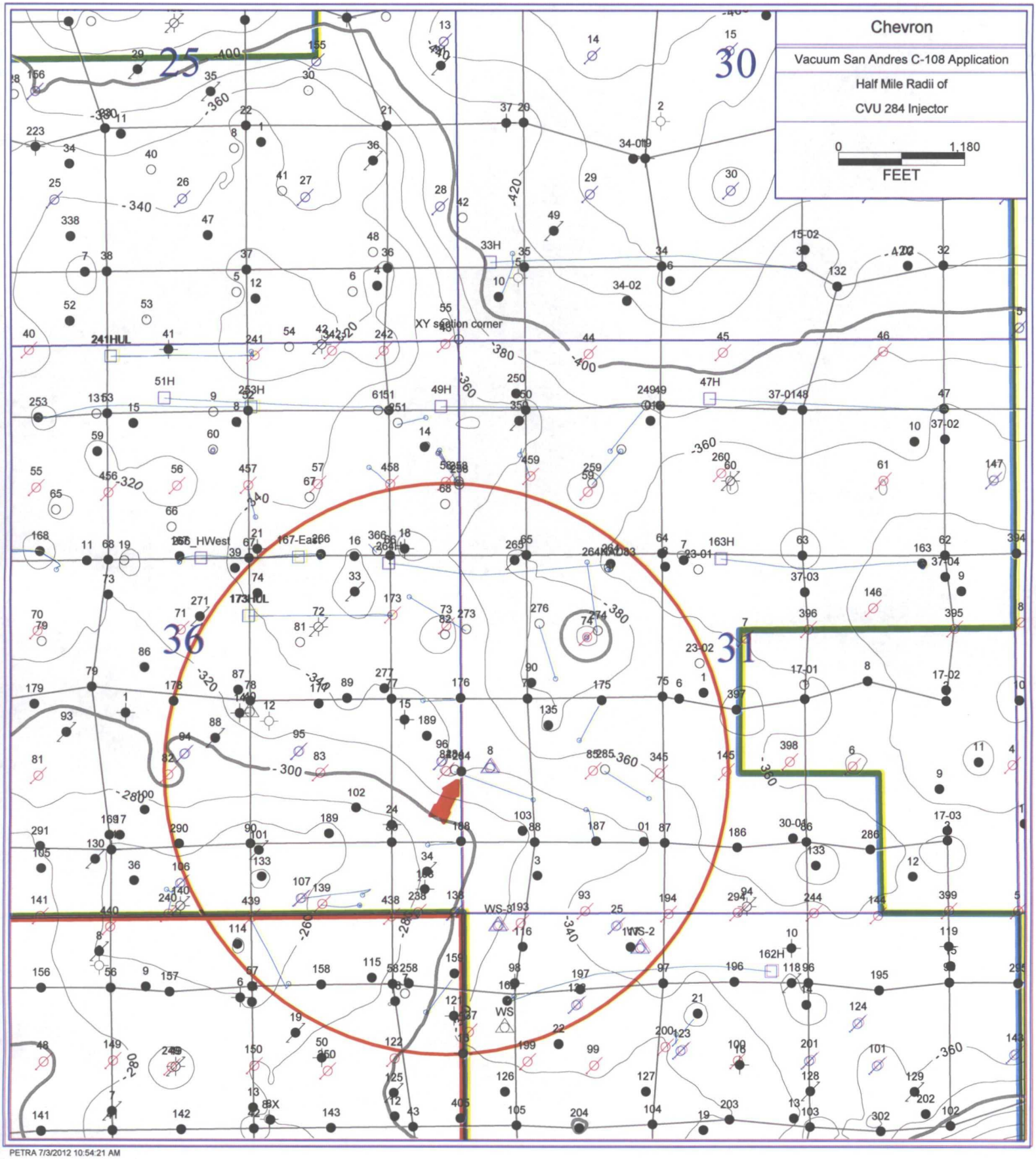
2. Name of the Injection Formation: SAN ANDRES

3. Name of Field or Pool (if applicable): VACUUM (Grayburg – San Andres)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

   Glorieta 5900'


Chevron
Vacuum San Andres C-108 Application
Half Mile Radii of
CVU 284 Injector
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FEET
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XY section corner
241HUL
173-HUL
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253H
49H
47H
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34-01H
23-01
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163H
162H
37-01
37-02
37-03
37-04
37-01H
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30-04
15-02
34-02
WS-1
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WS-3
WS
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Side 1

INJECTION WELL DATA SHEET

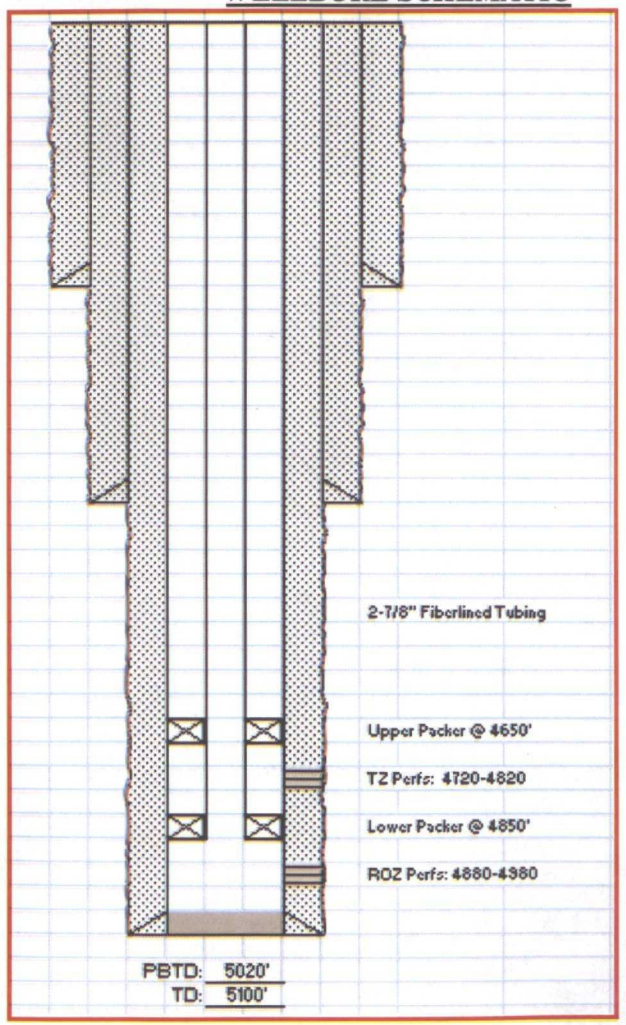
OPERATOR: CHEVRON U.S.A. INC.

WELL NAME & NUMBER: CENTRAL VACUUM UNIT # 285

WELL LOCATION: 1083' FSL & 1753' FWL | N | 31 | 17S | 35E

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 15.5" Casing Size: 11.75"

Cemented with: 1248 sx. *or* _____ ft^3

Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: 11" Casing Size: 8-5/8"

Cemented with: 656 sxs sx. *or* _____ ft^3

Top of Cement: Surface Method Determined: Circ

Production Casing

Hole Size: 7-875" Casing Size: 5.5"

Cemented with: 1086 sx. *or* _____ ft^3

Top of Cement: Surface Method Determined: Circ

Total Depth: 5100'

Injection Interval

4710' feet to 5000'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8" Lining Material: Fiberglass

Type of Packer: Double Grip Mechanical Set/ Double Element Hydro IV Hydraulic Set

Packer Setting Depth: 4700' / 4850'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes ____ No

   If no, for what purpose was the well originally drilled? _____

   _____

2. Name of the Injection Formation: SAN ANDRES

3. Name of Field or Pool (if applicable): VACUUM (Grayburg – San Andres)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. NO

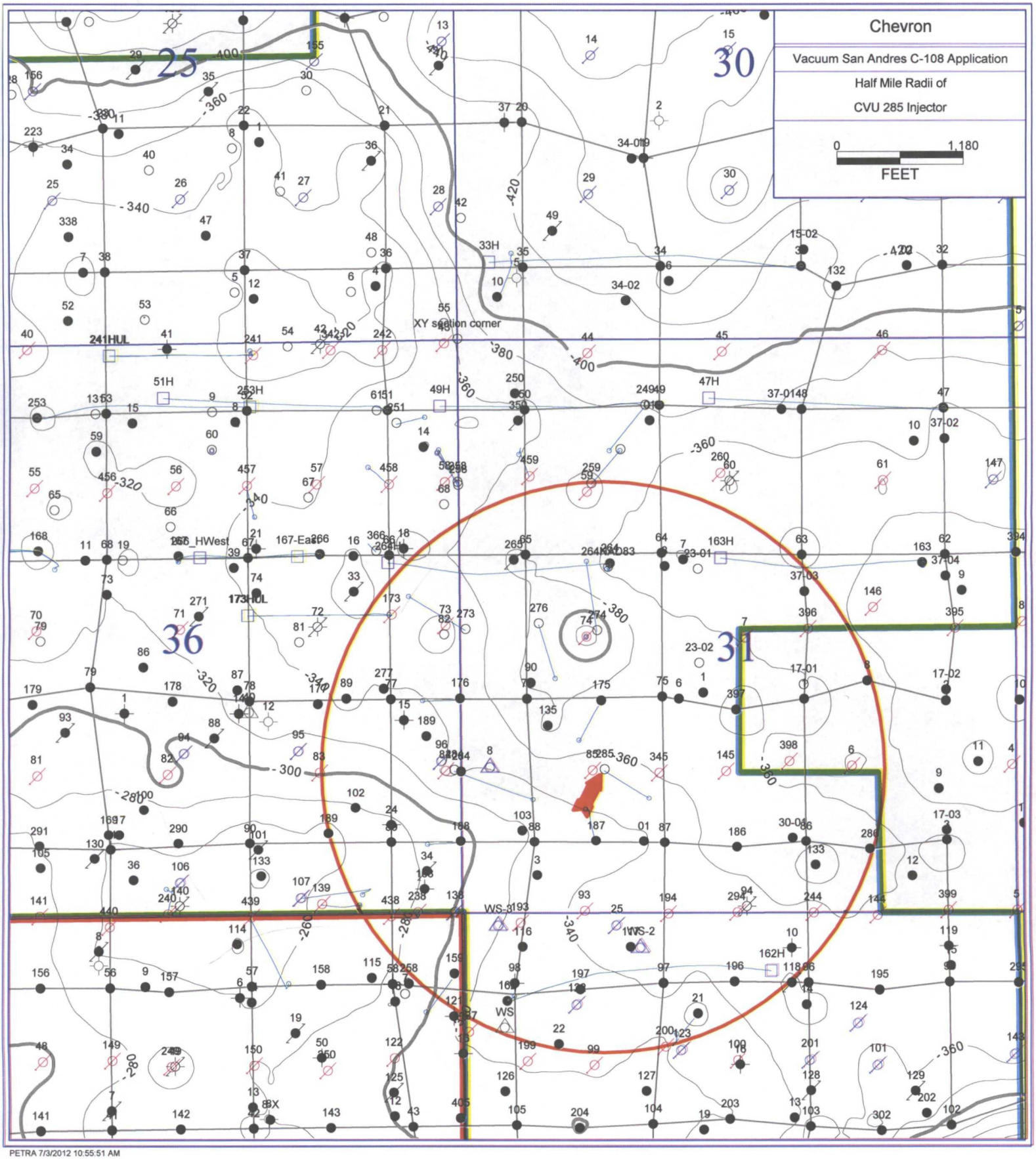
   _____

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

   Glorieta 5900'

   _____

   _____


Chevron
Vacuum San Andres C-108 Application
Half Mile Radii of
CVU 285 Injector
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FEET
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XY section corner
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47H
33H
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34-02
15-02
37-01
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37-02
37-03
37-04
23-01
23-02
163H
167-East
HWest
17-01
17-02
17-03
30-01
162H
WS-1
WS-2
WS
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CVU Well Nos 274, 284, 285, ~ etc
Vacuum (Grayburg-San Andres) Field
Lea County, NM

Completion Procedure

RIGLESS

1. Set anchors. Ensure that all exclusion zones for overhead hazardous areas are identified and flagged. Ensure power line height / placement is in compliance with MCA SWP. Ensure that all exclusion zones are marked clearly and honored.

2. Open needle valve on the dry hole cap and & check for trapped pressure above the BPV (if installed – verify with drilling). Check pressure on the 8-5/8" X 5-1/2" annulus & the 11-3/4" x 8-5/8" annulus. Bleed any pressure if necessary.

3. Remove dry hole cap.

4. NU Vetco 11" 5M x 7-1/16" 5M tubing head.

5. NU Guardian 5M frac stack.

6. Lubricate out Vetco 5" H BPV (if installed – verify with drilling)

7. Bleed pressure from bradenhead valves (if there is any pressure) and load the *surface & intermediate* annuli with FW. Ensure that production casing was displaced with FW. Load production casing with FW and pressure test casing to 4000 psi (80% WH pressure rating) prior to perforating.

8. RU E-line unit, mast/crane, & lubricator. Test lubricator to 1000 psi. RIH w/ GR-Radial bond log – CCL & tie into existing OH log. Log from PBTD (estimated @ 5172') to surface'. Run the CET with 0 psi on the repeat pass & 1000 psi on the main pass. Send digital copy of logs to Paul Brown (Paul Brown@chevron.com), Nate Brummert (nbgn@chevron.com), & Scott Ingram (ScottIngram@chevron.com). Scott Ingram will provide perforations based on OH & cased hole logs.

9. Perforate the 5-1/2" casing as per Technical Team recommendation (Scott Ingram) using 3-3/8" predator guns w/ 2 JSPF @ 120 degree phasing. Perf charge specs: 35 gram, 0.41" EHD, 47.56" ATP.

10. Rig down wireline truck and mast unit.

11. MIRU Petroplex. Acidize perfs with 20,000 gallons 15% NEFE HCl. Pump acid at 10 BPM. Maximum pressure = 3800 psi. Drop 50% excess 7/8" 1.18 S.G. ***bio-ball*** sealers for diversion.

12. Close frac valve. Bleed pressure off treating lines above frac valve and RD acid crew & equipment.

13. NU B-1 adapter with ball valve on top of Frac Valve

CVU Well Nos ~~274, 284, 285~~
Vacuum (Grayburg-San Andres) Field
Lea County, NM

Completion Procedure

14. RU 2-man flow back crew, flowback manifold / lines (*ensure that lines are hobbled and are delivered with certification tags)*, & flowback tank. Open well up and flow back load. Record flowback details in Wellview.

15. Once well is dead, close frac valve & RDMO flowback crew / equipment.

16. ND B-1 adapter

17. RU WL unit & lubricator on top of frac valve. RIH & set WL conveyed 5-1/2" composite bridge plug (CBP) +/- 50' above top perf.

18. Load casing & test CBP to 1000 psi.

19. Dry rod in Vetco 5" H BPV

20. ND Frac Valve.

21. NU 7-1/16" 5M tubing head, B-1 adapter with needle valve & pressure gauge.

WITH RIG

22. Rig up pulling unit.

23. Check pressure on well – well should be dead due to CBP. Bleed pressure if necessary.

24. ND B-1 adapter & NU 5M hydraulic BOP & 3M hydraulic annular.

25. Check for pressure under the BPV & dry rod out the 5" BPV.

26. Close blind rams & test against CBP to 250 low / 1000 psi high for 5 minutes each.

27. Caliper & inspect elevators/lifting equipment. TIH with 4-3/4" 5 blade junk mill & 6 x 3-1/2" DC's on 2-7/8" 6.5# L80 workstring. Tag CBP.

28. Test pipe rams & annular to 250 low / 1000 psi high for 5 minutes each.

29. Caliper swivel bail & PU power swivel. Establish returns with 10# BW & drill up CBP & make C/O run to PBTD.

30. Circ hole clean.

31. TOH LD WS, DC's & mill.

32. Install Maverick Oil Tools' Single String, Dual Zone Injection Packer assembly as follows:

CVU Well Nos ~~274, 284, 285~~,
Vacuum (Grayburg-San Andres) Field
Lea County, NM

Completion Procedure

__NOTE***__: For the **bottom injection interval**, space out so that the 1.62" Injection Segregation valve is +/- 20' below the bottom perf & so that the bottom packer is +/- 60' above upper perforation.

a. 2-7/8" 316 SS bull plug with SS coupling (ensure BP box coupling was prepped for Fiberline's CBR & flange installation).

b. 1 joint 2-7/8" 6.5# L80 8RD EUE externally Ryt-wrapped / fiberlined FL-II injection "scab" tubing (mud anchor)

****ENSURE THAT A PERMIAN ENTERPRISES REP IS ON LOCATION TO "PAINT" DAMAGED RYT-WRAP TUBING. PERMIAN ENTERPRISES: 432-332-0903.*

c. 2-7/8" Tuboscope 316 SS TAS (Tuboscope Adapter Sub)

d. 2-7/8" 316 SS Segregation Injection Valve with pre-installed segregation valve (3.063" OD, 1.62" No-Go) prepped for Fiberline's CBR & flange.

e. 2-7/8" 6.5# L80 8RD EUE externally Ryt-wrapped / Fiberlined FL-II injection "scab" tubing (scab tubing refers to the ryt-wrapped tubing that will be placed in between the two packers & below the lower packer).

f. 2-7/8" Tuboscope 316 SS TAS (Tuboscope Adapter Sub).

g. Lower 5-1/2" x 2-7/8" hydraulic set double grip HydroSeal nickel plated / IPC injection packer.

h. 2-7/8" 316 SS Segregation Injection Valve (3.668" OD x 1.812" No-Go) prepped for Fiberline's CBR & flange.

i. 2-7/8" 316 SS extended length overshot prepped with 1.812" 'F' Profile & prepped for Fiberline's CBR & flange installation

j. 1 joint 2-7/8" 6.5# L80 workstring.

k. 5-1/2" x 2-7/8" LH set compression packer (space out according to

l. 2-7/8" 6.5# L80 WS to surface.

33. Pressure up on tubing to 3000 psi to set lower hydraulic packer. Hold pressure for 10 minutes.

34. Bleed pressure off of tubing pull 5K over string weight to ensure packer is set.

35. Release on off tool.

36. Pull up hole +/- 5' & set compression packer.

CVU Well Nos ~~274, 284, 285~~
Vacuum (Grayburg-San Andres) Field
Lea County, NM

Completion Procedure

37. Load tubing & test lower packer to 500 psi for 5 minutes.

38. Release test compression packer.

39. TOH LD workstring & test packer.

40. PU upper part of injection assembly as follows:

    a. 316 SS on/off tool with extended seal body

    b. 2-7/8" 6.5# L-80 8RD EUE externally Ryt-Wrapped / TK-fiberlined tubing (space out so that upper injection packer is +/- 30' above the *top* perforation of the *upper injection zone*.)

    c. Upper hydraulic set nickel plated / IPC injection packer.

    d. Standard length 316 SS On/Off tool with 1.875" 'F' profile

    e. 2-7/8" 6.5# L-80 8RD EUE TK-fiberlined injection tubing to surface.

41. Load tubing and pressure up to +/- 3000 psi & set upper injection packer. Hold pressure for 10 minutes to ensure that on/off tool seals are holding.

42. Bleed pressure from tubing & pressure up on backside to 550 psi for 5 minutes to ensure packer is set and holding. Bleed pressure from casing.

