

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]

[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 _____

Chevron
 SKEN#25WD
 2,265,27E
 API #
 30-015-41744

[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

2013 DEC 20 P 3:04
 RECEIVED

[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.

Cindy Herrera-Murillo
 Print or Type Name

Cindy Herrera-Murillo
 Signature

Permitting Specialist
 Title

11/27/2013
 Date

Cherreramurillo@chevron.com
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance XX Disposal Storage
Application qualifies for administrative approval? XX Yes No
- II. OPERATOR: CHEVRON USA INC
ADDRESS: 15 SMITH RD. MIDLAND TX 79705
CONTACT PARTY: CINDY HERRERA-MURILLO PHONE: 575-263-0431
- 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 XX 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. 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. N/A no wells currently exist within area of review
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected; Average daily rate for the first year is 2500, Maximum anticipated volume 5000 BWPD.
 2. Whether the system is open or closed; This will be a closed system.
 3. Proposed average and maximum injection pressure; The expected average injection pressure is 440 PSI and maximum injection pressure will be determined by a confirmed and approved Step Rate Test prior to the acid job.
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, (See attached), The water to be injected is produced water from surrounding Bone Spring and Wolfcamp wells.
 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. SWD; Bell Canyon, Cherry Canyon, Brushy Canyon Formations, Proposed Injection Zone 2550'-5285'.
- IX. Describe the proposed stimulation program, if any. Acid stimulations
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
See attached of offset well with correlative geology
- *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. There are no water wells within one mile radius. Closest wells list attached.
- 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. See attached
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form. Attached, Carlsbad Current Argus
- 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: CINDY HERRERA-MURILLO TITLE: PERMITTING SPECIALIST
SIGNATURE: Cindy Herrera-Murillo DATE: 11/21/2013
E-MAIL ADDRESS: Cherreramurillo@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: _____

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.

ATTACHED

- 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. ATTACHED

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. ATTACHED

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.

- 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 hydrologic connection between the disposal zone and any underground sources of drinking water.

I have examined the available data for this disposal well and find no evidence of open faults or other hydrologic connection between the disposal zone in this well and any underground sources of drinking water.

Greg Minnery (geologist)

INJECTION WELL DATA SHEET

OPERATOR: CHEVRON USA INCWELL NAME & NUMBER: SKEN 2 STATE SWD #1WELL LOCATION: 400 FSL & 1200 FWL
FOOTAGE LOCATIONM
UNIT LETTER2
SECTION26S
TOWNSHIP27E
RANGE**WELLBORE SCHEMATIC****WELL CONSTRUCTION DATA**Surface CasingIntermediate CasingProduction Casing

END OF WELL SCHEMATIC

Well Name: Sken 2 State SWD #1 Spud Date: 7-Jan-14 Rig Release Date: 19-Jan-14
 API #: 30-012-41744 Unit: M Sec: 2 TWP: 26S RNG: 27E

Surface Casing
 Size: 9 5/8 in
 Set at: 1,500 ft
 WT: 40 ppf Grade HC K-55
 Hole Size: 12 1/4 in
 T.O.C.: 0 ft Verified by returns to surface
 Csg Shoe @ 150'

Production Casing
 Size: 7 in
 Set at: 5,200 ft
 WT: 23 ppf Grade C-110
 Hole Size: 9 3/4 in
 T.O.C.: 0 ft Verified by returns to surface
 Csg Shoe @ 5,200'

Tubing
 Size: 4 1/2 in
 WT: 20.5 ppf Grade N-80 LTC IPC (TK-15)
 PBTD: 5,130 ft (Top of Post Casing)
 Packer Depth: 5,200 ft
 Marker J. Top: 5,200 ft
 Length: 2250.00 ft

CENTRALIZER LOCATION
 Surface: First 3 joints then every third to surface Total: 12
 Production: First 3 joints then every third to surface Total: 36
 Notes: Tubing is TK-15 internal plastic coated

Figure 1

Hole Size: 12 1/4 Casing Size: 9 5/8Cemented with: 645 SX. or ft³Top of Cement: Surface Method Determined: Hole Size: Casing Size: Cemented with: SX. or ft³Top of Cement: Method Determined: Hole Size: 8 3/4 Casing Size: 7Cemented with: 545 SX. or ft³Top of Cement: Surface Method Determined: Returns to surfaceTotal Depth: 5600Injection Interval2550 feet to 5285

(New Well)

5130 /
OK
5285

INJECTION WELL DATA SHEETTubing Size: 4 1/2 Lining Material: PlasticType of Packer: Baker Hughes Hornet (Retrievable and Coated) 7' x 4 1/2'Packer Setting Depth: 2500

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

Additional Data

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

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

2. Name of the Injection Formation: SWD; Brushy Canyon

3. Name of Field or Pool (if applicable): Skeen 2 SWD #1

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. N/A

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Next Higher oil & gas producing interval: none

Next lower oil & gas producing interval: Bone Spring (Avalon)

Skeen 2 SWD #1

Created: 10/22/2013 By: EEOF
 Updated: 02/17/14 By: EEOF
 Updated: By:
 Updated: By:
 Lease: Skeen 2 State SWD # 1
 Field: SWD, Brushy Canyon
 Surf. Loc.: 400' FSL & 1200' FWL
 Bot. Loc.: 400' FSL & 1200' FWL
 County: EDDY St.: NM
 Status: New Salt Water Disposal

Well #: 1 St. Lse:
 API: 30-015-41744
 Unit Ltr.: M Section: 2
 TSHR/Rng: T26S & R27E
 Bottom Hole Location
 Unit Ltr.: M Section: 2
 TSHR/Rng: T26S & R27E
 CHEVNO:
 Directions: Turn left onto Whites City Rd; drive 6.1 miles
 Turn right onto lease rd, drive 1.1 miles to Skeen 2H

Proposed

Surface Casing

Size: 9 5/8
 Wt., Grd.: 40# HC K-55
 Set at: 1500'
 Sxs Cmt: 645 sxs
 Circulate: Yes
 TOC:
 Hole Size: 12 1/4

Casing Shoe @ 1508

Log Formation Tops	
Lamar LS	2359
Bell Canyon	2414
Cherry Canyon	3281
Brushy Canyon	4312
T/Bone Spring	6089
T/1st Bone Spring Sand	6966
T/2nd Bone Spring Sand	7617
B/2nd Bone Spring Sand	7921

Proposed

Production Casing

Size: 7 in
 Wt., Grd.: 23# C110
 Depth: 5200
 Sxs Cmt: 545 sxs
 Circulate: No
 Off Verified
 by returns to
 surface.
 TOC:
 Hole Size: 8-3/4"

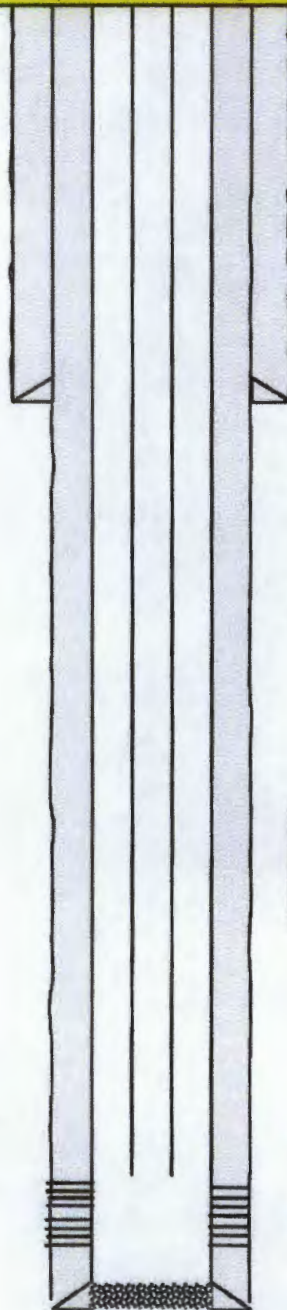
Cag Shoe @ 5,208'

Tubing

Size: 4 1/2 in
 Wt.: 11.8
 Grade: N-80, LTC, PC, (K-15)
 P8TD: 5130 ft
 Packer Depth: 2500 ft

Length 2250 ft

Proposed Wellbore Diagram



Cement 645 sacks

Note: Circulated to surface

Rig Release 1/16/2014

Spud Date 1/7/2014

Cement 545 sacks

Note: Circulated to surface

CENTRALIZER LOCATION:

Surface: First 3 joints then every third to surface Total 12

Production: First 3 joints then every third to surface Total 35

Notes: Tubing is TK-15 internal plastic coated

Fig. 2

Brushy Canyon Perfs:
 2475-5285

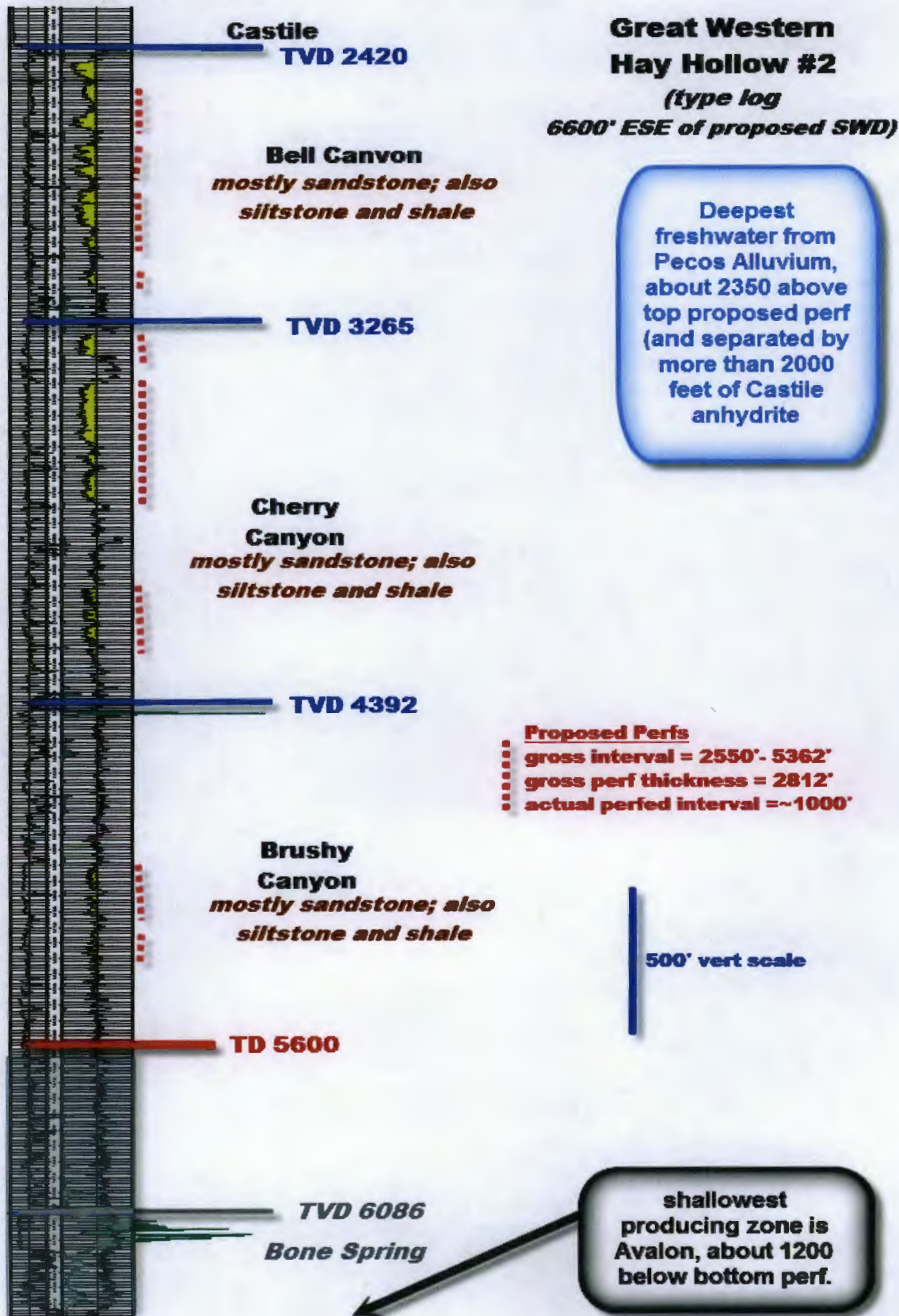
P8TD:
 TD: 5600'

