

ABOVE THIS LINE FOR DIVISION USE ONLY

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



1409135446

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]** **[DHC-Downhole Commingling]** **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]** **[PC-Pool Commingling]** **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]** **[WFX-Waterflood Expansion]** **[PMX-Pressure Maintenance Expansion]** **[SWD-Salt Water Disposal]** **[IPI-Injection Pressure Increase]** **[EOR-Qualified Enhanced Oil Recovery Certification]** **[PPR-Positive Production Response]**

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

Cindy Herrera-Murillo
 Print or Type Name

Cindy Herrera-Murillo
 Signature

Permitting Specialist
 Title

03/27/2014
 Date

Cherreramurillo@chevroncom
 e-mail Address

well
 Salado Draw
 13 #1
 30-025 - Pending
 Pool
 - SWD, DEVONIAN

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 1900 BWPD, and Maximum anticipated volume for life of the field is 15,300 BWPD.
2. Whether the system is open or closed; Closed tanks
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, See Attached
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.). See 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 Salado Draw ; Silurian Limestone Formation, Proposed Injection zone ✓
17,400 – 18,200.
- IX. Describe the proposed stimulation program, if any. Acid stimulation
- *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 no logs or test data since this is a new drill. An offset well is attached.
- *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. No known water well exist within 1 mile of Proposed SWD well.
- 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 statement
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form. Attached, Hobbs News-Sun notice
- 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: 03/27/2014
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. Salado Draw; Silurian Limestone SWD
- (2) The injection interval and whether it is perforated or open-hole. Open hole
- (3) State if the well was drilled for injection or, if not, the original purpose of the well. Well was drilled as a New Disposal 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. N/A, well drilled as new disposal well
- (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. Next higher oil & gas producing interval: Bone Spring (Avalon) around 9300' TD. Next lower oil & gas producing interval: None

XIV. PROOF OF NOTICE

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

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

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

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

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

Attachments to C-108 for proposed Salado Draw SWD 13 No. 1

Lea County, New Mexico

Location: Elevation 3171, 290' FSL & 10' FWL, Section 13, T26S, R32E, (Long -103.636505 , Lat 32.036301 using NAD 27)

I. PURPOSE

XXX Disposal

II. OPERATOR

Chevron

III. WELL DATA

List of offset operators:

These are the offset operators and their address for the list of wells found below the map. All wells listed fall outside the ½ mile radius and inside the 2 mile radius around the proposed SWD well. Regulatory will need to send letters to each company informing them of our intent to drill the proposed SWD well:

BTA OIL PRODUCER LLC

104 South Pecos
Midland, TX 79701
Atn: Land Manager

COG OPERATING LLC

600 West Illinois Avenue
Midland, Texas 79701
Atn: Land Manager

CONOCO INCORPORATED

600 North Dairy Ashford
Houston, TX 77252-2197
Atn: Land Manager

CONOCOPHILLIPS CO

600 North Dairy Ashford
Houston, TX 77252-2197
Atn: Land Manager

HILL & MEEKER

PO Box 470155
Fort Worth, TX 76147

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, TX 79701
Atn: Land Manager

QUAY VALLEY INCORPORATED

1100 W Wall St,
Midland, TX, 79701, Midland, TX
Atn: Land Manager

SAHARA OPERATING COMPANY

306 W Wall St, Midland, TX
79701
Atn: Land Manager

A.

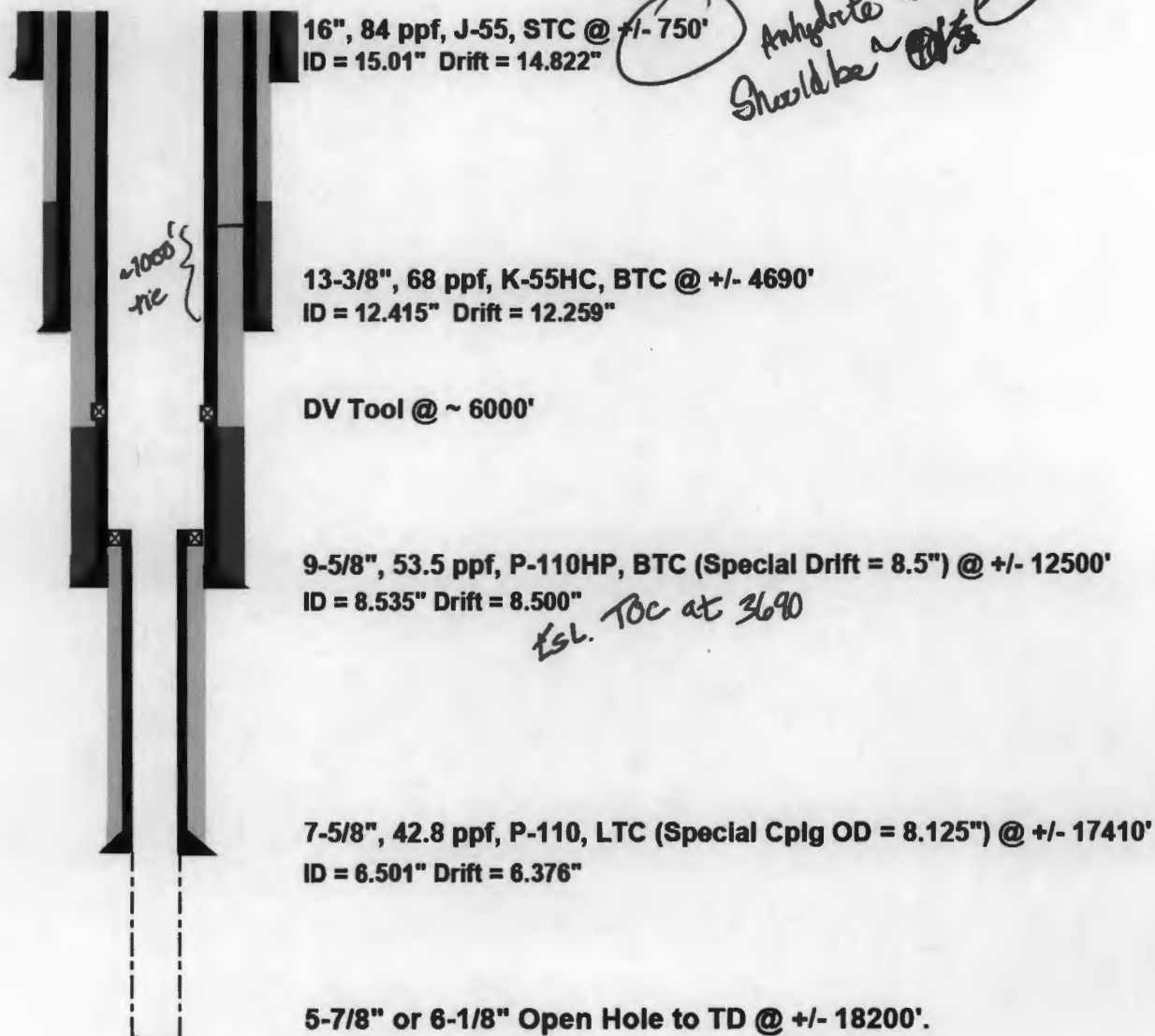
1) Lease name	BLM – NMNM118722 LSE
Well #	Salado Draw SWD 13 No.1
Location by Section, Township and Range	13 T26S-R32E
Footages location within the section	SHL: 290' FSL, 10' FWL BHL: 290' FSL, 10' FWL