43. Release upper on/off tool & circulate well with packer fluid.

44. Re-engage on/off tool.

45. Perform Pre-MIT test. Load casing & test to 550 psi for 30 minutes & chart. Send chart to ALCR.

46. Release pressure from casing.

47. Lubricate Vetco BPV into tubing hanger.

48. ND BOP.

49. NU wellhead & injection tree.

50. Lubricate out Vetco BPV & close master valve on injection tree.

51. Rig down pulling unit.

52. Provide OCD 24 hours notice of MIT. Perform and chart MIT; give chart to ALCR.

53. RU slickline unit & lubricator. Pressure test lubricator to 1000 psi against master valve.

CVU Well Nos ~~274, 284, 285~~
Vacuum (Grayburg-San Andres) Field
Lea County, NM

Completion Procedure

54. RIH with slickline & remove isolation sleeves & install orifice sleeves into segregation valves per the instructions of production engineer Paul Brown.

PTB 3/12/12

NCB 5/22/12

Contacts:

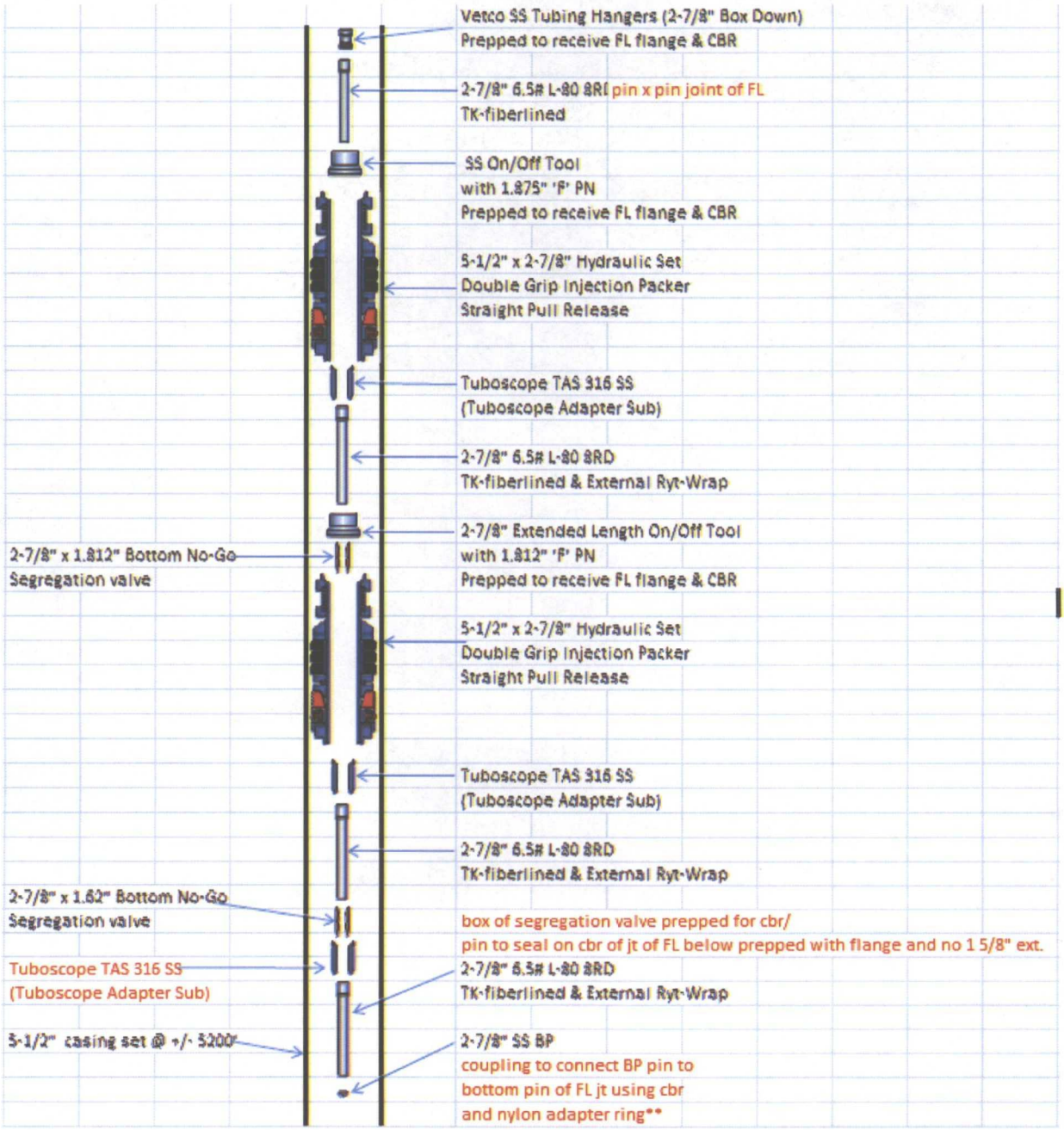
Nate Brummert – Remedial Engineer (office: 432-687-7512, cell: 713-409-6170)
Paul Brown – Production Engineer (office: 432-687-7351, cell: 432-238-8755)
Heath Lynch - Drilling Supt. (office: 432-687-7402, cell: 432-238-8667)
Danny Acosta – ALCR (cell: 432-631-9033)
Nick Moschetti – OS (cell: 432-631-0646)
Jim Dane – Maverick Oil Tools (cell: 432-238-6288)

CVU Well Nos 274, 284, 285
Vacuum (Grayburg-San Andres) Field
Lea County, NM

Completion Procedure

APPENDIX A:

As Installed:

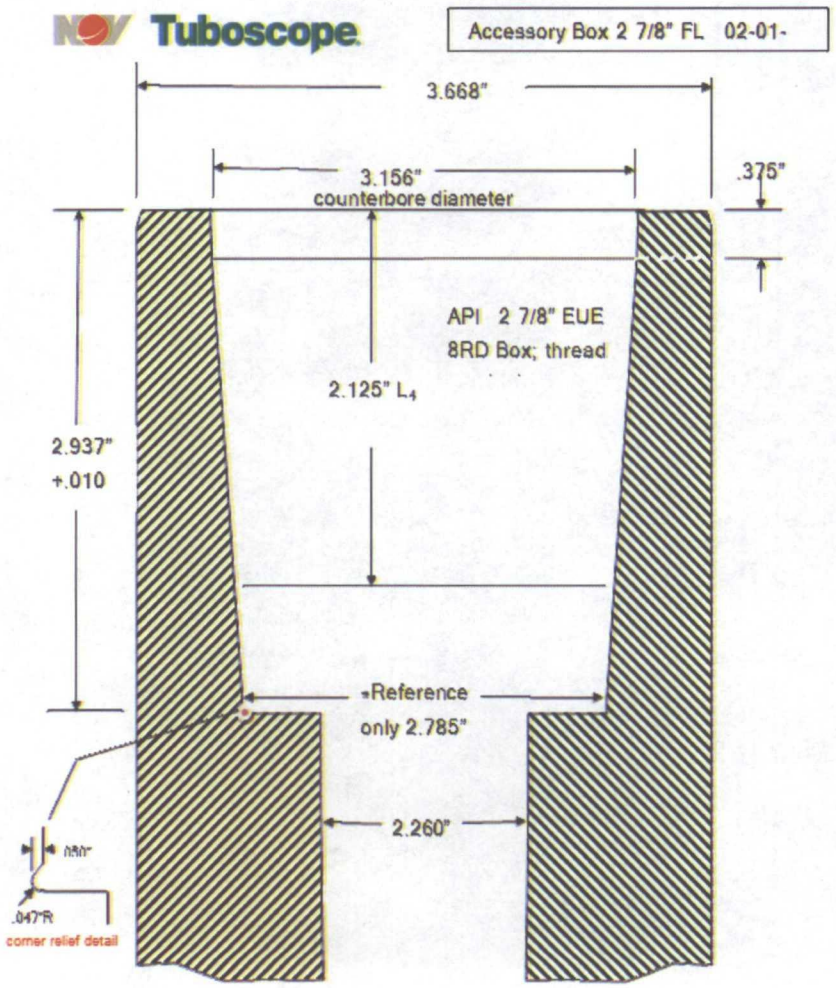


CVU Well Nos 274, 284, 285
Vacuum (Grayburg-San Andres) Field
Lea County, NM

Completion Procedure

Appendix B:

2-7/8" 8rd Fiberline Accessory Box Prep



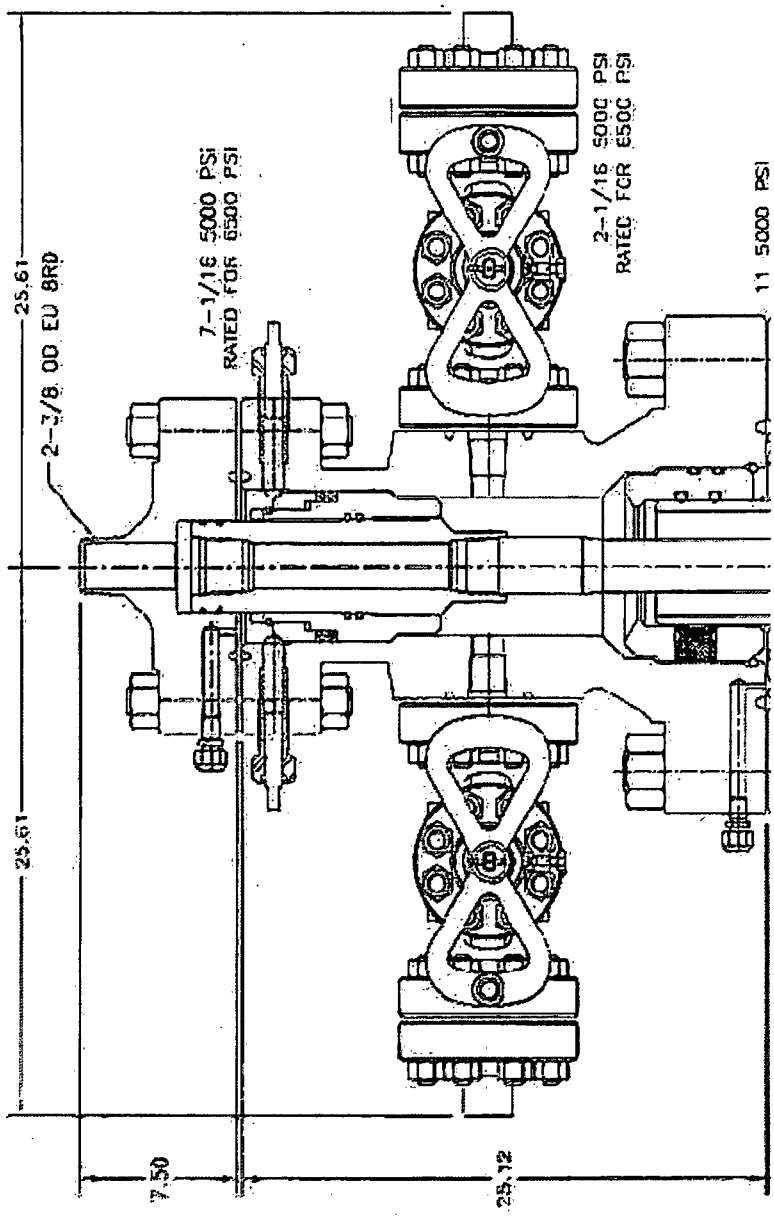
*Given for minimum clearance in thread run out for CBR ring to seat properly.

CVU Well Nos 274, 284, 285
Vacuum (Grayburg-San Andres) Field
Lea County, NM

Completion Procedure

Appendix C:

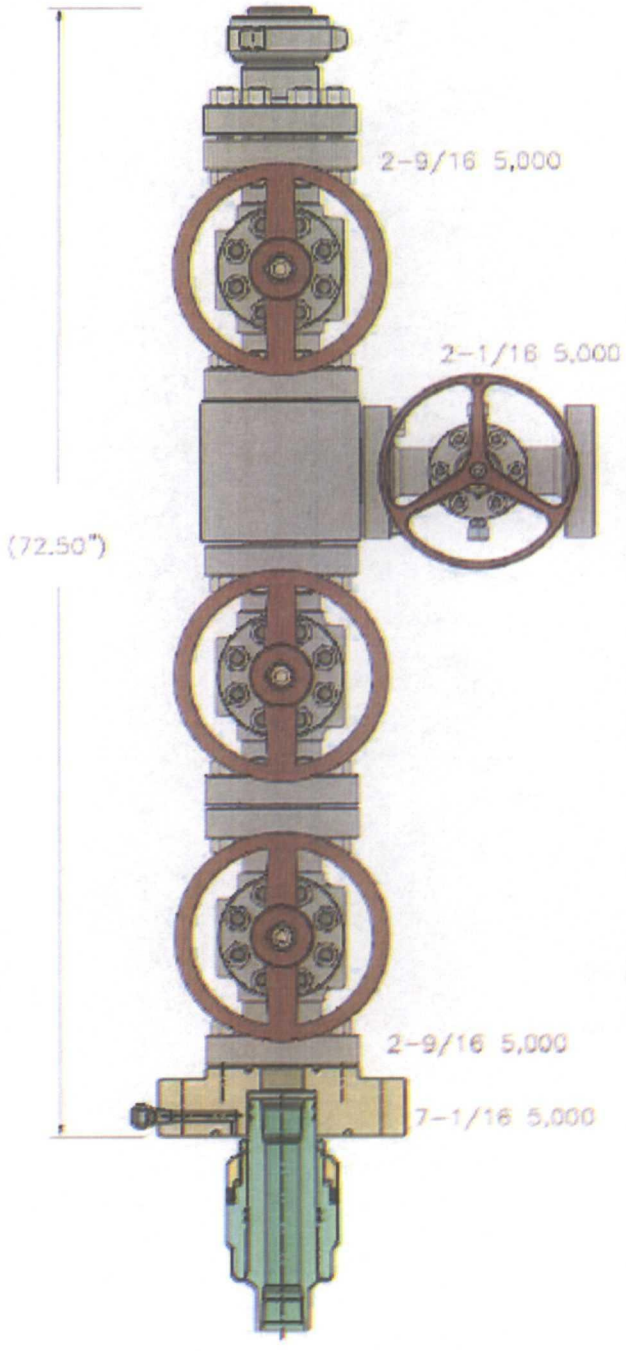
Tubing Head:

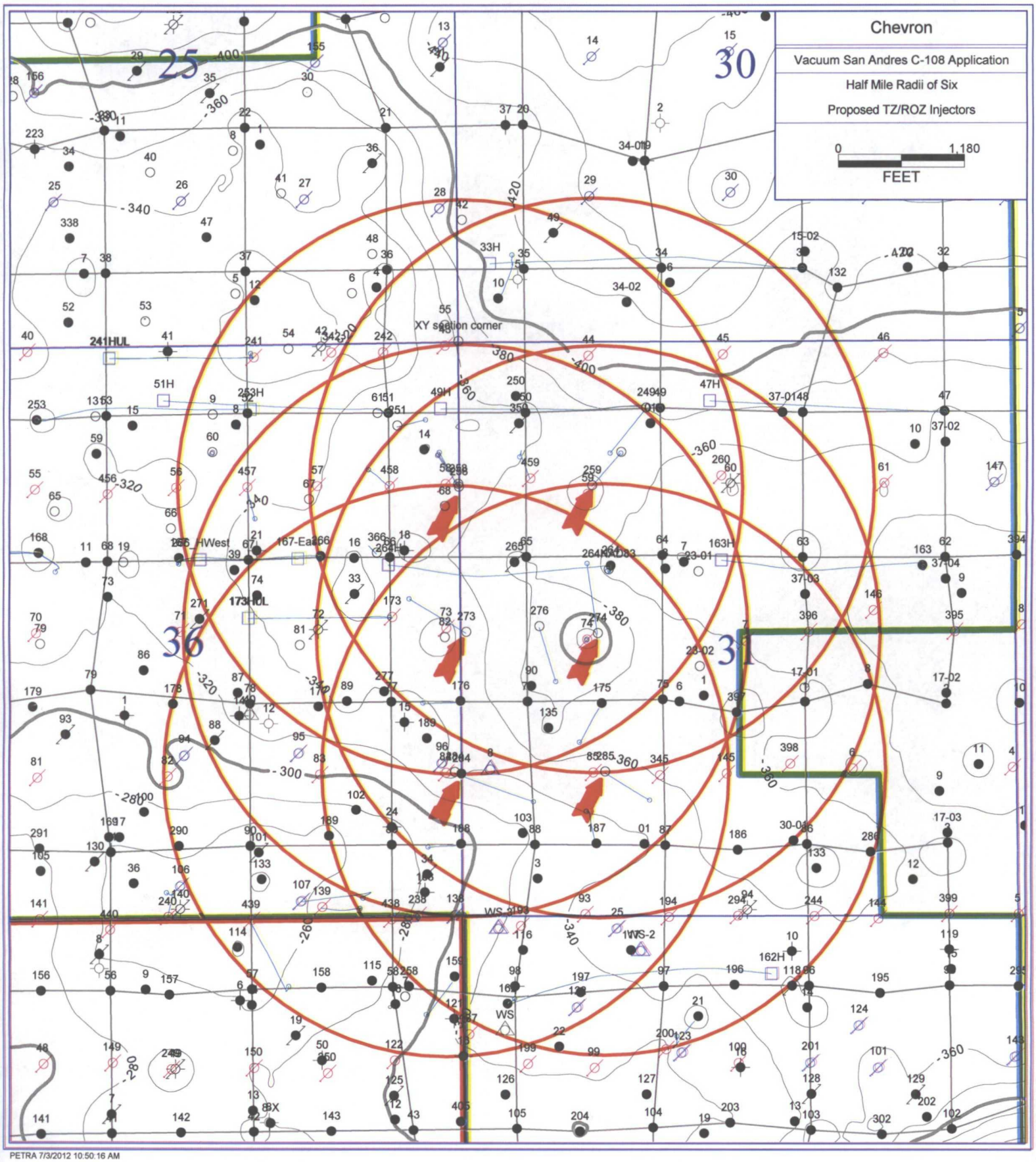


CVU Well Nos 274, 284, 285
Vacuum (Grayburg-San Andres) Field
Lea County, NM

Completion Procedure

Injection Tree:




Chevron
Vacuum San Andres C-108 Application
Half Mile Radii of Six
Proposed TZ/ROZ Injectors
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1,180
FEET
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31
XY section corner
241HUL
173HUL
51H
33H
49H
47H
253H
163H
162H
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17-02
17-03
30-04
WS
WS-2
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A 274, 284 285