Completion Procedure

1. NU Completion Stack
2. RU wireline unit and log as follows:
 - a. SGR (Spectral GR), Radial CBL, CNL (Compensated Neutron) and CCL from PBTD to 300' above 9-5/8" surface casing (casing estimated to be set at 650'). CBL to be run with 0 psi on repeat pass an 1,000 psi on main pass.
 - b. At 300' above surface casing turn off CBL and continue with SGR, CNL and CCL.
 - c. Run repeat pass from TD to 2,400'.
3. Perforate the 7" casing in injection intervals as determined from technical team on log interpretation. Perfs will be shot with 4-5/8" gun, 6 SPF and 60 degree phasing. Interval will be between 2,550'-5,600'.
4. MIRU Acid Truck and perform acid job with 35,000 gals of 15% NEFE HCl.
5. MIRU workover rig for cleanout.
6. PU cleanout string: 6" bit, 6X 3-1/2" DCs and use 2-7/8" 6.5 L80 workstring and cleanout to Landing collar. POOH
7. RIH with 4-1/2" TK-15 internal plastic coat pipe, on/off tool with 3.75" "F" Profile and 7" Baker Hornet PKR. Set PKR ~ 50' from Top perf, estimated setting depth 2,500'.
8. Load annulus with Packer fluid
9. Perform MIT
10. RD WOR
11. Put well on injection.

X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need to be resubmitted).

No logs or test data are available for this well since it is a new drill. An offset well with correlative geology is shown below



XI. Attach a chemical analysis of fresh water from 2 or more fresh water wells, within 1 mile of any injection or disposal well showing location of wells and dates samples were taken.

Water Analysis is attached for the following wells

- Oil Draw 12 Com #2H PLU
- Ross Ranch 32 #1

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:	CIMAREX ENERGY	Sales RDT:	33521
Region:	PERMIAN BASIN	Account Manager:	STEVE HOLLINGER (575) 910-9393
Area:	ORLA, TX	Sample #:	636499
Lease/Platform:	OWL DRAW 12 COMM	Analysis ID #:	127970
Entity (or well #):	2	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	SEPARATOR		

Summary		Analysis of Sample 636499 @ 75 F					
Sampling Date:	12/7/2012	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	12/29/2012	Chloride:	109698.0	3094.18	Sodium:	61123.4	2668.72
Analyst:	LEAH DURAN	Bicarbonate:	122.0	2.	Magnesium:	1026.0	84.4
TDS (mg/l or g/m3):	179989.9	Carbonate:	0.0	0.	Calcium:	6180.0	308.38
Density (g/cm3, tonne/m3):	1.118	Sulfate:	3.0	0.06	Strontium:	928.0	21.18
Anion/Cation Ratio:	1	Phosphate:			Barium:	1.6	0.02
		Borate:			Iron:	29.0	1.05
		Silicate:			Potassium:	878.0	22.45
Carbon Dioxide:	220 PPM	Hydrogen Sulfide:		0 PPM	Aluminum:		
Oxygen:	0 PPM	pH at time of sampling:		6.5	Chromium:		
Comments:		pH at time of analysis:			Copper:		
		pH used in Calculation:		6.5	Lead:		
					Manganese:	1.000	0.04
					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 ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press
F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	0.13	2.06	-2.79	0.00	-2.77	0.00	-1.93	0.00	-1.62	0.00	0.27
100	0	0.21	3.23	-2.86	0.00	-2.78	0.00	-1.96	0.00	-1.82	0.00	0.33
120	0	0.28	4.71	-2.92	0.00	-2.76	0.00	-1.97	0.00	-2.00	0.00	0.4
140	0	0.36	6.18	-2.97	0.00	-2.72	0.00	-1.98	0.00	-2.15	0.00	0.48

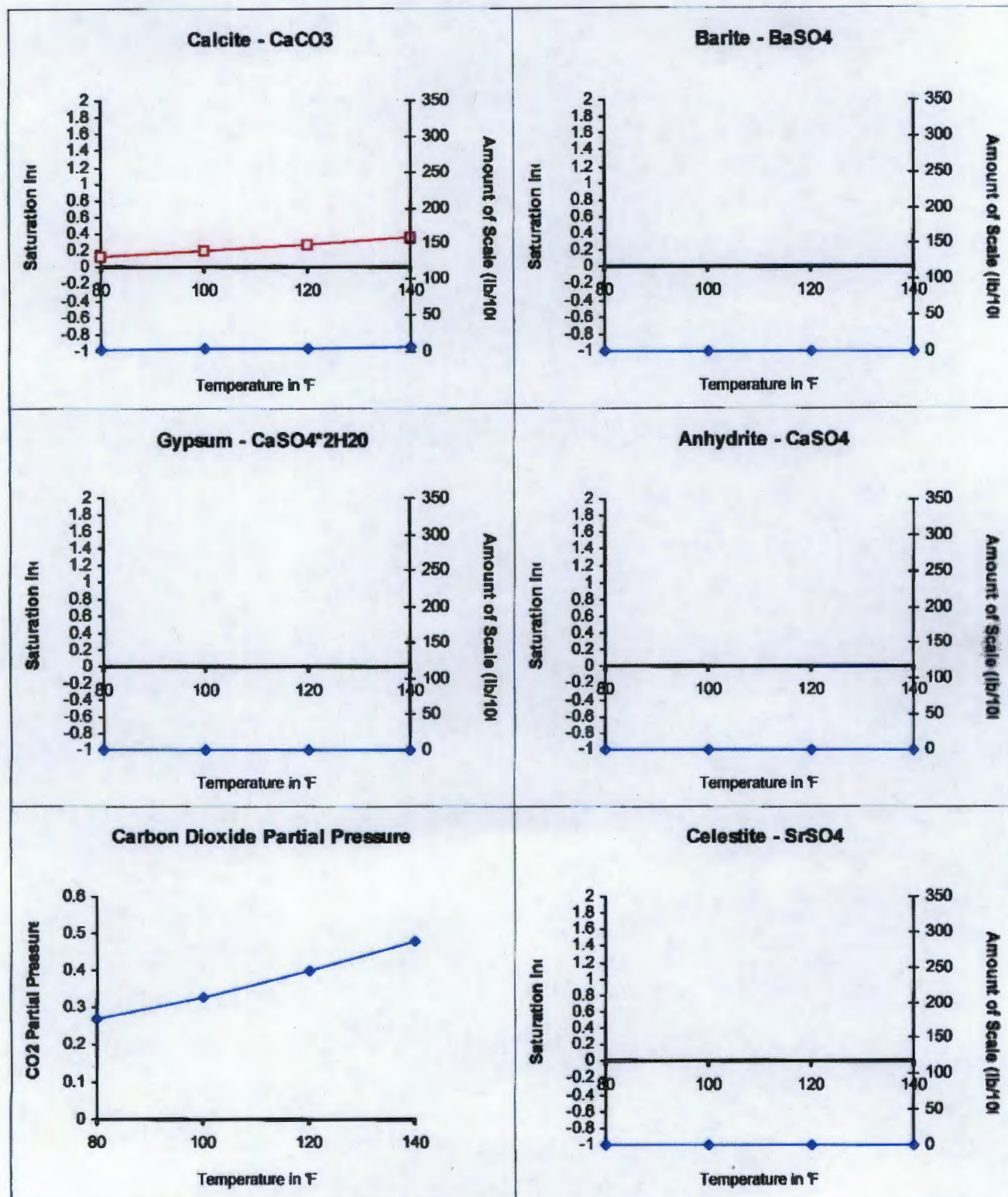
Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

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 636499 @ 75 °F for CIMAREX ENERGY, 12/29/2012



Analytical Laboratory Report for:
Chesapeake

Account Representative:
Jeremy Spears



Production Water Analysis

Listed below please find water analysis report from: Ross Ranch, Plu 32 #1

Lab Test Number	Sample Date
2011129034	09/23/2011

Specific Gravity:	1.080	
TDS:	121855	
pH:	6.10	
Resistivity:	.10@71F	ohms/M

Cations	mg/L
---------	------

Calcium as Ca ⁺⁺	1565
Magnesium as Mg ⁺⁺	260
Sodium as Na ⁺	48643
Iron as Fe ⁺⁺	39.00
Potassium as K ⁺	1008.0
Barium as Ba ⁺⁺	1.66
Strontium as Sr ⁺⁺	352.00
Manganese as Mn ⁺⁺	0.82

Anions	mg/L
--------	------

Bicarbonate as HCO ₃ ⁻	1110
Sulfate as SO ₄ ⁼	175
Chloride as Cl ⁻	68700

Gases	mg/L
-------	------

Carbon Dioxide as CO ₂	60
Hydrogen Sulfide as H ₂ S	0.0

Analytical Laboratory Report for:
Chesapeake



Account Representative:
Jeremy Spears

DownHole SAT™ Scale Prediction @ 100 deg. F

Lab Test Number	Sample Date	Location
2011129034	09/23/2011	Plu 32 #1

Mineral Scale	Saturation Index	Momentary Excess (lbs/1000 bbls)
Calcite (CaCO3)	1.31	0.06
Strontianite (SrCO3)	0.31	-0.89
Anhydrite (CaSO4)	0.03	-2608.34
Gypsum (CaSO4*2H2O)	0.04	-2529.33
Barite (BaSO4)	0.58	-2.00
Celestite (SrSO4)	0.12	-607.52
Siderite (FeCO3)	36.87	0.31
Halite (NaCl)	0.05	-404940.38
Iron sulfide (FeS)	0.00	-0.76

Interpretation of DHSat Results:

The Saturation Index is calculated for each mineral species independently and is a measure of the degree of supersaturation (driving force for precipitation) under the conditions modeled. This value ranges from 0 to infinity with 1.0 representing a condition of equilibrium where scale will neither dissolve nor precipitate. Values less than 1.0 are undersaturated and values greater than 1.0 are supersaturated. The Momentary excess is a measure of how much scale would have to precipitate to bring the system back to a non-scaling condition. This value ranges from negative (dissolving) to positive (precipitating) values. The Momentary Excess represents the amount of scale possible while the Saturation Level represents the probability that scale will form.

