DATE IN 06/10/2013	SUSPENSE	ENGINEER PG	LOGGED IN 06/11/2013	TYPE SWD	APP NO. pAXK1316233242

ABOVE THIS LINE FOR DIVISION USE ONLY

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

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]

30-015-30312
Chevron
Texmack 11 Fed #2

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

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[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.

Sean Anderson		NM Petroleum Engineering TA	6-5-13
Print or Type Name	Signature	Title	Date

Sean.anderson@chevron.com
e-mail Address

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: _____Secondary Recovery _____Pressure Maintenance ____X__Disposal _____Storage
Application qualifies for administrative approval? ____X____Yes _____No

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

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

CONTACT PARTY: **SEAN ANDERSON** PHONE: **432-687-7523**

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

IV. Is this an expansion of an existing project? _____Yes ____X____No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

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

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected; AVG = **4,000 BWPD; MAX = 8,000 BWPD**
2. Whether the system is open or closed; **CLOSED**
3. Proposed average and maximum injection pressure; **AVG = 1850 PSI; MAX = 1,850 PSI**
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; **Produced water from Skelly Unit and Texmack "11" leases**
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.). **Attached**

*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. **Attached**

IX. Describe the proposed stimulation program, if any. **Acidizing**

*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. **None within one mile**

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. **Attached**

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

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: **SEAN ANDERSON** TITLE: **PETRO ENG. TECH ASSISTANT**

SIGNATURE: _____ DATE: **6/5/13**

E-MAIL ADDRESS: **sean.anderson@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

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.

FORM C-108 continued

Part III. A

1. Lease: TexMack 11 Federal
   Well No. 2 SWD
   API # 30-015-30312
   800' FSL & 1750' FWL
   Section 11, T17S, R31E, Unit N
   Eddy County, New Mexico

2. See attached wellbore schematics for casing in this well.
3. Propose to run approximately 8850' of 3-1/2" IPC tubing.
4. Propose to use an Arrowset packer as a seal and load the casing annulus with packer fluid.

Part III.B

1. The injection interval will be in the Wolfcamp and Cisco formations and there is no production from this interval in the immediate area.
2. The injection interval will be approximately 8600' to 9900'.
3. This well was originally a dry hole that was never produced.
4. There was no other production zone in this well.
5. The Wolfcamp is overlain by the Abo (top at 7,299') and Strawn (top at 11,177') lies below the Cisco formation.

Part VII.

1. The average daily injection will be 4,000 BWPD. Maximum will be 8,000 BWPD.
2. The system will be closed.
3. The average injection pressure will be 1,850 PSI. Maximum pressure will be 1,850 PSI.
4. The source of the water will be Chevron U.S.A. Inc. operated wells in the immediate area.
5. The Wolfcamp and Cisco formations are not productive within one mile of the Texmack 11 Federal #2 SWD well. Water analysis is attached.

Part VIII.

The proposal is to dispose of produced water into the Wolfcamp and Cisco (Penn) formations. The Wolfcamp formation is a thick sequence of predominantly tight limestone with little primary porosity but fair fracture porosity in select intervals. The closest Wolfcamp production is more than 2 miles

distant from this proposal and is marginal in nature as are all the area Wolfcamp wells. The Wolfcamp is also a zone of water disposal in the Skelly Unit #902, 6400' to the southwest.

The Cisco is a sequence of shale and carbonates, mostly limestone, again with poor primary porosity but fair fracture porosity. This interval is often a zone of lost circulation has never been productive in this area and is frequently used for SWD purposes.

Part IX.

The disposal interval will be treated with a breakdown acid job.

Part X.

The logs were submitted during initial completion.

Part XI.

No fresh water wells were identified within 1 mile of this proposal. Fresh water is typically found in the Santa Rosa formation which occurs around a depth of 200 - 300' in this area. Surface casings are typically set at a depth of > 400' in this area, the Skelly Unit #950 has surface casing set at 410', and intermediate casing set at 4480'.

Part XII.

There are no known major faults in this area. Further, there are no indications of any faults which could connect the disposal intervals with any fresh water resources in the area. ✓

Side 1

INJECTION WELL DATA SHEET

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

WELL NAME & NUMBER: **TexMack 11 Federal # 2**

WELL LOCATION: **800' FSL & 1750' FWL** | **N** | **11** | **17S** | **31E**

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: **14 ¾"** Casing Size: **11 ¾"@ 410'**

Cemented with: **300** sx. *or* _____ ft³

Top of Cement: **Surface** Method Determined: **Circulation**

Intermediate Casing

Hole Size: **11"** Casing Size: **8 5/8" @ 4,480'**

Cemented with: **2025** sx. *or* _____ ft³

Top of Cement: **Surface** Method Determined: **Circulation**

Production Casing

Hole Size: **7 7/8"** Casing Size: **5 ½" @ 10,000'**

Cemented with: **1500** sx. *or* _____ ft³

Top of Cement: ~~4,000~~ Method Determined: ~~calc~~ Cir. to surf.

See proposed Completion Diagram

Total Depth: Drilled 12,500 / PB 10,000

Injection Interval

8824' (~~8600~~) feet to 9866' (~~9900~~)

(**Perforated** or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 3 ½" Lining Material: IPC

Type of Packer: Arrowset

Packer Setting Depth: ~~8,850'~~ 8800 (see proposed wellbore diagram)

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

Additional Data

1. Is this a new well drilled for injection? ____Yes __X__No

   If no, for what purpose was the well originally drilled? **Well was intended to be an oil producer but ended up being a dry hole**

2. Name of the Injection Formation: **Wolfcamp and Upper Penn**

3. Name of Field or Pool (if applicable): **Fren (Yeso)**

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:

   San Andres 3,300'

   Paddock 5,300'

   Blineberry 11,900'

TexMack 11 Federal # 2 Wellbore Diagram

Created:	09/19/12	By: Chay	Well #:	2	Lease: LC-029418B
Updated:		By:	API	30-015-30312	
Lease:	TexMack 11 Federal		Surface	Tshp/Rng:	T17S & R31E
Field:	Fren		Unit Ltr.:	N	Section: 11
Surf. Loc.:	800' FSL & 1750' FWL		Bottom hole	Tshp/Rng:	
Bot. Loc.:			Unit Ltr.:		Section:
County:	Eddy	State: NM	Cost Code:		
Status:	DRY HOLE - P&A'd Well		Chevno:	BX7919	

Surface Casing

Size:	11-3/4", WC-40
Wt., Grd.:	42#
Depth:	410'
Sxs Cmt:	300 sxs
Circulate:	Yes, 97 sxs
TOC:	Surf
Hole Size:	14-3/4"