CVU 273 CVU 258, CVU 259, Wells within Half Mile Radius - Offsets

UWI (APINum)	Operator	Well Name	Well Number	Status	Location	Unit Letter	Section	Twnshp	Range	County	TD	Address
30-025-32034	APACHE CORP	WARN_ST_A_C_2	22	Active	1219' FNL & 890' FWL	D	6	18S	35E	Lea	8138'	303 Veterans Airpark Ln, Ste 3000; Midland, TX 79705
30-025-33139	APACHE CORP	WARN_ST_AC_2	25	Inactive	113' FNL & 1429' FWL	C	6	18S	35E	Lea	8150'	303 Veterans Airpark Ln, Ste 3000; Midland, TX 79705
30-025-20748	MARATHON OIL	WARN_ST_AC_1_3	3	P&A'd	2080 FNL & 1980' FWL	F	31	17S	35E	Lea	10,301'	303 Veterans Airpark Ln, Ste 3000; Midland, TX 79705
30-025-31969	APACHE CORP	WARN_ST_A_C_2	21	Inactive	1109' FNL & 1993' FWL	C	6	18S	35E	Lea	8200'	303 Veterans Airpark Ln, Ste 3000; Midland, TX 79705
30-025-32311	APACHE CORP	WARN_ST_A_C_1	6	Active-Oil	1980' FSL & 2030' FWL	K	31	17S	35E	Lea	10,335'	303 Veterans Airpark Ln, Ste 3000; Midland, TX 79705
30-025-33951	APACHE CORP	WARN_ST_AC_1_7	7	Active-Oil & Gas	2036' FNL & 2089 FWL	F	31	17S	35E	Lea	11,610'	303 Veterans Airpark Ln, Ste 3000; Midland, TX 79705
30-025-32413	XTO ENERGY, INC.	STATE_K_12	12	Active-Oil	330' FSL & 990' FEL	P	31	17S	35E	Lea	8093'	200 N. Loraine St.; Midland, TX 79701
30-025-02960	CONOCOPHILLIPS	EAST Vacuum (GSA) Unit	1	Inactive	1980' FSL & 1980' FEL	J	31	17S	35E	Lea	6234'	3401 E. 30th St.; Farmington, NM 87402
30-025-20290	CONOCOPHILLIPS	VGEU_37_03	3	TA'd	2310' FNL & 1980' FEL	G	31	17S	35E	Lea	6900'	3401 E. 30th St.; Farmington, NM 87402
30-025-20749	CONOCOPHILLIPS	VGEU_23_02	2	TA'd	2311' FNL & 2226' FWL	K	31	17S	35E	Lea	6250'	3401 E. 30th St.; Farmington, NM 87402
30-025-20750	CONOCOPHILLIPS	VGEU_23_01	1	TA'd	2122' FNL & 2227' FWL	F	31	17S	35E	Lea	6900'	3401 E. 30th St.; Farmington, NM 87402
30-025-20796	CONOCOPHILLIPS	VGEU_30_01 TRACT 30	1	Active-Oil	690' FSL & 2110' FEL	O	31	17S	35E	Lea	6200'	3401 E. 30th St.; Farmington, NM 87402
30-025-20819	CONOCOPHILLIPS	VGEU_37_01	1	TA'd	660' FNL & 2180' FEL	B	31	17S	35E	Lea	6311'	3401 E. 30th St.; Farmington, NM 87402
30-025-20823	CHESAPEAKE OPERATING, INC.	CONCHO E. STATE	2	Active-Oil	660' FSL & 1700' FWL	N	31	17S	35E	Lea	10,406'	Box 18496; Oklahoma City, OK 73154
30-025-21009	CONOCOPHILLIPS	VGEU TRACT 34	2	Active-Oil	330' FSL & 1576' FWL	N	30	17S	35E	Lea	6150'	3401 E. 30th St.; Farmington, NM 87402
30-025-21096	CONOCOPHILLIPS	VGEU	17-01	TA'd	2110' FSL & 1980' FEL	J	31	17S	35E	Lea		3401 E. 30th St.; Farmington, NM 87402

30-025-26863	CONOCOPHILLIPS	EAST Vacuum (GSA) Unit	6	Active-Inj	1330' FSL & 1530' FEL	J	31	17S	35E	Lea	4811'	3401 E. 30th St.; Farmington, NM 87402
30-025-26864	CONOCOPHILLIPS	EVGSAU_27_7	7	WG	2560' FSL & 2550' FEL	J	31	17S	35E	Lea	4800'	3401 E. 30th St.; Farmington, NM 87402
30-025-30278	CONOCOPHILLIPS	EVGSAU_27_8	8	Active-Oil	2173' FSL & 1410' FEL	J	31	17S	35E	Lea	4800'	3401 E. 30th St.; Farmington, NM 87402
30-025-32333	CONOCOPHILLIPS	SANTA FE_ 133	133	Active-Oil	435' FSL & 1930' FEL	O	31	17S	35E	Lea	8100'	3401 E. 30th St.; Farmington, NM 87402
30-025-32438	CONOCOPHILLIPS	SANTA FE	135	Active-Oil	1743' FSL & 808' FWL	L	31	17S	35E	Lea	8052'	3401 E. 30th St.; Farmington, NM 87402
30-025-34833	CONOCOPHILLIPS	EAST Vacuum (GSA) Unit	396	Active-Inj	2630' FSL & 1950' FEL	J	31	17S	35E	Lea	4850'	3401 E. 30th St.; Farmington, NM 87402
30-025-34834	CONOCOPHILLIPS	EAST Vacuum (GSA) Unit	397	Active-Oil	1885' FSL & 2630' FEL	J	31	17S	35E	Lea	4850'	3401 E. 30th St.; Farmington, NM 87402
30-025-34835	CONOCOPHILLIPS	EAST Vacuum (GSA) Unit	398	WG	1415' FSL & 2140' FEL	J	31	17S	35E	Lea	4842'	3401 E. 30th St.; Farmington, NM 87402
30-025-32298	CHESAPEAKE OPERATING, INC.	STATE D	3	Active-Oil	330' FSL & 695' FWL	M	31	17S	35E	Lea	8049'	Box 18496; Oklahoma City, OK 73154
30-025-33052	CHESAPEAKE OPERATING, INC.	WARN_ST_A_C_1	1	Active-Oil	2036' FSL & 2260' FWL	K	31	17S	35E	Lea	12,740'	Box 18496; Oklahoma City, OK 73154

Wells drilled within Affected Area subsequent to Injection Orders: R5530-E, R6856 & 74442-C							PART VI							
UWI (APINum)	Operator	Well Name	Well Number	Status	Location	UL	Sec	T/S	Rge	Co	TOC	TD	SPUD	Comp Date
30-025-38785	Chevron	VGSAU	438	Active WG INJ	10' FNL & 420' FEL	A	1	18S	34E	Lea	Surf	5020'	2/21/2009	4/23/2009
30-025-38786	Chevron	VGSAU	439	Active Injector	634' FNL & 1632' FEL	B	1	18S	34E	Lea	Surf	5156'	3/4/2009	5/1/2009
30-025-38640	Chevron	CVU	458	Active WG INJ	1153' FNL & 848' FEL	A	36	17S	34E	Lea	Surf	5035'	11/17/2008	3/12/2009
30-025-38641	Chevron	CVU	459	Active WG INJ	1050' FNL & 566' FWL	D	31	17S	35E	Lea	Surf	5005'	12/20/2008	3/18/2009
30-025-38849	Chevron	CVU	238	Active WG INJ	10' FSL & 420' FEL	P	36	17S	34E	Lea	Surf	5210'	1/27/2009	4/22/2009
30-025-35212	Chevron	CVU	173H	Active WG INJ	2509' FNL & 660' FEL	H	36	17S	34E	Lea	Surf	5913'	12/18/2000	1/17/2001
30-025-33712	Chevron	CVU	177	Active FI - Oil	1955' FSL & 1335' FEL	J	36	17S	34E	Lea	Surf	4850'	12/19/1996	1/11/1997
30-025-33722	Chevron	CVU	175	Active FI - Oil	1617' FSL & 1107' FWL	L	31	17S	35E	Lea	Surf	4890'	1/3/1997	2/12/1997
30-025-37233	Chevron	CVU	260	Active WG INJ	1235' FNL & 2456' FWL	C	31	17S	35E	Lea	Surf	4815'	7/1/2005	8/3/2005
30-025-35628	Chevron	CVU	264H	Active SP - Oil	2100' FNL & 1390' FWL	F	31	17S	35W	Lea	Calc-Circ'd	6707'	8/17/2001	10/2/2001
30-025-35398	Chevron	CVU	294	Active WG INJ	10' FNL & 2630' FEL	B	6	18S	35E	Lea	1824' Calc @ 50% fill-up	4700'	6/6/2001	9/19/2001
30-025-34943	Chevron	CVU	286	Active SP - Oil	584' FSL & 1383' FEL	O	31	17S	35E	Lea	Surf	4843'	3/26/2000	4/18/2000
30-025-34834	CONOCOP HILLIPS	EVGSAU	397	NON-OP-Oil	1885' FSL & 2630' FEL	J	31	17S	35E	Lea	Surf	4850'	4/15/2000	6/27/2000
30-025-34835	CONOCOP HILLIPS	EVGSAU	398	NON-OP-WG	1415' FSL & 2140' FEL	J	31	17S	35E	Lea	Calc-Circ'd	4842'	5/12/2000	6/22/2000
30-025-34833	CONOCOP HILLIPS	EVGSAU	396	NON-OP-WG	2630' FSL & 1950' FEL	J	31	17S	35E	Lea	Surf	4850'	4/23/2000	6/14/2000
30-025-30278	CONOCOP HILLIPS	EVGSAU	8	NON-OP-Oil	2173' FSL & 1410' FEL	J	31	17S	35E	Lea	Surf	4800'	7/1/1988	8/22/1988
30-025-38140	Chevron	NM 'O' STATE NCT-1	40	Active-WD	1885' FSL & 1978' FEL	J	36	17S	34E	Lea	Surf	13,300'	1/19/2007	5/7/2007
30-025-38639	Chevron	CVU	457 WI	Active WG INJ	1593' FNL & 1912 FEL	G	36	17S	34E	Lea	Surf	5026'	10/30/2008	1/21/2009

30-025-38002	Chevron	CVU	342 WI	Active WG INJ	82' FNL & 1186' FEL	A	36	17S	34E	Lea	Surf	5204'	9/13/2006	12/22/2006
30-025-35213	Chevron	CVU	241 WI	Active WG INJ	74' FNL & 1940' FEL	B	36	17S	34E	Lea	230' by TS	5988'	1/13/2001	3/27/2001
30-025-33711	Chevron	CVU	167	Active FI - Oil	2000' FNL & 2630' FEL	G	36	17S	34E	Lea	Surf	5497'	12/26/1996	1/21/1997

Affidavit of Publication

State of New Mexico,
County of Lea.

I, JUDY HANNA
PUBLISHER
of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period

of 1 issue(s).
Beginning with the issue dated
July 08, 2012
and ending with the issue dated
July 08, 2012

PUBLISHER

Sworn and subscribed to before me
this 9th day of
July, 2012

Notary Public

My commission expires
January 29, 2015
(Seal)

OFFICIAL SEAL
Bussie Black
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires 1-29-15

This newspaper is duly qualified to publish legal notices or advertisments within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

9old, EGAL NOTICE
July 8, 2012

Notice is hereby given of the application of CHEVRON U.S.A. INC., 15 Smith Road, Midland, TX 79705, to the Oil Conservation of the State of New Mexico, and the Commissioner of Public Lands, State of New Mexico for approval to drill and complete the Central Vacuum Unit #285, 274, 284, as injection wells. Injection into these wells is designed to enhance production from the Central Vacuum Unit. These wells are in the following locations in Lea County, New Mexico:

Well #	Sec-Twn-Rnge	Unit Letter	Surface Location	Bottom Hole Location
285	31-17S-35E	N	1083' FSL & 1763' FWL	1341' FSL & 1343' FWL
274	31-17S-35E	E	2033' FNL & 1167' FWL	2615' FSL & 1275' FWL
284	31-17S-35E	M	1070' FSL & 665' FWL	1338' FSL & 89' FEL

Water, produced gas, & CO2 will be injected into the Grayburg San Andres pool of the Vacuum field. Water injection in each well will be at an expected maximum rate of 3,000 barrels of water per day and an expected maximum surface pressure of 1500 psi. CO2 and produced gas injection per well will be at an expected maximum rate of 10 MMCF per day and an expected maximum surface pressure of 2200 psi. For additional information, please contact Carolyn Haynie, at 432-687-7261, or project engineer, Paul Brown, 432-687-7351, at Chevron U.S.A., 15 Smith Road, Midland, TX 79705.

Interested Parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505, within 15 days of this notice
#27448

01102480 00096165

CHEVRON USA INC.
15 SMITH ROAD
MIDLAND, TX 79705

Chevron

Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

July 16, 2012

STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
P.O. BOX 1148
SANTA FE, NE 87504-1148

RE: Application for Authorization to Inject
OCD Form C-108
Central Vacuum Unit
Lea, County, New Mexico

Surface Owner:

For your information, Chevron USA Inc. as operator, filed an application with the New Mexico Oil Conservation Division to place the Central Vacuum Unit wells # 284, (API 30-025-40468), # 285, (API 30-025-40469), and # 274, (API 30-025-40466) on injection. Chevron plans to inject produced water, gas, and CO_2.

Attached is the OCD form C-108 and the information relative to the proposed expansion. A copy of the legal notice has been submitted to the Hobbs News-Sun and was published on July 8, 2012. The enclosed map highlights the location of the referenced wells.

Any objection to this application must be sent to the **New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504**, within 15 days of receipt of this notification.

If additional information is required, please contact me at (432-687-7261), or the project engineer, Paul Brown, at (432-687-7351).

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

Chevron

Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

July 11, 2012

CO2 & WATER INJECTION EXPANSION
LEA COUNTY, NEW MEXICO

RE: Central Vacuum Unit Wells # 285, 284, 274
Offset Operators:

For your information, as an offset operator, Chevron North America, operator of the Central Vacuum Unit has filed an application with the New Mexico Oil Conservation Division and to place Wells # 284, 285 and 274 , on water and CO_2 injection in the Grayburg San Andres formation...

Attached is an OCD form C-108 and the information relative to the proposed expansion. . A copy of the legal notice posted in the Hobbs News-Sun is included. The enclosed map highlights the location of the referenced wells in relation to your offset operations.

If additional information is required, please contact me at (432-687-7261), or the project engineer, Paul Brown, at (432-687-7351).

Interested parties must file objections with the Oil Conservations Division, 1220 South St. Francis Dr., Santa Fe, New Mexico, 87505, within 15 days.

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

OFFSET OPERATORS:

APACHE CORPORATION
303 VETERANS Airpark Lane
Suite 300
MIDLAND, TX 79705

MARATHON OIL COMPANY
ATTN: ROBERT ANGEL
P.O. BOX 3487
HOUSTON, TX 77253-3487

XTO ENERGY INC.
ATTN: Mr. Steven Cobb
810 Houston Street, Ste 2000
Ft. Worth, Texas, 76102

CONOCOPHILLIPS PETRO CO.
ATTN: Land Department
P.O. BOX 2197
Houston, TX 77210-4707

CHESAPEAKE OPERATING, INC.
BOX 18496
OKLAHOMA CITY, OK 73154

Surface Owner

STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
P.O. BOX 1148
SANTA FE, NM 87504-1148

A copy of the Legal Notice has been published in the Hobbs News Sun and a Certified copy will be forwarded as soon as it is received in this office.

LEGAL NOTICE
July 11, 2012

Notice is hereby given of the application of
CHEVRON U.S.A. INC.,
15 Smith Road, Midland, TX 79705, to the Oil Conservation of the State of New Mexico, and the Commissioner of Public Lands, State of New Mexico for approval to drill and complete the Central Vacuum Unit #285, 274, 284, as injection wells. Injection into these wells is designed to enhance production from the Central Vacuum Unit. These wells are in the following locations in Lea County, New Mexico:

Well #	Sec-Twn-Rnge	Unit Letter	Surface Location	Bottom Hole Location
285	31-17S-35E	N	1083' FSL & 1753' FWL	1341' FSL & 1343' FWL
274	31-17S-35E	E	2033' FNL & 1187' FWL	2615' FSL & 1275' FWL
284	31-17S-35E	M	1070' FSL & 665' FWL	1338' FSL & 69' FEL

Water, produced gas, & CO2 will be injected into the Grayburg San Andres pool of the Vacuum field. Water injection in each well will be at an expected maximum rate of 3,000 barrels of water per day and an expected maximum surface pressure of 1500 psi. CO2 and produced gas injection per well will be at an expected maximum rate of 10 MMCF per day and an expected maximum surface pressure of 2200 psi. For additional information, please contact Carolyn Haynie, at 432-687-7261, or project engineer, Paul Brown, 432-687-7351, at Chevron U.S.A., 15 Smith Road, Midland, TX 79705.

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

Affidavit of Publication

State of New Mexico,
County of Lea.

I, JUDY HANNA
PUBLISHER
of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period

of 1 issue(s).
Beginning with the issue dated
July 08, 2012
and ending with the issue dated
July 08, 2012

PUBLISHER

Sworn and subscribed to before me
this 9th day of
July, 2012

Notary Public

My commission expires
January 29, 2015
(Seal)

OFFICIAL SEAL
Gussie Black
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: 1-29-15

This newspaper is duly qualified to publish legal notices or advertisments within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE
July 8, 2012

Notice is hereby given of the application of CHEVRON U.S.A. INC., 15 Smith Road, Midland, TX 79705, to the Oil Conservation of the State of New Mexico, and the Commissioner of Public Lands, State of New Mexico for approval to drill and complete the Central Vacuum Unit #273, 258, 259, as injection wells. Injection into these wells is designed to enhance production from the Central Vacuum Unit. These wells are in the following locations in Lea County, New Mexico:

Well #	Sec-Twn-Rnge	Unit Letter	Surface Location	Bottom Hole Location
273	36-17S-34E	H	2346' FNL & 1481' FEL	2627' FSL & 48' FWL
258	36-17S-34E	A	1005' FNL & 185' FEL	1344' FNL & 5' FEL
259	31-17S-35E	C	1019' FNL & 1514' FWL	1327'FNL & 1239' FWL

Water, produced gas, & CO2 will be injected into the Grayburg San Andres pool of the Vacuum field. Water injection in each well will be at an expected maximum rate of 3,000 barrels of water per day and an expected maximum surface pressure of 1500 psi. CO2 and produced gas injection per well will be at an expected maximum rate of 10 MMCF per day and an expected maximum surface pressure of 2200 psi. For additional information, please contact Carolyn Haynie, at 432-687-7261, or project engineer, Paul Brown, 432-687-7351, at Chevron U.S.A., 15 Smith Road, Midland, TX 79705.

Interested Parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505, within 15 days of this notice.
#27447

01102480 00096168
CHEVRON USA INC.
15 SMITH ROAD
MIDLAND, TX 79705

Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

July 18, 2012

STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
P.O. BOX 1148
SANTA FE, NE 87504-1148

RE: Application for Authorization to Inject
OCD Form C-108
Central Vacuum Unit
Lea, County, New Mexico

Surface Owner:

For your information, Chevron USA Inc. as operator, filed an application with the New Mexico Oil Conservation Division to place the Central Vacuum Unit wells # 258, (API 30-025-40463), # 259, (API 30-025-40464), and # 273, (API 30-025-40465) on injection. Chevron plans to inject produced water, gas, and CO_2.

Attached is the OCD form C-108 and the information relative to the proposed expansion. A copy of the legal notice has been submitted to the Hobbs News-Sun and was published on July 8, 2012. The enclosed map highlights the location of the referenced wells.

Any objection to this application must be sent to the **New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504**, within 15 days of receipt of this notification.

If additional information is required, please contact me at (432-687-7261), or the project engineer, Paul Brown, at (432-687-7351).

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

Chevron

Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

July 18, 2012

CO2 & WATER INJECTION EXPANSION
LEA COUNTY, NEW MEXICO

RE: Central Vacuum Unit Wells # 258, 259, 273
Offset Operators:

For your information, as an offset operator, Chevron North America, operator of the Central Vacuum Unit has filed an application with the New Mexico Oil Conservation Division and to place Wells # 258, 259, and 273 on water and CO_2 injection in the Grayburg San Andres formation...

Attached is an OCD form C-108 and the information relative to the proposed expansion. . A copy of the legal notice posted in the Hobbs News-Sun is included. The enclosed map highlights the location of the referenced wells in relation to your offset operations.

If additional information is required, please contact me at (432-687-7261), or the project engineer, Paul Brown, at (432-687-7351).

Interested parties must file objections with the Oil Conservations Division, 1220 South St. Francis Dr., Santa Fe, New Mexico, 87505, within 15 days.