SKEEN 2 SWD #1 API# 30-015-41744



Water Analysis

Date: 04-Jun-07

3788 West County Road, Hobbs NM 88240
Phone (505) 392-5556 Fax (505) 392-7367

Upper Cherry Canyon 3054 - 3282' (overall)
Sampled 6/4/07

Analyzed For

Client	Well/Source	County	State
BTA	Owl 5	Lea	New Mexico

Sample Source

Swab Sample

Sample #

1

Formation

Cherry Canyon

Depth

Specific Gravity

1.100

SG @ 60 °F

1.102

pH

6.70

Sulfides

Absent

Temperature (°F)

70

Reducing Agents

Cations

Sodium (Calc)

in Mg/L

41,482

in PPM

37,642

Calcium

in Mg/L

8,000

in PPM

7,280

Magnesium

in Mg/L

960

in PPM

871

Soluble Iron (FE2)

in Mg/L

400.0

in PPM

363

Anions

Chlorides

in Mg/L

30,000

in PPM

72,896

Sulfates

in Mg/L

1,325

in PPM

1,202

Bicarbonates

in Mg/L

244

in PPM

221

Total Hardness (as CaCO3)

in Mg/L

24,000

in PPM

21,779

Total Dissolved Solids (Calc)

in Mg/L

132,411

in PPM

120,155

Equivalent NaCl Concentration

in Mg/L

119,537

in PPM

108,473

Scaling Tendencies

*Calcium Carbonate Index

1,952,000

Below 100,000 Possible / 100,000 - 1,000,000 Possible / Above 1,000,000 Possible

*Calcium Sulfate (Gyp) Index

10,000,000

STATE OF TEXAS
CHEMICAL ANALYSIS OF BALTIMORE WATER

20

AVERAGE DEPTH FEET	TOTAL SOLIDS PPM	SODIUM (Na) PPM	CALCIUM (Ca) PPM	MAGNESIUM (Mg) PPM	CHLORINE (Cl) PPM	CULVERSON COUNTY			HYDROGEN SULFIDE (H ₂ S) PPM	PH	SPECIFIC GRAVITY	GEOLOGICAL FORMATION	REF. NO.
						DEPTH RANGE	SULFATE (SO ₄) PPM	BICARBONATE (HCO ₃) PPM					
1	2,768	64	48	51	8800	DEPTH RANGE	1 - 1000	8800				MUSTLER LB	664
1	3,788	92	67	146	83	1000	1000	100				MUSTLER LB	664
481	11,188	100	178	98	60	2380	241	278	7.6			MUSTLER LB	664
1002	3,533					DEPTH RANGE	1001 - 2000	8800				DELAWARE	682
1070	31,758					CALCULATED FROM PH =	1058 AT 75 DEG (F)					DELAWARE	612
						CALCULATED FROM PH =	0.178 AT 75 DEG (F)						
2418	9,788					DEPTH RANGE	2001 - 3000	8800				DELAWARE	682
2418	11,570	4,000	378	423	18,178	DEPTH RANGE	3001 - 4000	8800				DELAWARE	682
2500	11,570	10,171	1,778	1,338	20,280	DEPTH RANGE	4001 - 5000	8800				DELAWARE	682
2500	11,570	10,171	1,778	1,338	20,280	DEPTH RANGE	5001 - 6000	8800				DELAWARE	682
2507	64,175	22,408	4,047	1,948	47,875	DEPTH RANGE	6001 - 7000	8800				DELAWARE	682
2507	64,175	22,408	4,047	1,948	47,875	DEPTH RANGE	7001 - 8000	8800				DELAWARE	682
2508	16,000	22,288	3,147	1,608	42,060	DEPTH RANGE	8001 - 9000	8800				DELAWARE	682
						CALCULATED FROM PH =	0.148 AT 75 DEG (F)						
3143	11,147					DEPTH RANGE	9001 - 10000	8800				DELAWARE	682
						CALCULATED FROM PH =	0.266 AT 75 DEG (F)					DELAWARE	682



Chevron USA

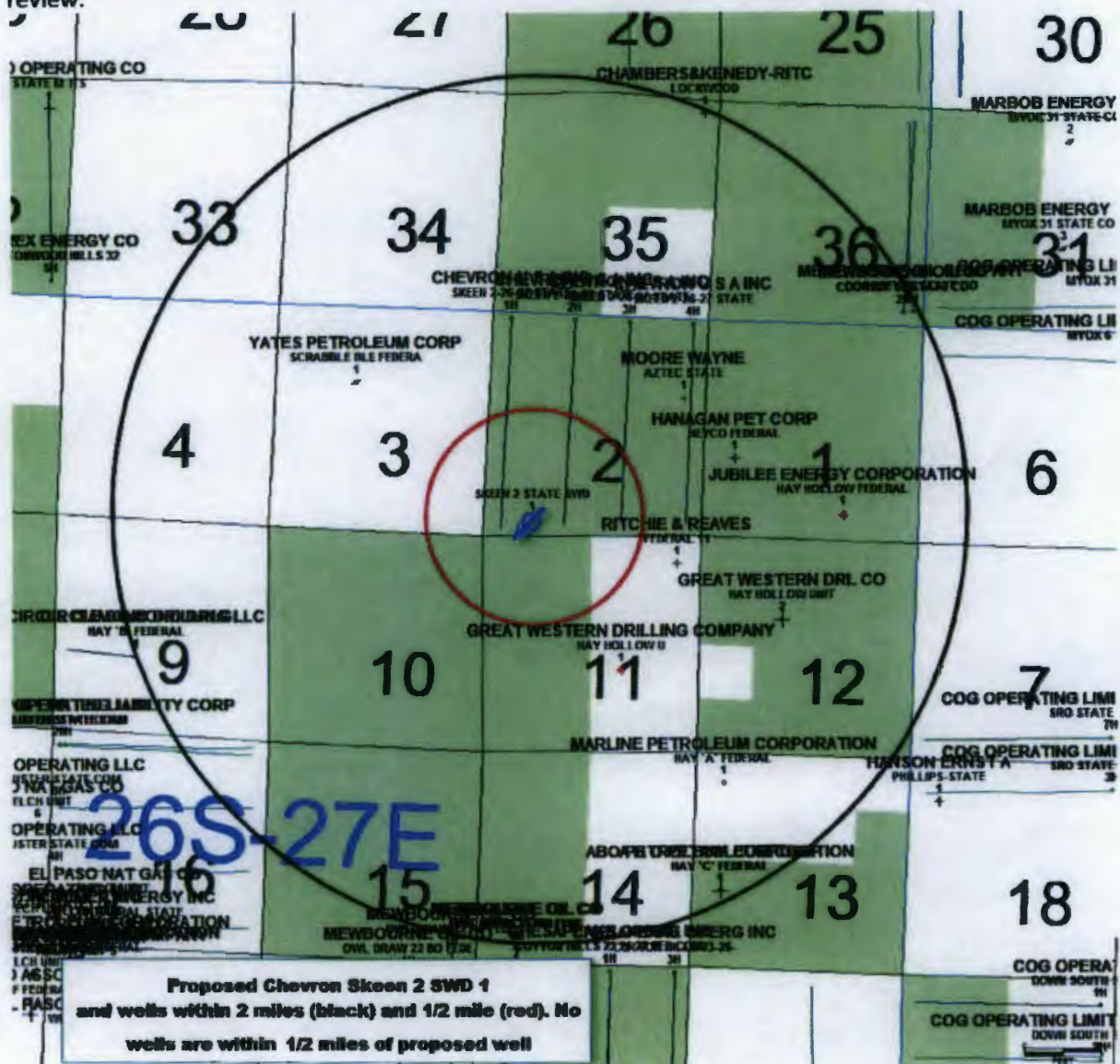
SWD, Brushy Canyon

Skeen 2 SWD #1

C-10B Half Mile Radius

Section 2, T26S, R27E

V. Attach a map that identifies all wells within 2 miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle should identify the well's area of review.



NOTIFICATION LIST TO OFFSET OPERATORS AND OWNERS

Prepared 11/05/2013

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

Skeen 2 SWD, Well No. 1, API# 30-015-41744

400' FSL & 1200' FWL of Section 2, T-26-S, R-27-E
Eddy County, New Mexico

Yates Petroleum
105 S. 4th Street ✓
Artesia, NM 88210

Three Rivers Operating Company LLC
1122 South Capital of Texas Highway, Suite 325
Austin, Texas 78746

Hanagan Petroleum ✓
400 N. Kentucky Ave
Roswell, NM 88201

McCabe Petroleum Corp ✓
500 W. Texas Avenue #1110
Midland, TX 79701

Mewbourne Oil Company ✓
500 W. Texas Ave
Midland, TX 79701

Circle Diamond Drilling ✓
#14 528 N. Canal
Carlsbad, NM 88220

Great Western Drilling ✓
P.O. Box 1659
Midland, TX 79702

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

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



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

**Chevron North America
Exploration and Production
Company**
PO Box 190 Room 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

November 21, 2013

**New Well to a Salt Water Disposal
Section 2, T26S, R27E,
Eddy County, New Mexico**

**Re: Skeen 2 SWD #1
Offset Operators:**

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Skeen 2 SWD #1 has filed an application with the New Mexico Oil Conservation Division for authorization to inject the Skeen 2 SWD well #1, (API# 30-015-41744) to a Salt Water Disposal well and dispose into the Bell, Cherry and Brushy Canyon formations. The Skeen 2 SWD #1, which is located: 400' FSL & 1200 FWL. Unit letter M, Section 2, T26S, R27E, Eddy County, New Mexico.

The injection interval will be in the Bone Spring- Brushy Canyon and there is no Bone Spring-Brushy Canyon production from this interval in the immediate area. The injection interval will be approximately 2475' to 5285'.

Attached is an OCD form C-108 with information relative to the SWD injection of the referenced well. Also, attached is a copy of the legal notice that was posted in the Carlsbad Argus is included. The enclosed map highlights the location of the Skeen 2 SWD #1.

Any objections to this application must be sent to the **New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505**, within 15 days of receipt of this notification. If additional information is required, please contact Cindy Herrera-Murillo at (575) 263-0431 or the project engineer, Jonathan Wells, (432) 687-7674.

Sincerely,

Cindy Herrera-Murillo
Chevron Midcontinent
NM Regulatory Specialist

Enclosure



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

**Chevron North America
Exploration and Production
Company**
PO Box 190 Room 121
Hobbs FMT, Hobbs, NM 88240
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

November 27, 2013

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

**Re: Application for Authorization to inject
OCD Form C 108
Skeen 2 SWD #1
SWD Brushy Canyon
Eddy County, New Mexico**

Surface Owner:

For your information, Chevron U.S.A. Inc., operator of the Skeen 2 SWD #1 has filed an application with the New Mexico Oil Conservation Division to inject salt water into the Skeen 2 SWD #1 (API# 30-015-41744). This well is located: 400' FSL & 1200' FWL, Unit Letter M, Section 2, T26S, R27E, Eddy County, New Mexico. The injection interval will be in the lower Brushy Canyon. The injection interval will be approximately 2550' to 5285' through perforations, with maximum anticipated injection rate to 5,000 BWPD, and a maximum injection pressure to be confirmed and approved by a step rate test. There will be no CO₂ or produced gas injected. There is also no Bone Spring-Brushy Canyon production from this interval in the immediate area.

Attached is an OCD form C-108 with information relative to the SWD injection of the referenced well. A copy of the letter sent to applicable surface land owners and offset operators is included in the attachments.

Any objections to this application must be sent to the **New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505**, within 15 days of receipt of this notification. If additional information is required, you may contact me at 575-263-0431 or the project engineer, Jonathan Wells, at 432-687-7674.

Sincerely,

A handwritten signature in black ink that reads "Cindy Herrera-Murillo".

Cindy Herrera-Murillo
Chevron Midcontinent
Regulatory Specialist
Enclosure



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production
Company
PO Box 190 Room 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

November 21, 2013

New Well to a Salt Water Disposal
Section 2, T26S, R27E,
Eddy County, New Mexico

Re: Skeen 2 SWD #1
State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Skeen 2 SWD #1 has filed an application with the New Mexico Oil Conservation Division for authorization to inject the Skeen 2 SWD well #1, (API# 30-015-41744) to a Salt Water Disposal well and dispose into the Bell, Cherry and Brushy Canyon formations. The Skeen 2 SWD #1, which is located: 400' FSL & 1200 FWL. Unit letter M, Section 2, T26S, R27E, Eddy County, New Mexico.

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Attached is an OCD form C-108 with information relative to the SWD injection of the referenced well. Also, attached is a copy of the legal notice that was posted in the Carlsbad Argus is included. The enclosed map highlights the location of the Skeen 2 SWD #1.

Any objections to this application must be sent to the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505, within 15 days of receipt of this notification. If additional information is required, please contact Cindy Herrera-Murillo at (575) 263-0431 or the project engineer, Jonathan Wells, (432) 687-7674.

Sincerely,

Cindy Herrera-Murillo

Cindy Herrera-Murillo
Chevron Midcontinent
NM Regulatory Specialist

Enclosure

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
7010 2780 0003 4019 4321	
Postage	\$ 1.12
Certified Fee	2.95
Return Receipt Fee (Endorsement Required)	2.35
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$6.42
State of New Mexico	
Commissioner of Public Lands	
P.O. Box 1148	
Santa Fe, NM 87504-1148	
PS Form 3800, Aug 07	

SENDER - COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none">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.	<p>A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery restricted to addressee only? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: _____</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>

1. Article Addressed to:

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

NOV 27 2013



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

**Chevron North America
Exploration and Production
Company**
PO Box 190 Room 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

November 21, 2013

**New Well to a Salt Water Disposal
Section 2, T26S, R27E,
Eddy County, New Mexico**

**Re: Skeen 2 SWD #1
Three Rivers Operating Company LLC
1122 South Capital of Texas Highway
Suite 325
Austin, TX 78746**

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Skeen 2 SWD #1 has filed an application with the New Mexico Oil Conservation Division for authorization to inject the Skeen 2 SWD well #1, (API# 30-015-41744) to a Salt Water Disposal well and dispose into the Bell, Cherry and Brushy Canyon formations. The Skeen 2 SWD #1, which is located: 400' FSL & 1200 FWL. Unit letter M, Section 2, T26S, R27E, Eddy County, New Mexico.

The injection interval will be in the Bone Spring- Brushy Canyon and there is no Bone Spring-Brushy Canyon production from this interval in the immediate area. The injection interval will be approximately 2475' to 5285'.

Attached is an OCD form C-108 with information relative to the SWD injection of the referenced well. Also, attached is a copy of the legal notice that was posted in the Carlsbad Argus is included. The enclosed map highlights the location of the Skeen 2 SWD #1.

Any objections to this application must be sent to the **New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505**, within 15 days of receipt of this notification. If additional information is required, please contact Cindy Herrera-Murillo at (575) 263-0431 or the project engineer, Jonathan Wells, (432) 687-7674.

Sincerely,

Cindy Herrera-Murillo

Cindy Herrera-Murillo
Chevron Midcontinent
NM Regulatory Specialist

Enclosure

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$1.12
Certified Fee	2.95
Return Receipt Fee (Endorsement Required)	2.35
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$6.42
Sent To	Three Rivers Operating Co. LLC
Street, Apt. No., or P.O. Box No.	1122 South Capital of Texas Highway
City, State, ZIP	Suite 325 Austin, TX 78746
Postmark Here 11-21-13	

SENDER'S COPY - TO BE COMPLETED BY SENDER	RECIPIENT'S COPY - TO BE COMPLETED BY ADDRESSEE
<ul style="list-style-type: none">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.	<p>A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <i>11/21/13</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
1. Article Addressed to:	
THREE RIVERS OPERATING CO. 11/27/13 NOTIFY SENDER OF NEW ADDRESS THREE RIVERS OPERATING CO 5301 SOUTHWEST PKWY #400 AUSTIN TX 78735-8949	
il slpt for Merchandise	
2. Article Number (Transfer from service label) 7010278000034019 4307	



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production
Company
PO Box 190 Room 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

November 21, 2013

New Well to a Salt Water Disposal
Section 2, T26S, R27E,
Eddy County, New Mexico

Re: Skeen 2 SWD #1
COG Operating LLC
One Concho Center
600 W. Illinois Ave
Midland, TX 79701

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Skeen 2 SWD #1 has filed an application with the New Mexico Oil Conservation Division for authorization to inject the Skeen 2 SWD well #1, (API# 30-015-41744) to a Salt Water Disposal well and dispose into the Bell, Cherry and Brushy Canyon formations. The Skeen 2 SWD #1, which is located: 400' FSL & 1200 FWL. Unit letter M, Section 2, T26S, R27E, Eddy County, New Mexico.

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Attached is an OCD form C-108 with information relative to the SWD injection of the referenced well. Also, attached is a copy of the legal notice that was posted in the Carlsbad Argus is included. The enclosed map highlights the location of the Skeen 2 SWD #1.

Any objections to this application must be sent to the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505, within 15 days of receipt of this notification. If additional information is required, please contact Cindy Herrera-Murillo at (575) 263-0431 or the project engineer, Jonathan Wells, (432) 687-7674.

Sincerely,

Cindy Herrera-Murillo

Cindy Herrera-Murillo
Chevron Midcontinent
NM Regulatory Specialist

Enclosure

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only. No Insurance Coverage Provided.)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 1.12
Certified Fee	2.95
Return Receipt Fee (Endorsement Required)	2.35
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.42
Sent To	COG Operating LLC
Street Apt No or PO Box No	One Concho Center
City, State ZIP+4	600 W. Illinois Ave Midland, TX 79701
PS Form 3800, Aug 08	

11-21-13
Postmark Here

SENDER, COMPLETE THIS SECTION
<ul style="list-style-type: none">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:
COG Operating LLC One Concho Center 600 W. Illinois Ave Midland, TX 79701
2. Article Number (Transfer from service label)
7010 2780 0003 4019 4314

ADDRESSEE, COMPLETE THIS SECTION	
A. Signature	<i>[Signature]</i>
B. Received by (Printed Name)	
C. Date of Delivery	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type	
<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail	
<input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise	
<input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production
Company
PO Box 190 Room 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

November 21, 2013

New Well to a Salt Water Disposal
Section 2, T26S, R27E,
Eddy County, New Mexico

Re: Skeen 2 SWD #1
Yates Petroleum
105 S. 4th Street
Artesia, NM 88210

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Skeen 2 SWD #1 has filed an application with the New Mexico Oil Conservation Division for authorization to inject the Skeen 2 SWD well #1, (API# 30-015-41744) to a Salt Water Disposal well and dispose into the Bell, Cherry and Brushy Canyon formations. The Skeen 2 SWD #1, which is located: 400' FSL & 1200 FWL. Unit letter M, Section 2, T26S, R27E, Eddy County, New Mexico.

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Sincerely,

Cindy Herrera-Murillo
Cindy Herrera-Murillo
Chevron Midcontinent
NM Regulatory Specialist

Enclosure

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only - No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	1.12
Carrier Fee	2.95
Return Receipt Fee (Endorsement Required)	2.35
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.42
Yates Petroleum	
Sent To: 105 S. 4 th Street	
Artesia, NM 88210	
Street Apt. No. or PO Box No.	
City, State, ZIP	
11-21-13	

SENDER'S USE ONLY (To be completed by sender)	
<input type="checkbox"/> Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. <input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.	
1. Article Addressed to: Yates Petroleum 105 S. 4 th Street Artesia, NM 88210	
2. Article Number (Transfer from service label) 7010 2780 0003 4019 4253	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-4-1540



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production
Company
PO Box 190 Room 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

November 21, 2013

New Well to a Salt Water Disposal
Section 2, T26S, R27E,
Eddy County, New Mexico

Re: Skeen 2 SWD #1
McCabe Petroleum
500 W. Texas Ave #1110
Midland, TX 79701

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Skeen 2 SWD #1 has filed an application with the New Mexico Oil Conservation Division for authorization to inject the Skeen 2 SWD well #1, (API# 30-015-41744) to a Salt Water Disposal well and dispose into the Bell, Cherry and Brushy Canyon formations. The Skeen 2 SWD #1, which is located: 400' FSL & 1200 FWL. Unit letter M, Section 2, T26S, R27E, Eddy County, New Mexico.

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Sincerely,

Cindy Herrera-Murillo
Chevron Midcontinent
NM Regulatory Specialist

Enclosure

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only. No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 1.12
Certified Fee	2.95
Return Receipt Fee (Endorsement Required)	2.35
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.42
Sent To	
McCabe Petroleum	
500 W. Texas Ave #1110	
Midland, TX 79701	
PS Form 3800	

11-21-13
Postmark
Here

SENDER (COMPLETE THIS SECTION)	ADDRESSEE (COMPLETE THIS SECTION ONLY IF DELIVERED)
<ul style="list-style-type: none">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.	<p>A. Signature x <u>Amy Taylor</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Amy Taylor</u> C. Date of Delivery <u>11-25</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
1. Article Addressed to: McCabe Petroleum 500 W. Texas Ave #1110 Midland, TX 79701	
2. Article Number (Transfer from service label) <u>70102780000340194291</u>	



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production
Company
PO Box 190 Room 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

November 21, 2013

New Well to a Salt Water Disposal
Section 2, T26S, R27E,
Eddy County, New Mexico

Re: Skeen 2 SWD #1
Great Western Drilling
P.O. Box 1659
Midland, TX 79702

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Skeen 2 SWD #1 has filed an application with the New Mexico Oil Conservation Division for authorization to inject the Skeen 2 SWD well #1, (API# 30-015-41744) to a Salt Water Disposal well and dispose into the Bell, Cherry and Brushy Canyon formations. The Skeen 2 SWD #1, which is located: 400' FSL & 1200 FWL. Unit letter M, Section 2, T26S, R27E, Eddy County, New Mexico.

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Sincerely,

Cindy Herrera-Murillo

Cindy Herrera-Murillo
Chevron Midcontinent
NM Regulatory Specialist

Enclosure

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only. No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$1.12
Certified Fee	2.95
Return Receipt Fee (Endorsement Required)	2.35
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$6.42
Sent To	Great Western Drilling
Street, Apt. No. or P.O. Box No.	P. O. Box 1659
City, State, ZIP	Midland, TX 79702
PS Form 3811	

11-21-13
Postmark Here

SENDER - COMPLETE THIS SECTION	
<ul style="list-style-type: none">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:	
Great Western Drilling P. O. Box 1659 Midland, TX 79702	
2. Article Number (Transfer from service label) 7010 2780 0003 4019 4277	
PS Form 3811, February 2004	

ADDRESSEE - COMPLETE THIS SECTION	
A. Signature <i>[Signature]</i>	<input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) <i>[Signature]</i>	C. Date of Delivery 11/25/13
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
102595-02-M-1540	



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production
Company
PO Box 190 Room 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

November 21, 2013

New Well to a Salt Water Disposal
Section 2, T26S, R27E,
Eddy County, New Mexico

Re: Skeen 2 SWD #1
Circle Diamond Drilling
528 N. Canal #14
Carlsbad, NM 88220

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Skeen 2 SWD #1 has filed an application with the New Mexico Oil Conservation Division for authorization to inject the Skeen 2 SWD well #1, (API# 30-015-41744) to a Salt Water Disposal well and dispose into the Bell, Cherry and Brushy Canyon formations. The Skeen 2 SWD #1, which is located: 400' FSL & 1200 FWL. Unit letter M, Section 2, T26S, R27E, Eddy County, New Mexico.

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Attached is an OCD form C-108 with information relative to the SWD injection of the referenced well. Also, attached is a copy of the legal notice that was posted in the Carlsbad Argus is included. The enclosed map highlights the location of the Skeen 2 SWD #1.

Any objections to this application must be sent to the **New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505**, within 15 days of receipt of this notification. If additional information is required, please contact Cindy Herrera-Murillo at (575) 263-0431 or the project engineer, Jonathan Wells, (432) 687-7674.

Sincerely,

Cindy Herrera-Murillo
Cindy Herrera-Murillo
Chevron Midcontinent
NM Regulatory Specialist

Enclosure

U.S. Postal Service	
CERTIFIED MAIL - RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
Postage	\$ 1.12
Certified Fee	2.95
Return Receipt Fee (Endorsement Required)	2.35
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.42
Circle Diamond Drilling	
528 N. Canal #14	
Carlsbad, NM 88220	
PS Form 3800, A	

7010 2780 0003 4019 4246

11-21-13

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Tracking Number: 70102780000340194246

Product & Tracking Information

Postal Product: Features: Certified Mail™

Available Options

Email Updates

DATE & TIME	STATUS OF ITEM	LOCATION
December 13, 2013 , 10:44 am	Available for Pickup	HOBBS, NM 88240
December 13, 2013 , 2:13 am	Processed through USPS Sort Facility	LUBBOCK, TX 79402
December 12, 2013 , 9:09 pm	Processed through USPS Sort Facility	LUBBOCK, TX 79402
December 11, 2013 , 11:04 pm	Processed through USPS Sort Facility	CHARLOTTE, NC 28228
December 11, 2013	Depart USPS Sort Facility	CHARLOTTE, NC 28228
November 27, 2013 , 10:00 am	Moved. Left no Address	CARLSBAD, NM 88220
November 25, 2013 , 10:28 am	Undeliverable as Addressed	CARLSBAD, NM 88220
November 23, 2013 , 10:01 am	Out for Delivery	CARLSBAD, NM 88220
November 23, 2013 , 9:51 am	Sorting Complete	CARLSBAD, NM 88220
November 23, 2013 , 9:26 am	Arrival at Unit	CARLSBAD, NM 88220
November 23, 2013 , 1:32 am	Processed through USPS Sort Facility	LUBBOCK, TX 79402
November 23, 2013	Depart USPS Sort Facility	LUBBOCK, TX 79402
November 22, 2013 , 11:22 pm	Processed through USPS Sort Facility	LUBBOCK, TX 79402

Track Another Package

What's your tracking (or receipt) number?

Track It

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:

November 8 2013

That the cost of publication is **\$51.41** and that payment thereof has been made and will be assessed as court costs.

Kathy McCarroll

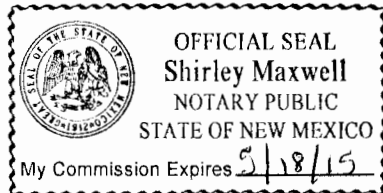
Subscribed and sworn to before me this

15th day of November, 2013

Shirley Maxwell

My commission Expires on May 18, 2015

Notary Public



November 8, 2013

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 for Skeen 2 SWD well #1 to a Salt Water Disposal. The Chevron Skeen 2 SWD #1, is located 400' FSL & 1200' FWL, Unit Letter M, Section 2, T26S, R27E, Eddy County, New Mexico. The injection interval is in the Bell, Cherry and Brushy Canyon formations from 2475' to 5285' through perforations. The maximum injection rate will be 3521' BWPD, with a maximum allowable amount of 890 PSI. Interested parties should file objections or requests for hearing with the Oil Conservation Division, 1220 South Francis Dr. Santa Fe, New Mexico 87505, within 15 days. Inquiries

regarding this application should be directed to Chevron North America, Attn: Jonathan Wells, 15 Smith Rd, Midland, TX 79705.

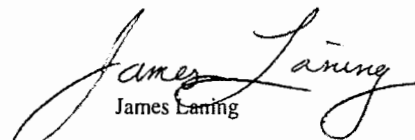
TITLE CLEARANCE/NEW DRILL

SKEEN 2 STATE SWD #1

EDDY COUNTY, NEW MEXICO

PLEASE NOTE THE FOLLOWING

- A PERMIT TO DRILL THE WELL HAS BEEN APPROVED BY THE NMOCD, BUT A PERMIT TO INJECT HAS NOT BEEN APPROVED AT THIS TIME. BEFORE WE INJECT ANYTHING INTO THE WELLBORE, AN APPROVED PERMIT TO INJECT MUST FIRST BE OBTAINED. ADDITIONALLY, AFTER WE RECEIVE APPROVAL TO INJECT, LAND SHOULD BE NOTIFIED TO REVIEW THE APPROVAL BEFORE OFF LEASE SALTWATER IS INJECTED INTO THE WELLBORE TO ENSURE WE HAVE THE RIGHT TO TAKE OFF LEASE WATER AND INJECT INTO THE WELLBORE.
1. **LEASES & UNIT:** The subject well is located upon a State of New Mexico lease –VB-1805, (more particularly described on the attached Exhibit A) covering the W/2 of Section 2, T26S, R27E, Eddy County, New Mexico, containing 320 acres, more or less, N.M.P.M., Eddy County, New Mexico, among other lands. The SWD well will be drilled and completed in the Brushy Canyon formation. Our records indicate that said oil and gas lease is valid and still in its primary term. The lease is set to expire June 1, 2015. The annual rentals due for the lease are up to date and are set up in QLS to be paid annually. The Skeen 2 State #2H oil and gas well will be drilled on the lease in November.
 2. **JOINT OPERATING AGREEMENT:** There is no JOA located on the spacing unit for the subject well.
 3. **CHEVRON U. S. A. INC. INTEREST:** CUSA owns a 100% working interest **INSOFAR AND ONLY INSOFAR** as to the W/2 of Section 2, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, from the Surface to center of Earth.
 4. **WELL INFORMATION:** There are no other working interest owners in the subject well.
 5. **RIGHT-OF-WAYS/EASEMENTS:** All pipeline right-of-way, telephone and power line easements should be located and respected. Please consult with Stephen Tarr, Surface Land Representative, regarding the need for additional rights-of-way for the transportation of power and fluids on and off the lease.
 6. **SURFACE OWNERSHIP:** The surface estate whereupon the subject well is located is owned by the State of New Mexico. Therefore, SOPA notice requirements do not apply. Prior to disturbing the surface of the leased lands, the State of New Mexico should be contacted to be apprised of any procedures to be followed and modifications or reclamation measures that may be necessary.
 7. **ACCESS AND OTHER MATTERS:** See Exhibit "B" attached hereto regarding access to and from the proposed well site.
 8. **PERMITS:** All applicable permits required by the New Mexico Oil Conservation Division ("NMOCD") must first be obtained by Chevron prior to commencement of drilling and injecting operations. All relevant State and Federal regulations must also be observed including but not limited to the applicable rules and regulations promulgated by the New Mexico Oil Conservation Division.
 9. **TITLE:** MCBU Title Action Plan dated September 3, 2013 has been reviewed and approved by Todd Kratz, MCBU Land Manager on September 21, 2013. This MCBU Title Action Plan is based on the Drilling and Division Order Title Opinion dated January 17, 2013 rendered by Rash Chapman. This title clearance is restricted to the proposed well site location and the depths stated in the request. If the location or depths are changed, it will be necessary to procure a new Title Clearance.



James Lanning

Land Representative

November 1, 2013

Cc: Ed Van Reet	Pam Bikun
Stephen Tarr	Fred O'Toole
Dee Hagy	Gabe Acosta
Kelly McLachlan	Debra Hardy
Austin Brown	Kevin McNally
Greg Minnery	Denise Wann
Williams Guaregua	Jonathan Wells
Denise Pinkerton	Ken Schwartz
Larry Fuentes	Andrew Espinosa
Sean Cheben	Vicente Ruiz
Justin Fehr	Michelle Watts

Ray Powell, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands
310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

November 27, 2013

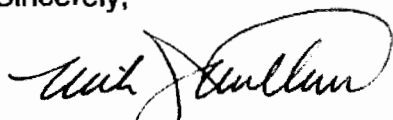
Cindy Herrera-Murillo
Chevron North America Exploration & Production Company
P.O. Box 190
Hobbs, NM 88241

Re: Skeen 2 SWD #1

I have received the notice for the application to inject that Chevron USA Inc. has filed with the New Mexico Oil Conservation Division. The land the well is to be located on is part of oil and gas lease VB-1805-2 held by Chevron USA Inc. This oil and gas lease includes W½ (320.00 ac.) of Section 02, Township 26 South, Range 37 East, Eddy County. **Under the terms of the oil and gas lease, Chevron USA Inc. is allowed to dispose of salt water from production wells located on this lease into salt water disposal wells also located on this lease without the need for a Salt Water Disposal Easement from the New Mexico State Land Office.** However, should Chevron USA Inc. dispose of salt water from other Chevron USA Inc. oil & gas leases, or accept salt water from a third party, you will need to submit an application for a salt water disposal easement, and any pipeline, power line, or road right of way easements. For your convenience, I have enclosed a salt water disposal easement application pack should one be needed.

If you have any questions, I may be reached at (505) 827-5773.

Sincerely,



Nick Jaramillo, Management Analyst
Rights of Way and Water Resources Bureau

Enclosures



Salt Water Disposal Easement Procedures

1. Term: 5 years or less with preference right of renewal
2. Application Fees: \$90.00 non-refundable
3. Easement Rent: \$2,000.00 + \$0.02/bbl per year (non commercial easement)
\$10,000.00 + \$0.10/bbl per year (commercial easement)

Required with Application:

1. Survey plat of easement site
2. Copy of OCD order
3. Financial Assurance – Contract Performance & Surface Damage Bond

Processing Procedures

1. Submit application and fees and required data shown above
2. On site inspection will be requested and a report will be prepared by SLO staff
3. Completed easements sent to applicant for signature. Additional money may be requested. Return executed grants within 90 days
4. Signed easements routed to Commissioner for approval
5. Approved easements mailed to Grantee

Other:

1. Assignment fee is \$50.00 per Salt Water Disposal Easement. Assignee must have proper financial assurance on file with SLO before the assignment will be approved
2. Options to meet Contract performance & surface damage bond requirement:
 - Cash Bond: \$10,000.00 single lease. A check or money order to be remitted to this office and will be held in a suspense account for the life of the lease or as long as it remains under the same name that the bond is under.
 - Irrevocable letter of credit in the amount of at least \$10,000.00.
 - Surety Bond: Purchased from an insurance company in the amount of \$10,000.00.
 - Megabond: A \$25,000.00 bond (megabond) covering obligations under multiple permits or other instruments pertaining to the use of State Trust Lands.

Standard processing time – Approximately 4-6 weeks.

**RIGHTS OF WAY AND WATER RESOURCES BUREAU
STAFF DIRECTORY**

Lou Baker - Rights of Way/Water Resources Leasing Manager
(505) 827-5789
lbaker@slo.state.nm.us

Right of Way Unit

Melissa Armijo – Management Analyst Advanced – Rights of Ways, Right of Entry
(505) 827-5728
marmijo@slo.state.nm.us

Anthony Vigil – Management Analyst Operational – Rights of Ways, Right of Entry
(505) 827-5710
avigil@slo.state.nm.us

Water Unit

Nick Jaramillo – Management Analyst Advanced– Salt Water Disposal Easements, Surface Damage Bonds, Water Easements (Royalty Well Easements, Municipal Easements, Production Well Easements, Monitor Well Easements)
(505) 827-5773
njaramillo@slo.state.nm.us

Philip Garcia – Management Analyst Operational – Salt Water Disposal Easements, Surface Damage Bonds, Water Easements (Royalty Well Easements, Municipal Easements, Production Well Easements, Monitor Well Easements)
(505) 827-5899
pgarcia@slo.state.nm.us

GIS

Patricia Esquibel – Management Analyst
(505) 827-5734
pesquibel@slo.state.nm.us

Other Information Numbers

Mike Anaya – Assistant Commissioner Surface Resources (505) 827-5850
Donald Martinez, Director Surface Resources – (505) 827-5731
Records Management Division (505) 827-5716
Administrative Services Division (505) 827-5700
Commercial Resources Division (505) 827-5724
Surface Resources Fax # (505) 827-5741
NMSLO Web Page – nmstatelands.org

TITLE 19 NATURAL RESOURCES AND WILDLIFE
CHAPTER 2 STATE TRUST LANDS
PART 11 RELATING TO SALT WATER DISPOSAL SITE EASEMENTS

19.2.11.1 ISSUING AGENCY: Commissioner of Public Lands, New Mexico State Land Office, 310 Old Santa Fe Trail, P. O. Box 1148, Santa Fe, New Mexico 87501, Phone: (505)827-5713
[12/31/99; 19.2.11.1 NMAC – Rn, 19 NMAC 3. SLO 11.1, 09/30/02]

19.2.11.2 SCOPE: This Rule pertains to all salt water disposal site easements on those lands held in trust by the commissioner of public lands under the terms of the Enabling Act and subsequent legislation (trust lands). This Rule governs the grantees of all salt water disposal site easements on such trust lands entered into subsequent to the date of this Rule.
[12/31/99; 19.2.11.2 NMAC – Rn, 19 NMAC 3. SLO 11.2, 09/30/02]

19.2.11.3 STATUTORY AUTHORITY: The commissioner's authority to manage the trust lands is found in N.M. Const., Art. XIII, and in Section 19-1-1 NMSA 1978. The authority to promulgate this Rule is found in Section 19-1-2 NMSA 1978.
[12/31/99; 19.2.11.3 NMAC – Rn, 19 NMAC 3. SLO 11.3, 09/30/02]

19.2.11.4 DURATION: Permanent.
[12/31/99; 19.2.11.4 NMAC – Rn, 19 NMAC 3. SLO 11.4, 09/30/02]

19.2.11.5 EFFECTIVE DATE: January 20, 1984, unless a later date is cited at the end of a section or paragraph. Reformatted in NMAC format effective December 31, 1999.
[12/31/99; 19.2.11.5 NMAC – Rn, 19 NMAC 3. SLO 11.5, 09/30/02]

19.2.11.6 OBJECTIVE: The objective of 19.2.11 NMAC is to provide for the orderly and lawful administration, and the appropriate use and development of salt water disposal site easements on trust lands.
[12/31/99; 19.2.11.6 NMAC – Rn, 19 NMAC 3. SLO 11.6, 09/30/02]

19.2.11.7 DEFINITIONS: [Reserved]
[12/31/99; 19.2.11.7 NMAC – Rn, 19 NMAC 3. SLO 11.7, 09/30/02]

19.2.11.8 APPLICABILITY OF RULES: The following rules govern the issuance of easements upon state trust lands for sites for the underground disposal of salt water produced in connection with oil and gas operations. Because an oil and gas lessee is entitled to use so much of the land as is necessary to explore for and remove the oil and gas, he does not need additional permission of the commissioner to dispose of the salt water upon or under the leased land so long as the water being disposed of is produced exclusively from wells upon the state trust land and so long as it is reasonable under the circumstances to do so. Conversely, if any of the salt water to be injected is produced from land not under the applicant's state oil and gas lease, then the applicant, in addition to a disposal site easement, will be required to secure a regular right of way and easement for a pipeline, roadway, or other means of conveyance under the rules pertaining to right of way and easements generally. (See 19.2.10 NMAC "Rules Relating to Easements, and Rights of Way".) Permission to dispose of produced salt water in natural salt lakes, or other surface facilities located upon state trust lands and approved by the New Mexico oil conservation commission, shall be given at the discretion of the commissioner by means of issuance of a "business lease." (See 19.2.9 NMAC "Business Leasing".)
[12/31/99; 19.2.11.8 NMAC – Rn, 19 NMAC 3. SLO 11.8, 09/30/02]

19.2.11.9 LANDS AVAILABLE FOR DISPOSAL SITE EASEMENTS:

A. Subject to the commissioner's right to exercise his discretion, all lands listed as state owned on New Mexico state land office tract books are subject to application for salt water disposal easement sites; however, reference must be had to New Mexico state land office records in each case to determine which prior rights, if any, have been conveyed to or contracted for by third (3rd) parties which would limit or prohibit the commissioner from issuing a salt water disposal site easement. In any case, such easements are issued subject to prior rights.

B. The commissioner reserves the right to refuse to grant an easement when to do so would be detrimental to the trust. The following are some of the factors which may have bearing on the commissioner's decision:

(1) That an abandoned oil or gas well may have greater value for foreseeable future oil or gas production from a different zone.

(2) That the salt water storage space proposed to be used may be needed for disposal of salt water produced from wells on state trust lands in the foreseeable future.

(3) That disposal of salt water in the particular zone may interfere with development and production of oil and gas or other minerals owned by the state of New Mexico in trust.

C. Although applications will be accepted for filing on disposal sites prior to the approval of the disposal

facility or operation by the New Mexico oil conservation division, the commissioner may withhold or deny issuance of the salt water disposal easement pending approval or disapproval by the New Mexico oil conservation division.
[12/31/99; 19.2.11.9 NMAC - Rn, 19 NMAC 3. SLO 11.9, 09/30/02]

19.2.11.10 APPLICATION: Each application for a salt water disposal easement shall be made in ink or typewritten upon forms prescribed and furnished by the commissioner, under oath, and accompanied by the following:

- A. a filing fee of thirty dollars (\$30.00);
- B. a plat showing disposal well and wells from which produced salt water is to be disposed together with pipelines and haul roads;
- C. if the land is under an oil and gas lease, the written consent of the record owner that the easement may be issued, or in the event of his refusal to consent, then a statement of the reasons, if any, given for the refusal;
- D. statement as to the estimated number of barrels of salt water to be disposed; and
- E. a written appraisal of the land made under oath by some disinterested and credible person familiar with the land. All easements, except as to the true value of the land, must be based upon personal knowledge and not upon information and belief.

[12/31/99; 19.2.11.10 NMAC - Rn, 19 NMAC 3. SLO 11.10, 09/30/02]

19.2.11.11 TERM AND CONDITIONS: Salt water disposal site easements shall be issued for five (5) years or less with a preference right of renewal, subject to the commissioner's decision not to continue the easement. The easement shall normally cover not more than two and one half (2 1/2) acres surrounding the proposed injection site. Applicant shall also file an appraisal of the land with regard to the value for water easement purposes made under oath by some disinterested party who is familiar with the land. Such appraisal shall take into account the extent and nature of the use that the application indicates will be made of the surface.

[12/31/99; 19.2.11.11 NMAC - Rn, 19 NMAC 3. SLO 11.11, 09/30/02]

19.2.11.12 CONSIDERATION: Payment for such water disposal easement sites shall be at a negotiated rate but not less than two hundred fifty dollars (\$250.00) annual rental.

[12/31/99; 19.2.11.12 NMAC - Rn, 19 NMAC 3. SLO 11.12, 09/30/02]

19.2.11.13 BOND: Before any disposal site easement is issued, the applicant shall post with the commissioner a sufficient bond or undertaking in an amount to be fixed by the commissioner, in favor of the owner of improvements lawfully located upon the land, to secure payment of damage, if any, done to such improvements by reason of the operations of the applicant. Upon written notice to the holder of a salt water disposal site easement, the commissioner may require such holder to fence the site for the protection of the surface user's livestock.

[12/31/99; 19.2.11.13 NMAC - Rn, 19 NMAC 3. SLO 11.13, 09/30/02]

19.2.11.14 ASSIGNMENT - RELINQUISHMENT - CANCELLATION: A disposal site easement may, with the prior written approval of the commissioner, upon such terms and conditions as he may require, and payment of a thirty dollar (\$30.00) fee, be assigned to third (3rd) parties or relinquished to the state and the commissioner may cancel such easement for breach or violation of the terms and conditions thereof after thirty (30) days registered notice is given as required by law.

[12/31/99; 19.2.11.14 NMAC - Rn, 19 NMAC 3. SLO 11.14, 09/30/02]

HISTORY OF 19.2.11 NMAC:

Pre-NMAC History: The material in this Part was derived from that previously filed with the State Records Center and Archives under:

CPL 69-5, Rules and Regulations Concerning The Sale, Lease, and Other Disposition of State Trust Lands, filed 09/02/69;

CPL 71-2, filed 12/16/71;

CPL 77-1, filed 01/07/77;

Rule 11, Relating to Salt Water Disposal Site Easements, filed 03/11/81;

SLO Rule 11, filed 01/20/84.

History of Repealed Material: [Reserved]

FEE SCHEDULE

There is an annual fee for each Salt Water Disposal Easement. The fees listed below are the minimum required fees.

To the extent that this Easement is granted for non-commercial Salt Water disposal, the Grantee represents and warrants that (i) some or all of the Salt Water disposed of under this Easement is produced from oil and gas wells operated by the Grantee or in which the Grantee has an ownership interest, or the producer of the Salt Water has an ownership interest in the Easement Property; and (ii) the Grantee will not receive compensation for the disposal of Salt Water under this Easement for the purpose of generating a net profit from its operations under this Easement. Notwithstanding the foregoing, the Grantee may request that the Commissioner exempt some or all of its operations from the scope of that representation and warranty without reclassification of the Easement or payment of an increased annual fee or disposal fee, based on demonstrated need.

A. Non-Commercial Salt Water Disposal Injection Well.	Fees
<u>Single or Multiple Oil and Gas Operators – Produced water from any lands – Disposal of produced water from lands of any ownership on a non-commercial Easement.</u>	<u>Annual Rental – New or Existing Easement</u> \$2000.00/year <u>Disposal Fee</u> \$0.02/bbl

B. Commercial Salt Water Disposal Injection Well	Fees
<u>Commercial Well – Produced from any Lands – Disposal of produced water from lands of any ownership on a commercial easement.</u>	<u>Annual Rental – New Easement</u> \$10,000.00/year <u>Annual Rental – Existing Easement</u> 2008: \$5,000.00; 2009: \$7,500.00; 2010: \$10,000.00; \$10,000.00 every year thereafter. <u>Disposal Fee – New or Existing Easement</u> \$0.10/bbl



NEW MEXICO STATE LAND OFFICE

Rights of Way and Water Resources Bureau

APPLICATION FOR SALT WATER DISPOSAL EASEMENT

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

Dear Commissioner:

Applicant: _____
Address: _____
Contact: _____
(Name and phone number)

hereby applies for a salt water disposal easement.

What is the oil/gas mineral ownership of the land where the salt water is produced: Private _____% State _____% Federal _____%

Ownership of Produced Water: _____%

Approximate # of barrels injected _____ Formation _____

From which well(s) is the salt water produced: _____

OCD Order # _____

Also, enclosed is the legal description of the proposed salt water disposal easement allocated by 40-acre tracts and a computation of the number of acres included in the proposed salt water disposal (OCD Form C-102).

One of the following is enclosed to cover payment for damages that might occur to the state land improvements of a surface lessee:

☐ A bond in the amount of \$10,000.00 for a single Salt Water Disposal. Bond # _____.

☐ A megabond in the amount of \$25,000.00. Bond # _____.

☐ Sufficient bonding requirements have been met. Single / Megabond Bond # _____.

Enclosed is a check in the amount of \$ _____ for _____ acres at \$ _____ per acre, plus **\$60.00 (\$30.00 Renewals)** application fee and **\$30.00** appraisalment fee. (If applicable)

The approximate dates for construction of facilities on the Salt Water Disposal are from _____ to _____.

Applicant covenants and agree to abide by all laws and regulations of the Land Office and to hold harmless, indemnify, and defend the Commissioner, his agents and lessees, in their official and individual capacities of and from any and all liability, claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with operations under any grant made by the Commissioner.

Applicant

By: _____

Title: _____

ACKNOWLEDGMENT FOR CORPORATION

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____,
20_____, by _____, _____
(Name of Officer) (Title of Officer)
of _____, a _____
(Name of Corporation Acknowledging) (State of Incorporation)
corporation, on behalf of said corporation.

My Commission Expires:

NOTARY PUBLIC

ACKNOWLEDGEMENT FOR NATURAL PERSONS

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____.

My Commission Expires:

NOTARY PUBLIC



NEW MEXICO STATE LAND OFFICE

Principal Bond # _____

DAMAGE AND PERFORMANCE BOND SALT WATER DISPOSAL EASEMENT

\$10,000.00 SWD # _____

KNOW ALL MEN BY THESE PRESENTS:

That _____, as Principal,
and _____, of _____,
a corporation organized, existing
and doing business under and by virtue of laws of the State of New Mexico, as Surety, are held
and firmly bound unto the New Mexico Commissioner of Public Lands in the sum of Ten
Thousand Dollars (\$10,000) for the following uses:

1. For the use and benefit of the Commissioner, to secure the performance of said
Principal as the Grantee under a Salt Water Disposal Easement which Principal has heretofore
executed or may hereafter execute with the Commissioner; and

2. For the use and benefit of the Commissioner, state surface lessees, state land
contract purchasers, state patentees, and their successors and assigns, to pay for damages to the
surface of lands subject to the Salt Water Disposal Easement held by Principal, or for damages to
surface improvements located thereon, suffered by reason of Principal's operations under the Salt
Water Disposal Easement.

For payment of said sum, well and truly to be made, Principal and Surety bind
themselves, their heirs, successors and assigns, and each and every one of them jointly and
severally, firmly by these presents.

The conditions of the foregoing obligations are such that:

1. If the above bound Principal or its successors or assigns shall well and truly
perform and keep all terms, covenants, conditions, and requirements of its Salt Water Disposal
Easement, including the payment of fees when due; and

2. If Principal or its successors or assigns shall in all respects make good and
sufficient recompense, satisfaction or payment to the Commissioner of Public Lands for damages
to the surface of lands subject to its Salt Water Disposal Easement and for damages to livestock,
water, crops, buildings, fences, pipelines, powerlines, or other tangible improvements of any

kind located thereon suffered by reason of Principal's operations under such Salt Water Disposal Easement or for such damages as a court of competent jurisdiction may determine and fix in any action brought on this bond;

THEN, the obligation to pay the sum of Ten Thousand Dollars (\$10,000) shall be null and void.

If, however, Principal shall default or otherwise fail in performance under such Salt Water Disposal Easement, including the failure to pay fees when due, or if Principal shall fail or refuse to make good and sufficient recompense, satisfaction or payment to the Commissioner for damages to the surface of the above designated lands or to improvements located thereon, then the obligation to pay said sum shall remain in full force and effect.

The liability of Surety upon this bond shall not expire upon the termination of the Salt Water Disposal Easement or any renewal or extension thereof which Principal or its successors or assigns has heretofore executed or may hereafter execute with the Commissioner, but shall be and remain in full force and effect until released in writing by the Commissioner of Public Lands.

Principal and Surety further agree that in the event an action is brought on this bond and a court of competent jurisdiction determines Principal or Surety is in breach of the agreements contained in this bond, Principal or Surety or both of them shall pay to the Commissioner the costs associated with the recovery of the amounts due hereunder, including reasonable attorneys' fees.

It is expressly understood and provided that said surface lessee and/or holder and owner of any prior surface right as designated herein, are hereby made obligees hereunder the same as if their names were written herein as such, and they, or each of them, may proceed or sue hereon, and it is further expressly understood and provided that the aggregate liability of the Surety for any claim or claims hereunder shall in no event exceed the specified total sum of this obligation.

In witness whereof we hereunto set our hands this ____ day of _____, 20 ____.

_____ PRINCIPAL	_____ SURETY
_____ Address	_____ Address
By: _____ Signature	By: _____ Signature
_____ Title	_____ Title

ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY

State of _____

County of _____

This instrument was acknowledged before me on _____ (date) by
_____ (name).

(Signature of notarial officer)

(seal)

My commission expires: _____

- OR -

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

State of _____

County of _____

This instrument was acknowledged before me on _____ (date) by
_____ (name) as

_____ (title) of

_____ (name of party on behalf of whom instrument
is executed).

(Signature of notarial officer)

(seal)

My commission expires: _____

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

State of _____

County of _____

On this _____ day of _____, 20_____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is _____ of _____ and that this instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

(Signature of notarial officer)

(seal)

My commission expires: _____

Note: Corporate surety, attach power of attorney.

APPROVED this _____ day of _____, 20_____.

COMMISSIONER OF PUBLIC LANDS

NOTE: File with:

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

before development or operations are commenced.

ONLINE Version

NEW MEXICO STATE LAND OFFICE – Oil, Gas, and Minerals Division
BOND FOR CONTRACT PERFORMANCE AND SURFACE OR IMPROVEMENT DAMAGE
Surface Improvement Damage Megabond

BOND NO. _____
(For use of Surety Company)

BOND NO. _____
(For use of State Land Office)

Know all men by these presents

_____, as Principal,
and _____, as Surety, a corporation organized,
existing and doing business under and by virtue of the laws of the State of _____ and
authorized to transact a surety business in the State of New Mexico, are held and firmly bound unto the New Mexico
Commissioner of Public Lands in the sum of **Twenty-five Thousand Dollars (\$25,000)** for the following uses:

1. For the use and benefit of the Commissioner, to secure the performance of said Principal as lessee under one or more state leases or permits for minerals, oil and gas, coal or geothermal resources or as holder under one or more state rights-of-way or easements which Principal has heretofore executed or may hereafter execute with the Commissioner; and

2. For the use and benefit of the Commissioner, state surface lessees, state land contract purchasers, state patentees, and their successors and assigns, to pay for damages to the surface of lands subject to a state lease or permit for minerals, oil and gas, coal or geothermal resources or a state right-of-way or easement held by Principal, or for damages to surface improvements located thereon, suffered by reason of Principal's operations under a state lease or permit for minerals, oil and gas, coal or geothermal resources or under a state right-of-way or easement.

For the payment of said sum, well and truly to be made, Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

The conditions of the foregoing obligations are:

1. If the above bound Principal or its successors or assigns shall well and truly perform and keep all terms, covenants, conditions, and requirements of all state leases for minerals, oil and gas, coal or geothermal resources and of all state rights-of-way and easements heretofore or hereafter executed by the Commissioner and Principal, including the payment of royalties when due and compliance with all established mining plans; and

2. If Principal or its successors or assigns shall in all respects make good and sufficient recompense, satisfaction or payment to the Commissioner of Public Lands for damages to the surface of lands subject to a state lease or permit for minerals, oil and gas, coal or geothermal resources or a state right-of-way or easement held by Principal and for damages to livestock, water, crops, tangible improvements or surface improvements of any kind located thereon suffered by reason of Principal's operations under such state lease, permit, right-of-way or easement heretofore or hereafter executed by the Commissioner and Principal;

THEN, the obligation to pay the sum of Twenty-five Thousand Dollars (\$25,000) shall be null and void.

If, however, Principal shall default or otherwise fail in performance under such state lease, permit, right-of-way or easement, including the failure to pay royalties when due or to comply with established mining plans, or if Principal shall fail or refuse to make good and sufficient recompense, satisfaction or payment to the Commissioner for damages to the surface of the above designated lands or to improvements located thereon, then the obligation to pay said sum shall remain in full force and effect.

The liability of Surety upon this bond shall not expire upon the termination of any state lease or permit or any

renewal or extension thereof for minerals, oil and gas, coal or geothermal resources or any state right-of-way or easement or any renewal or extension thereof which Principal or its successors or assigns has heretofore executed or may hereafter execute with the Commissioner, but shall be and remain in full force and effect until released in writing by the Commissioner of Public Lands.

Principal and Surety further agree that in the event an action is brought on this bond and a court of competent jurisdiction determines Principal or Surety is in breach of the agreements contained in this bond, Principal or Surety or both of them shall pay to the Commissioner the costs associated with the recovery of the amounts due hereunder, including reasonable attorneys' fees.

This bond is executed pursuant to the laws of the State of New Mexico, including Sections 19-8-24, 19-9-12, 19-10-26, 19-13-19, and 46-6-1 through -9, NMSA 1978.

The premium for which this bond is written is _____ Dollars.

In witness whereof we hereunto set our hands this _____ day of _____, 20____.

PRINCIPAL

Address _____

BY _____

Signature _____

Title _____

(Note: Principal, if corporation, affix
Corporate seal here.)

SURETY

Address _____

BY _____

Attorney-in-Fact _____ Signature _____

(Note: Corporate surety, affix
Corporate seal here.)

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF _____)
_____) ss.
COUNTY OF _____)

On this _____ day of _____, 20____,
before me personally appeared _____, to me known to
be the person(s) described in and who executed the same as (his, her, their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

My commission expires

Notary Public name

Signature, notary

(Notary Seal)

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 20____,
before me personally appeared _____, to me personally known, who, being by
me duly sworn, did say that s/ he is _____ of _____
and that this instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

My commission expires

Notary Public name

Signature notary

(Notary Seal)

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 20____,
before me personally appeared _____, to me personally known, who, being
by me duly sworn, did say that s/ he is _____ of _____
and that this instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first
above written.

My commission expires

Notary Public name

Signature, notary

(Notary Seal)

Note: Corporate surety, attach power of attorney.

APPROVED this _____ day of _____, 20____.

COMMISSIONER OF PUBLIC LANDS

NOTE: File before development or operations are commenced, with:

Commissioner of Public Lands

New Mexico State Land Office, OGMD

P.O. Box 1148

or

310 Old Santa Fe Trail

Santa Fe, New Mexico 87504-1148

Santa Fe, NM 87501-2708



NEW MEXICO STATE LAND OFFICE
ASSIGNMENT OF SALTWATER DISPOSAL EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

That this agreement, entered into this _____ day of _____, 20____, by
and between _____ as Assignor and _____
_____ of _____ as
Assignee. (Address)

WITNESSETH

WHEREAS, Assignor is lessee of saltwater disposal easement from the New Mexico
State Land Office, by its Commissioner of Public Lands, designated by Number as SWD-
dated _____.
(Approval Date)

NOW THEREFORE, for and in consideration of the sum of _____
and other good and valuable considerations, the receipt of which is hereby acknowledged,
Assignor does hereby transfer, sell and convey all _____ rights, title and interest in and to
that certain Saltwater Disposal Easement No. _____. (Attach description or exhibit if
applicable.)

EXECUTED THIS _____ day of _____, 20____.