2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement:

2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement:

Salado Draw SWD

Sec. 13 T26S R32E Lea County, New Mexico



Proposed Casing and Cement Program							
Type	Hole Size	Casing Size	Casing Weight/Ft	Setting Depth	Sacks of Cement	Est. TOC	Comments
Conductor	26"	20"	133	±120'	44	Surface	
Surface	18-1/8"	16"	84	±750	421	Surface	
Intermediate	14-3/4"	13-3/8"	68	±4690'	1096	Surface	
Intermediate	12-1/4"	9-5/8"	53.5	±12500'	2271	3690'	DV Tool at ± 6000'. 2-Stage Job.
Production Liner	8-1/2"	7-5/8"	42.8	±17410'	443	TOL @ 12,300'	
Open Hole	6-1/8"	N/A	N/A	±18200'	N/A	N/A	

In regards to the Blow Out Prevention Program, we do not have specifics at this time given we have yet to identify the rig etc. but can provide what our most likely minimum requirements will be:

- Minimum working pressure of BOP and related equipment for drilling below the 16" surface casing shoe will be 2000 (2M) PSI.
- Minimum working pressure of BOP and related equipment for drilling below the 13-3/8" intermediate casing shoe will be 5000 (5M) PSI.
- Minimum working pressure of BOP and related equipment for drilling below the 9-5/8" intermediate casing shoe will be 10000 (10M) PSI.

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

Tubing: 4-1/2" 11.6# N-80 LTC TK Fiberline

Setting depth: 17,450'

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

Packer will be set on pipe and hence set at the end of tubing. EOT will be set within 100' off the open hole section in the last casing joint. Baker Hughes Hornet (Retrievable and Coated) 7" X 4-1/2"

Baker Hughes Hornet (Retrievable and Coated) 7" X 4-1/2"

Packer depth: 17,400'

Top perf: N/A – will have open hole so no perms.

B.

1) The name of the injection formation: **Silurian Limestone** (sometimes erroneously referred to as Devonian Limestone in the literature)

if applicable, the field or pool name: **Salado Draw; Silurian Limestone**

2) The injection interval and whether it is perforated or open hole: **Open hole**

3) State if the well was drilled for injection or, if not, the original purpose of the well: **Well was drilled as new disposal 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: **N/A, well drilled as new disposal well**

5) Give the depth to the name of the next higher and next lower oil or gas zone in the area of the well:

Next Higher oil & gas producing interval: Bone Spring (Avalon) around 9300' TVD

Next lower oil & gas producing interval: None

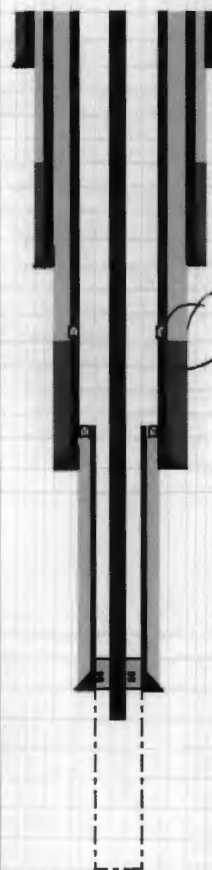
IV. Is this an expansion of an existing project? **No.**

V. Attach a map that identifies all wells within 2 miles of any proposed injection well (orange dotted line) with a one-half mile radius circle (blue dotted line) drawn around each proposed injection well. This circle should identify the well's area of review. **Below map is a list of well names and operators that fall within 2 mile radius.**

INJECTION WELL DATA SHEET

OPERATOR: CHEVRON USA INC.WELL NAME & NUMBER: SALADO DRAW SWD#1WELL LOCATION: 290' FSL & 10' FWL

FOOTAGE LOCATION

WELLBORE SCHEMATIC**Salado Draw Devonian SWD
Drilling Program "Quick-Look"**16", 84 ppf, J-55, STC @ +/- 750'
ID = 15.01" Drift = 14.822"13-3/8", 68 ppf, K-55HC, BTC @ +/- 4690'
ID = 12.415" Drift = 12.259"

DV Tool @ ~ 6000'

9-5/8", 53.5 ppf, P-110HP, BTC (Special Drift = 8.5") @ +/- 12500'
ID = 8.535" Drift = 8.500"7-5/8", 42.8 ppf, P-110, LTC (Special Cplg OD = 8.125") @ +/- 17410'
ID = 6.501" Drift = 6.376"4-1/2", 15.1 ppf, 25Cr110 @ +/- 17,450'
Packer set @ +/- 17375'

6-1/8" Open Hole to TD @ +/- 18200'.

M
UNIT LETTER13
SECTION26S
TOWNSHIP32E
RANGEWELL CONSTRUCTION DATASurface CasingHole Size: 18 1/8 Casing Size: 16'Cemented with: _____ SX. *or* _____ ft³

Top of Cement: _____ Method Determined: _____

Intermediate CasingHole Size: 14 3/4 Casing Size: 13 3/8Cemented with: _____ SX. *or* _____ ft³

Top of Cement: _____ Method Determined: _____

Production CasingHole Size: 12 1/4 Casing Size: 9 5/8Cemented with: _____ SX. *or* _____ ft³

Top of Cement: _____ Method Determined: _____

Total Depth: 18,200Injection Interval2550-17410 feet to 5285-18200 Chm

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 4 1/2 Lining Material: None

Type of Packer: Retrievable Packer

Packer Setting Depth: 17,375

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? _____

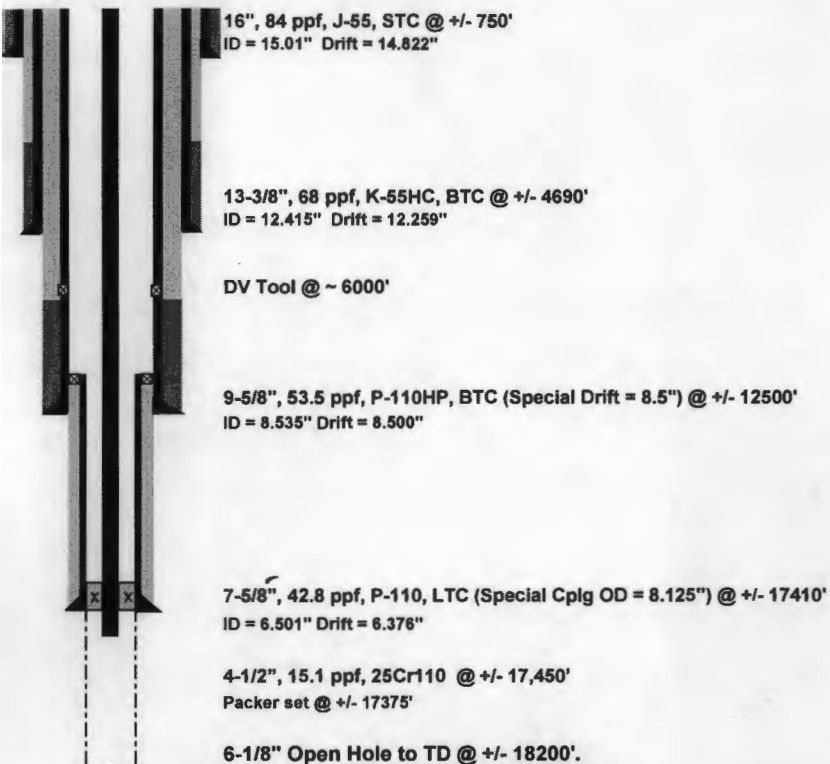
2. Name of the Injection Formation: SALADO DRAW

3. Name of Field or Pool (if applicable): SWD SALADO DRAW

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

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

Salado Draw Devonian SWD Drilling Program "Quick-Look"



Sec. 13 T26S R32E Lea County, New Mexico

Hole Size	Mud	Bits
18-1/8"	FW/Spud Mud	PDC
14-3/4"	Brine 10 PPG	PDC
12-1/4"	Cut Brine/LSND 10.0 ppg	PDC
8-1/2"	Brine/Polymer 10 PPG	PDC
6-1/8" or 5-7/8"	12.5 - 14 PPG Cut Brine/Polymer 9.0 PPG	PDC

General Drilling Procedure

- Currently 10' cylindrical cellar installed with 80' of 20" conductor pipe set.
- MIRU
- N/U on 20" conductor and drill 18-1/8" surface hole with fresh water to ~750'.
- Run 16", 84#, J-55, STC casing and cement with a Class "C" lead and tail system.
- Install 13-5/8" 5M SH-2 wellhead on hanger.
- N/U and test BOPE to 250 psi / 5,000 psi.
- Drill 14-3/4" 1st intermediate hole to ~4690' with saturated brine past salt zone.
- POOH and Run 13-3/8", 68 ppf, K-55HC, BTC casing and cement with a Class "C" lead and tail system.
- Drill 12-1/4" 2nd intermediate w/ cut brine mud to ~12500' (~200' above Wolfcamp over pressured interval)
- POOH and run specified logs and SWC runs.
- Run 9-5/8", 53.5 ppf, P-110HP BTC casing and perform 2-stage cement job.
- Drill 8.5" production hole to +/-17,410' into top of injection zone.
- POOH and run specified logs.
- Run 7-5/8", 42.8 ppf, P-110 LTC casing and cement with a Class "H" lead and tail system
- Drill 6-1/8" open hole to TD of ~18200'.
- POOH and run specified logs.

Formation	Lithology	Est'd (TVP)
Redbeds	Red Beds	Surface
Rustler	Anhydrite	± 650'
	Salts	
Lamar	Limestone	± 4680'
Bell Canyon	LS/SS	± 4700'
Cherry Canyon	LS/SS	± 5750'
Brushy Canyon	Limestone	± 7380'
Upper Avalon	Shale	± 9020'
T/1st Bone Spring Sand	SS	± 9990'
T/2nd Bone Spring Sand	SS	± 10300'
T/3rd Bone Spring	SS	± 11450'
Wolfcamp	Shale	± 11900'
Strawn	Shale	± 14300'
Atoka	Limestone	± 14450'
Morrow	LM/Shale	± 15020'
Barnett Shale	Shale	± 16520'
Mississippian Lime	Limestone	± 16840'
Woodford	Shale	± 17280'
Silurian	Limestone	± 17400'
TD	Limestone	± 18200'

17450 Devonian and
Silurian
18350 - 18200

Company	Well Name	API	Horizontal or Vertical	All or partially within 2 mile radius of SWD well	Comments
MEWBOURNE OIL COM	RED HILLS WEST '22' 1H	3002540608	Horizontal	All	
	RED HILLS WEST '22' 1H	3002540607	Horizontal	All	
	RED HILLS WEST 10 F 1H	3002539911	Horizontal	Partial	
	RED HILLS WEST 22 F 1	3002539901	Horizontal	Partial	
COG OPERATING LLC	BUFFLEHEAD 10 FEDER 1	3002541325	Vertical	All	
	BUFFLEHEAD '10' FED 1H	3002540423	Horizontal	Partial	
	BUFFLEHEAD 10 FEDER 2H	3002540594	Horizontal	Partial	
HILL & MEEKER	GULF-FEDERAL 2	3002508270	Vertical	All	Dryhole
CONOCO INCORPORATED	LITTLEFIELD-FRAL DQ 1	3002508421	Vertical	All	
SAHARA OPERATING COM	LITTLEFIELD-FRAL DQ 1	3002508420	Vertical	All	
	GULF-FEDERAL 1	3002508269	Vertical	All	
	FED-LITTLEFIELD DR 1	3002508268	Vertical	All	
	BROWN-FEDERAL 1	3002508436	Vertical	All	
	MELISSA-FEDERAL 1	3002508272	Vertical	All	
	WILDER-FEDERAL 9-X	3002508280	Vertical	All	
	WILDER-FEDERAL 15	3002508286	Vertical	All	
	WILDER-FEDERAL 23	3002508287	Vertical	All	
	WILDER-FEDERAL 26	3002508298	Vertical	All	
	WILDER-FEDERAL 27	3002508299	Vertical	All	
	WILDER-FEDERAL 25	3002508297	Vertical	All	
	WILDER-FEDERAL 21	3002508294	Vertical	All	
	WILDER-FEDERAL 8	3002508279	Vertical	All	
	WILDER-FEDERAL 10	3002508281	Vertical	All	
	PAYNE-FEDERAL 8	3002508434	Vertical	All	
	PAYNE-FEDERAL 3	3002508431	Vertical	All	
	WILDER-FEDERAL 4	3002508276	Vertical	All	
	WILDER-FEDERAL 3	3002508275	Vertical	All	
	WILDER-FEDERAL 17	3002508290	Vertical	All	
	WILDER-FEDERAL 22	3002508295	Vertical	All	
	WILDER-FEDERAL 24	3002508296	Vertical	All	
	WILDER-FEDERAL 13	3002508284	Vertical	All	
	WILDER 18	3002508291	Vertical	All	
	WILDER-FEDERAL 5	3002508288	Vertical	All	
	WILDER-FEDERAL 14	3002508285	Vertical	All	
QUAY VALLEY INCORP	WILDER-FEDERAL 6	3002508277	Vertical	All	
	PAYNE-FEDERAL 2	3002508430	Vertical	All	
	WILDER-FEDERAL 7	3002508278	Vertical	All	
	WILDER-FEDERAL 20	3002508293	Vertical	All	
	WILDER-FEDERAL 2	3002508274	Vertical	All	

VI. 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 within review area penetrate the proposed injection zone. Only one shallow well exists, (Littlefield-Fral Dr 2) drilled by Chevron's predecessor (Gulf) back in 1963. This well hit TD at 4,645' and was reported as a dry hole. No producing wells currently exist within area of review (1/2 mile radius).

VII. Attach data on the proposed operation including:

- Proposed average and maximum daily rate and volume of fluids to be injected:

Average daily rate for the first year is 1900 BWPD, and Maximum anticipated volume for life of the field is 15,300 BWPD.

- Whether the system is open or closed:

Water will be stored at the surface in closed tanks.

- Proposed average and maximum injection pressure:

Will be set by NMOCD.

- Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than re-injected produced water.

Water Analysis Report by Baker Petrolite

Company:	CHEVRON MID CONTINENT LP	Sales RDT:	33518
Region:	PERMIAN BASIN	Account Manager:	RYAN YOUNG (806) 778-9944
Area:	EUNICE, NM	Sample #:	667467
Lease/Platform:	PORTER BROWN UNIT	Analysis ID #:	137355
Entity (or well #):	1	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 667467 @ 75 F					
Sampling Date:	10/14/13	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	10/18/13	Chloride:	106184.0	2995.06	Sodium:	52925.0	2302.11
Analyst:	SANDRA SANCHEZ	Bicarbonate:	2147.2	35.19	Magnesium:	468.0	38.5
		Carbonate:	0.0	0.	Calcium:	2910.0	145.21
TDS (mg/l or g/m3):	167339.7	Sulfate:	1506.0	31.35	Strontium:	298.0	6.8
Density (g/cm3, tonne/m3):	1.119	Phosphate:			Barium:	0.8	0.01
Anion/Cation Ratio:	0.8218097	Borate:			Iron:	37.0	1.34
		Silicate:			Potassium:	863.0	22.07
Carbon Dioxide:	1850 PPM	Hydrogen Sulfide:		85 PPM	Aluminum:		
Oxygen:		pH at time of sampling:		6.53	Chromium:		
Comments:		pH at time of analysis:			Copper:		
		pH used in Calculation:		6.53	Lead:		
					Manganese:	0.700	0.03
					Nickel:		

Above is the Water Analysis for the Porter Brown well. The Porter Brown produces from the same target (Upper Avalon member of the Bone Spring Fm) that our development wells will produce from. All injection water is expected to have a similar geochemical signature.

- 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 (may be measured or inferred from existing literature, studies, nearby wells).

Delaware water analysis attached (next page) for the Texas side.

Well Name	API	Lat	Long	Sect	Twn	Range	County	ST	Field	Formation	samplesource	tds mgl	chloride mgl
ANTELOPE RIDGE UNIT	3002521082	32.259	-103.461	34	23 S	34 E	Lea	NM	ANTELOPE RIDGE	DEVONIAN	UNKNOWN	80187	47900
FARNSWORTH FEDERAL	3002511950	32.078	-103.162	4	26 S	37 E	Lea	NM	CROSBY	DEVONIAN	UNKNOWN	31931	20450
ARNOTT RAMSAY NCT B	3002511863	32.092	-103.178	32	25 S	37 E	Lea	NM	CROSBY	DEVONIAN			100382
COPPER	3002511818	32.099	-103.165	28	25 S	37 E	Lea	NM	CROSBY	DEVONIAN	UNKNOWN	27506	15270
STATE NJ A	3002511398	32.165	-103.127	2	25 S	37 E	Lea	NM	JUSTIS NORTH	DEVONIAN	DST	105350	59300
WEST DOLLARHIDE DEVONIAN	3002512297	32.172	-103.076	32	24 S	38 E	Lea	NM	DOLLARHIDE	DEVONIAN	WELLHEAD	50858	30200
STATE B COM	3002509716	32.179	-103.221	36	24 S	36 E	Lea	NM	CUSTER	DEVONIAN	UNKNOWN	176234	107400
E C HILL D FEDERAL	3002510950	32.265	-103.144	34	23 S	37 E	Lea	NM	TEAGUE	DEVONIAN	UNKNOWN	236252	147000
E C HILL B FEDERAL	3002510945	32.266	-103.144	34	23 S	37 E	Lea	NM	TEAGUE	DEVONIAN	UNKNOWN	112959	67390
CLINE FEDERAL	3002510717	32.302	-103.136	14	23 S	37 E	Lea	NM	CLINE	DEVONIAN	PRODUCTION TEST	118979	71280
BELL LAKE UNIT	3002508483	32.328	-103.507	6	23 S	34 E	Lea	NM	BELL LAKE NORTH	DEVONIAN	HEATER/TREATER	71078	42200
Average												101133	64434

The data table above represents all water analysis of wells within 30 miles of proposed SWD well in Lea County, New Mexico. The data was supplied by Martha Cather from the PRRC (Petroleum Recovery Resource Center) at New Mexico Tech in Socorro, New Mexico. The water analysis was performed on water samples from the 'Devonian', which covers both Silurian and Devonian aged rocks.

For most wells the chloride count and total dissolved solids count (tds in milligrams) was available. The sodium count, which was not available for these wells, is always about half the chloride count, and is included in the total dissolved solids count. With this assumption, the dissolved sodium and chloride count comprises ~90% of the total dissolved solids. The average value for the chloride count in the 11 wells below is 64,000 mg/l, which equates to ~100,000 mg/l sodium and chloride. Some of the Devonian-Silurian wells have total dissolved solid counts as high as 236,000 mg/l.

As previously seen in the water analysis of the Porter Brown well (above), which produces from the target zone that will produce the water to be injected, the dissolved sodium and chloride content is ~150,000 mg/l, so very similar to the salinity of the Silurian formation that will receive the injected water.

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.