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

OFFSET OPERATORS:

For wells #258, 259, & 273

APACHE CORPORATION
303 VETERANS Airpark Lane
Suite 300
MIDLAND, TX 79705

MARATHON OIL COMPANY
ATTN: ROBERT ANGEL
P.O. BOX 3487
HOUSTON, TX 77253-3487

XTO ENERGY INC.
ATTN: Mr. Steven Cobb
810 Houston Street, Ste 2000
Ft. Worth, Texas, 76102

CONOCOPHILLIPS PETRO CO.
ATTN: Land Department
P.O. BOX 2197
Houston, TX 77210-4707

CHESAPEAKE OPERATING, INC.
BOX 18496
OKLAHOMA CITY, OK 73154

Surface Owner

STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
P.O. BOX 1148
SANTA FE, NM 87504-1148

A copy of the Legal Notice has been published in the Hobbs News Sun and a Certified copy will be forwarded as soon as it is received in this office.

NOTIFICATION LIST

Prepared 7/20/2012 by Daniel Pequeno, Senior Land Representative

Application of Chevron U.S.A. Inc. for Administrative Approval of a Water Injection Well Location:

Central Vacuum Unit Well No. 273 (API #30-025-40465)
2,346' FNL & 481' FEL
Section 36, T-17-S, R-34E, Unit Letter H
Lea County, New Mexico

Offset Operators, Leaseholders, Working Interest Owners, for SE/4 of Section 25, T17S-R34E:

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

Dabb Energy Company
6088 Bryant Irvin Road
Fort Worth, Texas 76132

Offset Operators, Leaseholders, Working Interest Owners, for SW/4 of Section 30, T17S-R35E:

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

ConocoPhillips Petroleum Company
P. O. Box 2197
Houston, Texas 77252-2197

Marathon Oil Company
P. O. Box 3487
Houston, Texas 77253

Chesapeake Operating Inc.
P. O. Box 18496
Oklahoma City, OK 73154-0496

Dwight A. Tipton
P. O. Box 1025
Lovington, NM 88260

Offset Operators, Leaseholders, Working Interest Owners, for All of Section 36, T17S-R34E:

Mobil Producing Texas & New Mexico Inc.
c/o XTO Energy Inc.
Attn.: Permian Land
810 Houston Street
Fort Worth, Texas 76102

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

Offset Operators, Leaseholders, Working Interest Owners, for All of Section 31, T17S-R35E:

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

ConocoPhillips Petroleum Company
P. O. Box 2197
Houston, Texas 77252-2197

Mobil Producing Texas & New Mexico Inc.
c/o XTO Energy Inc.
Attn.: Permian Land
810 Houston Street
Fort Worth, Texas 76102

Chesapeake Operating Inc.
P. O. Box 18496
Oklahoma City, OK 73154-0496

Apache Corporation
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705

Offset Operators, Leaseholders, Working Interest Owners, for N/2 of Section 1, T18S-R34E:

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

Offset Operators, Leaseholders, Working Interest Owners, for N/2 of Section 6, T18S-R35E:

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

Apache Corporation
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705

Marathon Oil Company
P. O. Box 3487
Houston, Texas 77253

Surface Owner for All of Section 36, T-17-S-R35E:

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

Signed By: _____
Daniel Pequeno, Landman

Date: July 20, 2012

NOTIFICATION LIST

Prepared 7/20/2012 by Daniel Pequeno, Senior Land Representative

Application of Chevron U.S.A. Inc. for Administrative Approval of a Water Injection Well Location:

Central Vacuum Unit Well No. 258 (API #30-025-40463)
1,005' FNL & 185' FEL
Section 36, T-17-S, R-34E, Unit Letter A
Lea County, New Mexico

Offset Operators, Leaseholders, Working Interest Owners, for S/2 of Section 25, T17S-R34E:

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

Dabb Energy Company
6088 Bryant Irvin Road
Fort Worth, Texas 76132

Apache Corporation
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705

Marathon Oil Company
P. O. Box 3487
Houston, Texas 77253

Offset Operators, Leaseholders, Working Interest Owners, for S/2 of Section 30, T17S-R35E:

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

ConocoPhillips Petroleum Company
P. O. Box 2197
Houston, Texas 77252-2197

Marathon Oil Company
P. O. Box 3487
Houston, Texas 77253

Chesapeake Operating Inc.
P. O. Box 18496
Oklahoma City, OK 73154-0496

Dwight A. Tipton
P. O. Box 1025
Lovington, NM 88260

Offset Operators, Leaseholders, Working Interest Owners, for All of Section 36, T17S-R34E:

Mobil Producing Texas & New Mexico Inc.
c/o XTO Energy Inc.
Attn.: Permian Land
810 Houston Street
Fort Worth, Texas 76102

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

Offset Operators, Leaseholders, Working Interest Owners, for All of Section 31, T17S-R35E:

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

ConocoPhillips Petroleum Company
P. O. Box 2197
Houston, Texas 77252-2197

Mobil Producing Texas & New Mexico Inc.
c/o XTO Energy Inc.
Attn.: Permian Land
810 Houston Street
Fort Worth, Texas 76102

Chesapeake Operating Inc.
P. O. Box 18496
Oklahoma City, OK 73154-0496

Apache Corporation
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705

Offset Operators, Leaseholders, Working Interest Owners, for N/2 of Section 1, T18S-R34E:

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

Surface Owner for All of Section 36, T-17-S-R35E:

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

Signed By: _____
Daniel Pequeno, Landman

Date: July 20, 2012

NOTIFICATION LIST

Prepared 7/20/2012 by Daniel Pequeno, Senior Land Representative

Application of Chevron U.S.A. Inc. for Administrative Approval of a Water Injection Well Location:

Central Vacuum Unit Well No. 259 (API #30-025-40464)
1,019' FNL & 1,514' FWL
Section 31, T-17-S, R-35E, Unit Letter C
Lea County, New Mexico

Offset Operators, Leaseholders, Working Interest Owners, for SE/4 of Section 25, T17S-R34E:

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

Dabb Energy Company
6088 Bryant Irvin Road
Fort Worth, Texas 76132

Offset Operators, Leaseholders, Working Interest Owners, for S/2 of Section 30, T17S-R35E:

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

ConocoPhillips Petroleum Company
P. O. Box 2197
Houston, Texas 77252-2197

Marathon Oil Company
P. O. Box 3487
Houston, Texas 77253

Chesapeake Operating Inc.
P. O. Box 18496
Oklahoma City, OK 73154-0496

Dwight A. Tipton
P. O. Box 1025
Lovington, NM 88260

Offset Operators, Leaseholders, Working Interest Owners, for All of Section 36, T17S-R34E:

Mobil Producing Texas & New Mexico Inc.
c/o XTO Energy Inc.
Attn.: Permian Land
810 Houston Street
Fort Worth, Texas 76102

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

Offset Operators, Leaseholders, Working Interest Owners, for All of Section 31, T17S-R35E:

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

ConocoPhillips Petroleum Company
P. O. Box 2197
Houston, Texas 77252-2197

Mobil Producing Texas & New Mexico Inc.
c/o XTO Energy Inc.
Attn.: Permian Land
810 Houston Street
Fort Worth, Texas 76102

Chesapeake Operating Inc.
P. O. Box 18496
Oklahoma City, OK 73154-0496

Apache Corporation
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705

Surface Owner for All of Section 31, T-17-S-R35E:

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

Signed By: _____
Daniel Pequeno, Landman

Date: July 20, 2012

7011 1570 0000 7913 2394

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CERTIFIED MAIL™ RECEIPT
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Restricted Delivery Fee (Endorsement Required)		
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Sent To: APACHE Corporation
Street, Apt. No.; or PO Box No.: 303 Veterans Airpark Ln
Suite 3000
City, State, ZIP+4: Midland, TX 79705

PS Form 3800, August

OYU 258, 259, 9 TZ

7011 1570 0000 7913 2431

U.S. Postal Service™
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Total Postage & Fees $

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Sent To
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006

CONOCOPHILLIPS PETRO CO.
ATTN: Land Department
P.O. BOX 2197
Houston, TX 77210-2194

SLC 4, 45 f 350 NM

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

CONOCOPHILLIPS PETRO CO.
ATTN: Land Department
P.O. BOX 2197
Houston, TX 77210-2194

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
☐ Agent
☐ Addressee

B. Received by (Printed Name) C. Date of Delivery
7/30/12

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 1570 0000 7913 2431

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

U.S. Postal Service™
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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark: CLAYDELL STA, JUL 25, USPS

Sent To: MARTHON OIL COMPANY
ATTN: ROBERT ANGEL
Street, Apt. No.; or PO Box No.: P.O. BOX 3487
City, State, ZIP+4: HOUSTON, TX 77253-3487

PS Form 3800, A

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MARTHON OIL COMPANY
ATTN: ROBERT ANGEL
P.O. BOX 3487
HOUSTON, TX 77253-3487

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) JAMES
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
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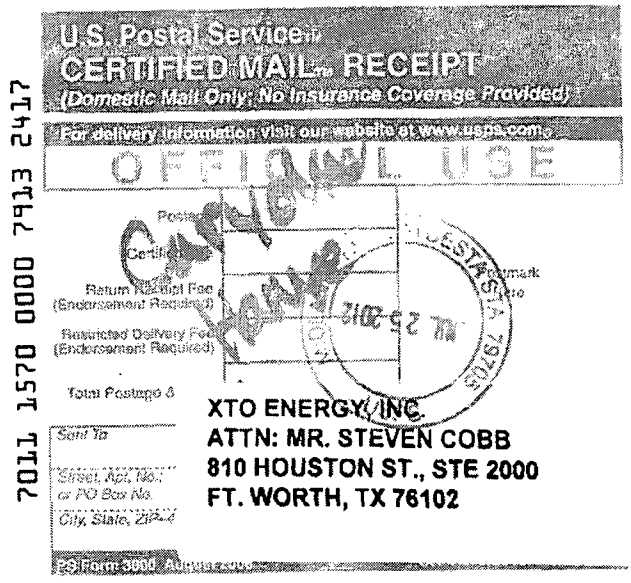
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 1570 0000 7913 2400

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



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City, State, ZIP+4

XTO ENERGY, INC.
ATTN: MR. STEVEN COBB
810 HOUSTON ST., STE 2000
FT. WORTH, TX 76102

PS Form 3800, August 2006

7011 1570 0000 7913 2417

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

XTO ENERGY, INC.
ATTN: MR. STEVEN COBB
810 HOUSTON ST., STE 2000
FT. WORTH, TX 76102

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Stacye Brown ☐ Agent ☐ Addressee

B. Received by (Printed Name) | C. Date of Delivery
JUL 27 AM

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

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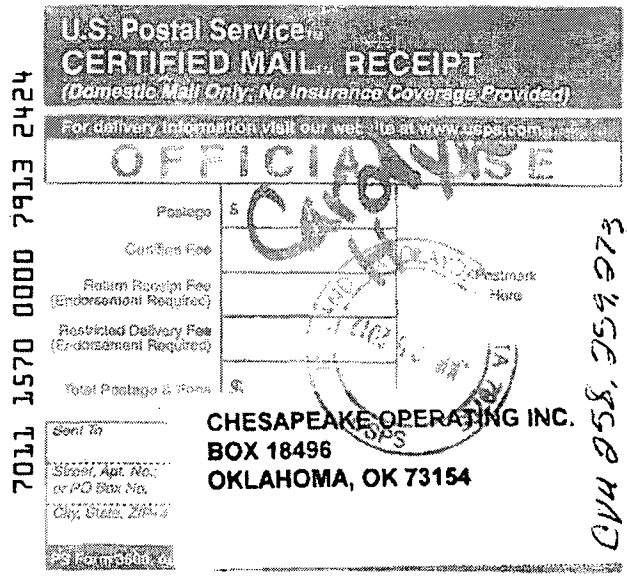
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 1570 0000 7913 2417

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



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City, State, ZIP+4
PS Form 3800, August 2006

CHESAPEAKE OPERATING INC.
BOX 18496
OKLAHOMA, OK 73154

7011 1570 0000 7913 2424

CVH 958, 959, 973

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1. Article Addressed to:

CHESAPEAKE OPERATING INC.
BOX 18496
OKLAHOMA, OK 73154

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

RECEIVED
JUL 27 2012
MAIL ROOM 8

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☒ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
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4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 1570 0000 7913 2424

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

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Sent To
XTO ENERGY, INC.
Street, Apt. No.; or PO Box No.
200 N. LORAINE ST.
City, State, ZIP+4
Midland, TX 79705

PS Form 3800, August 2006

7011 1570 0000 7913 2370

TX RO2 174-384,985

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

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MIDLAND TX CLYDESTA STA 79705

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+4

CHESAPEAKE OPERATING INC.
BOX 18496
OKLAHOMA, OK 73154

7011 1570 0000 7913 2363

PS Form 3800, Au

CVH 384, 385, 074

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Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees $

MIDLAND TX 79705
JUL 7 2012
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Sent To
CONOCOPHILLIPS PETRO CO.
Street, Apt. No.; or PO Box No.
ATTN: Land Department
P.O. BOX 2197
City, State, ZIP+4
Houston, TX 77210-2194

PS Form 3800, August 2006

7011 1570 0000 7913 2356

CM 084, 085, 074

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1. Article Addressed to:

CONOCOPHILLIPS PETRO CO.
ATTN: Land Department
P.O. BOX 2197
Houston, TX 77210-2194

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) [illegible] C. Date of Delivery 7/20/12

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

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4. Restricted Delivery? (Extra Fee) ☐ Yes

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Sent To
State of New Mexico
Commissioner of Public Lands
Street, Apt. No.; or PO Box No.
P. O. Box 1148
City, State, ZIP+4
Santa Fe, New Mexico 87504-1148

PS Form 3800, Au...

CKH 384 386 07C

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

JUL 20 2012

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 1570 0000 7913 2387

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7011 1570 0000 7913 2349

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City, State, ZIP+4

APACHE Corporation
303 Veterans Airpark Ln
Suite 3000
Midland, TX 79705

PS Form 3800, August 2006

HW 084,785,374

SENDER: COMPLETE THIS SECTION

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

APACHE Corporation
303 Veterans Airpark Ln
Suite 3000
Midland, TX 79705

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Sharon Schwab
C. Date of Delivery 7/26/12

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☑ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☑ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 1570 0000 7913 2394

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Apache

RECEIVED OCD

2012 AUG 23 P 12: 36

August 20, 2012

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Application for Authorization to Inject
Central Vacuum Unit #284, 285 and 274
Section 31, T17S-R35E
Lea County, NM

To Whom It May Concern:

By letter dated August 6, 2012, Apache Corporation ("Apache") objected to the Central Vacuum Unit Wells #274 and #285 being placed on injection by Chevron U.S.A. Inc. ("Chevron"), pursuant to their Application for Authorization to Inject dated July 11, 2012 (the "Application") and filed with your office.

Apache hereby withdraws our previously filed objections to Chevron's Application.

Should you have any questions, please contact the undersigned at (432) 818-1097 or by email at dylan.park@apachecorp.com.

Very truly yours,
APACHE CORPORATION

Dylan C. Park
Landman

cc: Scott Ingram – Chevron
Lee Ivanhoe - Chevron

Apache

August 6, 2012

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Application for Authorization to Inject
Central Vacuum Unit #284, 285 and 274
Section 31, T17S-R35E
Lea County, NM

To Whom It May Concern:

By letter dated July 11, 2012, and received by Apache Corporation ("Apache") on July 24, 2012, Chevron U.S.A Inc. ("Chevron") has requested administrative approval from the Oil Conservation Division (the "Division") to place the Central Vacuum Unit wells #284, 285 and 274 on water and CO_2 injection in the Grayburg San Andres formation. Apache, as operator of the offsetting Warn State A/C wells, objects to the conversion of Central Vacuum Unit wells #274 and 285.

Attached are Apache's technical objections to Chevron's conversion of the aforementioned wells.

Should you have any questions, please contact the undersigned at (432) 818-1097 or by email at dylan.park@apachecorp.com.

Very truly yours,
APACHE CORPORATION

Dylan C. Park
Landman

cc: Carolyn Haynie – Chevron

RECEIVED OCD
2012 AUG -7 A 10:46

Objection

Apache objects to Chevron's application for Water and CO2 injection in the CVU #274 and #285 wells. The wells are offset to two of Apache's deep wells in the area: the Warn St A/C-1 #6 and Warn St A/C-1 #7. See *Exhibit 1* for a base map of the area. The #6 well is producing approx. 60 bopd collectively from the Abo and Wolfcamp (*Exhibits 2 and 3*) and the #7 is producing approx. 10 bopd collectively from the Abo, Upper Penn, and Wolfcamp formations (*Exhibits 4 and 5*). The CVU #274 is approx. 900' from the #7 well. The CVU #285 is approx. 950' from the #6 well. Wellbore diagrams for the #6 and #7 wells are in *Exhibits 8 & 9*, respectively.

Apache's cause for concern in the two aforementioned wells stems from recent wellbore failures in two of its other wells just to the south that it believes were caused by offset CO2 injection. The Warn St A/C-2 #19 is offset two WAG injectors, the closest of which is 710' away, and experienced a casing collapse in 2010 and 2011 caused by high pressure CO2. Apache was able to salvage the wellbore but the remedial work was costly. The Warn St A/C-2 #21 is surrounded by four WAG injectors, the closest of which is 470' away, and experienced a casing leak in 2006 and 2008 that had continuous C02 flows that are attributed to the CO2 injection. Apache was unable to repair the casing due to high pressure CO2 migration into the wellbore. The well is now P&A'd. Both wells are highlighted on the base map in *Exhibit 1*, with distances to offset WAG injectors shown.

The #19 and #21 wells are closer to offset WAG injectors than the #6 & #7 wells are to the proposed injectors, but one cannot be certain that the proposed injectors will not affect the wells from those distances. Additional CO2 injection from the two proposed injectors will only serve to increase the formation pressure and, thus, the strain on the #6 and #7 wellbores.

Wellbore History

Warn St A/C-2 #19 (*Exhibit 6*): drilled to a depth of 8,180' in 1993. The primary cement job did not effectively isolate the wellbore thus holes were perforated at 6620' and squeezed with 1000 sxs of class H cement. The TOC was identified at 4190'. The well was complete in three stages in the Drinkard from 7632'-7702'; 7714-7785'; 7807-8044' respectively in 1993. In September 2010, the casing collapsed at 4,309'. This was successfully swadged with a 4-3/4" swadge and the well was placed back on production. In June 2011, the casing again collapsed from 4309-4315'. The well was successful swadged again with a 4-3/4" swadge and place back on production. The well is now being closely monitored for C02.

Warn St A/C-2 #21 (*Exhibit 7*): drilled to a depth of 8,200' in 1993. The well was completed in three stages in the Drinkard from 7,623'-7,693'; 7,712'-7,771'; 7,800'-7,989' respectively in 1993. In May 2006, casing leaks were identified at 4,350' and 4,430'. These leaks were flowing CO2 and H2S. It was attempted to squeeze these leaks with bentonite gel. This was successful but at a cost of $173,000. In August 2008, it was attempted to squeeze these leaks with a total of 225 sacks of cement in two attempts. This was unsuccessful at a cost of $311,000. The well was then plugged in November 2009 due to the casing leaks.

Cement Integrity

The biggest concern is the integrity of the cement for the Warn St A/C-1 #6 & #7. Both had DV tools set above the offset injection zone and CBL's were never run, thus, the wells' cement integrity is unknown. CBL logs were only run on the Warn St A/C-2 #19 and the Warn St A/C-2 #21 (*Exhibits 10 and 11*). As mentioned above, #21 had good cement through the injection zone (by CBL) and the injected gas still compromised the integrity of the wellbore and caused Apache to lose the well. In the #19, the CBL indicates that we do not have adequate cement through the injection zone and the well bore has had several integrity issues; it is only a matter of time before this wellbore is lost. As such, regardless of cement integrity, the #6 and #7 wellbores and combined 70 bopd x 240 mcfd production face a severe risk of loss with the conversion of the CVU #274 and #285 to injection. This is not in Apache's best interest and Apache objects to Chevron's proposal.