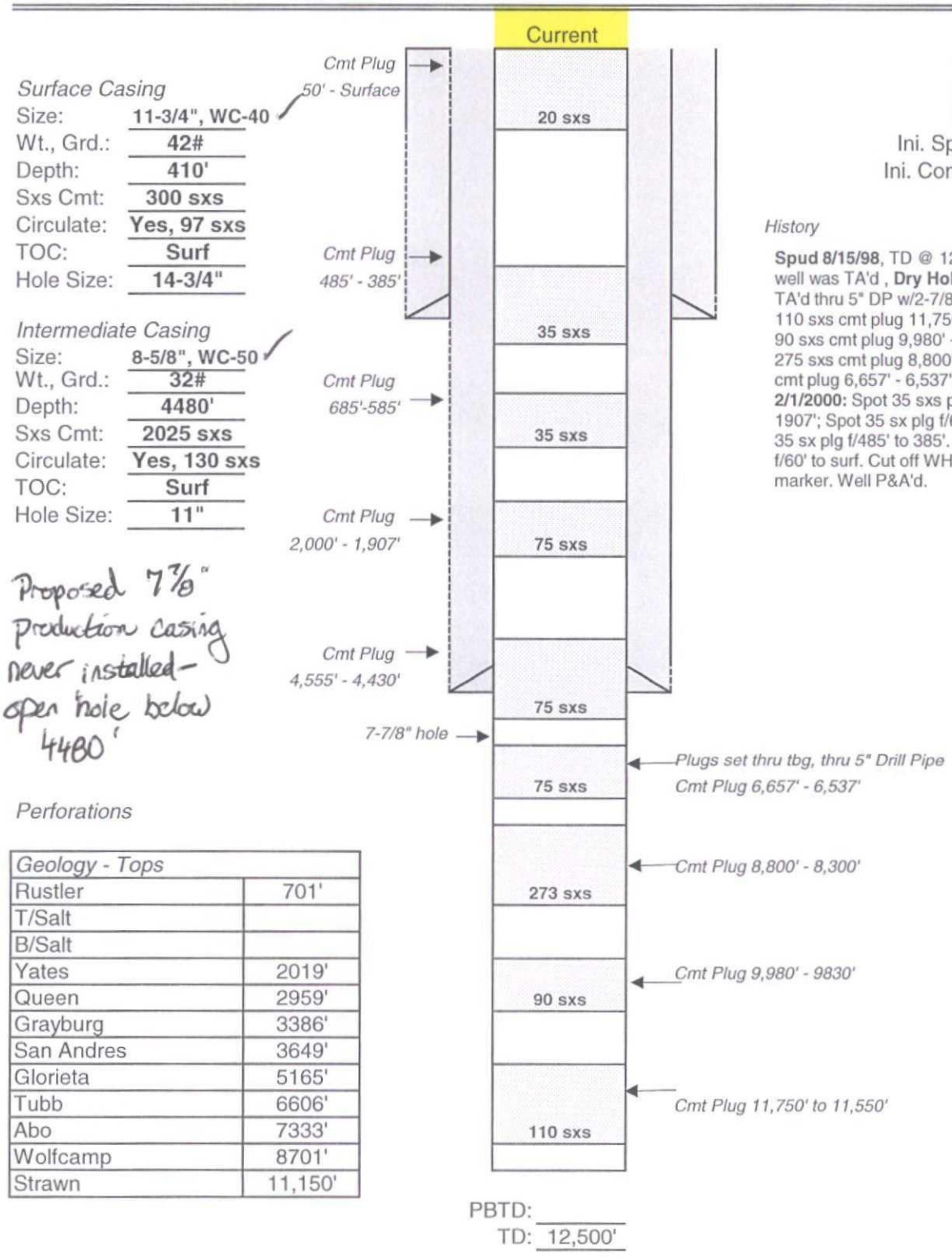
Intermediate Casing

Size:	8-5/8", WC-50
Wt., Grd.:	32#
Depth:	4480'
Sxs Cmt:	2025 sxs
Circulate:	Yes, 130 sxs
TOC:	Surf
Hole Size:	11"

Proposed 7⅞" production casing never installed - open hole below 4480'

Perforations

Geology - Tops	
Rustler	701'
T/Salt	
B/Salt	
Yates	2019'
Queen	2959'
Grayburg	3386'
San Andres	3649'
Glorieta	5165'
Tubb	6606'
Abo	7333'
Wolfcamp	8701'
Strawn	11,150'



PBTD:
TD: 12,500'

KB: 3958'
DF:
GL: 3933'
Ini. Spud: 08/15/98
Ini. Comp.: Dry Hole
Not completed

History

Spud 8/15/98, TD @ 12,500, No shows, well was TA'd , **Dry Hole**.
TA'd thru 5" DP w/2-7/8" tbg ,
110 sxs cmt plug 11,750' - 11, 550';
90 sxs cmt plug 9,980' - 9,830';
275 sxs cmt plug 8,800' - 8,300'; 75 sxs cmt plug 6,657' - 6,537'; Well TA'd.
2/1/2000: Spot 35 sxs plug f/2000' to 1907'; Spot 35 sx plg f/685' to 585'; Spot 35 sx plg f/485' to 385'. Spot 20 sxs plg f/60' to surf. Cut off WH & install dry hole marker. Well P&A'd.

TexMack 11 Federal # 2 Wellbore Diagram

Created:	09/19/12	By: Chay	Well #:	2	Lease: LC-029418B
Updated:	05/22/13	By: TPQJ	API	30-015-30312	
Lease:	TexMack 11 Federal		Surface	Tshp/Rng:	T17S & R31E
Field:	Fren		Unit Ltr.:	N	Section: 11
Surf. Loc.:	800' FSL & 1750' FWL		Bottom hole	Tshp/Rng:	
Bot. Loc.:			Unit Ltr.:		Section:
County:	Eddy	State: NM	Cost Code:		
Status:	Dry Hole - P&A'd Well - convert to SWD		Chevno:	BX7919	

Surface Casing

Size:	11-3/4", WC-40
Wt., Grd.:	42#
Depth:	410'
Sxs Cmt:	300 sxs
Circulate:	Yes, 97 sxs
TOC:	Surf
Hole Size:	14-3/4"

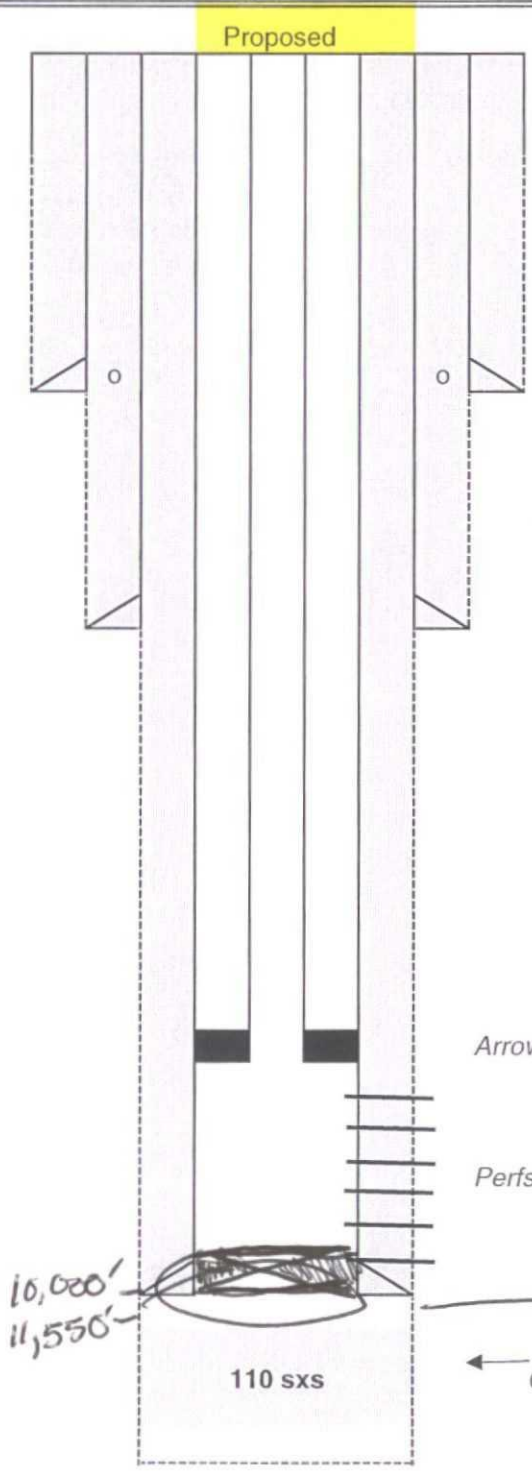
Intermediate Casing

Size:	8-5/8", WC-50
Wt., Grd.:	32#
Depth:	4480'
Sxs Cmt:	2025 sxs
Circulate:	Yes, 130 sxs
TOC:	Surf
Hole Size:	11"

Production Casing

Size:	5-1/2", L-80
Wt., Grd.:	17#
Depth:	10000'
Sxs Cmt:	1350 sxs sxs
Circulate:	Yes
TOC:	Surf
Hole Size:	7-7/8"

Geology - Tops	
Rustler	701'
T/Salt	
B/Salt	
Yates	2019'
Queen	2959'
Grayburg	3386'
San Andres	5100'
Glorieta	5165'
Tubb	6606'
Abo	7333'
Wolfcamp	8701'
Strawn	11,150'



PBTD: 11,550'
TD: 12,500'

KB: 3958'
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Ini. Spud: 08/15/98
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History

Spud 8/15/98, TD @ 12,500, No shows, well was TA'd , **Dry Hole**.
TA'd thru 5" DP w/2-7/8" tbg ,
110 sxs cmt plug 11,750' - 11, 550';
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2/1/2000: Spot 35 sxs plug f/2000' to 1907'; Spot 35 sx plg f/685' to 585'; Spot 35 sx plg f/485' to 385'. Spot 20 sxs plg f/60' to surf. Cut off WH & install dry hole marker. Well P&A'd.

TexMack 11 Federal #2

Workover Procedure

1. Install wellhead.
2. Rig up pulling unit. Install BOP.
3. Drillout cement plugs as follows: 385'-485', 585'-685', 1907'-2000', 4430'-4555', 6537'-6657', 8300'-8800', 9830'-9980'.
4. Run 5-1/2" 17#/ft L-80 casing from surface to 10,000'. Install DV tool @ 8500'.
5. Cement in casing string (1st stage – 250 sxs, 2nd stage 1100 sxs).
6. Drillout DV tool.
7. Perforate the Wolfcamp from 8824'-9866' (1042' gross / 188' net)
8. Acidize perfs w/ 20,000 gallons 15% HCl.
9. TIH w/ 5-1/2" packer and on-off tool on 3-1/2" IPC tubing.
10. Set packer and load backside with packer fluid.
11. ND BOP. NU wellhead.
12. Rig down pulling unit.
13. Perform and chart MIT.
14. Place well on injection.

C-108 Application
Chevron USA
TexMack 11 Fed #2
API# 30-015-30312
UL 'N', Section 11, T17S R31E
Eddy County, New Mexico

Geological Data

The proposal is to dispose of produced water into the Wolfcamp and Cisco (Penn) formations. The Wolfcamp formation is a thick sequence of predominantly tight limestone with little primary porosity but fair fracture porosity in select intervals. The closest Wolfcamp production is more than 2 miles distant from this proposal and is marginal in nature as are all the area Wolfcamp wells. The Wolfcamp is also a zone of water disposal in the Skelly Unit #902, 6400' to the southwest.