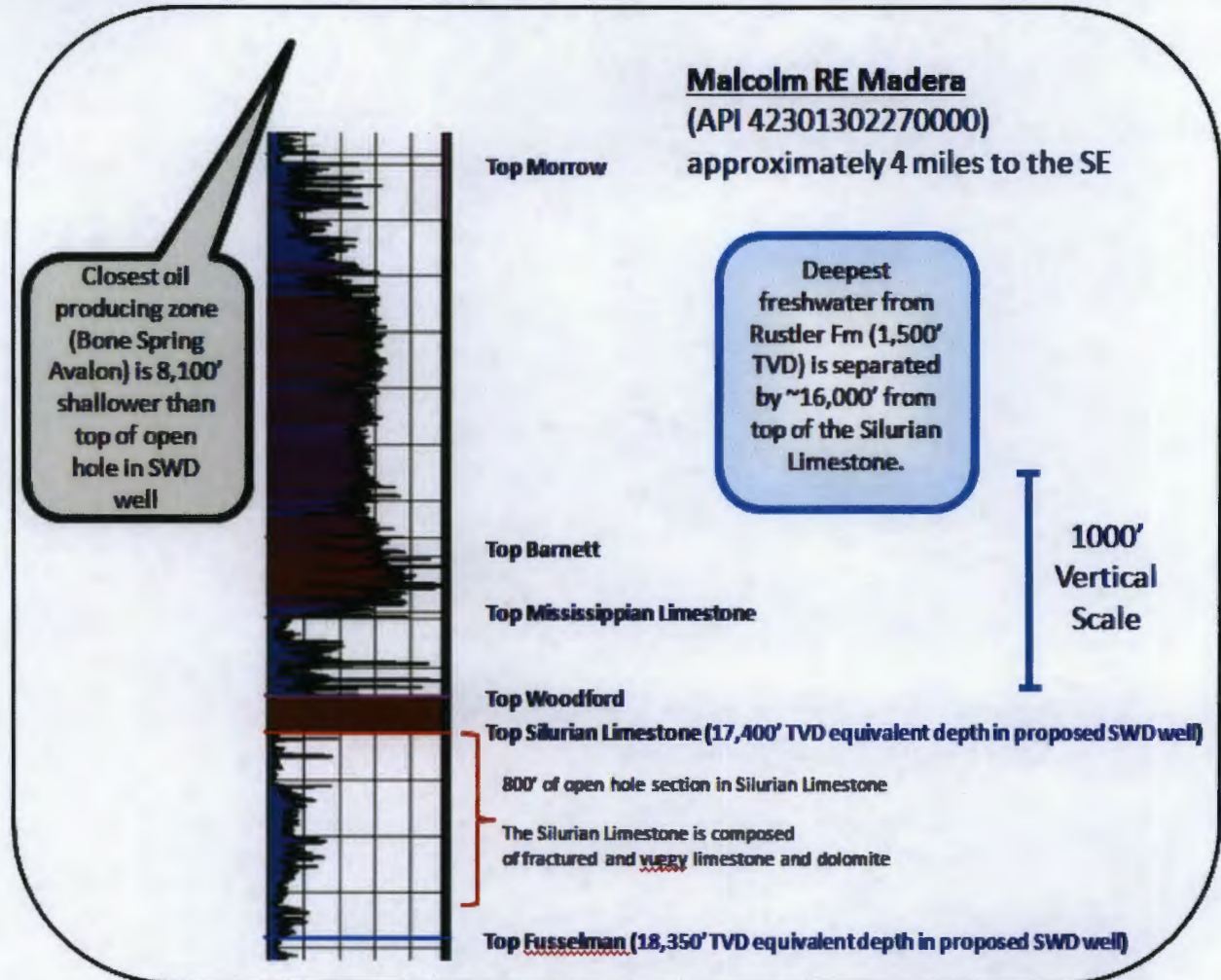
The water disposal zone is the Silurian Limestone, which begins around 17,400' and is composed primarily of fractured and vuggy limestone and dolomite. The entire interval is approximately 950' thick (see diagram below), but the proposed SWD will only drill 800' into this formation, stopping 150' above the top of the Fusselman formation. TD for this well will be 18,200'. Stratigraphically the nearest production in the area is in the Bone Spring Avalon about 8,100 feet above the top of the open hole section for this SWD well, which is at 17,400'. No wells producing from the Silurian Limestone interval occur within 2 miles of this SWD. There are no known water wells in this immediate area. Any shallow water wells that might exist would be completed no deeper than the Magenta Dolomite of the Rustler Fm, around 1500' deep. Thus the deepest available fresh water supplies are separated from the top of the open hole section in this proposed SWD well by approximately 16,000' (more than 3 miles) far too great a vertical distance for injected salt water to affect ground water supplies.

IX. Describe the proposed stimulation program, if any.

This will be completed using 15% HCL OR 15% FE Acid (15,000-25,000 gals). Volume will be bullheaded from surface and pumped in stages separated by 2% KCL water spacers.

- 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 and logs will be run when the well is drilled and submitted to the NMOCD



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

No known water wells exist within 1 mile of proposed SWD well.

- 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.

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

Patrick Taha (geologist)

Affidavit of Publication

State of New Mexico,
County of Lea.

I, DANIEL RUSSELL
PUBLISHER

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

of 1 issue(s).

Beginning with the issue dated
March 01, 2014
and ending with the issue dated
March 01, 2014



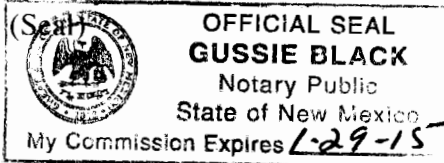
PUBLISHER

Sworn and subscribed to before me
this 3rd day of
March, 2014



Notary Public

My commission expires
January 29, 2015



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

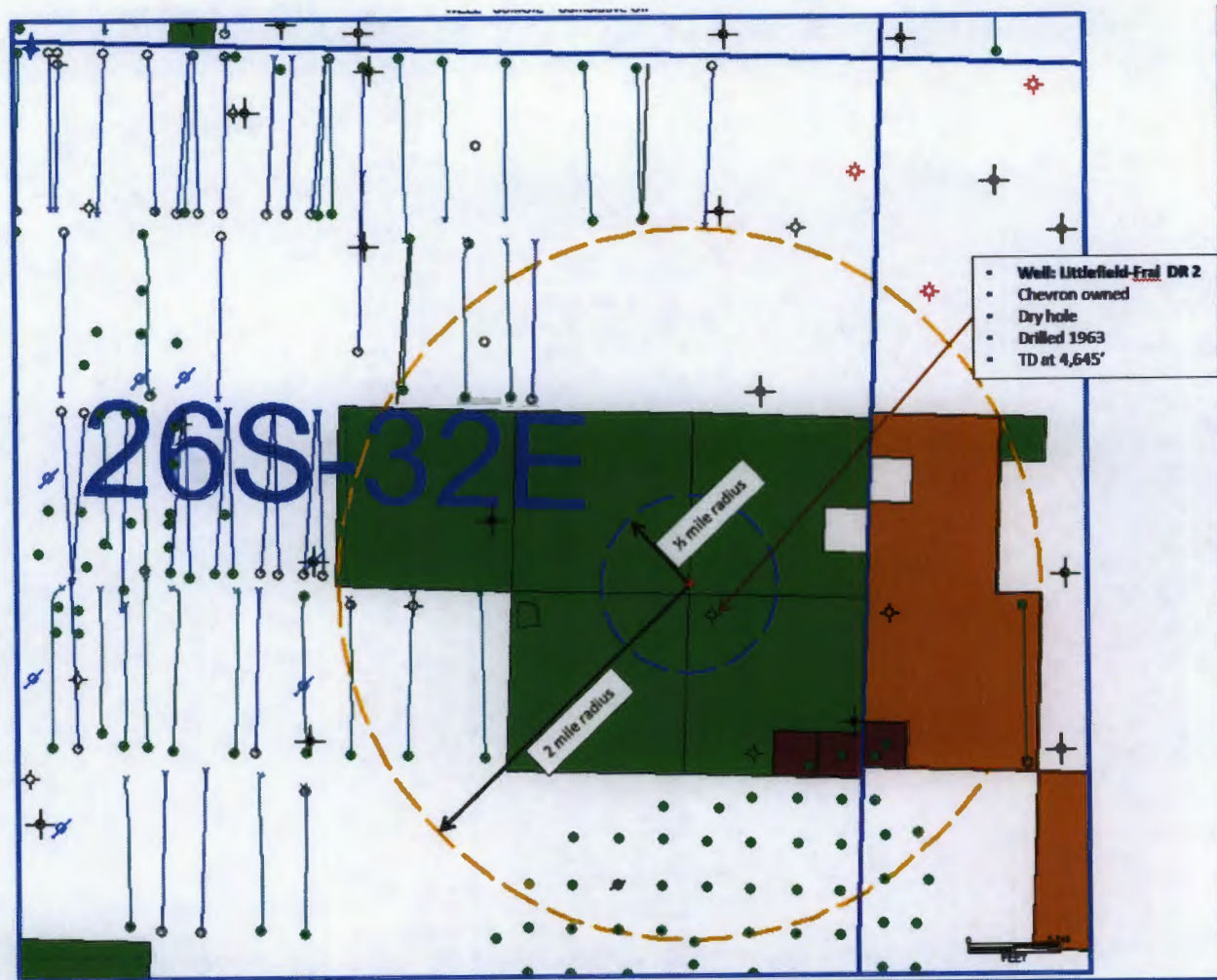
LEGAL NOTICE March 1, 2014

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 Salado
Draw SWD 13-1 to a Salt
Water Disposal. The
Chevron Salado Draw SWD
13-1 is located 10' FWL &
290' FSL, Unit Letter M,
Section 13, T26S, R32E,
Lea County, New Mexico.
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.
#28811