LIST OF EXHIBITS

- Exhibit 1: Base Map
- Exhibit 2: Production Curve – Warn St A/C-1 #6
- Exhibit 3: Well Tests – Warn St A/C-1 #6
- Exhibit 4: Production Curve – Warn St A/C-1 #7
- Exhibit 5: Well Tests – Warn St A/C-1 #7
- Exhibit 6: Wellbore Diagram - Warn St A/C-2 #19
- Exhibit 7: Wellbore Diagram - Warn St A/C-2 #21
- Exhibit 8: Wellbore Diagram - Warn St A/C-1 #6
- Exhibit 9: Wellbore Diagram - Warn St A/C-1 #7
- Exhibit 10: Cement Bond Log – Warn St A/C-2 #19
- Exhibit 11: Cement Bond Log – Warn St A/C-2 #21

EXHIBIT 1: BASE MAP

APACHE WELLS AFFECTED BY OFFSET CO_2 INJ.
GBSA WAG INJ.
GBSA WTR INJ.
PROPOSED WAG INJ.
APACHE WELLS of CONCERN

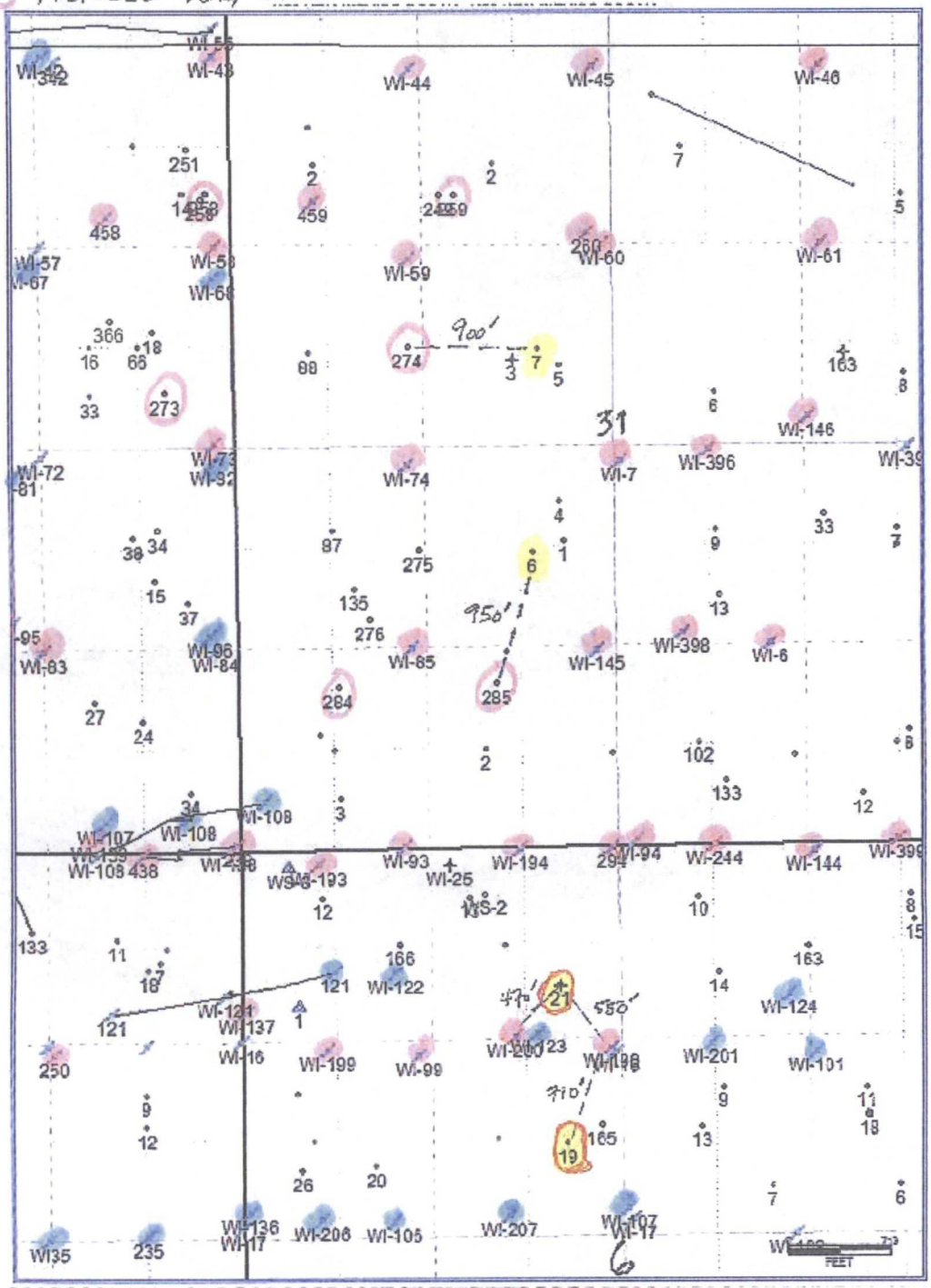


EXHIBIT 2: PRODUCTION CURVES – WARN ST A/C-1 #6

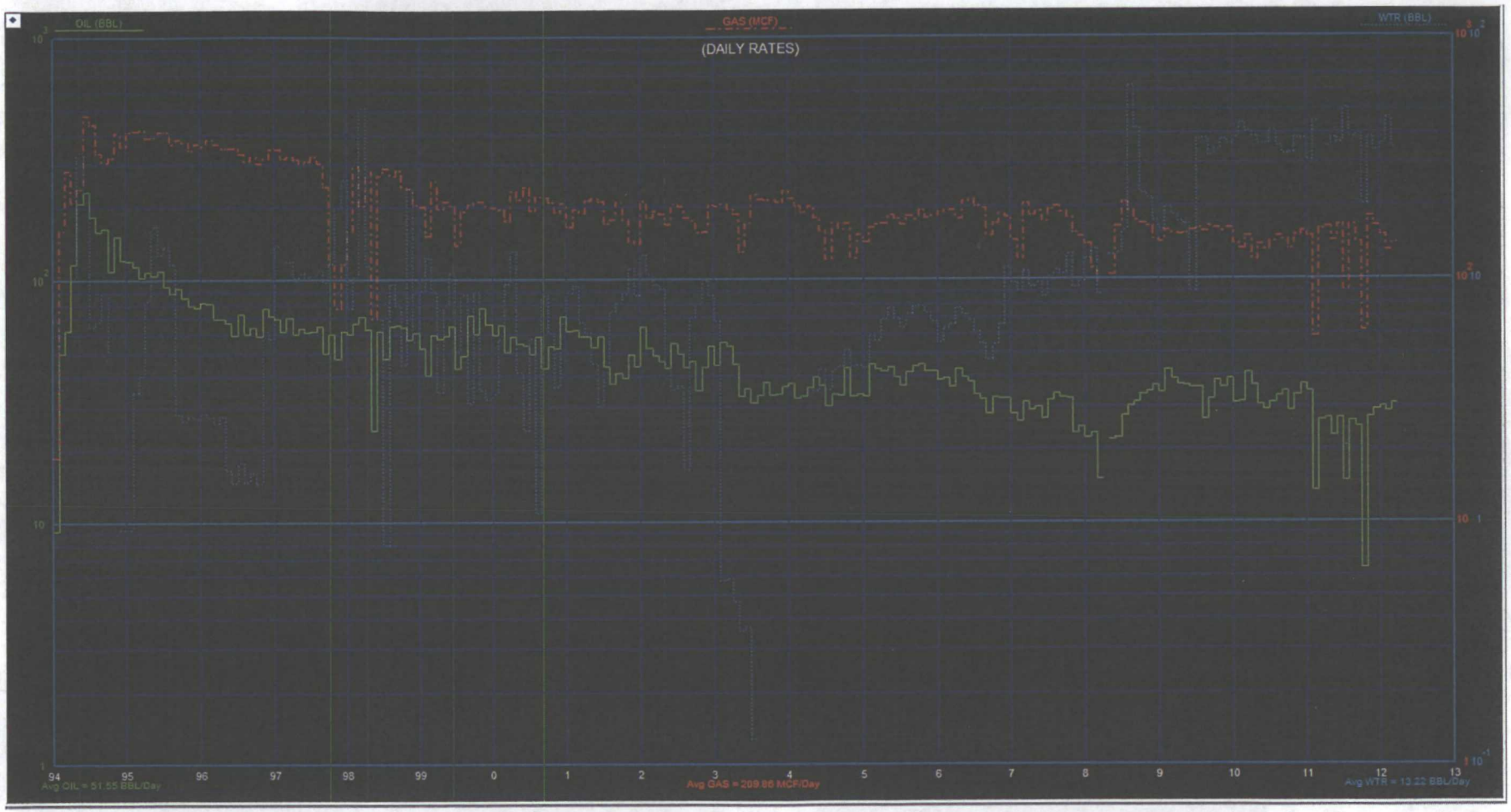


EXHIBIT 3: WELL TESTS – WARN ST A/C-1 #6

*NOTE: Last well test doesn't reflect increased production due to pump change. Battery production increase indicates that #6 is making ~60 bopd.

Completion Name	Date	Oil	Water	Gas
WARN STATE AC 1 #6 (ABO)	06/01/2009	36	17	165
WARN STATE AC 1 #6 (ABO)	07/30/2009	30	17	168
WARN STATE AC 1 #6 (ABO)	08/30/2009	30	17	168
WARN STATE AC 1 #6 (ABO)	09/26/2009	38	9	165
WARN STATE AC 1 #6 (ABO)	10/26/2009	36	9	165
WARN STATE AC 1 #6 (ABO)	11/27/2009	38	12	160
WARN STATE AC 1 #6 (ABO)	12/29/2009	38	12	160
WARN STATE AC 1 #6 (ABO)	01/29/2010	34	10	140
WARN STATE AC 1 #6 (ABO)	02/27/2010	34	10	140
WARN STATE AC 1 #6 (ABO)	03/30/2010	35	16	65
WARN STATE AC 1 #6 (ABO)	04/25/2010	35	14	145
WARN STATE AC 1 #6 (ABO)	05/14/2010	38	12	145
WARN STATE AC 1 #6 (ABO)	06/24/2010	36	16	145
WARN STATE AC 1 #6 (ABO)	07/30/2010	30	14	150
WARN STATE AC 1 #6 (ABO)	09/17/2010	30	14	151
WARN STATE AC 1 #6 (ABO)	10/21/2010	26	10	130
WARN STATE AC 1 #6 (ABO)	11/12/2010	32	10	160
WARN STATE AC 1 #6 (ABO)	12/28/2010	36	11	160
WARN STATE AC 1 #6 (ABO)	01/13/2011	36	10	160
WARN STATE AC 1 #6 (ABO)	02/04/2011	35	9	155
WARN STATE AC 1 #6 (ABO)	03/17/2011	25	9	155
WARN STATE AC 1 #6 (ABO)	04/21/2011	26	11	165
WARN STATE AC 1 #6 (ABO)	05/28/2011	26	11	180
WARN STATE AC 1 #6 (ABO)	06/28/2011	26	11	168
WARN STATE AC 1 #6 (ABO)	07/28/2011	25	14	158
WARN STATE AC 1 #6 (ABO)	08/13/2011	28	20	158
WARN STATE AC 1 #6 (ABO)	09/26/2011	25	40	151
WARN STATE AC 1 #6 (ABO)	10/05/2011	28	2.00	176
WARN STATE AC 1 #6 (ABO)	11/30/2011	27	4.0	185
WARN STATE AC 1 #6 (ABO)	01/25/2012	31	5	142
WARN STATE AC 1 #6 (ABO)	02/21/2012	31	5	144
WARN STATE AC 1 #6 (ABO)	03/14/2012	32	5	144
WARN STATE AC 1 #6 (ABO)	04/25/2012	33	10	151
WARN STATE AC 1 #6 (ABO)	05/17/2012	32	7	150
WARN STATE AC 1 #6 (ABO)	06/29/2012	31	6	160
WARN STATE AC 1 #6 (ABO)	07/26/2012	31	5	160

EXHIBIT 4: PRODUCTION CURVE – WARN ST A/C-1 #7

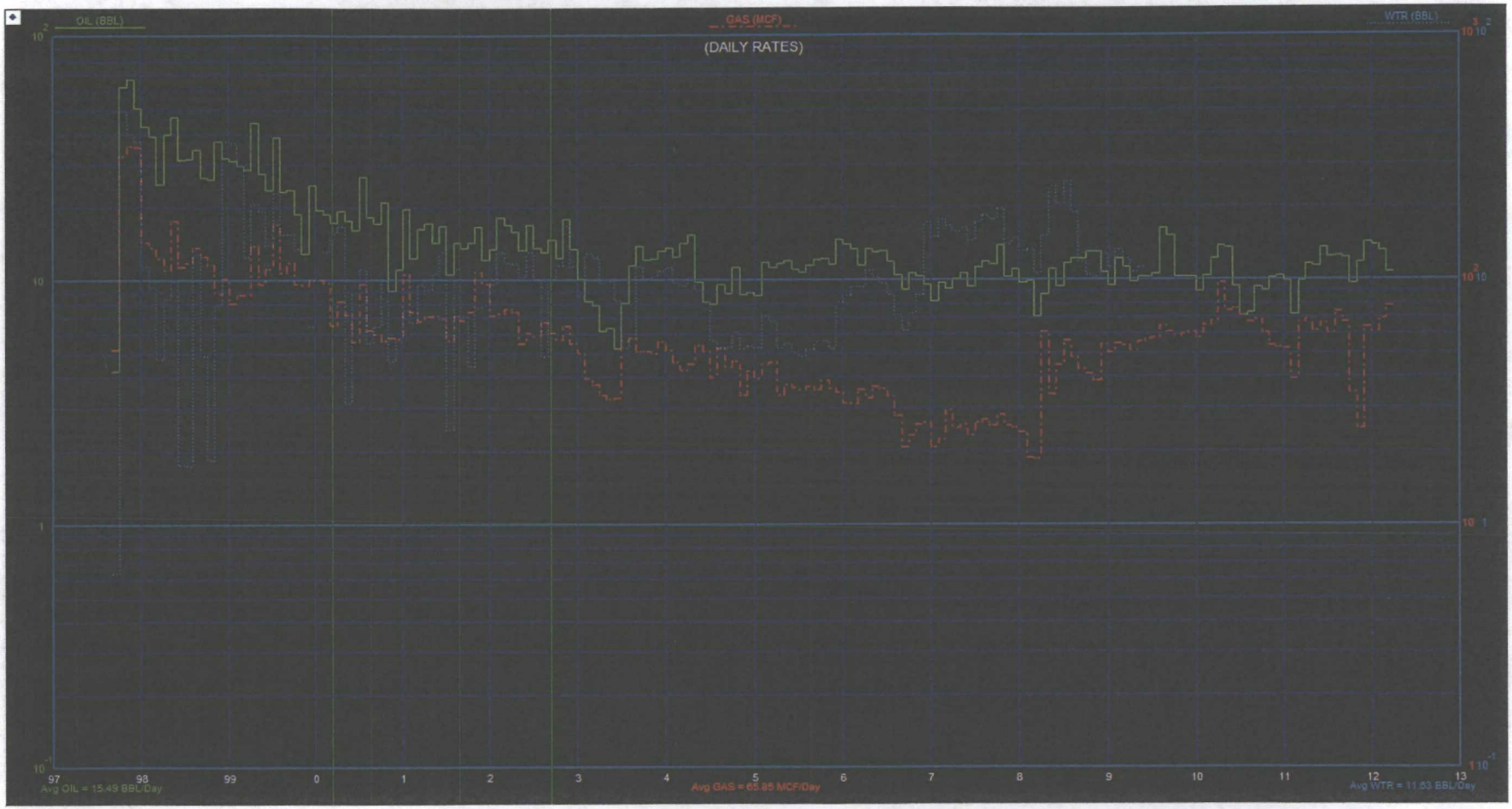


EXHIBIT 5: WELL TESTS – WARN ST A/C-1 #7

Completion Name	Date	Oil	Water	Gas
WARN STATE AC 1 #7 (UPPER PENN)	06/01/2009	10	12	58
WARN STATE AC 1 #7 (UPPER PENN)	07/30/2009	16	14	60
WARN STATE AC 1 #7 (UPPER PENN)	08/30/2009	16	14	62
WARN STATE AC 1 #7 (UPPER PENN)	09/26/2009	10	21	60
WARN STATE AC 1 #7 (UPPER PENN)	10/26/2009	10	21	60
WARN STATE AC 1 #7 (UPPER PENN)	11/27/2009	10	22	60
WARN STATE AC 1 #7 (UPPER PENN)	12/29/2009	10	20	60
WARN STATE AC 1 #7 (UPPER PENN)	01/29/2010	10	20	60
WARN STATE AC 1 #7 (UPPER PENN)	02/27/2010	10	8	60
WARN STATE AC 1 #7 (UPPER PENN)	03/30/2010	13	15	65
WARN STATE AC 1 #7 (UPPER PENN)	04/25/2010	14	18	70
WARN STATE AC 1 #7 (UPPER PENN)	05/14/2010	11	20	70
WARN STATE AC 1 #7 (UPPER PENN)	06/24/2010	8	15	70
WARN STATE AC 1 #7 (UPPER PENN)	07/30/2010	7	14	70
WARN STATE AC 1 #7 (UPPER PENN)	09/17/2010	9	13	72
WARN STATE AC 1 #7 (UPPER PENN)	10/22/2010	9	15	50
WARN STATE AC 1 #7 (UPPER PENN)	11/12/2010	9	18	53
WARN STATE AC 1 #7 (UPPER PENN)	12/28/2010	10	16	55
WARN STATE AC 1 #7 (UPPER PENN)	01/13/2011	11	17	58
WARN STATE AC 1 #7 (UPPER PENN)	02/04/2011	12	15	60
WARN STATE AC 1 #7 (UPPER PENN)	03/17/2011	10	20	65
WARN STATE AC 1 #7 (UPPER PENN)	04/21/2011	13	22	71
WARN STATE AC 1 #7 (UPPER PENN)	05/28/2011	13	22	71
WARN STATE AC 1 #7 (UPPER PENN)	06/28/2011	14	20	71
WARN STATE AC 1 #7 (UPPER PENN)	07/28/2011	13	20	70
WARN STATE AC 1 #7 (UPPER PENN)	08/13/2011	13	35	70
WARN STATE AC 1 #7 (UPPER PENN)	09/26/2011	13	45	70
WARN STATE AC 1 #7 (UPPER PENN)	10/05/2011	12	70	20
WARN STATE AC 1 #7 (UPPER PENN)	11/29/2011	13	27	70
WARN STATE AC 1 #7 (UPPER PENN)	01/25/2012	13	26	70
WARN STATE AC 1 #7 (UPPER PENN)	02/21/2012	16	28	80
WARN STATE AC 1 #7 (UPPER PENN)	03/14/2012	7	20	80
WARN STATE AC 1 #7 (UPPER PENN)	04/25/2012	8	25	80
WARN STATE AC 1 #7 (UPPER PENN)	05/18/2012	9	30	83
WARN STATE AC 1 #7 (UPPER PENN)	06/29/2012	9	25	86
WARN STATE AC 1 #7 (UPPER PENN)	07/26/2012	10	70	80