The Cisco is a sequence of shale and carbonates, mostly limestone, again with poor primary porosity but fair fracture porosity. This interval is often a zone of lost circulation, has never been productive in this area and is frequently used for SWD purposes.

The Wolfcamp is overlain by the Abo (Leonardian series) which historically has been productive along the shelf margin 2 miles to the south. The Cisco is underlain by the Pennsylvanian Canyon and Strawn sections, which are not productive in the area.

No fresh water wells were identified within 1 mile of this proposal. Fresh water is typically found in the Santa Rosa formation which occurs around a depth of 200 - 300' in this area. Surface casings are typically set at a depth of > 400' in this area, the Skelly Unit #950 has surface casing set at 410', and intermediate casing set at 4480'..

There are no known major faults in this area. Further, there are no indications of any faults which could connect the disposal intervals with any fresh water resources in the area.

T/Wolfcamp – 8588'

T/ Cisco - 9613'

T/ Strawn – 11,177'

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121
Lab Team Leader - Sheila Hernandez
(432) 495-7240

Water Analysis Report by Baker Petrolite

Company:	CHEVRON MID CONTINENT LP	Sales RDT:	33506
Region:	PERMIAN BASIN	Account Manager:	TIM GRAY (575) 910-9390
Area:	BUCKEYE, NM	Sample #:	561488
Lease/Platform:	SKELLY UNIT	Analysis ID #:	129970
Entity (or well #):	905 WIS	Analysis Cost:	$90.00
Formation:	UNKNOWN		
Sample Point:	INJECTION POINT		

Summary	
Sampling Date:	2/14/2013
Analysis Date:	2/28/2013
Analyst:	STACEY SMITH
TDS (mg/l or g/m3):	260138.4
Density (g/cm3, tonne/m3):	1.186
Anion/Cation Ratio:	1
Carbon Dioxide:	390 PPM
Oxygen:	.4 PPM
Comments:	

Analysis of Sample 561488 @ 75 ℉

Anions	mg/l	meq/l	Cations	mg/l	meq/l
Chloride:	**160478.0**	**4526.5**	**Sodium:**	**65532.2**	**2850.49**
Bicarbonate:	**61.0**	**1.**	**Magnesium:**	**3818.0**	**314.08**
Carbonate:	**0.0**	**0.**	**Calcium:**	**26495.0**	**1322.11**
Sulfate:	**1151.0**	**23.96**	**Strontium:**	**710.0**	**16.21**
Phosphate:			**Barium:**	**0.1**	**0.**
Borate:			**Iron:**	**16.0**	**0.58**
Silicate:			Potassium:	1877.0	48.
			Aluminum:		
Hydrogen Sulfide:		0 PPM	Chromium:		
pH at time of sampling:		5.6	Copper:		
pH at time of analysis:			Lead:		
pH used in Calculation:		**5.6**	Manganese:	0.060	0.
			Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite $CaCO_3$		Gypsum $CaSO_4*2H_2O$		Anhydrite $CaSO_4$		Celestite $SrSO_4$		Barite $BaSO_4$		CO_2 Press
℉	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	-0.52	0.00	0.28	289.22	0.33	254.20	0.28	144.20	-0.49	0.00	0.72
100	0	-0.44	0.00	0.21	230.67	0.32	250.09	0.26	135.72	-0.68	0.00	0.86
120	0	-0.35	0.00	0.15	174.57	0.34	259.95	0.26	133.80	-0.84	0.00	0.98
140	0	-0.27	0.00	0.10	123.13	0.38	280.47	0.26	137.09	-0.98	0.00	1.1

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

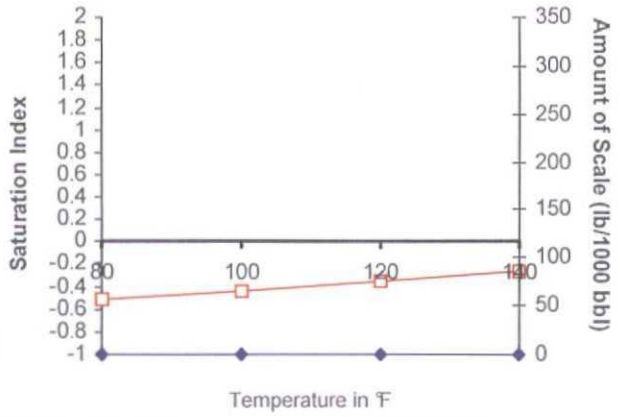
Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