01102480

00131805

CHEVRON USA INC.
15 SMITH ROAD
MIDLAND, TX 79705





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

March 6, 2014

New Well to a Salt Water Disposal
Section 13, T26S, R32E,
Lea County, New Mexico

Re: Salado Draw 13 SWD #1
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, TX 79701
Attn: Land Manager

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Salado Draw 13 SWD #1 has filed an application with the Bureau of Land Management and New Mexico Oil Conservation Division for authorization to inject the Salado Draw 13 SWD well #1, (API# Pending) to a Salt Water Disposal well and dispose into the Salado Draw; Silurian Limestone formation. The Salado Draw 13 SWD #1, which is located: 290' FSL & 10 FWL. Unit letter M, Section 13, T26S, R32E, Lea County, New Mexico.

The injection interval will be in the Salado Draw; Silurian Limestone and there is no Salado Draw; Silurian Limestone production from this interval in the immediate area. The injection interval will be approximately 17,400 to 18,200.

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 Hobbs News Sun is included. The enclosed map highlights the location of the Salado Draw 13 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

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Mewbourne Oil Company
500 W. Texas Ave, Ste 1020
Midland, TX 79701
Attn: Land Manager

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☐ Agent
☒ *[Signature]* ☐ Address
- B. Received by (Printed Name) *CLARK* C. Date of Delivery *3/14*
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

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For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$ *48*
Certified Fee *3.30*
Return Receipt Fee (Endorsement Required) *2.70*
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ *6.58*



Sent To *Mewbourne Oil Co.*
Street Apt. No. *500 W. Texas Ste 1020*
or PO Box No. *Midland, TX 79701*
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

number 7010 2780 0003 4019 4413
(from service label)

111, February 2004

Domestic Return Receipt

102585-02-M-154



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

March 6, 2014

New Well to a Salt Water Disposal
Section 13, T26S, R32E,
Lea County, New Mexico

Re: Salado Draw 13 SWD #1
Hill & Meeker
P.O. Box 470155
Fort Worth, TX 76147
Attn: Land Manager

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Salado Draw 13 SWD #1 has filed an application with the Bureau of Land Management and New Mexico Oil Conservation Division for authorization to inject the Salado Draw 13 SWD well #1, (API# Pending) to a Salt Water Disposal well and dispose into the Salado Draw; Silurian Limestone formation. The Salado Draw 13 SWD #1, which is located: 290' FSL & 10 FWL. Unit letter M, Section 13, T26S, R32E, Lea County, New Mexico.

The injection interval will be in the Salado Draw; Silurian Limestone and there is no Salado Draw; Silurian Limestone production from this interval in the immediate area. The injection interval will be approximately 17,400 to 18,200.

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 Hobbs News Sun is included. The enclosed map highlights the location of the Salado Draw 13 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

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>x Myra Spauls</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Myra Spauls</i> C. Date of Delivery <i>3/11/14</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: Hill & Meeker P. O Box 470155 Fort Worth, TX 76147 Attn: Land Manager		Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input type="checkbox"/> No	
PS Form 3811, February 2004		Domestic Return Receipt	
		7010 2780 0003 4019 4444	

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Postage	\$ 48
Certified Fee	3.30
Return Receipt Fee (Indorsement Required)	2.70
Restricted Delivery Fee (Indorsement Required)	
Total Postage & Fees	\$6.58

Hill & Meeker
P.O. Box 470155
Fort Worth, TX 76147



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

March 6, 2014

New Well to a Salt Water Disposal
Section 13, T26S, R32E,
Lea County, New Mexico

Re: Salado Draw 13 SWD #1
Conoco Inc
600 N. Dairy Ashford
Houston, TX 77252-2197
Attn: Land Manager

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Salado Draw 13 SWD #1 has filed an application with the Bureau of Land Management and New Mexico Oil Conservation Division for authorization to inject the Salado Draw 13 SWD well #1, (API# Pending) to a Salt Water Disposal well and dispose into the Salado Draw; Silurian Limestone formation. The Salado Draw 13 SWD #1, which is located: 290' FSL & 10 FWL. Unit letter M, Section 13, T26S, R32E, Lea County, New Mexico.

The injection interval will be in the Salado Draw; Silurian Limestone and there is no Salado Draw; Silurian Limestone production from this interval in the immediate area. The injection interval will be approximately 17,400 to 18,200.

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 Hobbs News Sun is included. The enclosed map highlights the location of the Salado Draw 13 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

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 <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <i>3/10/14</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
1. Article Addressed to: Conoco Inc 600 N. Dairy Ashford Houston, TX 77252-2197 Attn: Land Manager		3. Service Type <input 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.	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
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Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$658

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Sent To
Conoco Inc
600 N. Dairy Ashford
Houston, TX 77252-2197



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

March 6, 2014

New Well to a Salt Water Disposal
Section 13, T26S, R32E,
Lea County, New Mexico

Re: Salado Draw 13 SWD #1
COG Operating LLC
600 W. Illinois Ave
Midland, TX 79701
Attn: Land Manager

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Salado Draw 13 SWD #1 has filed an application with the Bureau of Land Management and New Mexico Oil Conservation Division for authorization to inject the Salado Draw 13 SWD well #1, (API# Pending) to a Salt Water Disposal well and dispose into the Salado Draw; Silurian Limestone formation. The Salado Draw 13 SWD #1, which is located: 290' FSL & 10 FWL. Unit letter M, Section 13, T26S, R32E, Lea County, New Mexico.

The injection interval will be in the Salado Draw; Silurian Limestone and there is no Salado Draw; Silurian Limestone production from this interval in the immediate area. The injection interval will be approximately 17,400 to 18,200.