EXHIBIT 6: WELLBORE DIAGRAM – WARN ST A/C-2 #19

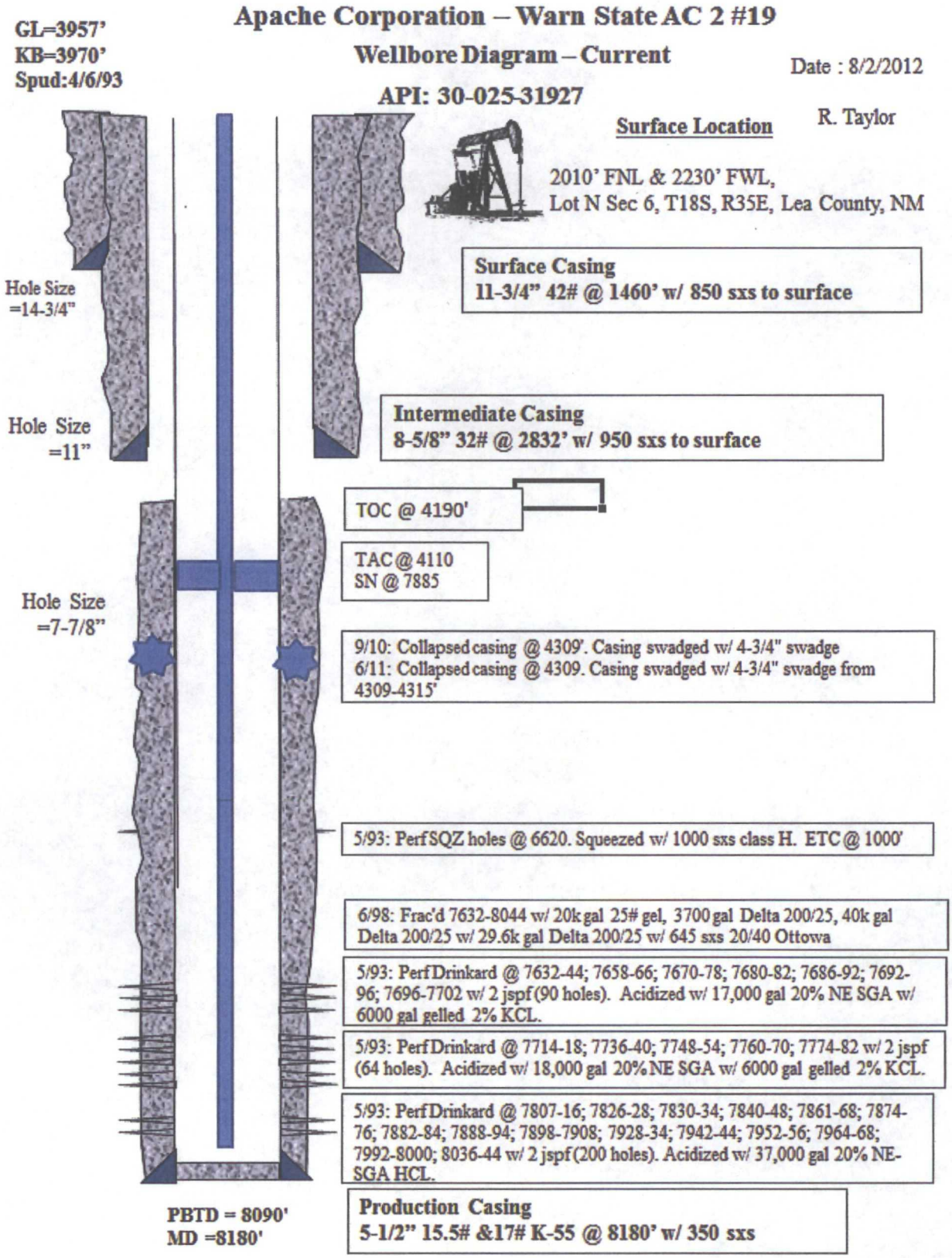


EXHIBIT 7: WELLBORE DIAGRAM – WARN ST A/C-2 #21

Apache Corporation – Warn State AC 2 #21

Wellbore Diagram – Plugged

GL=3975'
KB=3988'
Spud:6/3/93

Date : 8/3/2012

API: 30-025-31969

R. Taylor

Surface Location

1109' FNL & 1993' FWL,
Lot C Sec 6, T18S, R35E, Lea County, NM

11/09: Perf 425 SQZ w/ 150 sxs

Surface Casing
11-3/4" 42# @ 1465' w/ 593 sxs to surface

Hole Size =14-3/4"

11/09: Perf 1521 & SQZ w/ 50 sxs TOC @ 1356

Intermediate Casing
8-5/8" 32# @ 2823' w/ 821 sxs to surface

Hole Size =11"

11/09: 30 sxs cmt spotted from 2740-2989

DV Tool @ 3999'

11/09: 70 sxs cmt spotted from 3549-4172

Hole Size =7-7/8"

11/09: CIBP set @ 4190'

5/06: Casing leak at 4350 and 4430. Flowing CO2 and H2S. Squeezed w/ 2 bbls bentonite gel

8/09: Casing leak at 4344 and 4420-24. SQZ'd w/ 125 sxs cmt unsuccessful. SQZ'd w/ 100 sxs cmt unsuccessful. Constant CO2 flow

11/09: 75 sxs cmt spotted from 5829-6570

9/09: CIBP set @ 7573' w/ 35' cmt. PBTD @

7/93: Perf Drinkard 7623-27; 7634-54; 7666-71; 7673-93 w/ 2 jspf (98 holes). Acidized w/ 15,834 gal 20% HCL.

7/93: Perf Drinkard 7712-14; 7718-21; 7724-36; 7749-71 w/ 2 jspf (108 holes). Acidized w/ 19,200 gal 20% HCL.

7/93: Perf Drinkard 7800-07; 7809-13; 7818-20; 7822-25; 7829-34; 7836-38; 7844-47; 7850-58; 7862-64; 7866-68; 7873-79; 7888-93; 7898-7907; 7915-26; 7928-31; 7935-42; 7947-53; 7958-62; 7971-74; 7980-89 w/ 2 jspf (193 holes). Acidized w/ 29,500 gal 2-% HCL.

PBTD = 8,069'
MD =8,200'

Production Casing
5-1/2" 17#& 15.5# @ 8,158' w/ 1560 sxs

EXHIBIT 8: WELLBORE DIAGRAM – WARN ST A/C-1 #6

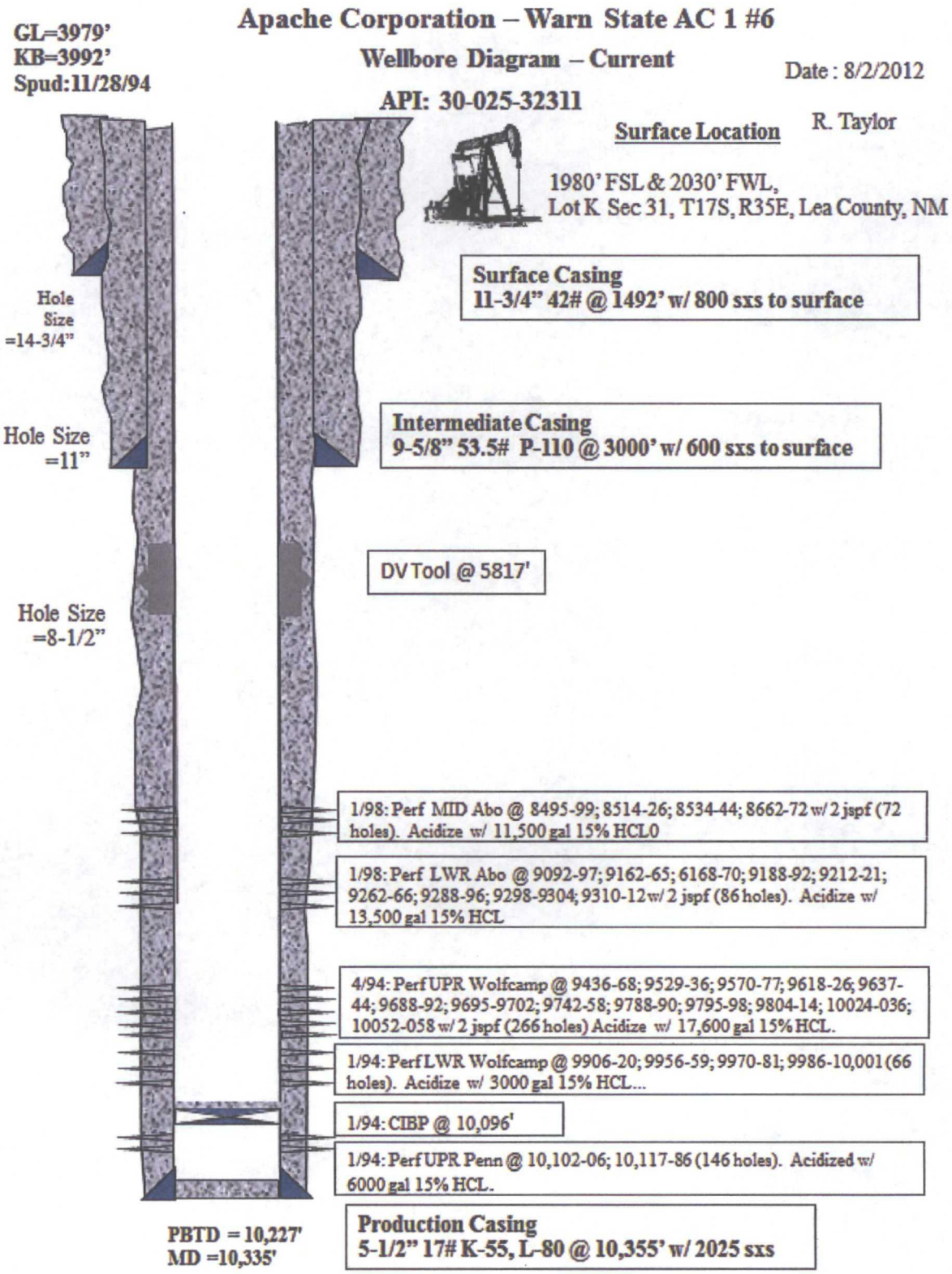


EXHIBIT 9: WELLBORE DIAGRAM – WARN ST A/C-1 #7

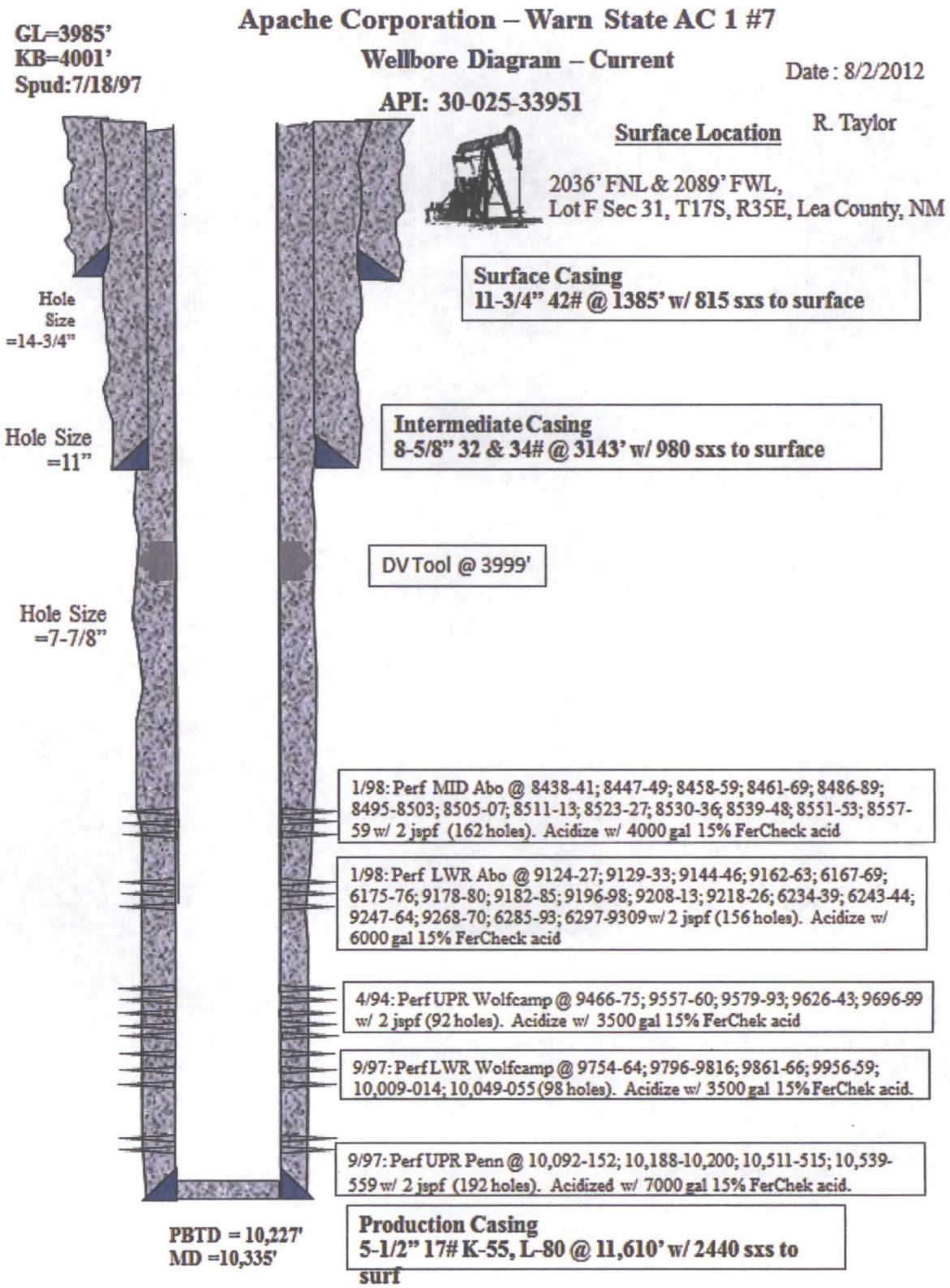
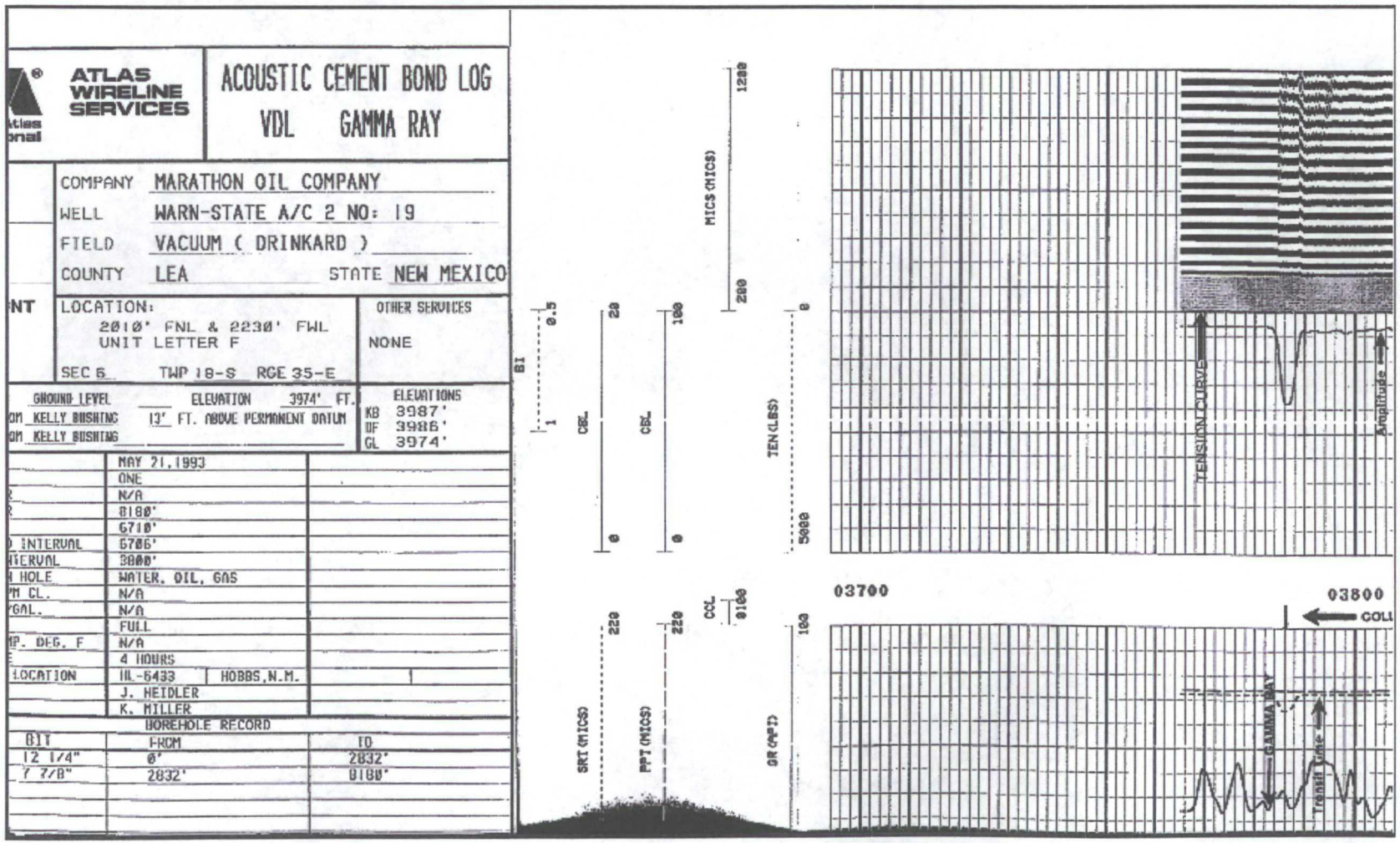


EXHIBIT 10: CEMENT BOND LOG – WARN ST A/C-2 #19



ATLAS WIRELINE SERVICES

ACOUSTIC CEMENT BOND LOG
VDL GAMMA RAY

COMPANY MARATHON OIL COMPANY
WELL WARN-STATE A/C 2 NO: 19
FIELD VACUUM (DRINKARD)
COUNTY LEA STATE NEW MEXICO

LOCATION:
2010' FNL & 2230' FWL
UNIT LETTER F
SEC 6 TWP 18-S RGE 35-E

OTHER SERVICES
NONE

GROUND LEVEL ELEVATION 3974' FT.
KELLY BUSHING 13' FT. ABOVE PERMANENT DATUM
KELLY BUSHING

ELEVATIONS
KB 3987'
DF 3986'
GL 3974'

	MAY 21,1993
	ONE
	N/A
	8180'
	6710'
INTERVAL	6706'
ERVAL	3800'
HOLE	WATER, OIL, GAS
M CL.	N/A
GAL.	N/A
	FULL
P. DEG. F	N/A
	4 HOURS
LOCATION	IL-6433 HOBBS,N.M.
	J. HEIDLER
	K. MILLER

BOREHOLE RECORD

BIT	FROM	TO
12 1/4"	0'	2832'
7 7/8"	2832'	8180'

BI 0.5 1
CBL 20 0
CBL 100 0
MICS (MICS) 1200 200
TEN (LBS) 0 5000
SRT (MICS) 220
PPT (MICS) 220
CCL 0100
GR (API) 100
TENSION CURVE
Amplitude
03700
03800
COLL
GAMMA RAY
Transit time