BY: _____ BY: _____
(Assignee) (Assignor)
STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
20____, by _____, of _____,
(Name of Assignor) (Title of Officer, if applicable and Name of Corporation)

My Commission Expires: _____
Notary Public
STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
20____, by _____, of _____,
(Name of Assignee) (Title of Officer, if applicable and Name of Corporation)

My Commission Expires: _____
Notary Public

Approved by me on _____, 20____.

COMMISSIONER OF PUBLIC LANDS



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

**Chevron North America
Exploration and Production
Company**
PO Box 190 Room 121
Hobbs FMT, Hobbs, NM 88240
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

November 27, 2013

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

**Re: Application for Authorization
To Inject as SWD-OCD form C108
Skeen 2 SWD #1
Eddy County, New Mexico,**

Chevron U.S.A. Inc. respectfully requests administration approval to inject salt water into the Skeen 2 SWD #1 (API#30-015-41744), which is located: 400' FSL & 1200' FWL, Unit Letter M, Section 2, T26S, R27E, Eddy County, New Mexico.

Bell Canyon
The injection interval will be in the ~~Dome Spring~~ *Bell Canyon*-Brushy Canyon formation from 2550' to 5285', through perforations, with maximum anticipated injection rate to 5,000 BWPD, and a maximum injection pressure to be confirmed and approved by a step rate test. There will be no CO2 or produced gas injected. There is also no ~~Dome Spring~~ *Bell Canyon*-Brushy Canyon production from this interval in the immediate area.

Attached is an OCD form C-108 with information relative to the SWD injection of the referenced well. A copy of the letter sent to applicable surface land owners and offset operators is included in the attachments. Chevron USA Inc. owns a 100% working interest as to the W/2 Section 2, Township 26 South, Range 27 East, N.M.P.M. Eddy County, New Mexico.

Your prompt consideration and approval of this application will be greatly appreciated. If additional information is required, you may contact me at 575-263-0431, or by email at cherreramurillo@chevron.com.

Sincerely,

Cindy Herrera-Murillo
Cindy Herrera-Murillo
Chevron USA Inc.
Regulatory Specialist
New Mexico

Enclosure

Goetze, Phillip, EMNRD

From: Sunthankar, Ashwin <Ashwin.Sunthankar@chevron.com>
Sent: Friday, February 14, 2014 8:49 AM
To: Goetze, Phillip, EMNRD
Cc: Kubachka, Matthew
Subject: RE: Chevron - Skeen 2 State SWD #1

Mr. Goetze,

Our Drilling Engineer, Matt Kubachka will soon be fulfilling all your requirements that you mentioned below. I wrote to you earlier in order to find out if you need any additional requirements before we commence work to complete the well. I understand that you don't need any additional documentation as long as we fulfill the said paperwork and get approval from you on the well permit.

Thanks and regards,

Ashwin

Ashwin Sunthankar
Completion Engineer - Delaware Basin
Chevron - MCBU
(713) 372-9945 (Office)
(713) 854-5358 (Cell)

From: Goetze, Phillip, EMNRD [<mailto:Phillip.Goetze@state.nm.us>]
Sent: Friday, February 14, 2014 9:40 AM
To: Sunthankar, Ashwin
Subject: RE: Chevron - Skeen 2 State SWD #1

Ashwin:

The information you provide is helpful and the cement program you describe satisfies the completion requirements. However, I still need someone from your organization to resubmit the proposed/current well completion diagram with this information along with the corrected well summary sheets (see attachments). These can be completed and e-mailed to me. These elements of the application are critical and are required to be include in the application for issuance of the order. If you have any questions regarding this request, please contact me either through e-mail or phone. PRG

Phillip R. Goetze, P.G.
Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462

From: Sunthankar, Ashwin [<mailto:Ashwin.Sunthankar@chevron.com>]
Sent: Friday, February 14, 2014 7:54 AM
To: Goetze, Phillip, EMNRD
Subject: Chevron - Skeen 2 State SWD #1

RE: Skeen 2 State SWD #1; API 30-015-41744

Mr. Goetze,

I am the Completion Engineer for the subject well. I hope by now, the Drilling Engineer has notified you regarding the cement job behind the 7" production casing. We had cement to the surface on that string with full returns. I would like to know, if that would be sufficient information for you to allow us to start working on completing the well or you need us to do any additional documentation before we get ready to complete the well. Please let me know and we will work accordingly.

Thanks and regards,

Ashwin

Ashwin Sunthakar
Completion Engineer - Delaware Basin
Chevron - MCBU
(713) 372-9945 (Office)
(713) 854-5358 (Cell)

Goetze, Phillip, EMNRD

From: Herrera-Murillo, Cindy O <CHerreraMurillo@chevron.com>
Sent: Tuesday, February 18, 2014 10:57 AM
To: Goetze, Phillip, EMNRD
Subject: Skeen 2 State SWD #1- Surface Commingle
Attachments: Skeen 2 State SWD#1-Amended.pdf

Phillip,

Please find attached new information regarding the surface commingle application submitted for the Skeen 2 State SWD #1. Matt Kubachka has spoken to you regarding the cementing program. If you have any questions, please give me a call.

Thanks,



Cindy Herrera-Murillo
Permitting Specialist
1616 W. Bender Blvd
Hobbs, NM 88240
575-263-0400 ext 30431
Cherreramurillo@chevron.com

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Friday, February 14, 2014 8:40 AM
To: 'Sunthankar, Ashwin'
Subject: RE: Chevron - Skeen 2 State SWD #1
Attachments: Skeen 2 State SWD Well Rcd C108.pdf

Ashwin:

The information you provide is helpful and the cement program you describe satisfies the completion requirements. However, I still need someone from your organization to resubmit the proposed/current well completion diagram with this information along with the corrected well summary sheets (see attachments). These can be completed and e-mailed to me. These elements of the application are critical and are required to be include in the application for issuance of the order. If you have any questions regarding this request, please contact me either through e-mail or phone. PRG

Phillip R. Goetze, P.G.

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462

From: Sunthankar, Ashwin [<mailto:Ashwin.Sunthankar@chevron.com>]
Sent: Friday, February 14, 2014 7:54 AM
To: Goetze, Phillip, EMNRD
Subject: Chevron - Skeen 2 State SWD #1

RE: Skeen 2 State SWD #1; API 30-015-41744

Mr. Goetze,

I am the Completion Engineer for the subject well. I hope by now, the Drilling Engineer has notified you regarding the cement job behind the 7" production casing. We had cement to the surface on that string with full returns. I would like to know, if that would be sufficient information for you to allow us to start working on completing the well or you need us to do any additional documentation before we get ready to complete the well. Please let me know and we will work accordingly.

Thanks and regards,

Ashwin

Ashwin Sunthankar
Completion Engineer - Delaware Basin
Chevron - MCBU
(713) 372-9945 (Office)
(713) 854-5358 (Cell)

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Wednesday, February 12, 2014 11:29 AM
To: 'Matt Kubachka'
Subject: Completion Diagram/Well Summary Sheets from C-108
Attachments: Skeen 2 State SWD Well Rcd C108.pdf

RE: Skeen 2 State SWD #1; API 30-015-41744

Matt:
Per your request. PRG

Phillip R. Goetze, P.G.
Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462



C-108 Review Checklist:

PERMIT TYPE: WFX / PMX / SWD

Number: 1462

Permit Date: 02/19/2014

Legacy Permits/Orders: None

Well No. 1

Well Name(s): Skeen 2 SWD

[also identified as Skeen 2 state SWD #1]

API: 30-0 15-41744

Spud Date: Recent

02/01/14

New

VIC Class II Primacy 03/07/1982

Footages

400 FSL / 1200 FWL

Lot -

or Unit M

Sec 2

Tsp 26S

Rge 27E

County Eddy

General Location:

Hay Hollow, ~7mi SE of White City

Pool:

Delaware Mtn. Grp

Pool No.:

BLM 100K Map:

Castled

Operator:

Chevron USA, Inc.

OGRID:

4323

Contact:

Cindy Herrera-Munillo

COMPLIANCE RULE 5.9: Inactive Wells: 6

Total Wells: 2143

Fincl Assur: Yes

Compl. Order? No

IS 5.9 OK? Date: 02/14/14

WELL FILE REVIEWED

Current Status:

APD on file - e-mails with Prod. Eng. & Permit Staff

WELL DIAGRAMS: NEW:

Proposed

or RE-ENTER:

Before Conv.

After Conv.

Logs in Imaging:

[Log suite in application]

Planned Rehab Work to Well:

* well completion diagram amended to show circulation to surface

Well Construction Details:	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Method
Planned ___ or Existing ___ Conductor	—	—	—	—
Planned ___ or Existing ___ Surface	12 1/4 / 9 5/8	0 to 1500	645	Cir. to surface
Planned ___ or Existing ___ Interm/Prod	8 3/4 / 7	0 to 5200	545	Cir. to surface
Planned ___ or Existing ___ Prod/Interm	—	—	—	—
Planned ___ or Existing ___ Liner/Prod	—	—	—	—
Planned ___ or Existing ___ OH (PERF)	8 3/4 / 7	2550 to 5285	Inj Length 2735	Only Completion/Operation Details: 1000' perforated
Injection Stratigraphic Units:	Depths (ft)	Injection or Confining Units	Top?	
Adjacent Unit: Litho. Struc. Por.	—	—	—	Drilled TD 5600 PBDT 5600
Confining Unit: (Litho/Struc.) Por.	+130'	Castile	—	NEW TD — NEW PBDT —
Proposed Inj Interval TOP:	2550	Cherry Canyon	2420	NEW Open Hole ___ or NEW Perfs ___
Proposed Inj Interval BOTTOM:	5285	Bonny Canyon	4392	Tubing Size 4 1/2 in. Inter Coated? Yes
Confining Unit: (Litho/Struc.) Por.	+315'	Bond Springs	10086	Proposed Packer Depth 2500 ft
Adjacent Unit: Litho. Struc. Por.	—	(Avalon)	—	Min. Packer Depth 2450 (100-ft limit)
AOR: Hydrologic and Geologic Information				Proposed Max. Surface Press. 440 psi
POTASH: R-111-P (Noticed? NA) BLM Sec Ord (NA) WIPP (NA) (Noticed? NA) SALADO: T: — B: — CLIFF HOUSE NA				Admin. Inj. Press. 510 (0.2 psi per ft)
FRESH WATER: Aquifer (Mud) Max Depth 110' 1-Mile Wells? Yes FW Analysis (Hydro Affirm Stat By Qualified Person)				
Disposal Fluid: Formation Source(s) (Dome Spring and WC) Analysis? Yes On Lease ___ Operator Only ___ or Commercial ___				
Disposal Interval: Inject Rate (Avg/Max BWPD): 2500/5000 Protectable Waters?: No CAPITAN REEF: thru ___ adj ___ NA ___				
HC Potential: Producing Interval? No Formerly Producing? No Method: Logs DST/P&A/Other ___ 2-Mile Radius Pool Map ___				
AOR Wells: 1/2-M Radius Map? Yes Well List? NA Total No. Wells Penetrating Interval: 0 Horizontals? 0				
Penetrating Wells: No. Active Wells 0 Num Repairs? — on which well(s)? — Diagrams? —				
Penetrating Wells: No. P&A Wells 0 Num Repairs? — on which well(s)? — Diagrams? —				
NOTICE: Newspaper Date 11/08/13 Mineral Owner (Private lease) Surface Owner SLO N. Date 11/03/13				
RULE 26.7(A): Identified Tracts? Yes Affected Persons: (Three Rivers Operating) (COG/Vates/Haggard/Pet/McCabe/Mewbourne) N. Date 11/05/13				

Permit Conditions:

Issues:

None

Add Permit Cond:

No special requirements