

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-06948
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEDERAL <input checked="" type="checkbox"/>
6. State Oil / Gas Lease No.	
7. Lease Name or Unit Agreement Name	CENTRAL DRINKARD UNIT
8. Well No.	133
9. Pool Name or Wildcat	DRINKARD
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3465' KB

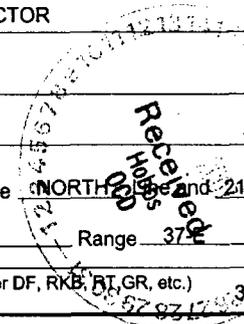
SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well: OIL WELL GAS WELL OTHER INJECTOR

2. Name of Operator: CHEVRON USA INC

3. Address of Operator: 15 SMITH RD, MIDLAND, TX 79705

4. Well Location
Unit Letter C : 480 Feet From The NORTH Line and 2160 Feet From The WEST Line
Section 32 Township 21-S Range 37-E NMPM LEA COUNTY



11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: SET LINER, PERF, SQUEEZE <input checked="" type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

12-12-06: MIRU. FLOW WELL BACK TO FRAC TANK. 12-13-06: REL PKR. LD TBG & PKR.
 12-14-06: TIH W/BIT & TAG TOP OF LINER @ 6393'. TIH W/BIT & TAG FILL @ 6491'. CLEAN OUT TO 6610'. 12-15-06: TIH W/RBP & PKR ON 207 JTS WS. SET RBP @ 6476'. REL RBP. 12-18-06: TIH W/RBP & SET @ 6386'. SET PKR @ 6355
 12-19-06: RUN CBL/GR/CCL FR 6386-2700'. TOC @ 4800'. SHOT 8 SQZ HOLES @ 4700.
 12-20-06: TIH W/PKR & RETR HEAD FOR RBP. LATCH ONTO RBP & REL RBP. SET RBP @ 5196. ET PKR @ 5135. REL PKR. PUH TO 4602. SET PKR. BROKE DN PERFS @ 2.8 BPM @ 1300 PSI. PUMP 20 BBLS & PSI DROPPED TO 500 PSI @ 2.8 BPM. ESTAB CIRC THRU BRADENHEAD TO TANK @ 3 BPM @ 1000 PSI. 12-21-06: REL PKR. PUMP 2 SX SAND TO LAND ON TOP OF RBP. TIH W/CMT RET. SWINGING.
 12-22-06: PUMP THRU CMT RET W/30 BBLS KF. SET RET @ 4598'. PMP 10 BBLS W/CW100 WATER SPACER, MIX 550 SX CL C W/4% D2- & 3% D167, MIX 220 SX CL C W/3% D167, AFTER MIXING 238 BBLS CMT CIRC TO SURF 111 SX CMT. DISPL 12 BBLS WTR & CLOSE IN BRADENHEAD. PULL OUT OF RET & REV OUT 4 BBLS CMT. 12-27-06: TIH W/BIT. TAG @ 4585. DRILL 4585 TO 4598 TO RET. DRILL ON RET, 1'.
 12-28-06: DRILL ON CMT RET. DRILL 4598 TO 4720. STRINGERS TO 4765. PRESSURE TEST CSG TO 550#. HELD.
 12-29-06: CHART TEST CSG FOR NMOCD @ 7:30 AM TO 810, @ 550# ON 5 1/2" CSG. HELD. TIH W/RETR TOOL, WS, 146 JTS.
 01-02-07: WASH SAND @ 6476. LATCH ONTO RBP. UNSET RBP. TIH W/PKR, 207 JTS TO 6471 THRU 6476. SET PKR. TEST CSG TO 550#. FIRST PKR DIDN'T HOLD. MOVE PKR TO SEVERAL SETTINGS. WOULD NOT HOLD. TIH W/PMP OUT PLUG & ON/OFF TOOL. LEAVE SWINGING ABOVE LINER. 01-03-07: TIH W/PUMP OUT PLUG TO 6473. SET PKR. LOAD & TEST CSG TO 550# W/CHART. HELD. RAN 4" INJ PKR. HELD. GET OFF ON/OFF TOOL. LEAVE PKR SET. 01-04-07: TIH W/203 JTS 2 3/8" INJ TBG. LATCH ON TO PKR @ 6473. CIRC PKR FLUID. START NEW MIT TEST ON CSG TO 550#. HELD. 01-05-07: PSI UP ON ANN TO 500 PSI. CHART FOR 30 MINS. NO BLEED. MIT WITNESSED BY NMOCD.RIG DOWN. FINAL REPORT.

PERMIT NUMBER & WELL NAME FOR THE SA DISPOSAL WELL OFFSETTING CDU #133: ADMIN ORDER SWD-1052 BLINEBRY-DRINKARD SWD NO. 32. (API #30-025-38528)
 *****SEE ATTACHED CEMENTING SERVICE REPORT***** COPY SENT TO WILL JONES, NMOCD, SANTA FE, NM

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

SIGNATURE Denise Pinkerton TITLE Regulatory Specialist DATE 1/9/2007
 TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use)
 APPROVED Harry W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER
 CONDITIONS OF APPROVAL IF ANY: _____ DATE _____

Jones, William V., EMNRD

From: Scott Curtis [scurtis@riceswd.com]
Sent: Friday, May 04, 2007 10:32 AM
To: Jones, William V., EMNRD
Subject: RE: Blinebry Drinkard #32 API 30-025-38528 SWD-1052

Will,
 As per our earlier conversation,
 Before ROC applied for an injection permit, the original plan for well completion was to run and cement the long string casing down to 4200' and then drill open hole down to 5000' effectively making the disposal interval 4200' to 5000'.

Range Operating, who is a partner in the Blinebry Drinkard SWD System did not agree with this completion as they have production in the area producing from the upper part of this configuration. Range engineers advised that we run the long string casing down to 4400' which would protect the production in the area.
 The current completion is open hole from 4430' to 5000'.

This is the only way Range would not protest the injection permit.

Also Donna Mull has all of the required forms and tests, she said that the district office has been satisfied.

As I understand, the only thing left to do, to satisfy the requirements of the Order is to have a tracer survey conducted within 6 months of the start of injection.

If you have any questions or comments please do not hesitate to call.

Thanks for the help.

Scott Curtis
 General Manager
 Rice Operating Co. (ROC)
 (505) 393-9174

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Friday, May 04, 2007 9:01 AM
To: Scott Curtis
Cc: Prichard, Sharon, EMNRD; Pinkerton, J. Denise (leakejd); Ezeanyim, Richard, EMNRD
Subject: Blinebry Drinkard #32 API 30-025-38528 SWD-1052

Hello Scott:
 I have the water analysis from you and also the verification that Chevron fixed the offset well - see my January 17, 2007 letter.

I have the final release letter ready to send but can't find anything about the productive capability of the interval you chose to inject into. Our web site is not showing me very much wellfile data on this well. I can't see your completion procedure you used or whether you swab tested or otherwise determined productive potential as the SWD-1052 order asks.

Please send all sundrys to Sharon Pritchard in Hobbs for scanning into our online wellfile.

Meanwhile, let me know what the mudlog showed or the elogs over this zone and/or what the swab results were.

Thanks

William V. Jones PE
 New Mexico Oil Conservation Division
 1220 South St. Francis

5/4/2007

RICE *Operating Company*

122 West Taylor • Hobbs, New Mexico 88240
Phone: (505)393-9174 • Fax: (505) 397-1471

2007 MAY 2 PM 10 21

May 1, 2007

State of New Mexico
Oil Conservation Division
Engineering and Geological Services Bureau
1220 S. St. Francis Drive
Santa Fe, NM 87505

Attn: William Jones

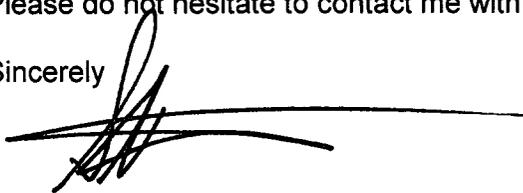
Dear Mr. Jones

Please find enclosed a copy of the water analysis of the San Andres formation as requested in the ADMINISTRATIVE ORDER SWD-1052. This order refers to a newly drilled salt water disposal well, Blinebry Drinkard Well #32 (API #30-025-38528).

This information should satisfy the pre-injection requirements outlined in the order.

Please do not hesitate to contact me with any further questions or comments.

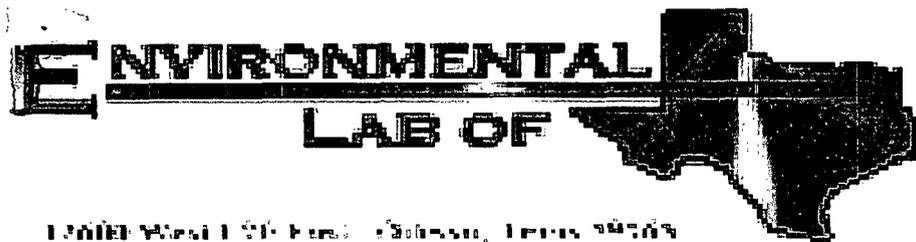
Sincerely



Scott Curtis
General Manager

bc

encl



Analytical Report

Prepared for:

Scott Curtis

Rice Operating Co.

122 W. Taylor

Hobbs, NM 88240

Project: BD E - 32

Project Number: None Given

Location: None Given

Lab Order Number: 7D19007

Report Date: 04/30/07

Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: BDE - 32
Project Number: None Given
Project Manager: Scott Curtis

Fax: (505) 397-1471

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
BD SWDE - 32	7D19007-01	Water	04/18/07 00:00	04-19-2007 15:20

Rice Operating Co. 122 W. Taylor Hobbs NM, 88240	Project: BD E - 32 Project Number: None Given Project Manager: Scott Curtis	Fax: (505) 397-1471
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General Chemistry Parameters by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
BD SWD E - 32 (7D19007-01) Water									
Total Alkalinity	308	2.00	mg/L	1	ED72403	04/24/07	04/24/07	EPA 310.1M	
Chloride	203000	10000	"	20000	ED73005	04/30/07	04/30/07	EPA 300.0	
Sulfate	26300	10000	"	"	"	"	"	"	

Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: BDE - 32
Project Number: None Given
Project Manager: Scott Curtis

Fax: (505) 397-1471

Total Metals by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
BD SWD E - 32 (7D19007-01) Water									
Calcium	2580	81.0	mg/L	1000	ED72703	04/27/07	04/27/07	EPA 6010B	
Magnesium	1010	36.0	"	"	"	"	"	"	
Potassium	674	60.0	"	"	"	"	"	"	
Sodium	123000	2150	"	50000	"	"	"	"	

Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: BD E - 32
Project Number: None Given
Project Manager: Scott Curtis

Fax: (505) 397-1471

General Chemistry Parameters by EPA / Standard Methods - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch ED72403 - General Preparation (WetChem)										
Blank (ED72403-BLK1) Prepared & Analyzed: 04/24/07										
Total Alkalinity	ND	2.00	mg/L							
LCS (ED72403-BS1) Prepared & Analyzed: 04/24/07										
Bicarbonate Alkalinity	178	2.00	mg/L	200		89.0	85-115			
Duplicate (ED72403-DUP1) Source: 7D19007-01 Prepared & Analyzed: 04/24/07										
Total Alkalinity	302	2.00	mg/L		308			1.97	20	
Reference (ED72403-SRM1) Prepared & Analyzed: 04/24/07										
Total Alkalinity	264		mg/L	250		106	90-110			
Batch ED73005 - General Preparation (WetChem)										
Blank (ED73005-BLK1) Prepared & Analyzed: 04/30/07										
Sulfate	ND	0.500	mg/L							
Chloride	ND	0.500	"							
LCS (ED73005-BS1) Prepared & Analyzed: 04/30/07										
Sulfate	9.77	0.500	mg/L	10.0		97.7	80-120			
Chloride	9.87	0.500	"	10.0		98.7	80-120			
Calibration Check (ED73005-CCV1) Prepared & Analyzed: 04/30/07										
Sulfate	11.4		mg/L	10.0		114	80-120			
Chloride	8.60		"	10.0		86.0	80-120			
Duplicate (ED73005-DUP1) Source: 7D19007-01 Prepared & Analyzed: 04/30/07										
Sulfate	21700	10000	mg/L		26300			19.2	20	
Chloride	200000	10000	"		203000			1.49	20	

Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: BDE - 32
Project Number: None Given
Project Manager: Scott Curtis

Fax: (505) 397-1471

General Chemistry Parameters by EPA / Standard Methods - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch ED73005 - General Preparation (WetChem)

Matrix Spike (ED73005-MS1)

Source: 7D19007-01

Prepared & Analyzed: 04/30/07

Sulfate	20000	10000	mg/L	200000	26300	86.8	80-120			
Chloride	418000	10000	"	200000	203000	108	80-120			

Rice Operating Co. 122 W. Taylor Hobbs NM, 88240	Project: BD E - 32 Project Number: None Given Project Manager: Scott Curtis	Fax: (505) 397-1471
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Total Metals by EPA / Standard Methods - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch ED72703 - 6010B/No Digestion

Blank (ED72703-BLK1)				Prepared & Analyzed: 04/27/07						
Calcium	ND	0.0810	mg/L							
Magnesium	ND	0.0360	"							
Potassium	ND	0.0600	"							
Sodium	ND	0.0430	"							

Calibration Check (ED72703-CCV1)				Prepared & Analyzed: 04/27/07						
Calcium	1.90		mg/L	2.00		95.0	85-115			
Magnesium	2.07		"	2.00		104	85-115			
Potassium	1.98		"	2.00		99.0	85-115			
Sodium	2.29		"	2.00		114	85-115			

Duplicate (ED72703-DUP1)		Source: 7D18014-01		Prepared & Analyzed: 04/27/07						
Calcium	140	4.05	mg/L		133			5.13	20	
Magnesium	76.4	1.80	"		76.8			0.522	20	
Potassium	15.7	0.600	"		15.6			0.639	20	
Sodium	350	4.30	"		358			2.26	20	

Rice Operating Co.
122 W. Taylor
Hobbs NM, 88240

Project: BD E - 32
Project Number: None Given
Project Manager: Scott Curtis

Fax: (505) 397-1471

Notes and Definitions

DET Analyte DETECTED
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference
LCS Laboratory Control Spike
MS Matrix Spike
Dup Duplicate

Report Approved By: _____



Date: 4/30/2007

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer

Jeanne Mc Murrey, Inorg. Tech Director
La Tasha Cornish, Chemist
Sandra Sanchez, Lab Tech.

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-563-1800.

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Time: 1-19-07 3:20
7D19007
9L

Sample Receipt Checklist

Client Initials

#	Description	Yes	No	Temperature	Client Initials
#1	Temperature of container/ cooler?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	19.5 °C	
#2	Shipping container in good condition?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#3	Custody Seals intact on shipping container/ cooler?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Present	
#4	Custody Seals intact on sample bottles/ container?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Present	
#5	Chain of Custody present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#6	Sample instructions complete of Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#7	Chain of Custody signed when relinquished/ received?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#8	Chain of Custody agrees with sample label(s)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ID written on Cont./ Lid	
#9	Container label(s) legible and intact?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Applicable	
#10	Sample matrix/ properties agree with Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#11	Containers supplied by ELOT?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
#12	Samples in proper container/ bottle?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Below	
#13	Samples properly preserved?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	* See Below	
#14	Sample bottles intact?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#15	Preservations documented on Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#16	Containers documented on Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#17	Sufficient sample amount for indicated test(s)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Below	
#18	All samples received within sufficient hold time?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Below	
#19	Subcontract of sample(s)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Applicable	
#20	VOC samples have zero headspace?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Applicable	

Variance Documentation

Contact: _____ Contacted by: Carolyn Haynes Date/ Time: 4-19-07 5:25pm

Regarding: #13 Not cold for the SO4 Alkalinity
(from phone call)

Corrective Action Taken:

- Check all that Apply:
- See attached e-mail/ fax
 - Client understands and would like to proceed with analysis
 - Cooling process had begun shortly after sampling event

Environmental Lab of Texas

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST
 12600 West I-20 East
 Odessa, Texas 79765
 Phone: 432-563-1800
 Fax: 432-563-1713

Project Manager: ROY [unclear]
 Company Name: RICE OPERATING COMPANY
 Company Address: 122 WEST TAYLOR
 City/State/Zip: HOBBS, NM 88240

Project Name: BD E-32
 Project #: SCOT CURTIS
 Project Loc: SCURTIS RICE SWD

Telephone No: 505-393-9174 Fax No: 505-397-1471
 Sampler Signature: Pro Varelina e-mail: tlascor@rice-sw.com
 Report Format: Standard TRRP NPDES

(lab use only)

ORDER #: KIRT STAGGS

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total #. of Containers	Ice	HNO ₃	HCl	H ₂ SO ₄	NaOH	Na ₂ S ₂ O ₃	None	Other (Specify)	Matrix	TPH: 418.1 8015M 8015B	TPH: TX 1005 TX 1006	Cations (Ca, Mg, Na, K)	Anions (Cl, SO ₄ , Alkalinity)	SAR / ESP / CEC	Metals: As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	BTEX 8021B/5030 or BTEX 8260	RCI	N.O.R.M.	RUSH TAT (Pre-Schedule) 24, 48, 72 hrs	Standard TAT
	<u>BD SWD E-32</u> <u>(Z jars of same)</u>															<u>W</u>			<u>XX</u>										

Special Instructions:

Reinquished by: [Signature] Date: 4/19 Time: 3:20 Received by: [Signature] Date: 4-19-07 Time: 3:20

Reinquished by: [Signature] Date: Time: Received by: [Signature] Date: Time:

Reinquished by: [Signature] Date: Time: Received by: [Signature] Date: Time:

Temperature Upon Receipt: 19.3 °C

Laboratory Comments:
 Sample Containers: In-lab? N/A
 VOCs Free of Headspace? Y N
 Labels on container(s) Y N
 Custody seals on container(s) Y N
 Sample Hand Delivered by Sampler Y N
 Client Rep? Y N
 by Courier? UPS DHL FedEx Lone Star