EXHIBIT 10 (CONT.): CEMENT BOND LOG – WARN ST A/C-2 #19

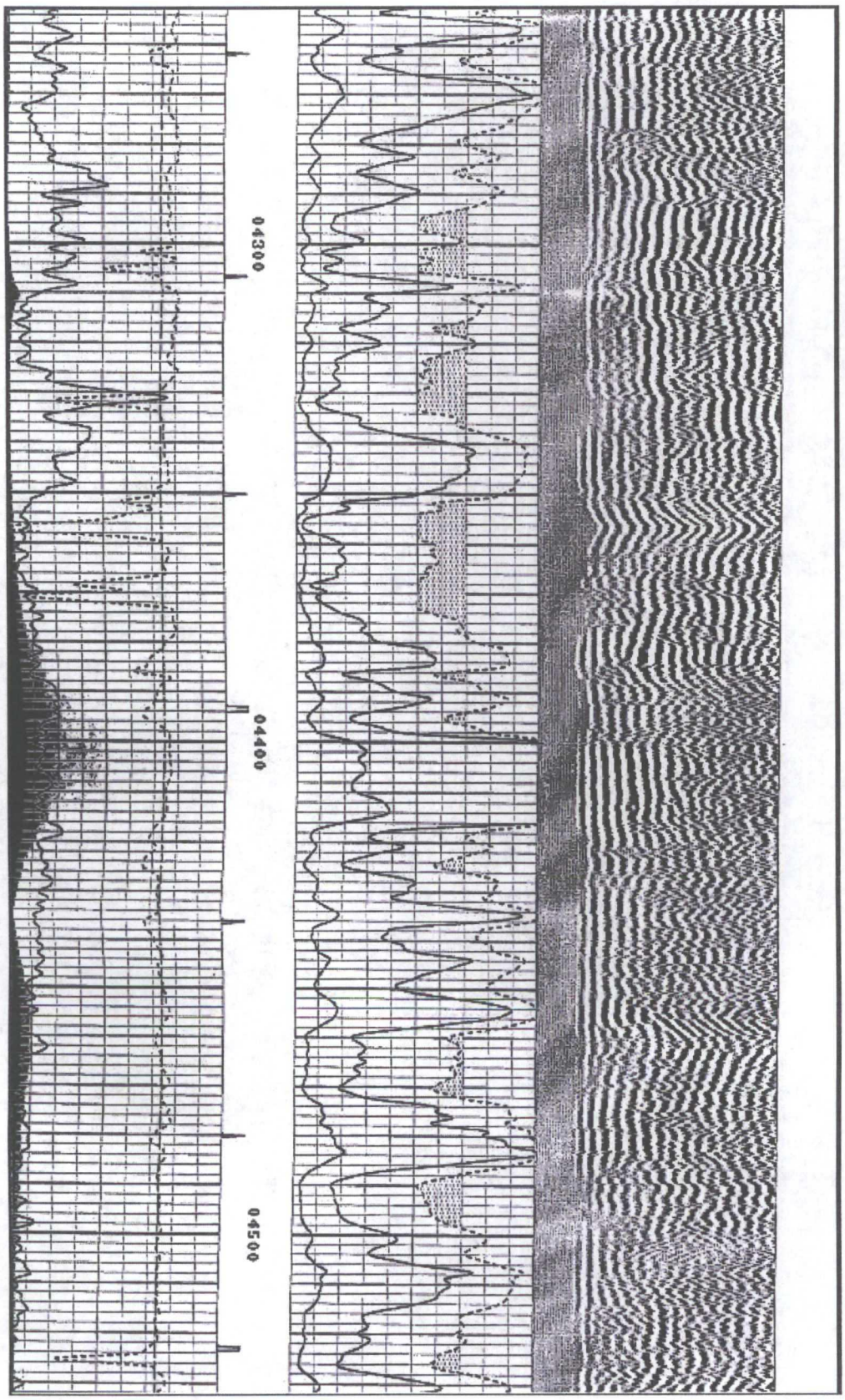


EXHIBIT 11: CEMENT BOND LOG – WARN ST A/C-2 #21

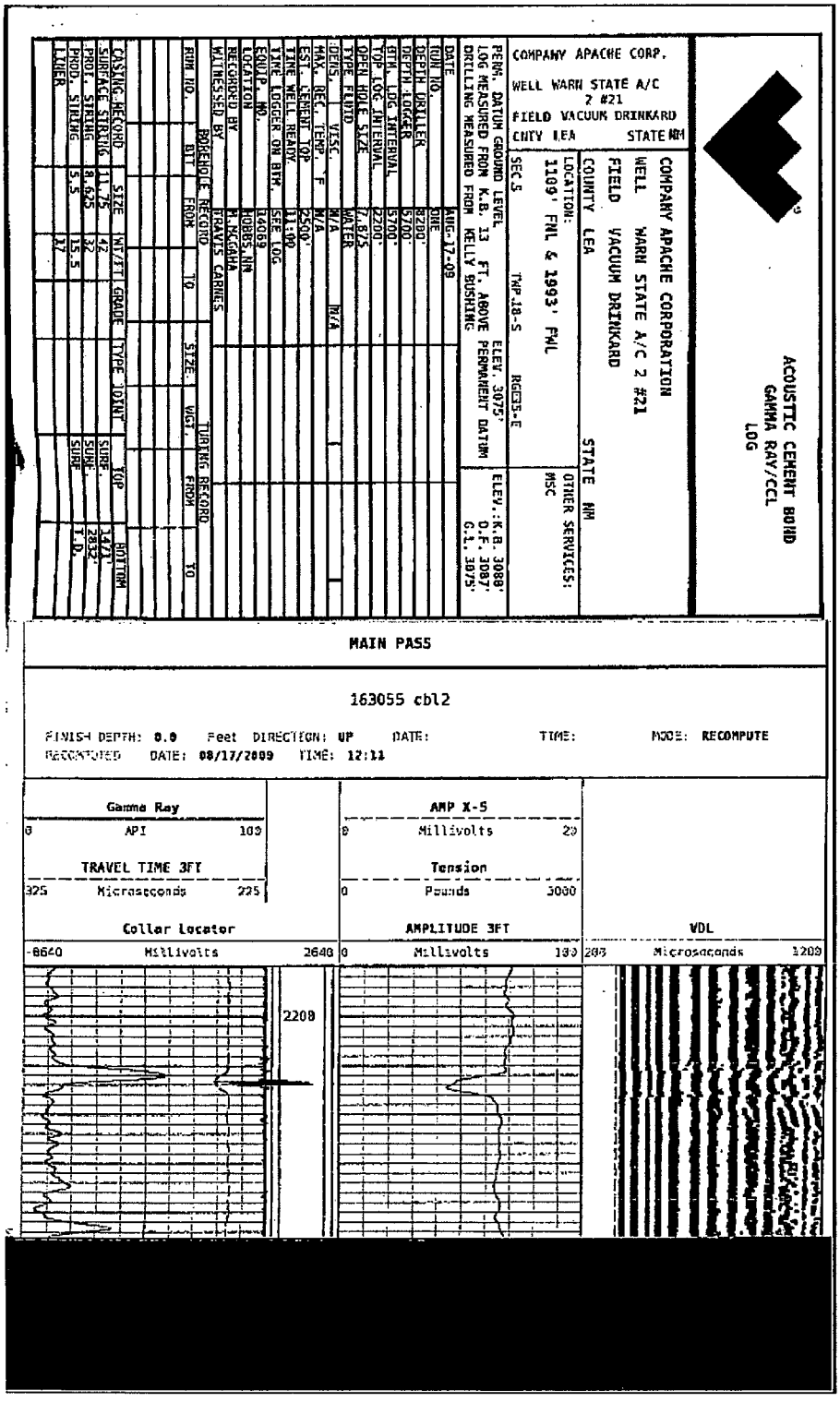
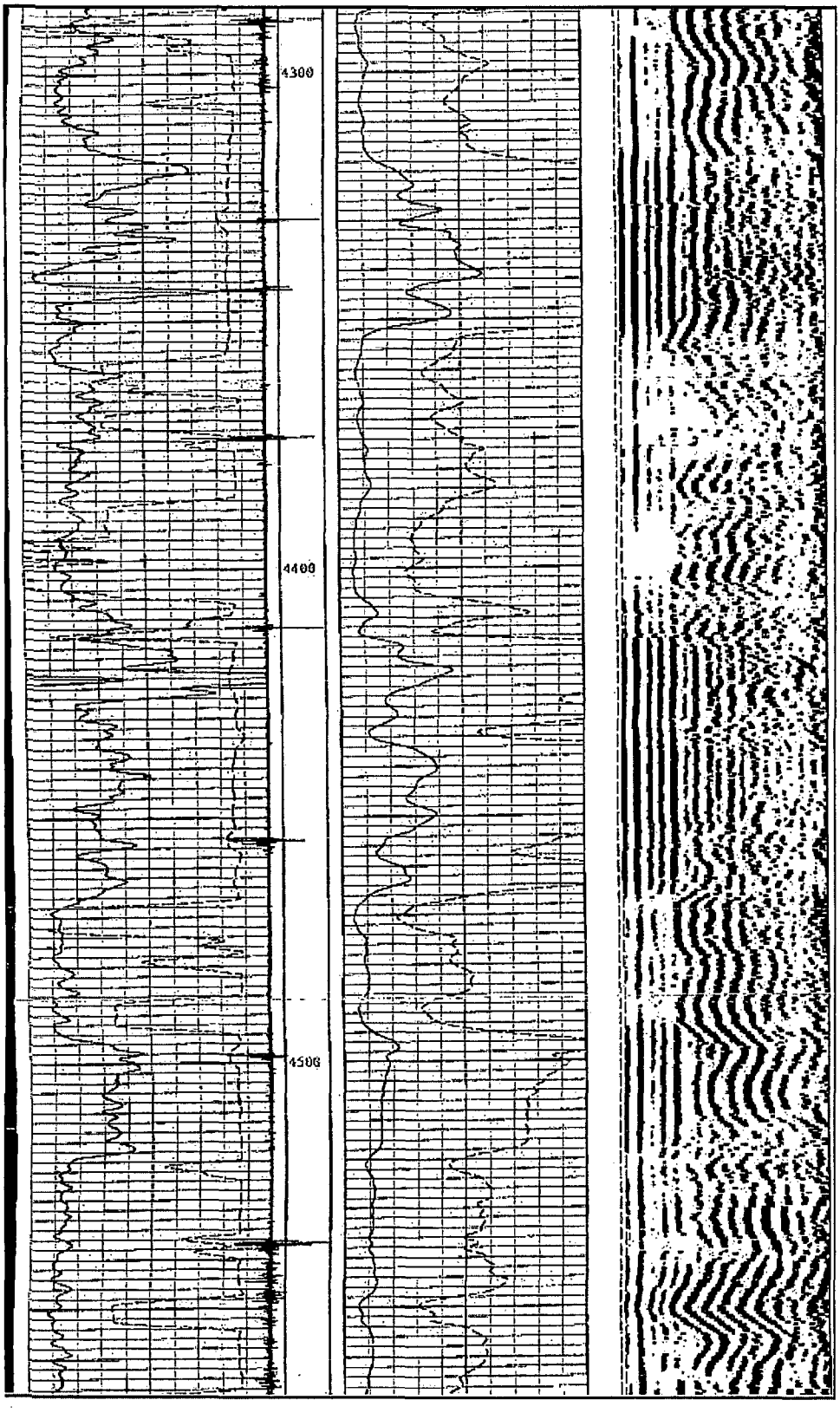


EXHIBIT 11 (CONT.): CEMENT BOND LOG – WARN ST A/C-2 #21



Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, September 05, 2012 10:42 AM
To: 'Haynie, Carolyn (CHaynie) [Kelly Services]'
Subject: RE: Approval

Hello Carolyn,
Unless you have an objection, I will process all 6 wells as one permit – and consolidate the two applications. Let me know.

I didn't get the mailers from Richard – if you want to mail them I can put them in the permit file when they arrive? If you have them scanned, please email them? The main thing is the mailer with date of mailing. I don't need the return receipts. Or if you have a list of the parties noticed and put the certified mailer number beside the name with the date mailed, that would work also.

Was anything changed as per the C-108's data as a result of the Apache protest and subsequent withdrawal of protest?

It appears that all wells drilled subsequent to the 4/30/97 order date of R-5530-E were cemented over the Transition zone and Residual Oil zone, but I don't see whether there were any DV tools run in the deep wells or the depth of those DV's. Would you consolidate the two lists of "new wells" (from the two applications) into one list and add the DV tool depths and cement coverage over the proposed injection interval to the wells drilled deeper than 5000 feet or so? You could email the result to me and I will print for the file.

Hope this is not too much trouble,

Thanks in advance,

Will Jones

From: Haynie, Carolyn (CHaynie) [Kelly Services] [mailto:CHAY@chevron.com]
Sent: Wednesday, September 05, 2012 6:19 AM
To: Jones, William V., EMNRD
Cc: Ingram, Scott (ScottIngram)
Subject: RE: Approval

Good morning!

The division of the project from 6 wells to 3 wells per package was a deadline time constraint. We had originally planned to make it one package, but this is such a high priority project with so many people involved, that they decided that we needed to submit at least the first half just as soon as possible. If you want to include your approval for all the wells in only one letter, that will be great with us. ☺

I've talked to Scott this morning and he will answer all of your interval and cross section questions this morning.

Also, I sent Richard the certified mail copies to help speed up the process, did he also give those to you? I can resend them if you need them.

Thanks Will, and let me know if you need anything.

Carolyn Haynie
Chevron U.S.A. Inc.
New Mexico PE TA
For Eunice, Vacuum,
Dollarhide, And Facilities
Room 2242A
Midland, TX
432-687-7261

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, September 04, 2012 3:33 PM
To: Haynie, Carolyn (CHaynie) [Kelly Services]
Cc: Kautz, Paul, EMNRD; Ingram, Scott (ScottIngram)
Subject: RE: Approval

Carolyn,
Richard passed these two applications for injection wells in the CVU on to me this morning.
Haven't totally looked them over yet, but they seem very easy to evaluate.

However, I must check that the 4710 to 5000 feet depths being asked for in these wells is (correlative) within the maximum depth allowed in R-5530-E.
Please ask your geologist to check this and send me a quick (simple) Gamma Ray cross section or even a stick diagram. He could pick the most representative of these wells to save trouble. I just need something to put in the admin file for these permits.

Also – why did you break these 6 wells up into two permit applications?
Were these wells drilled for injection into ONLY these lower intervals? Please remind me what interval is normal for this waterflood.

Thanks in advance.

From: Haynie, Carolyn (CHaynie) [Kelly Services] [mailto:CHAY@chevron.com]
Sent: Monday, August 27, 2012 8:56 AM
To: Jones, William V., EMNRD
Subject: Approval

Good morning Will,

I called you this morning, and your message suggested sending an email, so here is the information I am seeking. ☺

I am checking on the approval status of our Central Vacuum Unit C108's, for the CVU wells # 285, 284, 274, and the second package for wells, CVU # 273, 258, & 259.

Apache objected to the first package, (wells 274 & 285), but withdrew their objections on August 20, 2012. Also, did you receive their follow-up letter?

This is Chevron's TZ-ROZ projects and they would like to have an update. (That stands for: ***transition zone – residual oil zone.)***
Their goal for injection is November, 2012.

Thanks,

Carolyn Haynie
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New Mexico PE TA
For Eunice, Vacuum,
Dollarhide, And Facilities
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Midland, TX
432-687-7261

Jones, William V., EMNRD

From: Ingram, Scott (ScottIngram) <ScottIngram@chevron.com>
Sent: Wednesday, September 05, 2012 12:50 PM
To: Jones, William V., EMNRD
Cc: Kautz, Paul, EMNRD; Haynie, Carolyn (CHaynie) [Kelly Services]
Subject: RE: Approval
Attachments: CVU 2012 C108 supplement.pptx

Hello Mr. Jones,

You asked for a quick (simple) cross section to answer your question regarding consistency with R-5530-E; unfortunately as I got into the answer it wasn't simple but, hopefully, this is reasonably clear and complete. Attached find a short PowerPoint, along with my response here, designed to answer your questions about our proposed injection interval relative to R-5530-E, however please contact me directly at your earliest convenience if there are any remaining questions after your review.

Chevron desires to inject entirely consistent with R-5530-E in these new injectors, which would be within the Grayburg and San Andres "Unitized Formation as identified between the depths of 3,858 feet (plus 144 feet sub-sea) and 4,858 feet (minus 856 feet sub-sea) on the Welex Acoustic Velocity Log, run on November 15, 1963, in Texaco's State of New Mexico "O" (NCT-1) Well No. 23, located in the SW/4SE/4 of Section 36, T-17-S, R-34-E, Lea County, New Mexico, and is to include all subsurface points throughout the Unit area correlative to those identified depths". This well was subsequently renamed the VGWU #101 and is included in the attached cross sections for purposes of correlation and the upper and lower Unitized Formation correlations are shown.

First, since this project is a Pilot of the potential of the Transition Zone & Residual Oil Zones, we initially plan to only inject into the Transition Zone/Residual Oil Zone intervals in each of the subject six injectors so we can determine its specific EOR productive potential. The top of our Transition Zone begins at approximately 730'SS; with KB elevations typically being around 4000' at the Vacuum Field 730'SS typically occurs at roughly 4730' MD, but this does vary by as much as ~30' across the field. To account for reference datum variations and structural variation across the project area the proposed injection interval was identified as 4710' to 5000' on the subject C-108's. However, it should have also been stated that the injection interval conveyed was in True Vertical Depth; since each of these wells are having to be drilled directionally due to surface access issues, the measured depths are significantly different than the true vertical depths. For example in the CVU #284, middle well in each attached cross section which is also a representative proposed injector, the deepest proposed perf occurs at a measured depth of 5141' which is only a TVD of 4949'. Note that the base of the CVU Unitized interval has been correlated across the Unit and we will strictly adhere to this constraint; also we plan to limit our ROZ completions to no deeper than 970' SS which is sometimes above the correlated base of the CVU Unitized interval.

Secondly, after the pilot analysis is completed we would desire the ability to add the "Main Pay " interval to these completions, the main pay is the traditional oil column in the reservoir which occurs immediately above 730'SS and is the normal completion interval for this flood. As each of these wells are being drilled as twins to existing CVU injectors which are currently injecting into the Main Pay we may never add the main pay in these 6 injectors, but we desire the flexibility to do so in case, for example, one of the existing injectors were lost for any reason.

So, ideally it now appears to me we should have submitted the subject C-108's requesting the injection interval to be the stratigraphic equivalent to the Unitized Formation as described above in the New Mexico "O" (NCT-1) Well No. 23, aka the VGWU #101, which would be entirely consistent with R-5530-E yet also remove any ambiguity and allow us future completion flexibility. If possible, we desire the subject C-108's be approved with this defined injection interval.

Please let me know if you wish to discuss or have any further questions. We sincerely appreciate your time and efforts in evaluating our request and apologize for any ambiguity in the original applications.