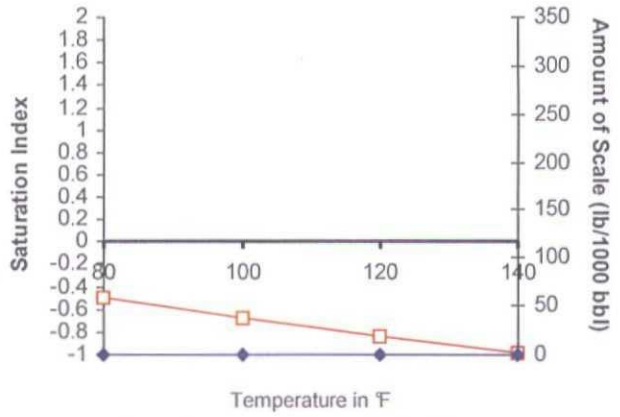
Scale Predictions from Baker Petrolite

Analysis of Sample 561488 @ 75 ℉ for CHEVRON MID C ONTINENT LP, 2/28/2013

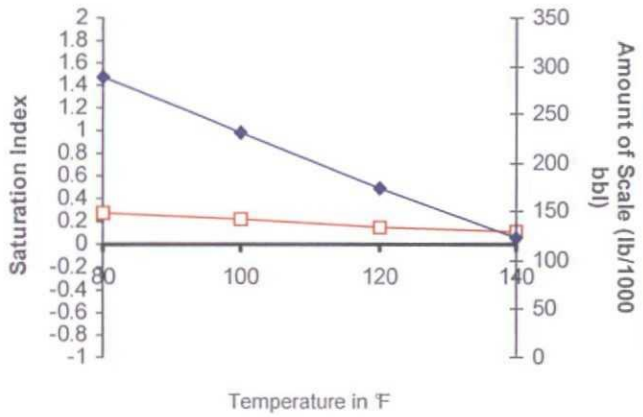
Calcite - CaCO3



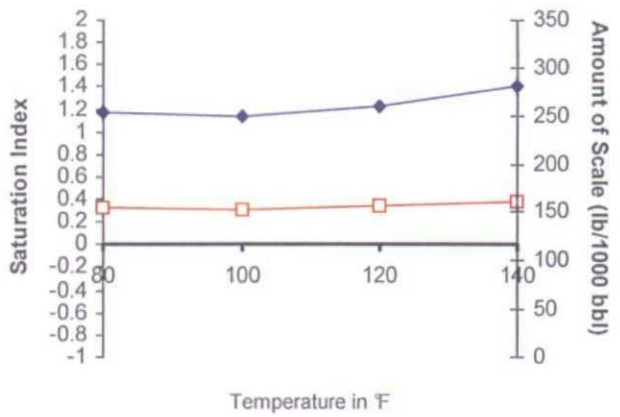
Barite - BaSO4



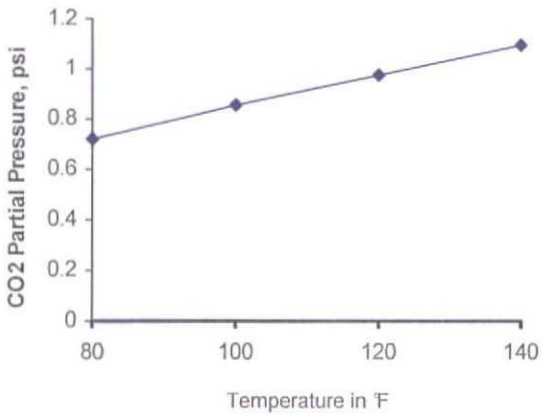
Gypsum - CaSO4*2H20



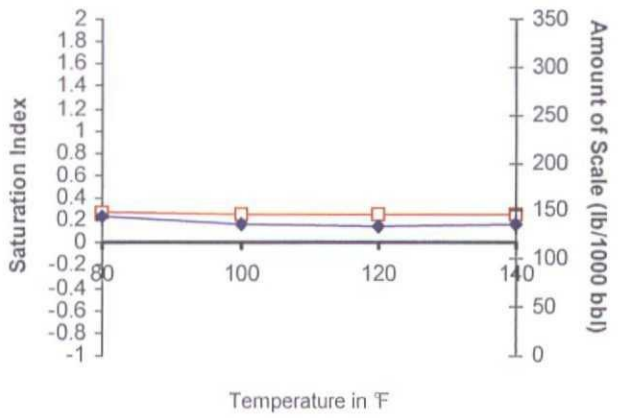
Anhydrite - CaSO4

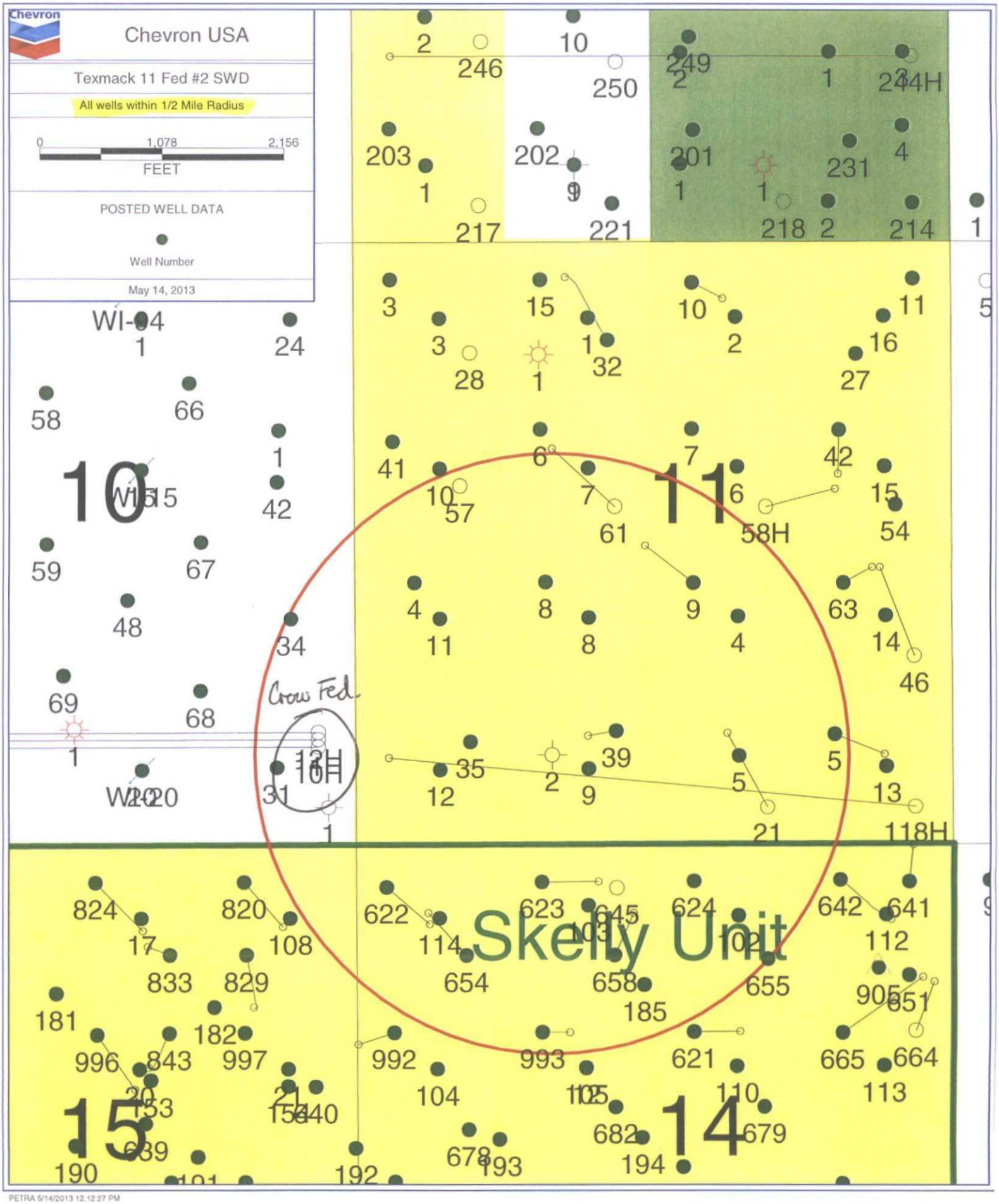


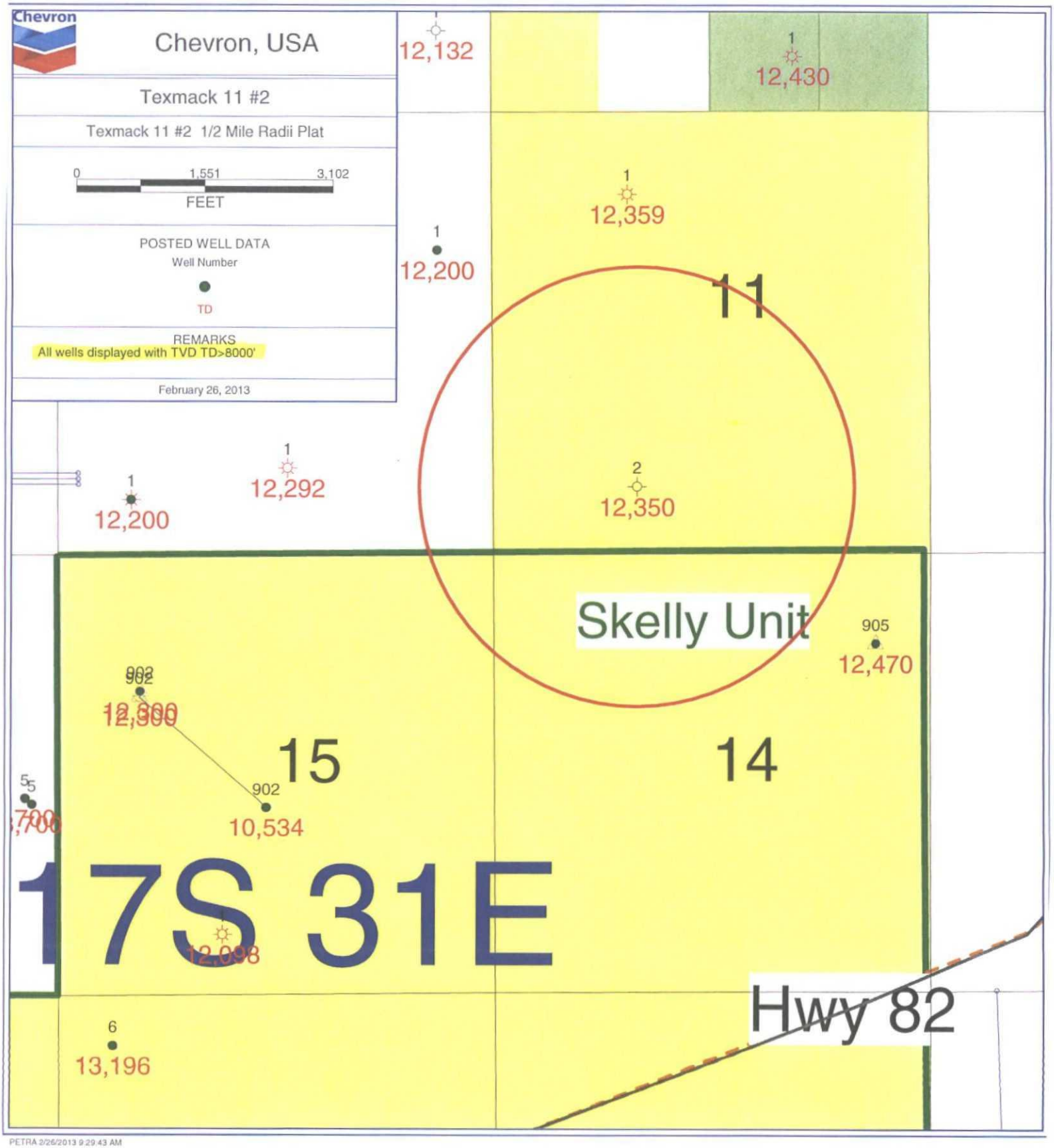
Carbon Dioxide Partial Pressure



Celestite - SrSO4




Chevron USA
Texmack 11 Fed #2 SWD
All wells within 1/2 Mile Radius
0
1,078
2,156
FEET
POSTED WELL DATA
Well Number
May 14, 2013
Crow Fed
Skelly Unit
10
11
14
15
PETRA 5/14/2013 12:12:27 PM