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 Hobbs News Sun is included. The enclosed map highlights the location of the Salado Draw 13 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

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- 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
Land Manager

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Villette Portillo* ☐ Agent ☐ Address

B. Received by (Printed Name) *Villette Portillo* C. Date of Delivery *3/17/14*

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

3. Service Type
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☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

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Certified Fee *3.30*
Return Receipt Fee (Endorsement Required) *2.70*
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees *\$6.48*



COG Operating Inc
600 W. Illinois Ave
Midland, TX 79701

Number *7010 2780 0003 4019 4420*

13811, February 2004

Domestic Return Receipt

102595-02-A



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

March 6, 2014

New Well to a Salt Water Disposal
Section 13, T26S, R32E,
Lea County, New Mexico

Re: Salado Draw 13 SWD #1
Sahara Operating Company
306 W. Wall St
Midland, TX 79701
Attn: Land Manager

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Salado Draw 13 SWD #1 has filed an application with the Bureau of Land Management and New Mexico Oil Conservation Division for authorization to inject the Salado Draw 13 SWD well #1, (API# Pending) to a Salt Water Disposal well and dispose into the Salado Draw; Silurian Limestone formation. The Salado Draw 13 SWD #1, which is located: 290' FSL & 10 FWL. Unit letter M, Section 13, T26S, R32E, Lea County, New Mexico.

The injection interval will be in the Salado Draw: Silurian Limestone and there is no Salado Draw; Silurian Limestone production from this interval in the immediate area. The injection interval will be approximately 17,400 to 18,200.

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 Hobbs News Sun is included. The enclosed map highlights the location of the Salado Draw 13 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

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

1. Article Addressed to:

Sahara Operating Company
306 W. Wall St
Midland, TX 79701
Attn: Land Manager

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☐ Agent
☒ *George H. Alpine* ☐ Addressee
B. Received by (Printed Name) C. Date of Delivery
GEORGE H. ALPINE *3/7*
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

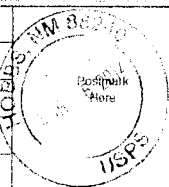
- ☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
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Postage \$ *48*
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Return Receipt Fee (Indorsement Required) *2.70*
Restricted Delivery Fee (Indorsement Required)
Total Postage & Fees \$ *6.58*



Delivered to
Sahara Operating Co
306 W Wall St
Midland Tx 79701

7010 2780 0003 4019 4390
1, February 2004 Domestic Return Receipt

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

March 6, 2014

New Well to a Salt Water Disposal
Section 13, T26S, R32E,
Lea County, New Mexico

Re: Salado Draw 13 SWD #1
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, TX 79701
Attn: Land Manager

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Sincerely,

Cindy Herrera-Murillo

Cindy Herrera-Murillo
Chevron Midcontinent
NM Regulatory Specialist

Enclosure

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1. Article Addressed to:

Mewbourne Oil Company
500 W. Texas Ave, Ste 1020
Midland, TX 79701
Attn: Land Manager

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
[Signature]
- B. Received by (Printed Name) *COLBARIET* C. Date of Delivery *3-7-14*
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
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500 W. Texas, Ste 1020
Midland, TX 79701

Form 3800, August 2005 See Reverse for Instructions

Number (from service label) 7010 2780 0003 4019 4413

111, February 2004 Domestic Return Receipt 102595-02-M-154



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

March 6, 2014

New Well to a Salt Water Disposal
Section 13, T26S, R32E,
Lea County, New Mexico

Re: Salado Draw 13 SWD #1
BTA Oil Producers
104 South Pecos
Midland, TX 79701
Attn: Land Manager

For your information, as an offset operator, Chevron U.S.A. Inc. operator of the Salado Draw 13 SWD #1 has filed an application with the Bureau of Land Management and New Mexico Oil Conservation Division for authorization to inject the Salado Draw 13 SWD well #1, (API# Pending) to a Salt Water Disposal well and dispose into the Salado Draw; Silurian Limestone formation. The Salado Draw 13 SWD #1, which is located: 290' FSL & 10 FWL. Unit letter M, Section 13, T26S, R32E, Lea County, New Mexico.

The injection interval will be in the Salado Draw: Silurian Limestone and there is no Salado Draw; Silurian Limestone production from this interval in the immediate area. The injection interval will be approximately 17,400 to 18,200.

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 Hobbs News Sun is included. The enclosed map highlights the location of the Salado Draw 13 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

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 <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Address</p> <p>B. Received by (Printed Name) C. Date of Delivery</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:		3. Service Type	
BTA Oil Producers 104 South Pecos Midland, TX 79701 Attn: Land Manager		<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	

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.58

Postmark: MAR 6 2014
HOBBS, NM 88240
USPS

Sent to: BTA Oil Producers
Street, Apt. No., or P.O. Box No.: 104 South Pecos
City, State, and ZIP+4: Midland, TX 79701

Number 7010 2780 0003 4019 4437
Domestic Return Receipt
11, February 2004
102595-02-M-15



RECEIVED COD

7/1/14

Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production
Company

1616 W. Bender Blvd
Hobbs FMT, Hobbs, NM 88240
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

March 27, 2014

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
Salado Draw SWD 13 #1
Lea County, New Mexico,

Chevron U.S.A. Inc. respectfully requests administration approval to inject salt water into the Salado Draw SWD 13 #1 (API #Pending), which is located: 290' FSL & 10' FWL, Unit Letter M, Section 13, T26S, R32E, Lea County, New Mexico.

The injection interval will be in the Salado Draw, Silurian Limestone formation from ~~2550'~~ ^{Corrected 17410 to 18200} to 5285', through perforations, with maximum anticipated injection rate to 3,000 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 Salado Draw 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 SW Section 13, Township 26 South, Range 32 East, N.M.P.M. Lea 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
Chevron USA Inc.
Regulatory Specialist
New Mexico

Enclosure

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March 19, 2014 , 1:18 pm	Delivered	HOBBS, NM 88240
March 17, 2014 , 11:27 am	Available for Pickup	HOBBS, NM 88240
March 16, 2014 , 4:51 am	Processed at USPS Origin Sort Facility	LUBBOCK, TX 79402
March 14, 2014 , 9:28 pm	Processed at USPS Origin Sort Facility	EL PASO, TX 79910
March 14, 2014	Depart USPS Sort Facility	EL PASO, TX 79910
March 13, 2014 , 9:16 am	Processed at USPS Origin Sort Facility	EL PASO, TX 79910
March 10, 2014 , 1:10 pm	Undeliverable as Addressed	MIDLAND, TX 79701
March 7, 2014 , 1:36 pm	Notice Left (Business Closed)	MIDLAND, TX 79701
March 7, 2014 , 10:33 am	Out for Delivery	MIDLAND, TX 79701
March 7, 2014 , 10:23 am	Sorting Complete	MIDLAND, TX 79701
March 7, 2014 , 6:21 am	Arrival at Unit	MIDLAND, TX 79705
March 7, 2014	Depart USPS Sort Facility	MIDLAND, TX 79711
March 7, 2014 , 2:44 am	Processed through USPS Sort Facility	MIDLAND, TX 79711
March 6, 2014	Depart USPS Sort Facility	LUBBOCK, TX 79402
March 6, 2014 , 9:05 pm	Processed at USPS Origin Sort Facility	LUBBOCK, TX 79402
March 6, 2014 , 5:13 pm	Dispatched to Sort Facility	HOBBS, NM 88240
March 6, 2014 , 3:38 pm	Acceptance	HOBBS, NM 88240

Goetze, Phillip, EMNRD

From: Herrera-Murillo, Cindy O <CHerreraMurillo@chevron.com>
Sent: Tuesday, June 17, 2014 7:59 AM
To: Goetze, Phillip, EMNRD
Subject: RE: Last Item - Surface Owner Notification

Phillip,

I did not send BLM's copy certified. It was sent regular mail through United States Postal system.
Thanks,



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

From: Goetze, Phillip, EMNRD [<mailto:Phillip.Goetze@state.nm.us>]
Sent: Monday, June 16, 2014 10:54 AM
To: Herrera-Murillo, Cindy O
Subject: Last Item - Surface Owner Notification

RE: Salado Draw SWD 13 No. 1

Cindy:

I see that the cover letter for notification states that a copy of the application was submitted to the BLM. Do you have a return receipt for the BLM? Thanks. PRG

Phillip R. Goetze, P.G.
Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462
phillip.goetze@state.nm.us



C-108 Review Checklist: Received 03/27/14 Add. Request: — Reply Date: — Suspended: — [Ver 13]

PERMIT TYPE: WFX / PMX (SWD) Number: 1488 Permit Date: 06/13/14 Legacy Permits/Orders: NA

Well No. 1 Well Name(s): Salado Draw SWD 13

API: 30-0 25-Pending Spud Date: TBD New or Old: New (UIC Class II Primacy 03/07/1982)

Footages 290 FSL/10 FUL Lot — or Unit M Sec 13 Tsp 26S Rge 32E County Lea

General Location: 2.5 miles N of TX border; S of Red Hill Pool: SWD; Devonian Pool No.: 96101

BLM 100K Map: Sal Operator: Charron USA, Inc. OGRID: 4323 Contact: Cindy Herrera-Murillo

COMPLIANCE RULE 5.9: Total Wells: 2133 Inactive: 6 Fincl Assur: Yes Compl. Order? Yes IS 5.9 OK? Yes Date: 06/13/14

WELL FILE REVIEWED ☒ Current Status: No APD on file with BLM

WELL DIAGRAMS: NEW: Proposed ☒ or RE-ENTER: Before Conv. ☐ After Conv. ☐ Logs in Imaging: Proposed

Planned Rehab Work to Well: NA: new well

Well Construction Details:		Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement (S) or Cf	Cement Top and Determination Method
Planned <input checked="" type="checkbox"/> or Existing <u>Surface</u>		<u>18 1/8 / 16</u>	<u>0 to 750</u>	<u>421</u>	<u>Cir. to surf.</u>
Planned <input checked="" type="checkbox"/> or Existing <u>(Interm)/Prod</u>		<u>14 3/4 / 13 3/8</u>	<u>0 to 4690</u>	<u>10916</u>	<u>Cir. to surf.</u>
Planned <input checked="" type="checkbox"/> or Existing <u>(Interm)/Prod</u>		<u>12 1/4 / 9 5/8</u>	<u>0 to 12500</u>	<u>2 stage: 2271</u>	<u>TOC est. 3690 - (BL)</u>
Planned <input checked="" type="checkbox"/> or Existing <u>Prod/Liner</u>		<u>8 1/2 / 7 5/8</u>	<u>12300 to 17410</u>	<u>—</u>	<u>TOC est. 104 (CBL)</u>
Planned <input type="checkbox"/> or Existing <u>Liner</u>		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Planned <input checked="" type="checkbox"/> or Existing <u>(OH) PERF</u>		<u>6 1/8</u>	<u>17410 to 18200</u>	<u>Inj Length 790</u>	

Injection Stratigraphic Units:				Completion/Operation Details:	
Depths (ft)	Injection or Confining Units	Tops	Drilled TD	PBTD	
	Adjacent Unit: Litho. Struc. Por.		<u>18200</u>	<u>18200</u>	
	Confining Unit: Litho. Struc. Por.		<u>NEW TD —</u>	<u>NEW PBTD —</u>	
	Proposed Inj Interval TOP:		<u>NEW Open Hole <input checked="" type="checkbox"/> or NEW Perfs <input type="checkbox"/></u>		
	Proposed Inj Interval BOTTOM:		<u>Tubing Size <u>4 1/2</u> in. Inter Coated? <u>No</u></u>		
	Confining Unit: Litho. Struc. Por.		<u>Proposed Packer Depth <u>17375</u> ft</u>		
	Adjacent Unit: Litho. Struc. Por.		<u>Min. Packer Depth <u>17310</u> (100-ft limit)</u>		
			<u>Proposed Max. Surface Press. <u>No Number</u> psi</u>		
			<u>Admin. Inj. Press. <u>3480</u> (0.2 psi per ft)</u>		

AOR: Hydrologic and Geologic Information					
POTASH: R-111-P <u>NA</u> Noticed? <u>NA</u>	BLM Sec Ord <u>NA</u>	WIPP <u>NA</u> Noticed? <u>NA</u>	SALT/SALADO T: <u>—</u>	B: <u>—</u>	CLIFF HOUSE <u>NA</u>
FRESH WATER: Aquifer <u>Capitán Reef / alluvial / Bone Spring</u>	Depth <u>SR/NA</u>	Hydro Affirm Statement By Qualified Person <input checked="" type="checkbox"/>			
NMOSE Basin: <u>Carlsbad</u>	CAPITAN REEF: thru <input type="checkbox"/> adj <input type="checkbox"/> <u>NA</u>	No. Wells within 1-Mile Radius? <u>No</u>	FW Analysis <u>NA</u>		
Disposal Fluid: Formation Source(s) <u>Analyst Bone Spring</u>	Analysis? <u>Go Tech - Yes - Similar</u>	On Lease <input type="checkbox"/> Operator Only <input checked="" type="checkbox"/> or Commercial <input type="checkbox"/>			
Disposal Int: Inject Rate (Avg/Max BWPD): <u>1000/15300</u>	Protectable Waters? <u>No</u>	Source: <u>Go Tech</u>	System: Closed <input checked="" type="checkbox"/> or Open <input type="checkbox"/>		
HC Potential: Producing Interval? <u>No</u>	Formerly Producing? <u>Unk</u>	Method: Logs/DST/P&A/Other <u>TX well data</u>	2-Mile Radius Pool Map <input type="checkbox"/>		
AOR Wells: 1/2-M Radius Map? <u>Yes</u>	Well List? <u>Yes</u>	Total No. Wells Penetrating Interval: <u>0</u>	Horizontals? <u>0</u>		
Penetrating Wells: No. Active Wells <u>0</u>	Num Repairs? <u>0</u>	on which well(s)? <u>—</u>	Diagrams? <u>NA</u>		
Penetrating Wells: No. P&A Wells <u>0</u>	Num Repairs? <u>0</u>	on which well(s)? <u>—</u>	Diagrams? <u>NA</u>		

NOTICE: Newspaper Date 03/01/2014 Mineral Owner BLM Surface Owner BLM N. Date 03/06/14

RULE 26.7(A): Identified Tracts? Yes Affected Persons: BTA Oil Prod/ COG operating/ Conoco / Hunt & Mecker N. Date 03/06/14

Permit Conditions: Issues: Unknown HC potential / New drill-formations / tubing coating

Add Permit Cond: Mudlog / formation picks / - highlight "coated" tubing