Sincerely, Scott Ingram

Scott M. Ingram
Earth Scientist
Mid-Continent Business Unit
Chevron North America E & P
15 Smith Road, Midland, Tx. 79705
432-687-7212 office 432-238-3479 mobile
scottingram@chevron.com

God Bless America

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Sent: Wednesday, September 05, 2012 7:19 AM
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Thanks,

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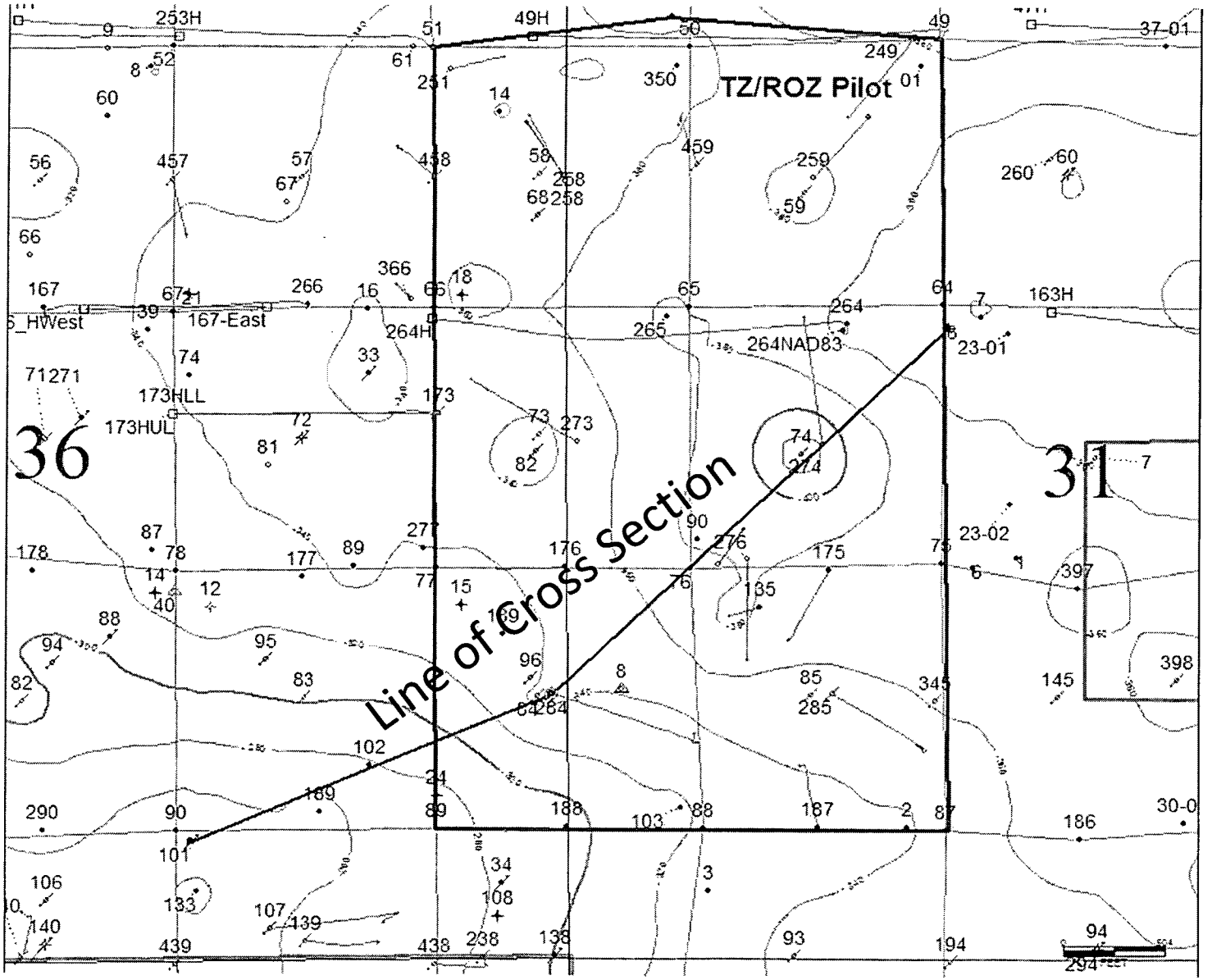
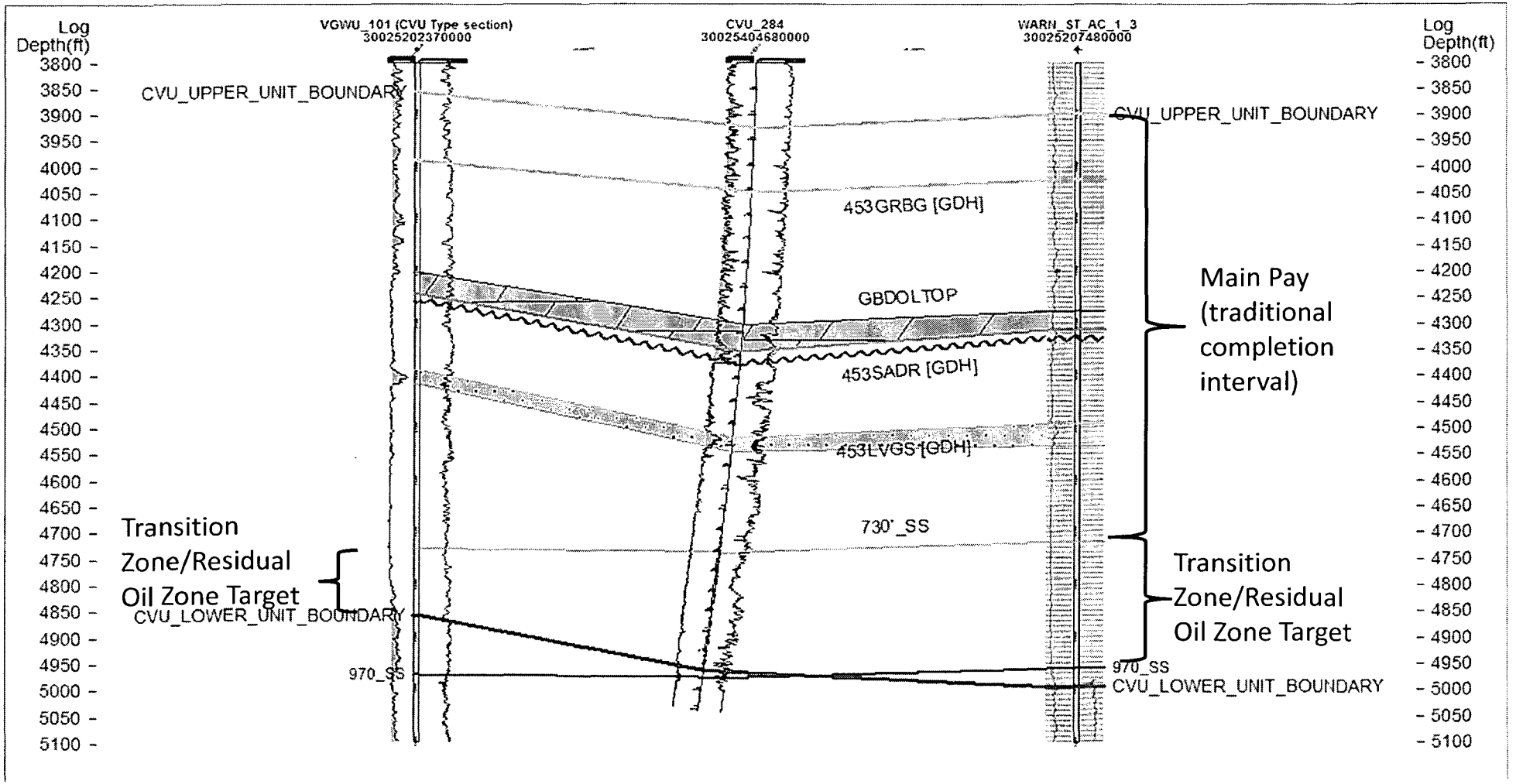
New Mexico PE TA
For Eunice, Vacuum, Dollarhide, And Facilities
Room 2242A
Midland, TX
432-687-7261

Cross Section Supplement to Chevron's C-108 for the Central Vacuum Unit 258wi, 259wi, 273wi, 274wi, 284wi, 285wi

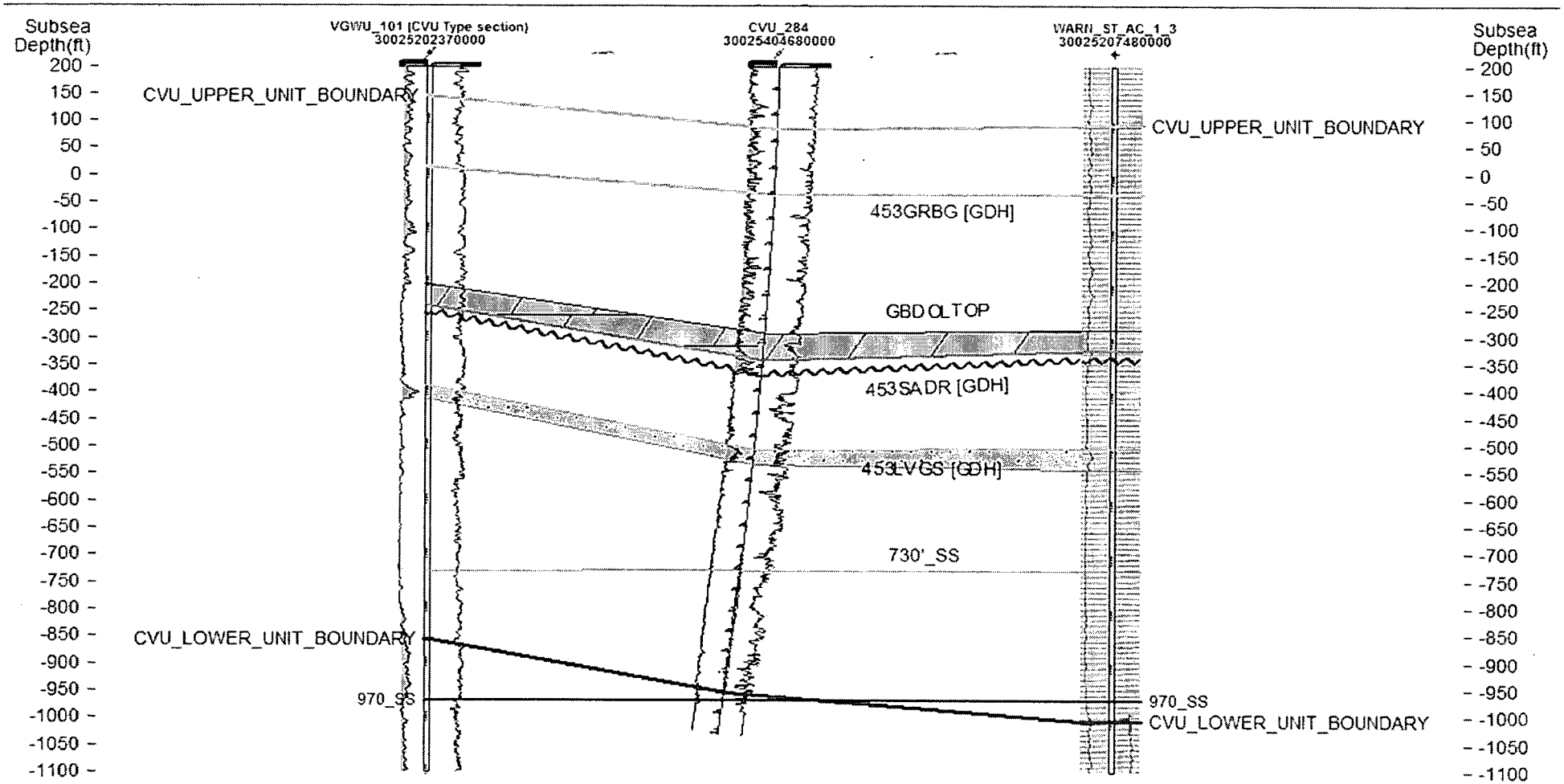
Cross Section Index



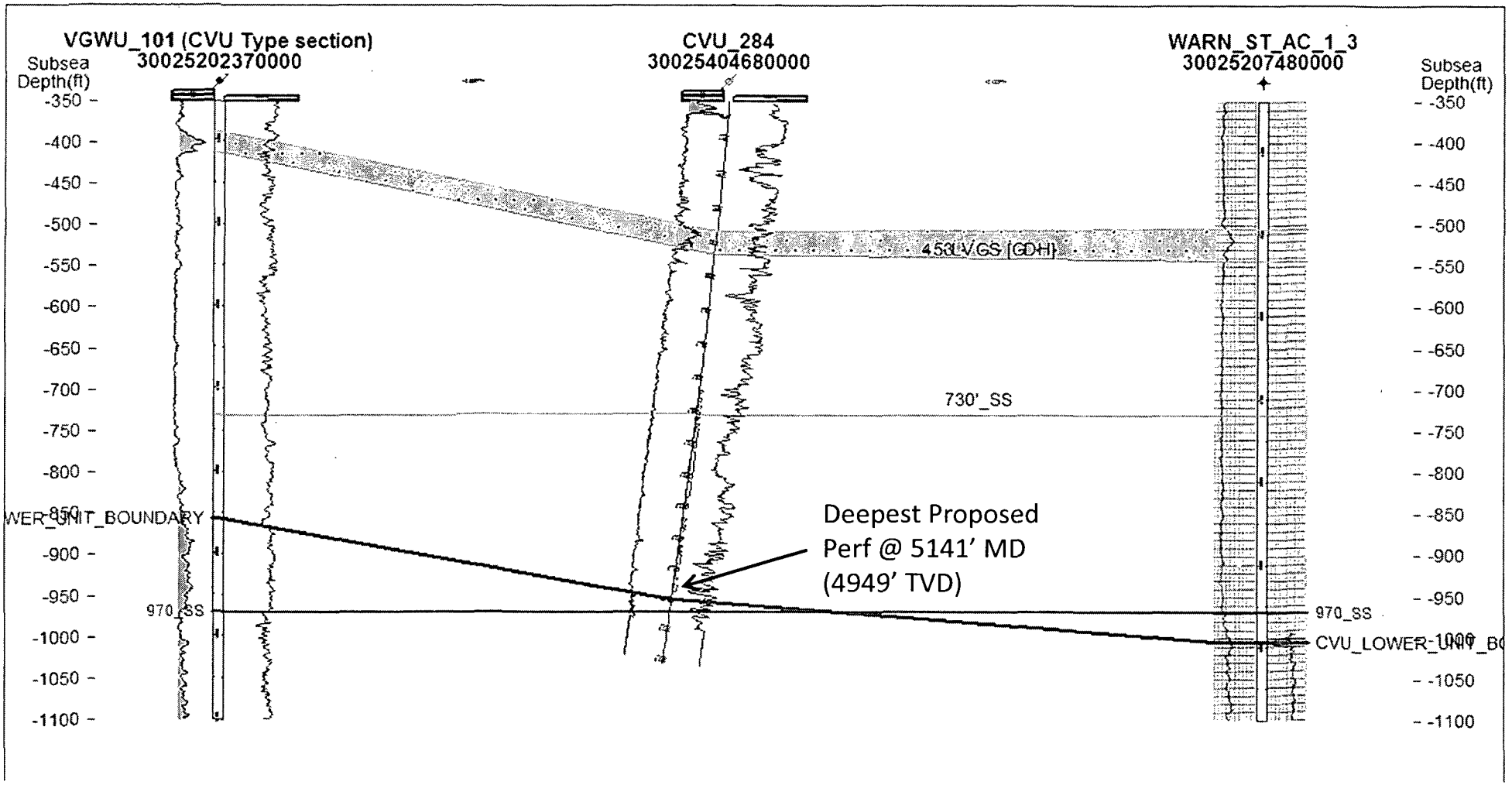
CVU SW-NE Xsection (MD)



CVU SW-NE Xsection (TVD-SS)



CVU SW-NE Xsection (TVD-SS) Zoomed



Wells drilled within Affected Area subsequent to Injection Orders: R5530-E, R6856 & 74442-C | PART VI

UWI (APINum)	Operator	Well Nam	Well Number	Status	Location	UL	Sec	T/S	Rge	Co	TOC	TD	TVD	DV	SPUD
30-025-38785	Chevron	VGSAU	438	Active WG INJ	10' FNL & 420' FEL	A	1	18S	34E	Lea	Surf	5020'	5020	NA	2/21/2009
30-025-38786	Chevron	VGSAU	439	Active Injector	634' FNL & 1632' FEL	B	1	18S	34E	Lea	Surf	5156'	5156	NA	3/4/2009
30-025-38640	Chevron	CVU	458	Active WG INJ	1153' FNL & 848' FEL	A	36	17S	34E	Lea	Surf	5035'	5035	NA	11/17/2008
30-025-38641	Chevron	CVU	459	Active WG INJ	1050' FNL & 566' FWL	D	31	17S	35E	Lea	Surf	5005'	5005	NA	12/20/2008
30-025-38849	Chevron	CVU	238	Active WG INJ	10' FSL & 420' FEL	P	36	17S	34E	Lea	Surf	5210'	5210	NA	1/27/2009
30-025-35212	Chevron	CVU	173H	Active WG INJ	2509' FNL & 660' FEL	H	36	17S	34E	Lea	Surf	5913'	4850	NA	12/18/2000
30-025-35628	Chevron	CVU	264H	Active SP - Oil	2100' FNL & 1390' FWL	F	31	17S	35W	Lea	Calc-Circ'd	6707'	4687	NA	8/17/2001
30-025-38140	Chevron	NM 'O' STATE NCT-1	40	Active-WD	1885' FSL & 1978' FEL	J	36	17S	34E	Lea	Surf	13,300'	13300	7939'	1/19/2007
30-025-38639	Chevron	CVU	457 WI	Active WG INJ	1593' FNL & 1912 FEL	G	36	17S	34E	Lea	Surf	5026'	5026	NA	10/30/2008
30-025-38002	Chevron	CVU	342 WI	Active WG INJ	82' FNL & 1186' FEL	A	36	17S	34E	Lea	Surf	5204'	5204	NA	9/13/2006
30-025-35213	Chevron	CVU	241 WI	Active WG INJ	74' FNL & 1940' FEL	B	36	17S	34E	Lea	230' by TS	5988'	4850'	NA	1/13/2001
30-025-33711	Chevron	CVU	167	Active FI - Oil	2000' FNL & 2630' FEL	G	36	17S	34E	Lea	Surf	5497'	4850'	NA	12/26/1996

Water/CO2/Produced Gas

also see WFX-835 4/14/08 Per R-5530-E in Case 11650 4/30/97 also see PMX-231 6/21/05 (J/A/S) also see WFX-822 05/12/06 WFX-890 05/12/11 ★ = [illegible]

Injection Permit Checklist (11/15/2010)

WFX ~~PMX~~ 901 SWD Permit Date 9/6/12 UIC Qtr (J/A/S)

Wells 5 Well Name(s): CVU # 258, 259, 273, 274, 284, 285

API Num: 30-0 25- Spud Date: New New/Old: N (UIC primacy March 7, 1982)

258/273 → 36 17S 34E

~~Footages~~ ~~Unit~~ Sec 31 Tsp 17S Rge 35E County LEA

General Location: BUCKEYE, NM

Operator: CHEVRON U.S.A. INC. Contact Carolyn HAYNIE

OGRID: 4323 RULE 5.9 Compliance (Wells) 4/14/12 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed ___ Current Status:

Planned Work to Well:

Diagrams: Before Conversion ___ After Conversion ✓ Elogs in Imaging File:

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
New __Existing __Surface	17½ - 13⅜			1514 SX	CIRC
New__Existing __Interm	12¼ - 9⅝			970 SX	CIRC
New__Existing __ LongSt	8¾ - 7"	5,200' TD		980	CIRC
New__Existing __ Liner					
New__Existing __ OpenHole					

2 TUBINGS (LINED) 2 PACKERS 4650/4850'

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above			
Injection TOP:	4710'	SA.	Max. PSI 1500/2200 psi ___OpenHole___ Perfs ✓
~~Injection BOTTOM:~~	~5000'	SA.	Tubing Size 2 3/8 Packer Depth ___
Formation(s) Below	5900'	GLORIETA	

Water/CO2

LIMIT TO Base of CVU UNIT

Triangle Zone Residual Zone

~~Capitan Reef?~~ ~~(Potash? Noticed?~~ ~~WIPP? Noticed?~~ Salado Top/Bot ___ ~~Cliff House?~~

Fresh Water: Depths:___ Formation ___ Wells? ___ Analysis? ___ Affirmative Statement ✓

Disposal Fluid Analysis? Sources:

Disposal Interval: Analysis? Production Potential/Testing:

Notice: Newspaper Date 7/8/12 Surface Owner SLO. Mineral Owner(s)

RULE 26.7(A) Affected Persons: APACHE/Marathon/XTO/Concord Hwy/Chevron

AOR: Maps? yes Well List? yes Producing in Interval? yes Wellbore Diagrams? ___

.....Active Wells 21 Repairs? 0 Which Wells?

.....P&A Wells 0 Repairs? ___ Which Wells?

Issues: Request Sent ___ Reply: ___