PETRA 2/26/2013 9:29:43 AM

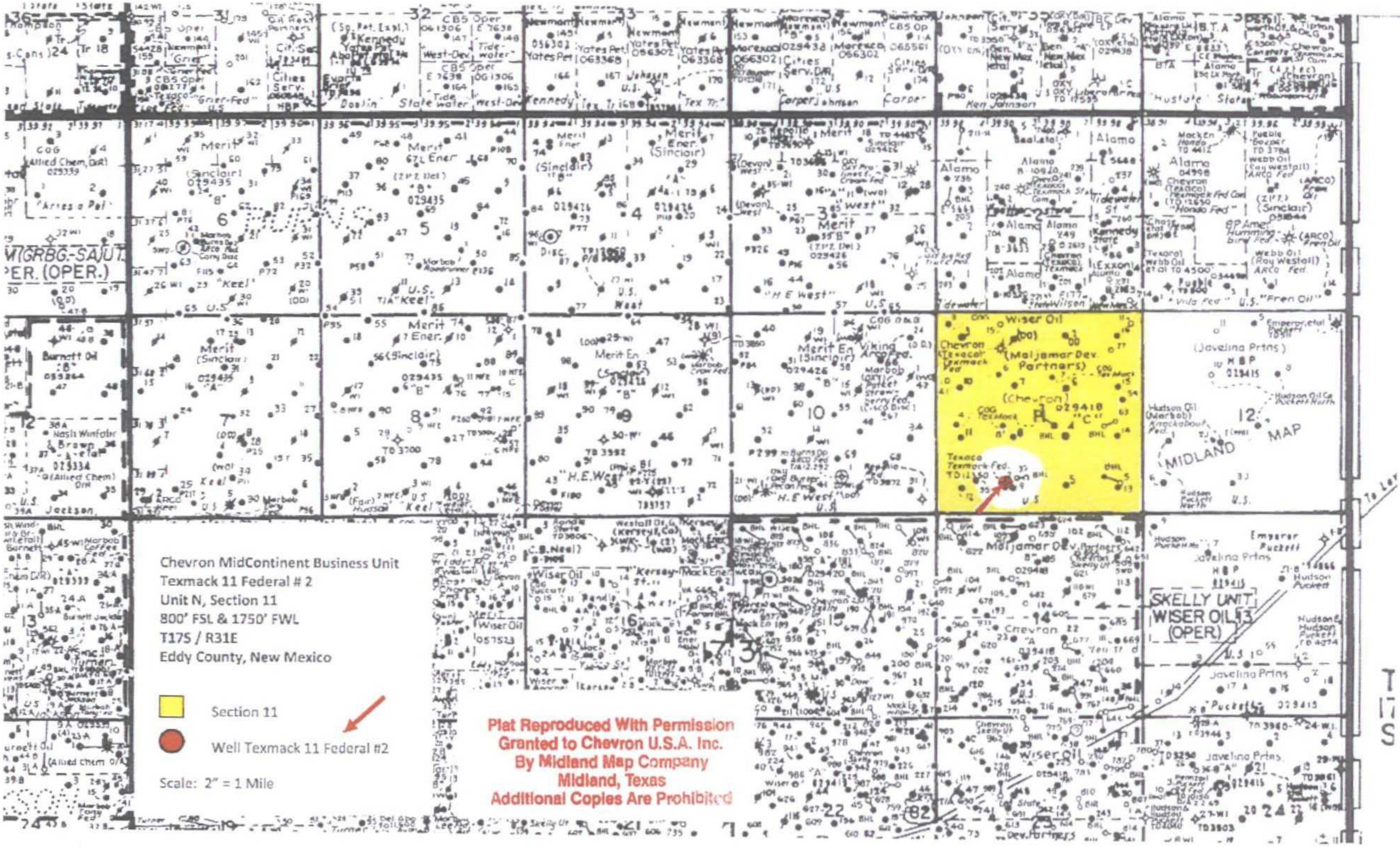
Wells within 1/2 Mile Radius of the Texmack 11 Fed #2

UWI (APINum)	Operator	Well Name	Well Number	Status	Section	Township	Range	Spot NS Footage	Spot NS Dir	Spot EW Footage	Spot EW Dir	TD	Address
30015405740000	APACHE	CROW FEDERAL	10H	AT-TD	10	17S	31E	883	FSL	250	FWL	9722	303 Veterans Airpark lane, Suite 3000 Midland, Texas 79705
30015405750000	APACHE	CROW FEDERAL	11H	-	10	17S	31E	948	FSL	250	FWL	10350	303 Veterans Airpark lane, Suite 3000 Midland, Texas 79705
30015405760000	APACHE	CROW FEDERAL	12H	-	10	17S	31E	1013	FSL	250	FWL	10800	303 Veterans Airpark lane, Suite 3000 Midland, Texas 79705
30015051320000	CAPSTONE NATURAL RESOURCES LLC	LEA-FEDERAL C	4	Active	11	17S	31E	1980	FNL	1980	FEL	3798	2250 E. 73rd Street, Suite 500 Tulsa, Oklahoma 74136
30015051330000	CAPSTONE NATURAL RESOURCES LLC	LEA-FEDERAL C	5	Active	11	17S	31E	760	FNL	1980	FEL	3816	2250 E. 73rd Street, Suite 500 Tulsa, Oklahoma 74136
30015206270000	CAPSTONE NATURAL RESOURCES LLC	LEA C	7	Active	11	17S	31E	1980	FNL	1980	FEL	3970	2250 E. 73rd Street, Suite 500 Tulsa, Oklahoma 74136
30015206410000	CAPSTONE NATURAL RESOURCES LLC	LEA C	8	Active	11	17S	31E	1980	FNL	1980	FEL	3950	2250 E. 73rd Street, Suite 500 Tulsa, Oklahoma 74136
30015206480000	CAPSTONE NATURAL RESOURCES LLC	LEA C	9	Active	11	17S	31E	660	FNL	1980	FEL	3950	2250 E. 73rd Street, Suite 500 Tulsa, Oklahoma 74136
30015206780000	CAPSTONE NATURAL RESOURCES LLC	LEA C	10	Active	11	17S	31E	1980	FNL	660	FEL	3940	2250 E. 73rd Street, Suite 500 Tulsa, Oklahoma 74136
30015206790000	CAPSTONE NATURAL RESOURCES LLC	LEA C	11	Active	11	17S	31E	1980	FNL	660	FEL	3930	2250 E. 73rd Street, Suite 500 Tulsa, Oklahoma 74136
30015206970000	CAPSTONE NATURAL RESOURCES LLC	LEA C	12	Active	11	17S	31E	660	FNL	660	FEL	3910	2250 E. 73rd Street, Suite 500 Tulsa, Oklahoma 74136
30015364720000	COG OPERATING LLC	SKELLY UNIT	993	Active	14	17S	31E	1650	FNL	1890	FWL	6790	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015367800000	COG OPERATING LLC	SKELLY UNIT	624	Active	14	17S	31E	330	FNL	2310	FEL	6620	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015368310000	COG OPERATING LLC	SKELLY UNIT	622	Active	14	17S	31E	700	FNL	650	FWL	6650	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015368330000	COG OPERATING LLC	SKELLY UNIT	623	Active	14	17S	31E	330	FNL	2150	FWL	6857	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015368360000	COG OPERATING LLC	TEX MACK 11 FEDERAL	4	Active	11	17S	31E	2310	FSL	530	FWL	6822	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015368360001	COG OPERATING LLC	TEX MACK 11 FEDERAL	4	OIL-WO	11	17S	31E	2310	FSL	530	FWL	6822	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015368470000	COG OPERATING LLC	TEX MACK 11 FEDERAL	5	Active	11	17S	31E	800	FSL	600	FEL	6845	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015368500000	COG OPERATING LLC	TEX MACK 11 FEDERAL	8	Active	11	17S	31E	2310	FSL	1700	FWL	6665	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015369450000	COG OPERATING LLC	TEX MACK 11 FEDERAL	9	Active	11	17S	31E	2630	FSL	2580	FWL	6840	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015376670000	COG OPERATING LLC	TEX MACK 11 FEDERAL	35	Active	11	17S	31E	920	FSL	1024	FWL	6738	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015379790000	COG OPERATING LLC	SKELLY UNIT	654	Active	14	17S	31E	617	FNL	635	FWL	6839	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015379800000	COG OPERATING LLC	SKELLY UNIT	658	Active	14	17S	31E	632	FNL	2455	FWL	6829	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015397030000	COG OPERATING LLC	TEX MACK 11 FEDERAL	21	-	11	17S	31E	985	FSL	2005	FEL	7050	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015407270000	COG OPERATING LLC	SKELLY UNIT	645	OIL	14	17S	31E	384	FNL	2313	FWL	6700	One Concho Center, 600 W. Illinois Avenue Midland, Texas 79701
30015051470000	LINN OPERATING INC	SKELLY UNIT	102	Active	14	17S	31E	660	FNL	1980	FEL	3733	600 Travis Street, Suite 5100 Houston, Texas 77002
30015051470001	LINN OPERATING INC	SKELLY UNIT	102	OIL-WO	14	17S	31E	660	FNL	1980	FEL	3733	600 Travis Street, Suite 5100 Houston, Texas 77002
30015051480000	LINN OPERATING INC	SKELLY UNIT	103	Active	14	17S	31E	560	FNL	1980	FEL	3730	600 Travis Street, Suite 5100 Houston, Texas 77002
30015259210000	LINN OPERATING INC	WEST H E B" FEDERAL"	31	Active	10	17S	31E	660	FSL	660	FEL	4218	600 Travis Street, Suite 5100 Houston, Texas 77002
30015259890000	LINN OPERATING INC	WEST H E 'B'	34	Active	10	17S	31E	1980	FSL	660	FEL	3885	600 Travis Street, Suite 5100 Houston, Texas 77002
30015289710000	LINN OPERATING INC	SKELLY UNIT	185	Active	14	17S	31E	1287	FNL	2590	FEL	4150	600 Travis Street, Suite 5100 Houston, Texas 77002

Fren
Glor
Yeso

Wells within 1/2 Mile Radius of the Texmack 11 Fed #2

UWI (APINum)	Operator	Well Name	Well Number	Status	Section	Township	Range	Spot NS Footage	Spot NS Dir	Spot EW Footage	Spot EW Dir	TD	Address
30015051210000	SINCLAIR OIL CORP	JL KEEL B	1	D&A-OG	10	17S	31E	330	FSL	330	FEL	3872	550 E. South Temple St Salt Lake City, Utah 84102
30015205590000	CHEVRON	SKELLY UNIT	114	P&A	14	17S	31E	660	FNL	660	FEL	3828	15 Smith Rd Midland, Texas 79705
30015205590001	CHEVRON	SKELLY UNIT	114	P&A	14	17S	31E	660	FNL	660	FEL	3828	15 Smith Rd Midland, Texas 79705
30015205590002	CHEVRON	SKELLY UNIT	114	P&A	14	17S	31E	660	FNL	660	FEL	3828	15 Smith Rd Midland, Texas 79705
30015303120000	CHEVRON	TEX MACK 11 FEDERAL	2	D&A	11	17S	31E	800	FSL	1750	FWL	12350	15 Smith Rd Midland, Texas 79705
30015378230000	CHEVRON	TEX MACK 11 FEDERAL	39	Active	11	17S	31E	950	FSL	2058	FEL	6897	15 Smith Rd Midland, Texas 79705
30015391450000	CHEVRON	SKELLY UNIT	655	Active	14	17S	31E	1020	FNL	1650	FEL	6830	15 Smith Rd Midland, Texas 79705
30015400100000	CHEVRON	TEX MACK 11 FEDERAL	57	Active	11	17S	31E	2125	FNL	941	FWL	6861	15 Smith Rd Midland, Texas 79705
30015400110000	CHEVRON	TEX MACK 11 FEDERAL	61	Active	11	17S	31E	1800	FNL	1757	FWL	6831	15 Smith Rd Midland, Texas 79705


Chevron MidContinent Business Unit
Texmack 11 Federal # 2
Unit N, Section 11
800' FSL & 1750' FWL
T17S / R31E
Eddy County, New Mexico
Section 11
Well Texmack 11 Federal #2
Scale: 2" = 1 Mile
Plat Reproduced With Permission
Granted to Chevron U.S.A. Inc.
By Midland Map Company
Midland, Texas
Additional Copies Are Prohibited
MIDLAND MAP
T 17 S

WELL TITLE CLEARANCE

Title Clearance Request

TO: Daniel Pequeno

PROPOSED OPERATION (New Drill & Re-completion):	Re-entry of Plugged and abandoned well and conversion to SWD
DATE:	3/19/13
WELL NAME AND API #:	Tex-Mack "11" Federal #2 (API #30-015-30312)
FIELD:	Fren
COUNTY, STATE	Eddy, New Mexico
SURFACE LOCATION:	800' FSL & 1,750' FWL of Section 11,T17S, R31E
BOTTOM HOLE LOCATION:	
DESIRED COMMENCEMENT DATE:	July 1, 2013
PRESENT TD:	0' Well is permanently plugged
TOTAL DEPTH:	12,500'
ESTIMATED DRILLING TIME:	2 weeks
PROPOSED COMPLETION (Depths and Formations):	Wolfcamp 8700'
SURFACE SUBJECT TO SOPA (New Dirt to be disturbed or Off Pad activity?):	No.

Title clearance for the above described operation is requested by: Paul T. Brown.

Title Clearance Memorandum

Date: April 1, 2013

It is satisfactory from a Land standpoint to commence the proposed operation, as outlined above, subject to the matters hereinafter set forth in paragraphs 1 through 7:

1. **WORKING INTEREST OWNERS**: Chevron 50%WI, COG Operating LLC 50% WI.

2. **PERTINENT AGREEMENTS**: The TexMack "11" Federal #2 is governed by the Skelly Unit/TexMack "11" Federal Operating Agreement (QLS #045311) dated December 1, 1996 and Chevron is the Operator of this well.

   Insure that the well is completed in a formation (s) below the San Andres formation as the JOA only covers formations below the San Andres formation.

   The JOA **requires 100% participation with a 30-day notice for the working interest owners to elect to** participate to drill, test and complete the well. **The JOA provides for non-consent penalty of 100/200/200 for any working interest owner who elects not to participate.** There is no provision in the JOA that requires the Non-Operators to be re-balloted if the actual cost of the operations exceeds your estimated cost. Nor is there any provision in the JOA that requires providing the Non-Operators with a supplemental AFE (WBS) if the actual cost of the operations exceeds you estimated cost. **The Single Expenditure Limit under this Operating Agreement is $80,000.**

   This well is also subject to the Texmack Gas Compression Agreement (QLS #046218).

3. **REGULATORY INFORMATION AND REQUIREMENTS**: Chevron should obtain all permits and approvals required by state, federal and local authorities prior to the commencement of operations associated with the referenced well. Chevron should be sure that such operations comply with the applicable NMOCD rules and regulations. **Do not utilize this well for disposal of off-Lease water; only dispose of water from the TexMack Lease, Section 11 wells. The completion of this well as an SWD well will also require the Notification of all offset operators, leaseholders and surface owner for the filing of the C-108 with the NMOCD.**

4. **DRILLSITE SURFACE AGREEMENT:** The well site surface is owned by the BLM, therefore SOPA notice requirements do not apply.

5. **RIGHT-OF-WAY/EASEMENT/LICENSE/WATER USE**: Access to the well granted by BLM Easement NM-098281(QLS #092330). The Easement begins at US Highway 82 onto the lease road to the well. (See plat on page 2 below)

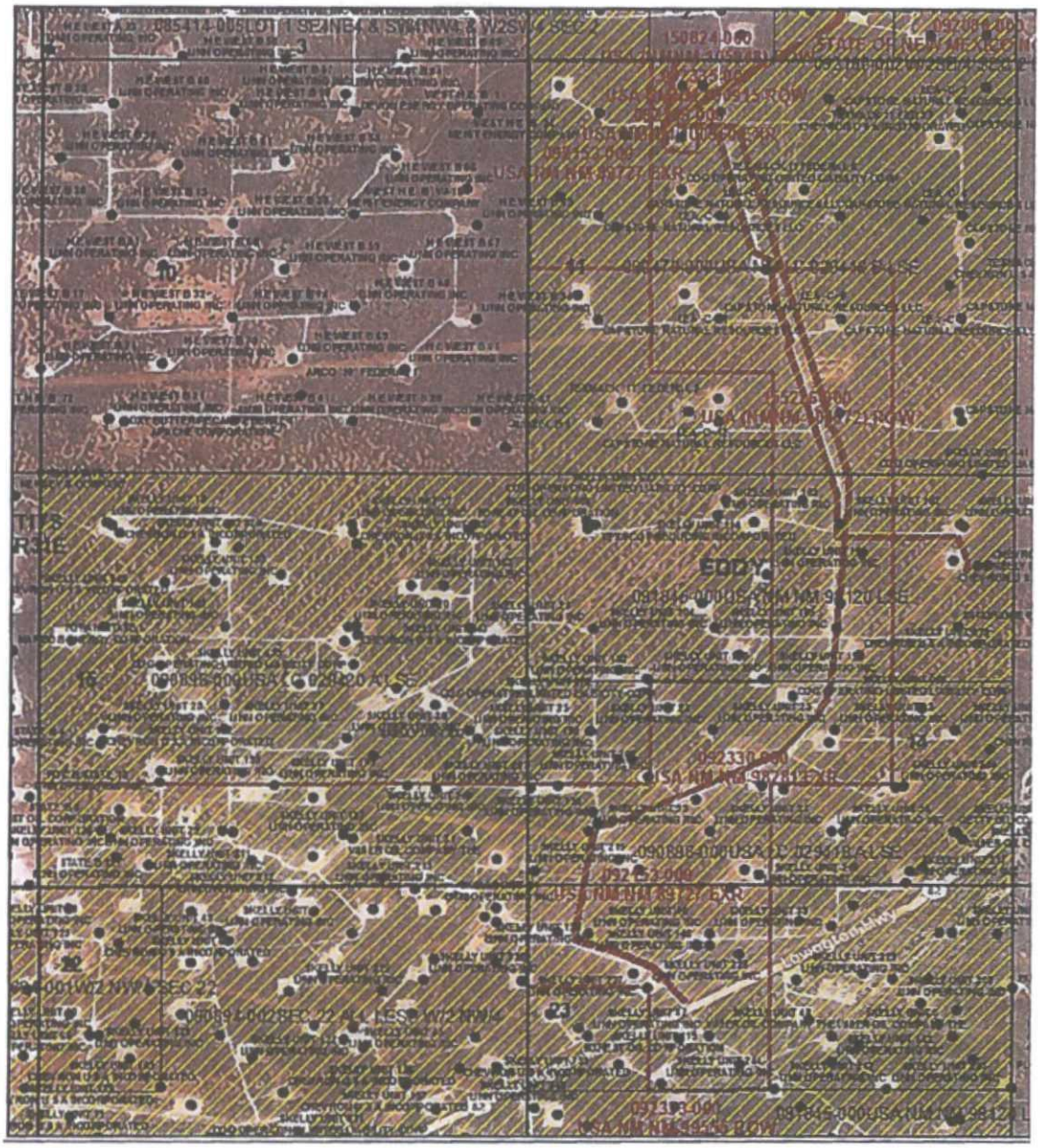
6. **OIL AND GAS LEASES** : The well (surface and bottom hole) is located on Federal Oil and Gas Lease NMLC-0029418 B (QLS #090479). Chevron has a 50% Operating Rights interest in this lease covering Section 11, T17S, R31E and said 50% only covers the depths below the San Andres formation.

7. **TITLE OPINIONS/ISSUES**: There are no title curative issues of concern to prevent commencement of this proposed re-entry of the well and conversion to SWD well. (See Drilling and Division Order Title opinion dated December 15, 2009 rendered by Hinkle, Hensley, Shanor & Martin, L. L. P. Law Firm as supplemented on March 12, 2010 by said Law Firm) Ensure that there are no pending law suits, adverse claims or other matters that may be against this property that would impact this operation.

BY: Daniel Pequeno

Cc: Ryan Warmke, Gigi Warrick, Denise Pinkerton, Blain Floyd, Matthew Starr, Scott Ingram, Debra Hardy, Nick Moschetti, Katie Jozwicki, Hollis Cox, Blain Nickerson, H. D. Lawrence

BLM ROAD EASEMENT PLAT:



WORKING INTEREST OWNERS

COG Operating LLC
One Concho Center, 600 W. Illinois Avenue
MIDLAND, TX 79701

OFFSET OPERATORS

MERIT PARTNERS COMPANY, LLC
13727 NOEL ROAD, SUITE 500
DALLAS, TX 75240

LINN OPERATING, INC.
600 TRAVIS STREET, SUITE 5100
HOUSTON, TX 77002

APACHE CORPORATION
303 VETERANS AIRPARK LANE
SUITE 3000
MIDLAND, TX 79705

MARBOB ENERGY CORPORATION
PO BOX 227
ARTESIA, NEW MEXICO 88211

CAPSTONE NATURAL RESOURCES, LLC.
2250 E. 73RD STREET, SUITE 500
TULSA, OK 74136

HUDSON OIL COMPANY OF TEXAS
616 TEXAS STREET
FORT WORTH, TX 76102

BURNETT OIL COMPANY INC.
BURNETT PLAZA, SUITE 1500
801 CHERRY STREET, UNIT 9
FORT WORTH, TX 76102

SURFACE OWNERS

BUREAU OF LAND MANAGEMENT
ATT: MR. JIM STOVALL
620 EAST GREENE STREET
CARLSBAD, NEW MEXICO 877220

Sean Anderson
Petroleum Engineering
Technical Assistant

MidContinent Business Unit
Chevron North America
Exploration and Production Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7523
Fax 432-687-7871
sean.anderson@chevron.com

June 5, 2013

Bureau of Land Management
Attention: Mr. Jim Stovall
620 East Greene Street
Carlsbad, New Mexico 87220-6292

RE: Convert to Salt Water Disposal
Oil and Gas Department

Chevron U.S.A. Inc., respectfully requests administrative approval to convert the TexMack 11 Federal # 2, (API # 30-015-30312), to a Salt Water Disposal well in the Wolfcamp and Cisco formations. TexMack 11 Federal # 2 is located: 800' FSL & 1750' FWL, Unit Letter N; Section 11; T17S, R31E, N.M.P.M.; Eddy County, New Mexico. Chevron and COG Operating LLC hold 50% working interest on the TexMack 11 Federal # 2.

The injection interval will be in the Wolfcamp and Cisco formations, perforated area: 8660'-9900'.

Attached are the OCD C-108 and the BLM reentry and sundry, with information relative to the SWD injection of the referenced well, a copy of the legal notice posted in the Carlsbad Current Argus, the letters of notification, well list and the map for the TexMack 11 Federal # 2.

If additional information is required, you may contact me at 432-687-7523 or email me at sean.anderson@chevron.com or contact the project engineer, Paul Brown at 432-687-7351, or by email at PaulBrown@chevron.com.

Sincerely,

Sean Anderson
NM PE Technical Assistant

Enclosure

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn, on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

May 2 2013

That the cost of publication is **$56.74** and that payment thereof has been made and will be assessed as court costs.

Kathy McCarroll

Subscribed and sworn to before me this

7th day of May, 2013

Shirley Maxwell

My commission Expires on May 18, 2015

Notary Public

OFFICIAL SEAL
Shirley Maxwell
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires 5/18/15

May 2, 2013

LEGAL NOTICE
April 30, 2013

Notice is hereby given of the application of CHEVRON NORTH AMERICA, 15 Smith Road, Midland, TX 79705, to the Oil Conservation of the State of New Mexico, the Bureau of Land Management and the Commissioner of Public Lands, State of New Mexico for approval to convert the Texmac 11 Federal # 2 to a Salt Water Disposal well.

The Texmac 11 Federal # 2, API # 30-015-30312, is located 800' FSL & 1750' FWL' Unit Letter N, Sec. 11, T17S, R31E, Eddy County, New Mexico.

The injection interval is in the Wolfcamp and Cisco formations from 8750' to 9900' through perforations. The maximum injection rate will be 8,000 BWPD, with a maximum allowable amount of 1850 PSI. Interested parties should file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505 within days.

Inquiries regarding the application should be rected to Chevron U.S Inc, Attn: Paul Brown, Smith Rd., Midland 79705, em PaulBrown@chevron.co

NOTIFICATION LIST

Prepared 05/012013 by Daniel Pequeno, Senior Land Representative

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

TexMack "11" Federal Well No. 2 (API #3001503012)
800' FSL & 1,750' FWL
Section 11, T-17-S, R-31E, Unit Letter N
Eddy County, New Mexico

Offset Operators, Working Interest Owners, All Section 10, all in T17S-R31E:

Merit Partners Company, LLC
13727 Noel Road, Suite 500
Dallas, Texas 75240

Linn Operating, Inc.
600 Travis Street, Suite 5100
Houston, Texas 77002

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

Marbob Energy Corporation
P. O. Box 227
Artesia, New Mexico 88211-0277

Offset Operators, Working Interest Owners, All Section 11 in T17S-R31E:

Capstone Natural Resources, LLC
2250 E. 73rd Street, Suite 500
Tulsa, Oklahoma 74136

COG Operating LLC
One Concho Center, 600 W. Illinois Avenue
Midland, Texas 79701

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

Offset Operators, Working Interest Owners, W/2 of Section 12 and W/2 of Section 13, all in T17S-R31E:

Hudson Oil Company of Texas
616 Texas Street
Fort Worth, Texas 76102

Burnett Oil Company Inc.
Burnett Plaza, suite 1500
801 Cherry Street, Unit 9
Fort Worth, Texas 76102

Offset Operators, Working Interest Owners, All Sections 14 & 15, in T17S-R31E:

Linn Operating, Inc.
600 Travis Street, Suite 5100
Houston, Texas 77002

COG Operating LLC
One Concho Center, 600 W. Illinois Avenue
Midland, Texas 79701

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

Surface Owner for Section 11, T17S-R31E:

Bureau of Land Management
Attention: Mr. Jim Stovall
620 East Greene Street
Carlsbad, New Mexico 87220-6292

_____

Daniel Pequeno, Senior Land Representative

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COG Operating LLC
One Concho Center
600 W. Illinois Ave
Midland, TX 79701

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P.O, Box 227
Artesia, NM 88211-0277

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MERIT PARTNERS CO, LLC
13727 Noel Road, Ste 500
Dallas, TX 75240


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Capstone Natural Resources, LLC
2250 E. 73rd Street, Ste 500
Tulsa, OK 74136
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City, State, ZIP+
Hudson Oil Company of Texas
616 Texas Street
Ft Worth, TX 76102
7013 0600 0001 7469 7744
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MIDLAND TX CLAYDESTA STA
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Restricted Delivery Fee (Endorsement Required)
Total Postage
Sent To
Street, Apt. No or PO Box No.
City, State, ZIP
Burnet Oil Company
Burnett Plaza, Ste 1500
801 Cherry Street, Unit 9
Ft Worth, TX 76102
7013 0600 0001 7469 7751
TEXMACH 11-2
MIDLAND TX CLAYDESTA STA 79705
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City, State, ZIP
Apache Corporation
303 Veterans Airpark Lane,
Ste 3000
Midland, TX 79705
7013 0600 0001 7469 7973
TEXMACH 11-2
MIDLAND TX CLAYDESTA STA 79705
JUN - 5 2013
Postmark Here
USPS

Sean Anderson
Petroleum Engineering
Technical Assistant

MidContinent Business Unit
Chevron North America
Exploration and Production Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7523
Fax 432-687-7871
Sean.anderson@chevron.com

June 5, 2013

CONVERT TO SALT WATER DISPOSAL
EDDY COUNTY, NEW MEXICO

RE: TexMack 11 Federal # 2
Working Interest Owners:

For your information, as a working interest owner, Chevron North America, as operator of the TexMack 11 Federal # 2, has filed an application with the New Mexico Oil Conservation Division and submitted a Sundry to the BLM, to convert the TexMack 11 Federal # 2, (API # 30-015-30312), in the Wolfcamp and Cisco formations to a Water Disposal well, located: 800' FSL & 1750' FWL, Unit Letter N; Section 11; T17S, R31E, Eddy County, New Mexico.

Attached is an OCD form C-108 and the BLM sundry, with information relative to the water disposal conversion of the referenced well. A copy of the legal notice posted in the Carlsbad Current Argus is included. The enclosed map highlights the location of the TexMack 11 Federal # 2, in relation to your offset operations.

If additional information is required, please contact me at (432-687-7523), 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,

Sean Anderson
NM PE Technical Assistant

Enclosure

Sean Anderson
Petroleum Engineering
Technical Assistant

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June 5, 2013

CONVERT TO SALT WATER DISPOSAL
EDDY COUNTY, NEW MEXICO

RE: TexMack 11 Federal # 2
Offset Operators:

For your information, as an offset operator, Chevron North America, as operator of the TexMack 11 Federal # 2, has filed an application with the New Mexico Oil Conservation Division and submitted a Sundry to the BLM, to convert the TexMack 11 Federal # 2, (API # 30-015-30312), in the Wolfcamp and Cisco formations to a Water Disposal well, located: 800' FSL & 1750' FWL, Unit Letter N; Section 11; T17S, R31E, Eddy County, New Mexico.

Attached is an OCD form C-108 and the BLM sundry, with information relative to the water disposal conversion of the referenced well. A copy of the legal notice posted in the Carlsbad Current Argus is included. The enclosed map highlights the location of the TexMack 11 Federal # 2, in relation to your offset operations.

If additional information is required, please contact me at (432-687-7523), 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,

Sean Anderson
NM PE Technical Assistant

Enclosure

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED OCD
2013 JUN 10 P 2:27

SUBMIT IN TRIPLICATE *- Other instructions on reverse side.*

5. Lease Serial No.
LC 0294418B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☐ ☐ Gas Well ☐ ☐ ☑ Other

8. Well Name and No.
TexMack 11 Federal # 2

2. Name of Operator **CHEVRON U.S.A.**

9. API Well No.
30-015-30312

3a. Address
15 Smith Road; Midland, Texas 79705

3b. Phone No. *(include area code)*
432-687-7253

10. Field and Pool, or Exploratory Area
Fren, Wolfcamp

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
800' FSL & 1750' FWL, N-11-17S-31E

11. County or Parish, State
Eddy County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **Salt Water Disposal**
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Chevron North America, respectfully requests administrative approval to inject salt water into the TexMack 11 Federal #2, (API # 30-015-30312), located: 800' FSL & 1750' FWL, Unit Letter N; Section 11; T17S, R31E, Eddy County, New Mexico.

The Injection interval will be in the Wolfcamp and Cisco formations, Perforated Cased-hole: PBTD 9,920', TD 10,000', and perforated: 8824' – 9866' (1042' gross / 188' net).

The proposed well procedure is to: MIRU PU; Install BOP; Drill out cement plugs as follows: 385'-485', 585'-685', 1907'-2000', 4430'-4555', 6537'-6657', 8300'-8800', 9830'-9980'; Run 5-1/2" 17#/ft L-80 casing from surface to 10,000'. Install DV tool @ 8500'; Cement in casing string (1st stage – 250 sxs, 2nd stage 1100 sxs); Drillout DV tool; Perforate the Wolfcamp from 8824'-9866' (1042' gross / 188' net); Acidize perfs w/ 20,000 gallons 15% HCl; TIH w/ 5-1/2" packer and on-off tool on 3-1/2" IPC tubing; Set packer and load backside with packer fluid; ND BOP; NU wellhead; RDPU; Perform and chart MIT; Place well on injection

The estimated starting date will be October 1st and the duration is approximately 30 days.

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Sean Anderson

Title **PETROLEUM ENGINEER TECHNICAL ASSISTANT**

Signature **tpqj, Sean Anderson**

Date **06/05/2013**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Sean Anderson
Petroleum Engineering
Technical Assistant

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Exploration and Production Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7523
Fax 432-687-7871
sean.anderson@chevron.com

June 5, 2013

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

RE: Convert to Salt Water Disposal
Oil and Gas Department

Chevron U.S.A. Inc., respectfully requests administrative approval to convert the TexMack 11 Federal # 2, (API # 30-015-30312), to a Salt Water Disposal well in the Wolfcamp and Cisco formations. TexMack 11 Federal # 2 is located: 800' FSL & 1750' FWL, Unit Letter N; Section 11; T17S, R31E, N.M.P.M.; Eddy County, New Mexico. Chevron and COG Operating LLC hold 50% working interest on the TexMack 11 Federal # 2.

The injection interval will be in the Wolfcamp and Cisco formations, perforated area: 8660'-9900'.

Attached are the OCD C-108 and the BLM reentry and sundry, with information relative to the SWD injection of the referenced well, a copy of the legal notice posted in the Carlsbad Current Argus, the letters of notification, well list and the map for the TexMack 11 Federal # 2.

If additional information is required, you may contact me at 432-687-7523 or email me at sean.anderson@chevron.com or contact the project engineer, Paul Brown at 432-687-7351, or by email at PaulBrown@chevron.com.

Sincerely,

Sean Anderson
NM PE Technical Assistant

Enclosure

Injection Permit Checklist: Received 06/11/13 First Email Date: _____ Final Reply Date: _____ Suspended?: _____

Issued Permit: Type: WFX / PMX / (SWD) Number: 1431 Permit Date: 07/22/13 Legacy Permits or Orders: NA

Well No. 2 SWD Well Name(s): Tex Mack 11 Federal

API : 30-0 15-30312 Spud Date: 08/15/1998 New/Old: (N) (UIC Cl II Primacy March 7, 1982)

Footages 800 FSL / 1750 FWL Lot - Unit N Sec 11 Tsp 17S Rge 31E County Eddy

General Location: ~4 miles W of Maljamar Pool: Prod: Fren/Morrow-exploratory Pool No.: 96663

Operator: Chevron USA, Inc. OGRID: 4323 Contact: Sean Anderson

COMPLIANCE RULE 5.9: Inactive Wells: 5 TotalWells: 2163 Fincl Assur: Yes Compl. Order? No **IS 5.9 OK?** OK

Well File Reviewed: ✓ Current Status: Well P&A'; Morrow test + shallow tests

Planned Rehab Work to Well: Drill out plugs - install 5½-in inside 7⅞ casing and cement - perf & acidize

Well Diagrams: Proposed ____ Before Conversion ✓ After Conversion ✓ Are Elogs in Imaging?: Yes

Well Construction Details:	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Stage Tool	Cement (Sx or Cf)	Cement Top and Determination Method
Planned __ or Existing __ **Cond**	—	—	—	—	—
Planned __ or Existing ✓ **Surface**	14 3/4 / 11 3/4	0 to 410	NA	300	Cir. to surf.
Planned __ or Existing ✓ **Interm**	11 / 8 5/8	0 to 4,480	NA	2025	Cir to surf.
Planned X or Existing __ **LongSt**	7 7/8 / 5½	0 to 10,000	8500'	1350	Cir to surf
Planned __ or Existing __ **Liner**	—	—	—	—	—
Planned ✓ or Existing __ **OH** (PERF)	7 7/8 / 5½	8824 to 9866	—		

Injection Strat Column:	Depths (ft)	Formation	Tops?
Above Top of Inject Formation	—	Yeso	—
Above Top of Inject Formation	+1523	Abo	7,299
Proposed Interval TOP:	8824	Wolfcamp	8678
Proposed Interval BOTTOM:	9866	Cisco	9830
Below Bottom of Inject Formation	-1347 Conv	Strawn	11,177
Below Bottom of Inject Formation	—	Atoka	

Completion/Ops Details:

Drilled TD 12500 PBTD ~~Prop.~~ Corr.

Open Hole ____ or Perfs X

Tubing Size 3½ Inter Coated? Yes

Proposed Packer Depth 8800

Min Packer Depth 8724 (100-ft limit)

Proposed Max. Surface Press 1950 (?)

Calc. Injt Press 1765 (0.2 psi per ft)

Calc. FPP _____ (0.65 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P NA Noticed? NA **BLM Sec Ord** NA **WIPP** NA Noticed? NA **SALADO:** T: ____ B: ____ **CLIFF HOUSE** NA

Fresh Water: Max Depth: ~186' to ~300' FW Formation Minor Bedrock Santa Rosa? Wells? 0 Analysis? Yes HydrologicAffirmStatement Yes

Disposal Fluid: Formation Source(s) GA - Yeso - Glorietta Tatum On Lease X Only from Operator ____ or Commercial ____ Skelly Unit & TexMack II leases

Disposal Interval: Injection Rate (AVE/MAX): 4000/8000 Protectable Waters: No CAPITAN REEF: thru No adjacent No

H/C Potential: Producing Interval? No Formerly Producing? No Method: E Log / Mudlog / DST / Depleted / Other ____ Producer to

AOR Wells: 1/2-M Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 1

Penetrating Wells: No. Active Wells 1 Num Repairs? 0 on which well(s)? — Diagrams? N

Penetrating Wells: No. P&A Wells 0 Num Repairs? 0 on which well(s)? — Diagrams? N

NOTICE: Newspaper Date 05/02/13 Mineral Owner BLM Surface Owner BLM N. Date June 3, 2013

RULE 26.7(A): Identified Tracts? ✓ Affected Persons: Linn / Merit Part / Apache / COG / N. Date June 3, 2013

Permit Conditions: Needs CIBP at TD of new casing Capstone / Burnett

Issues: