

DATE IN 6/18/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 6/18/08	TYPE SWD 1136	APP NO. PKVR0817051939
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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 _____

[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.

Nancy Cayce
 Print or Type Name

Nancy Cayce
 Signature

Technical Assistant
 Title

6/12/08
 Date

cayn@chevron.com
 e-mail Address

RECEIVED
 2008 JUN 18 PM 1 42



RECEIVED

2008 JUN 13 PM 1 42
Nancy Cayce
Technical Assistant
Permian Basin

Mid-Continent Business Unit
Chevron Corporation
15 Smith Rd.
Midland, Texas 79705
Tel 432-687-7455
Fax 432-687-7871
cayn@chevron.com

June 12, 2008

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

RE: APPLICATION FOR AUTHORIZATION
TO CONVERT TO SWD – OCD FORM C-108
MEXICO L #1
LEA COUNTY, NEW MEXICO

Chevron U.S.A., Inc. respectfully requests administrative approval to convert the Mexico 'L' #1, a temporarily abandoned oil well, to a Salt Water Disposal well. The well is located in Section 5, Unit A, T25S, R38E, Lea County, New Mexico.

Attached is an OCD Form C-108 with information relative to the referenced well. A notification letter was sent to applicable surface land owners and offset operators within the ½ mile radius, and is included in the attachments. Approval of this request will allow for further lease development and allow Chevron to return wells to production.

Your prompt consideration and approval of this application will be appreciated. If additional information is required please contact me at (432) 687-7455 or Pam Boring, Petroleum Engineer, at (432) 687-7879.

Sincerely,


Nancy Cayce

Attachments

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No
- II. OPERATOR: Chevron USA
ADDRESS: 15 Smith Rd. Midland, TX 79705
CONTACT PARTY: Nancy Cayce PHONE: 432-687-7455
- 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. **ATTACHED**
- VII. Attach data on the proposed operation, including: **ATTACHED**
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 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,
 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.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval. **ATTACHED**
- IX. Describe the proposed stimulation program, if any. **ATTACHED**
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water. **ATTACHED**
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Nancy Cayce TITLE: Technical Assistant
SIGNATURE: Nancy Cayce DATE: June 12/ 2008
E-MAIL ADDRESS: CAYN@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.

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

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

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

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

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

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

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

ATTACHMENT TO FORM C-108

RE: Mexico 'L' #1

PART I Chevron Corporation plans to convert the above referenced well to a salt water disposal well in the Fusselman and Ellenburger formations.

PART II Chevron Corporation
15 Smith Rd
Midland, TX 79705
Contact: Nancy Cayce 432-687-7455

PART III Well Data Sheets attached

PART IV This is not an expansion of an existing project.

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

PART VI Well tabulation and P&A Schematics are attached.

- PART VII
- 1) Maximum 5,000 bwpd, average 2,800 bwpd
 - 2) This will be an open system.
 - 3) Pmax=3,000 psi, Pav_g.=2,500 psi
 - 4) Sources: Mexico J, Mexico L, and WDDU produced water
 - 5) N/A

PART VIII

Injection Zone	Lithology	Thickness	Measured Top Depth	Measured Bottom Depth	Aquifer	Measured Depth to top of Aquifer
Fusselman	Off White to Light Brown, Fine to Very Fine Crystalline, Hard, Brittle, Dense Limestone	380 ft	8473 ft	8853 ft	Ogalla	300 ft +/-
Ellenberger	Cream to Buff, Fine to Very Fine Crystalline, Fractured, Slightly Cherty and Argillious Dolomite	430 ft	9930 ft	10360 ft (TD)	Santa Rosa	850 ft +/-

PART IX The stimulation program will be ~6,000 gallons 20% NEFE HCL and 5,000 lbs. rock salt as a block.

PART X Tests will be submitted as soon as possible after the well is converted.

ATTACHMENT TO FORM C-108

Mexico 'L' #1

Page 2

PART XI A water analysis is attached.

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

PART XIII Copies of the OCD Form C-108, the Well Data Sheet and map have been sent to the offset operators and surface owner as per the listing below.

POGO Producing Company
Craig Landry
700 Milam, Suite 3100
Houston, TX 77002

OXY USA, Inc.
Elizabeth S. Bush-Ivie
PO Box 4294
Houston, TX 77210

Arch Petroleum, Inc.
PO Box 10340
Midland, TX 79702-7340
915-685-8100

Surface Owner: State of New Mexico

A copy of the Legal Notice as published in the Hobbs News-Sun is attached to this filing. Certified copy will be forwarded as soon as it is received in this office.

INJECTION WELL DATA SHEET

OPERATOR: Chevron USAWELL NAME & NUMBER: Mexico 'L' #1WELL LOCATION: 660' FNL & 660' FEL
FOOTAGE LOCATIONUNIT LETTER A SECTION 5 TOWNSHIP 25S RANGE 38EWELLBORE SCHEMATICWELL CONSTRUCTION DATA
Surface CasingHole Size: 18" Casing Size: 13 3/8"Cemented with: 300 sx. or ft³Top of Cement: surface Method Determined: circulatedIntermediate CasingHole Size: 12 1/4" Casing Size: 9 5/8"Cemented with: 2,100 sx. or ft³Top of Cement: surface Method Determined: circulatedProduction CasingHole Size: 7 7/8" Casing Size: 5 1/2"Cemented with: 1613 sx. or ft³Top of Cement: 3040' Method Determined: CBL sqzTotal Depth: 10,360'Injection IntervalFusselman 8494'
Ellenburger 10,010'To 8720'
To 10,360.

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: IPC

Type of Packer: Guiberson Uni-6 injection packer with 1.43" profile and on-off tool

Packer Setting Depth: 8444'

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

Additional Data

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

If no, for what purpose was the well originally drilled? oil production (Gore)

2. Name of the Injection Formation: Fusselman & Ellenburger

3. Name of Field or Pool (if applicable): Dollarhide

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

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

Higher: Devonian 7495'-7709'

CURRENT WELLBORE DIAGRAM

Field: Dollarhide
 Location: 660' FNL & 660' FEL
 County: Lea State: New Mexico
 Current Status: TA'd
 Current Producing Formation(s): Fusselman
 Initial Prod Field/Formation(s): Wildcat

Well Name: Mexico "L" #1
 Sec: 5-A Township: 25S
 Refno: FB3302 API: 30-025-12365

Lease Type: State
 Range: 38E
 Cost Center: UCU881700

Surface Csg.

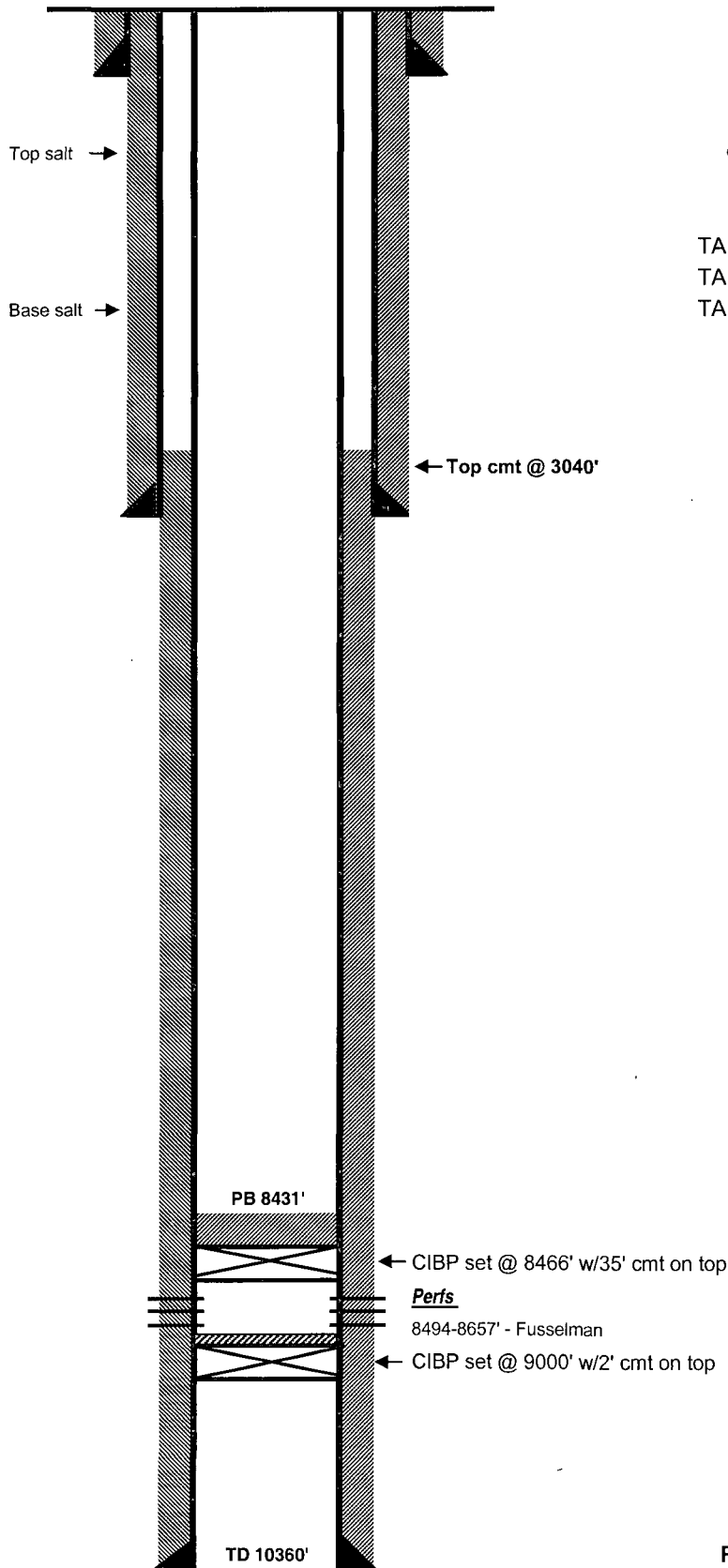
Size: 13 3/8"
 Wt.: 44.5#
 Set @: 304'
 Sxs cmt: 300
 Circ: Yes
 TOC: Surface
 Hole Size: 18"

Intermediate Csg.

Size: 9 5/8"
 Wt.: 32# & 36#
 Set @: 3250'
 Sxs Cmt: 2100
 Circ: Yes
 TOC: Surface
 Hole Size: 12 1/4"

Production Csg.

Size: 5 1/2"
 Wt.: 17#
 Set @: 10360'
 Sxs Cmt: 1613
 Circ: No
 TOC: 3040' by CBL sqz
 Hole Size: 7 7/8"



KB: 3171'
 DF: 3168'
 GL: 3156'
 Spud Date: 8/6/1951
 Compl. Date: 11/23/1951

TA Date: 4/11/1995
 TA Expiration: 5/1/2000
 TA Expiration: 10/11/2006
 TA Expiration: 10/10/2011

Top Salt	1233'
Base Salt	2488'
Top Queen	3585'
Top Drinkard	6328'
Top Abo	6545'
Top Fusselman	8475'
Top Ellenburger	10,012'

Prepared by: K M Jackson

Date: 6/25/2003

PROPOSED WELLBORE DIAGRAM

Field: Dollarhide
 Location: 660' FNL & 660' FEL
 County: Lea State: New Mexico
 Current Status: TA'd
 Current Producing Formation(s): Fusselman
 Initial Prod Field/Formation(s): Wildcat

Well Name: Mexico "L" #1
 Sec: 5-A Township: 25S
 Refno: FB3302 API: 30-025-12365

Lease Type: State
 Range: 38E
 Cost Center: UCU881700

Surface Csg.

Size: 13 3/8"
 Wt.: 44.5#
 Set @: 304'
 Sxs cmt: 300
 Circ: Yes
 TOC: Surface
 Hole Size: 18"

Intermediate Csg.

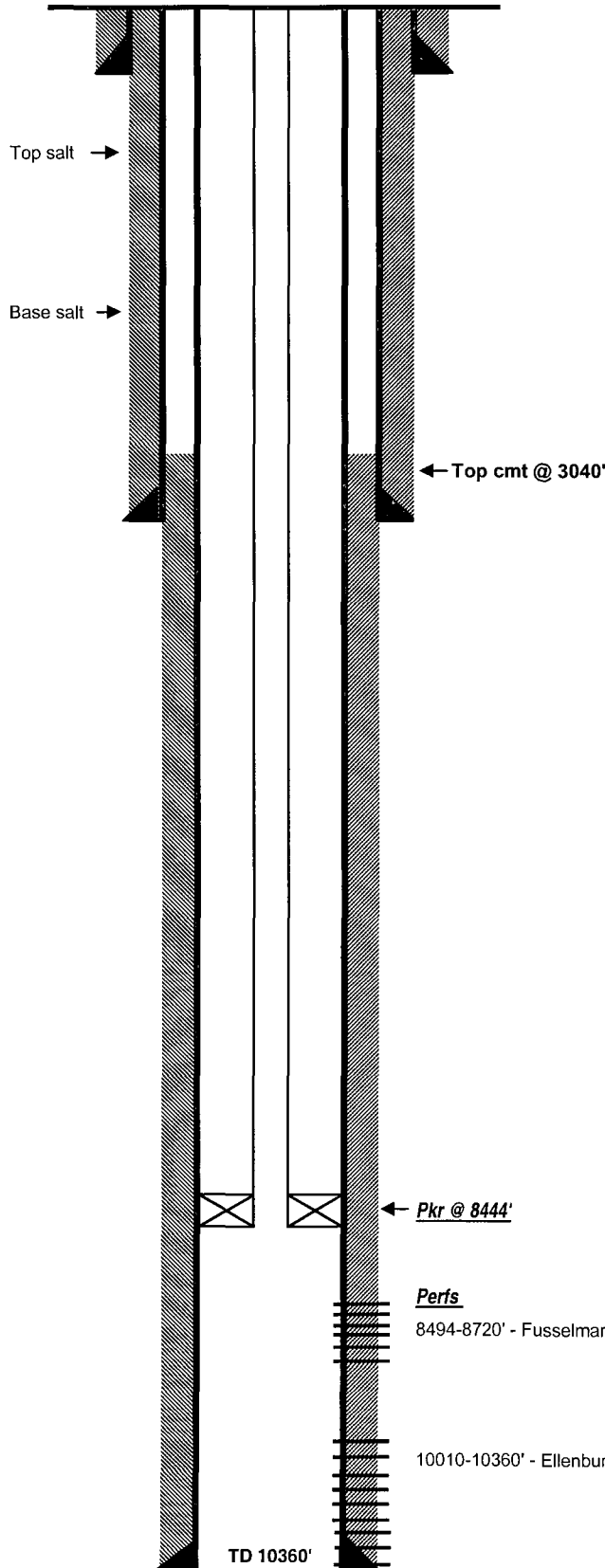
Size: 9 5/8"
 Wt.: 32# & 36#
 Set @: 3250'
 Sxs Cmt: 2100
 Circ: Yes
 TOC: Surface
 Hole Size: 12 1/4"

Production Csg.

Size: 5 1/2"
 Wt.: 17#
 Set @: 10360'
 Sxs Cmt: 1613
 Circ: No
 TOC: 3040' by CBL sqz
 Hole Size: 7 7/8"

Injection Tbg.

Size: 2 7/8"
 Pkr @ 8444'



KB: 3171'
 DF: 3168'
 GL: 3156'
 Spud Date: 8/6/1951
 Compl. Date: 11/23/1951

TA Date: 4/11/1995
 TA Expiration: 5/1/2000
 TA Expiration: 10/11/2006
 TA Expiration: 10/10/2011

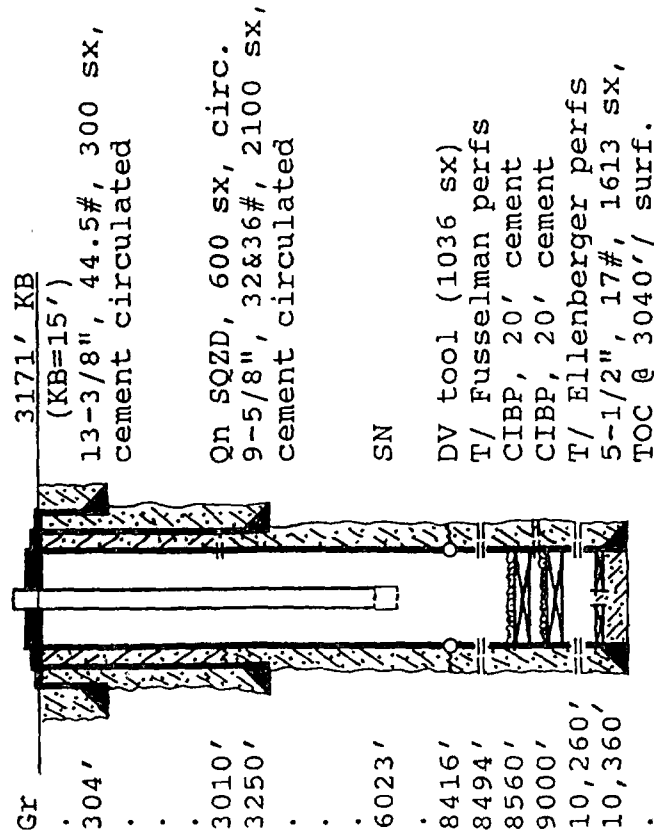
Top Salt	1233'
Base Salt	2488'
Top Queen	3585'
Top Drinkard	6328'
Top Abo	6545'
Top Fusselman	8475'
Top Ellenburger	10,012'

Prepared by: W P Johnson
 Date: 5/21/2008

PRODUCING WELL DATA SHEET

OPERATOR: Texaco Exploration & Production Inc. WELL: Mexico L #1
 FOOTAGE LOCATION: 660 FNL, 660 FEL Sec./Twn/Rng: Unit A, Sec 5, T-25-S, R-38-E
 former operator: Skelly Oil Co., Getty Oil Co. Lea County, New Mexico

SCHEMATIC



TABULAR DATA

Surface Casing: Set at: 304'
 Size 13-3/8", 44.5# Cemented with 300 sx.
 TOC surface ' determined by circulation
 Hole Size 18" Spud Date: 8-03-51
Intermediate casing: Set at: 3250'
 Size 9-5/8", 32#, 36# Cemented with 2100 sx.
 TOC surface ' determined by circulation
 Hole Size 12-1/4", SQZD Queen w/ 400 sx, 8/78
Production Casing: Set at: 10,360'
 Size 5-1/2", 17# Cemented w/ 600+1013sx.
 TOC 3040' / surf. determined by CBL/Squeeze
 Hole Size 7-7/8", retainers @ 10310', 10,200
Producing Interval: West Dollarhide Fusselman
8494' to 8510', 20 perfs, Fusselman
8590' to 8657', 56 perfs, Fusselman (wet)
10,260' to 10,290', 90 perfs, Ellenberger

LIAN

First Nat'l Bnk Midland, (M)
Southland Roy. H. M.
Ing Fisher (S)

Chevron USA
Mexico L #1
 Section 5, T25S R38E, Unit A
 660' FNL & 660' FEL
 Lea County, New Mexico
 API #30-025-12365
 Salt Water Disposal

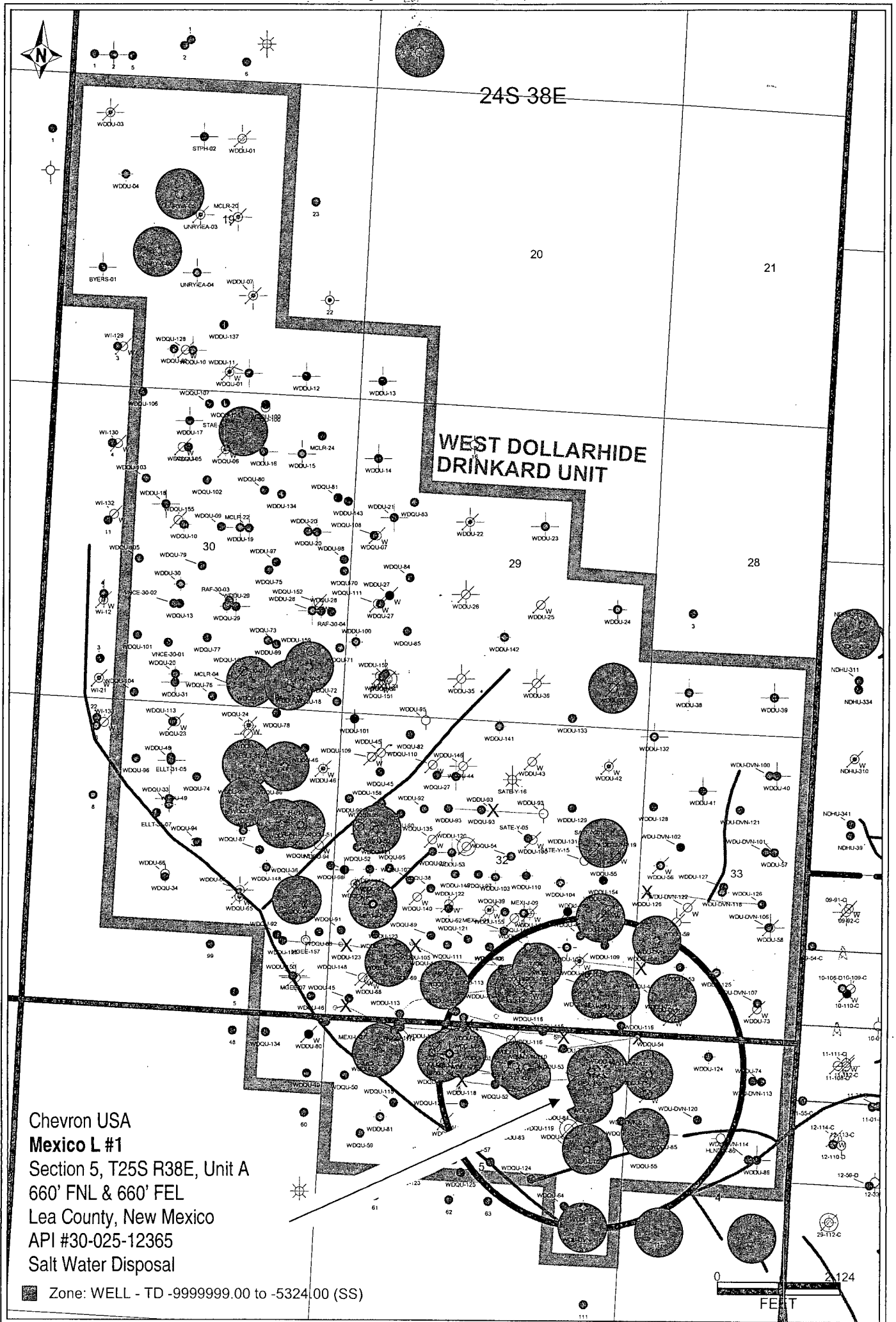
23
DOLLARHIDE
UNIT.CHEVRON
(OPER.)

RI K A-55

WINKLER County

102606 AT

10/20/01



**CURRENT
WELLBORE DIAGRAM**

Mexico J #1

Created: 6/9/2008 **By:** NC
Lease: Mexico J
Surface Location: 660 FSL 660 FEL
County: Lea **St:** NM
Current Status: Plugged & Abandoned

Well No.: 1
Unit Ltr: P
Sec: 32
API: 30-025-12295
Field: Dollarhide Fusselman
Tshp/Rng: 24S 38E
Cost Center:

Surface Csg.

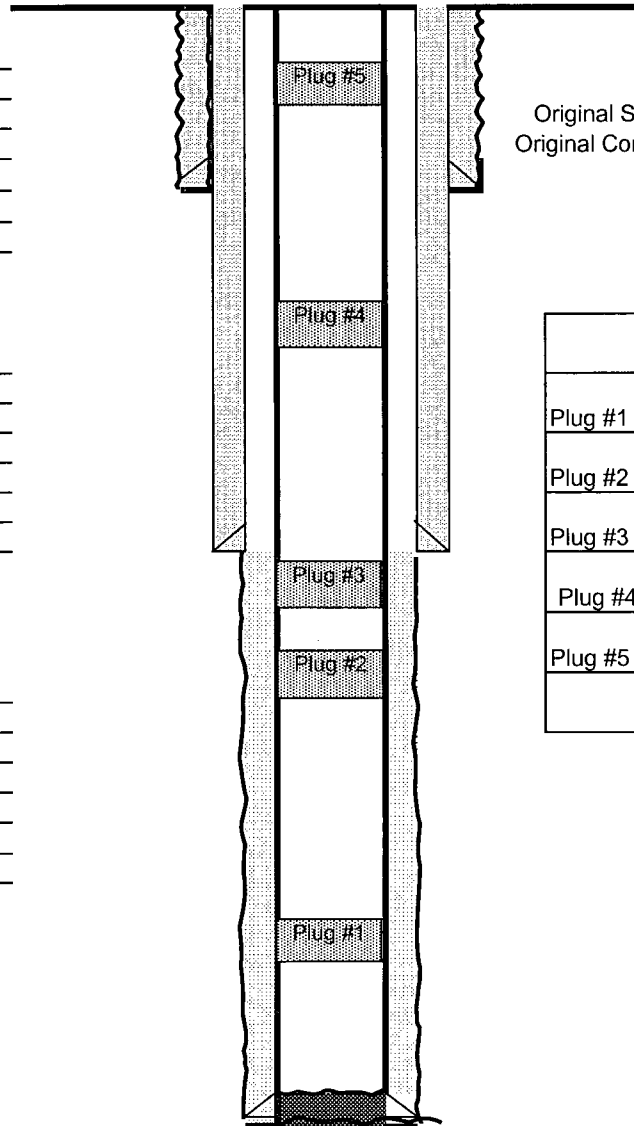
Size: 13 3/8"
Wt.:
Set @: 291
Sxs cmt: 300
Circ: yes
TOC: surf
Hole Size: 18"

Intermediate Csg.

Size: 9 5/8"
Wt.:
Set @: 3350'
Sxs cmt: 1900
Circ: no
TOC: 433
Hole Size: 11"

Producing Csg.

Size: 5 1/2"
Wt.:
Set @: 10,245
Sxs cmt: 1150
Circ:
TOC:
Hole Size: 7 7/8"



KB:
DF:
GL:
Original Spud Date: 4/5/1951
Original Compl. Date:
P&A'd 1/27/1976

	Sx cement	Depth
Plug #1	40	7655-8015'
Plug #2	45	3490-3691'
Plug #3	60	3250-3450'
Plug #4	120	1100-1500'
Plug #5	35	100-surface

Remarks: All intervals not cemented were filled with 10.2# mud. The 13 3/8" OD casing surface-291', the 9 5/8" OD casing set surface-3350', and the portion of the 5 1/2" OD casing 3579-10245' were left in the well.

Recommended Plug and Abandon Procedure

OPERATOR: Texaco Exploration & Production Inc WELL: Mexico J #2

FOOTAGE LOCATION: 660 FSL, 1980 FEL sec./Twn/Rng: Unit O, Sec 32, T-24-S, R-38-E

Lea County, New Mexico

SCHEMATIC

TABULAR DATA

Surface Plugs:

Size 350'-surface Cemented with 40 sx.
1400'-1100' 35 sx.

Class 'C' Cement, 1.32 ft³ / sx

Intermediate Plugs:

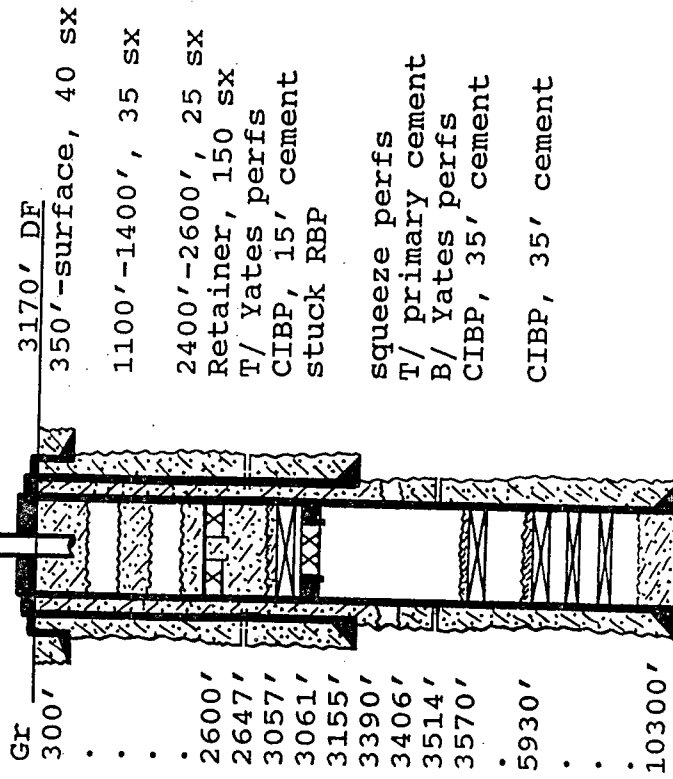
Size 2600'-2400' Cemented with 25 sx.

3042'-2600' squeeze perfs w/ 150 sx

Class 'C' Cement, 1.32 ft³ / sx

Producing Zone Plugs:

Size Cemented with sx.



PO-90M
(3/92)

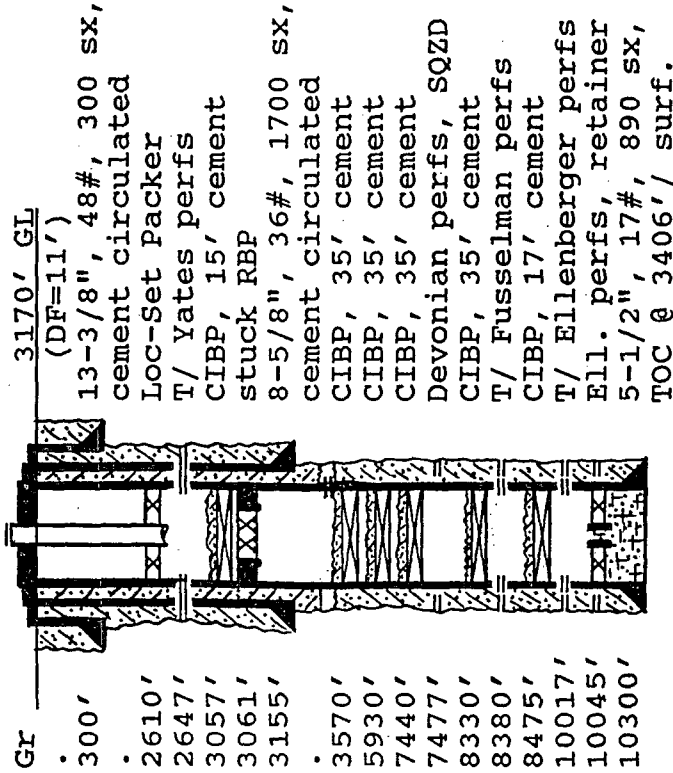
PRODUCING WELL DATA SHEET

OPERATOR: Texaco Exploration & Production Inc. WELL: Mexico "J" #2

FOOTAGE LOCATION: 660 FSL, 1980 FEL Sec./Twn/Rng: Unit O, Sec 32, T-24-S, R-38-E

Lea County, New Mexico

SCHEMATIC



TABULAR DATA

Surface Casing: Set at: 300'
Size 13-3/8", 48# Cemented with 300 sx.
TOC surface ' determined by circulation
Hole Size 17" Spud Date: 12-21-51
Intermediate casing: Set at: 3155'
Size 8-5/8", 36# Cemented with 1700 sx.
TOC surface ' determined by circulation
Hole Size 11"
Production Casing: Set at: 6955'
Size 5-1/2", 17# Cemented w/ 287+603 sx.
TOC 3406/ surf. ' determined by CBL / SQZ
Hole Size 7-7/8, DV tool set at 8461'.

Producing Interval: W. Dollarhide Yates 7R
2647' to 3514' through: 139 holes @ 1 SPF
Tubing: 2-7/8", 4.7#, J-55

**CURRENT
WELLBORE DIAGRAM**

West Dollarhide Devonian Unit 115

Created: 6/9/2008 **By:** NC
Lease: W. Dollarhide Dev Ut
Surface Location: 1650' FNL 330 FWL
County: Lea **St:** NM
Current Status: Plugged & Abandoned

Well No.: 115
Unit Ltr: E **Sec:** 4
St Lease: **API:** 30-025-12352
Elevation: 3151' FR
Field: West Dollarhide Dev
Tshp/Rng: 25S 38E
Cost Center:

Surface Csg.

Size: 13 3/8"
Wt.: 54.5# & 61#
Set @: 304'
Sxs cmt: 300
Circ: yes
TOC: surf
Hole Size: 17 1/2"

Intermediate Csg.

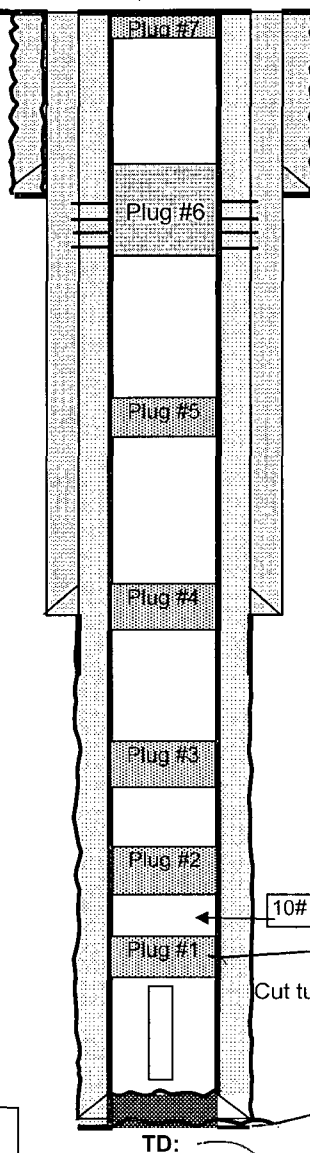
Size: 9 5/8"
Wt.: 36#
Set @: 2900'
Sxs cmt: 1200
Circ: no
TOC: 1935' TS
Hole Size: 12 1/4"

Producing Csg.

Size: 7"
Wt.: 23#, 26#
Set @: 8849'
Sxs cmt: 720
Circ: no
TOC: 6075' TS
Hole Size: 8 3/4"

Plugging:

Cut tubing at 7722'
 Spot 40 sx of cmt at 7600'. Tag TOC @7301'.
 Spot 35 sx from 5970-5686'
 Spot 30 sx from 4800-4621'
 Spot 30 sx from 3000-2821'
 Spot 35 sx from 2000-1791'
 Perf at 355'. Sqz 75 sx under packer at 100'. Tag TOC at 300'.
 Spot 12 sx from 300-229'
 Mix & circ 10 sx 60' to surface.



KB:
DF:
GL: 3151'
Original Spud Date: 5/22/1952
Original Compl. Date:
P&A'd 3/27/2003

	Sx cement	Depth
Plug #1	40	7301-7600
Plug #2	35	5686-5970'
Plug #3	30	4621-4800'
Plug #4	30	2821-3000'
Plug #5	35	1791-2000'
Plug #6	12	300-229'
Plug #7	10	0-60'

TD:
10,590'

7301-7600'

8849'

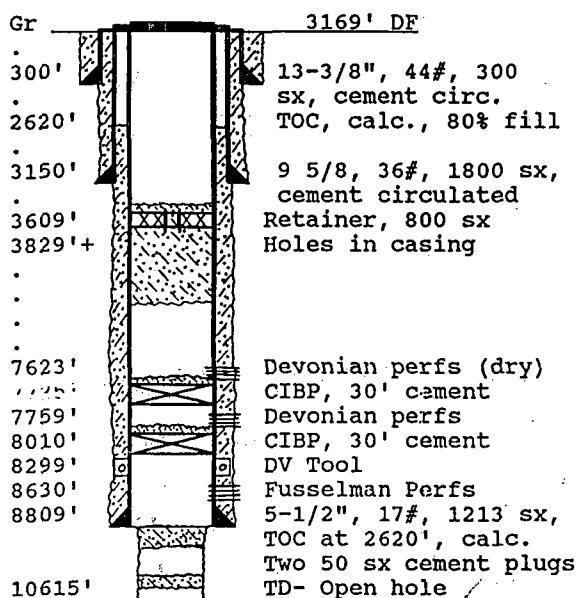
Exaggeration of hole

OK

PRODUCING WELL DATA SHEET

OPERATOR: Texaco Exploration & Production Inc WELL: Mexico L #2
 FOOTAGE LOCATION: 1980 FNL, 660 FEL Sec./Twn/Rng: Unit H, Sec 5, T-25-S, R-38-E
Devonian tested dry on completion, bad casing in Queen. Lea County, New Mexico

SCHEMATIC



Estimated tops:
 Salt 1182'-2528'
 Queen 3640'
 Drinkard 6395'
 Devonian 7625'
 Fusselman 8624'
 Ellenberger 10578'

TABULAR DATA

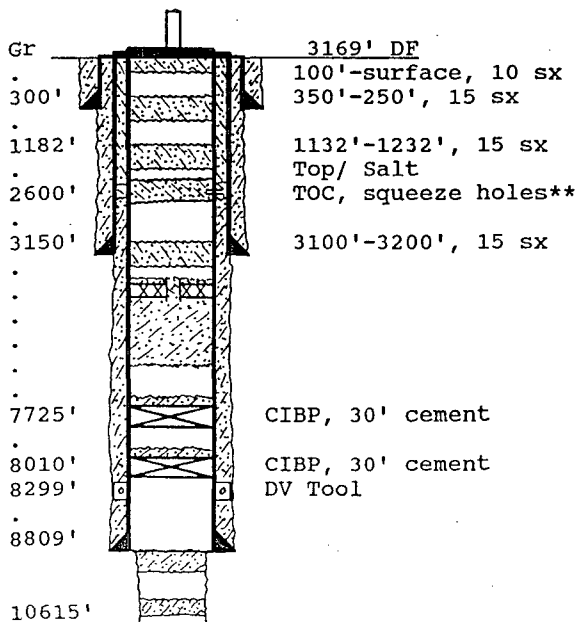
Surface Casing: Set at: 300'
 Size 13-3/8, 44# Cemented with 300 sx.
 TOC surface ' determined by circulated
 Hole Size 18" Comp. Date 3-21-52
Intermediate casing: Set at: 3150'
 Size 9-5/8", 36# Cemented with 1800 sx.
 TOC surface ' determined by circulated
 Hole Size 12-1/4"
Production Casing: Set at: 8809'
 Size 5 1/2, 17# Cemented with 800 sx.
 TOC 2620 ' determined by calculated
 Hole Size 7 7/8, DV tool set at 8299'
Completion Intervals:
7623 ' to 7658 ' Devonian, dry, Perf
7759 ' to 7816 ' Devonian, dry, Perf
8630 ' to 8660 ' Fusselman, dry, Perf
10,586 ' to 10,615 ' Fusselman, dry, OH

Recommended Plug and Abandon Procedure

PO-113
 (3/92)

OPERATOR: Texaco Exploration & Production Inc WELL: Mexico L #2
 FOOTAGE LOCATION: 1980 FNL, 660 FEL Sec./Twn/Rng: Unit H, Sec 5, T-25-S, R-38-E
Lea County, New Mexico

SCHEMATIC



TABULAR DATA

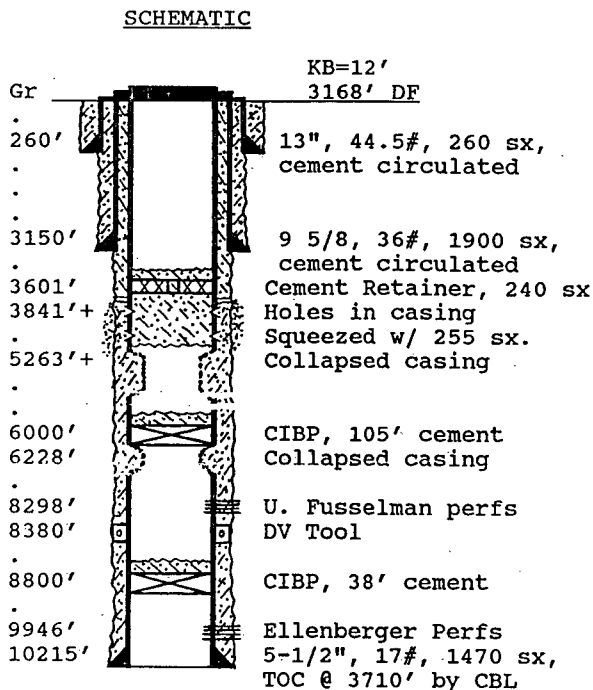
Surface Plugs:
 Size 100'-surface Cemented with 10 sx.
350'-250' 15 sx.
 Class 'C' Cement, 1.32 ft³ / sx
Intermediate Plugs:
 Size 1132'-1232' Cemented with 15 sx.
2550'-2650' 15 sx
3100'-3200' 15 sx
 Class 'C' Cement, 1.32 ft³ / sx
Producing Zone Plugs:
 Size none Cemented with _____ sx.

Upper Devonian perfs swabbed dry after completion. Deterioration of casing prevents running a retainer or CIBP down to Devonian perfs.

PRODUCING WELL DATA SHEET

PO-113
(3/92)

OPERATOR: Texaco Exploration & Production Inc WELL: Mexico L #3
FOOTAGE LOCATION: 1980 FEL, 660 FNL Sec./Twn/Rng: Unit B, Sec 5, T-25-S, R-38-E
Annulus, holes in casing squeezed with 750 sx, 1-79. Lea County, New Mexico



Estimated tops:

Salt 1166'-2490'
Queen 3564'
Drinkard 6270'
Devonian 7422'
Fusselman 8384'
Ellenberger 9957'

TABULAR DATA

Surface Casing: Set at: 260'
Size 13\", 44.5# Cemented with 260 sx.
TOC surface ' determined by circulated
Hole Size 18\" Comp. Date 4-19-52

Intermediate casing: Set at: 3150'
Size 9-5/8\", 36# Cemented with 1900 sx.
TOC surface ' determined by circulated
Hole Size 12-1/4\"

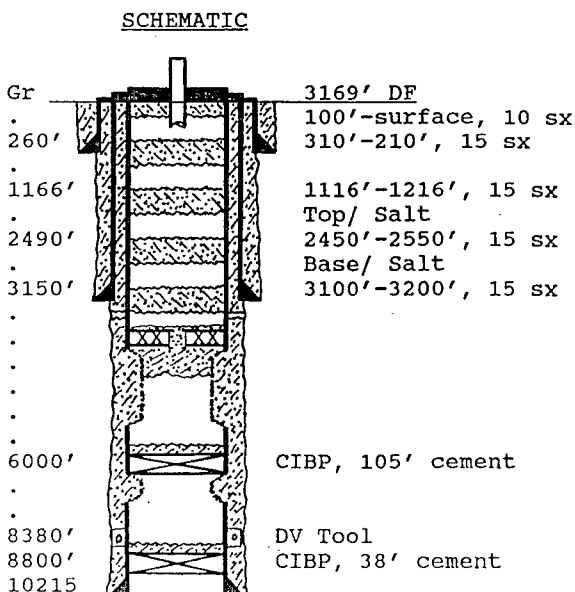
Production Casing: Set at: 10,215'
Size 5 1/2\", 17# Cemented with 1470 sx.
TOC 3710/surf.* ' determined by CBL/Squeeze
Hole Size 7 7/8\", DV tool set at 8380'

Completion Intervals:
8298' to 8309' Upper Fusselman Perfs
9946' to 10,070' Ellenberger Perfs
_____' to _____'
_____' to _____'

Recommended Plug and Abandon Procedure

PO-113
(3/92)

OPERATOR: Texaco Exploration & Production Inc WELL: Mexico L #3
FOOTAGE LOCATION: 1980 FEL, 660 FNL Sec./Twn/Rng: Unit B, Sec 5, T-25-S, R-38-E
Lea County, New Mexico



TABULAR DATA

Surface Plugs:
Size 100'-surface Cemented with 10 sx.
310'-210' 15 sx.
Class 'C' Cement, 1.32 ft³ / sx

Intermediate Plugs:
Size 1116'-1216' Cemented with 15 sx.
2450'-2550' 15 sx
3100'-3200' 15 sx
Class 'C' Cement, 1.32 ft³ / sx

Producing Zone Plugs:
Size none Cemented with _____sx.

**CURRENT
WELLBORE DIAGRAM**

Mexico L #11

Created: 6/5/2008 **By:** NC
Lease: Mexico L
Surface Location: 516 FNL 2310 FEL
County: Lea **St:** NM
Current Status: Plugged & Abandoned
 Oil well

Well No.: 11
Unit Ltr: C
St Lease: B-9317
Elevation: 3133' GR

Field: Dollarhide Devonian
Sec: 5 **Tshp/Rng:** 25S 38E
API: 30-025-12375 **Cost Center:**

Surface Csg.

Size: 13 3/8"
Wt.: 36# & 48#
Set @: 250'
Sxs cmt: 250
Circ: yes
TOC: surface
Hole Size: 18"

Intermediate Csg.

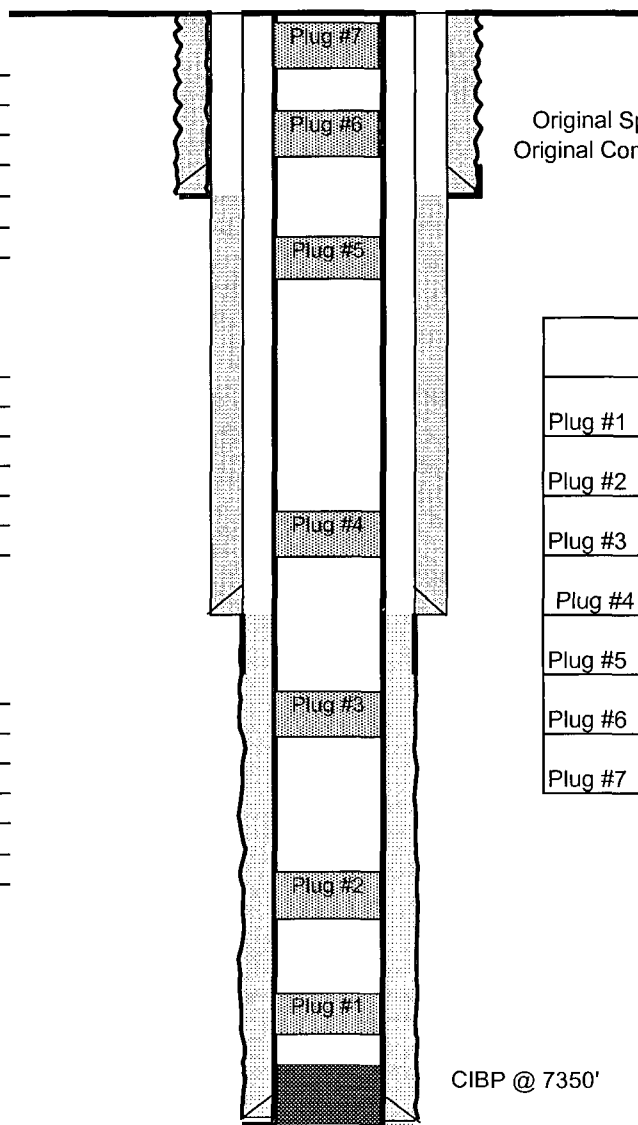
Size: 9 5/8"
Wt.: 36#
Set @: 3150'
Sxs cmt: 1800
Circ: no
TOC: 250'
Hole Size: 12 1/4"

Producing Csg.

Size: 5 1/2"
Wt.: 17#
Set @: 8490'
Sxs cmt: 910
Circ: no
TOC: 3150'
Hole Size: 6 1/8"

Perfs:

7514-30,33-38,41-44 PB to 7492'
 7405-16,38-51,58-60,76-82



KB:
DF: 3147'
GL: 3133'
Original Spud Date: 8/21/1989
Original Compl. Date: 8/28/1989
P&A'd 12/20/2002

	Sx cement	Depth
Plug #1	25	7250-7350
Plug #2	25	5000-5200
Plug #3	25	3500-3700
Plug #4	210	2700-3200
Plug #5	75	1000-1200
Plug #6	300	150-300
Plug #7	15	60-surface

Glorieta
Queen

CIBP @ 7350'

TD: 8490'
PBTD 7492'

Remarks:

**CURRENT
WELLBORE DIAGRAM**

West Dollarhide Devonian Unit 116

Created: 6/9/2008 **By:** NC
Lease: W. Dollarhide Dev. Ut
Surface Location: 1980' FSL 660' FEL
County: Lea **St:** NM
Current Status: Plugged & Abandoned

Well No.: 116
Unit Ltr: I
St Lease:
Elevation: 3134' GL

Field: W. Dollarhide Devonian
Tshp/Rng: 25S 38E
API: 30-025-12390 **Cost Center:**

Surface Csg.

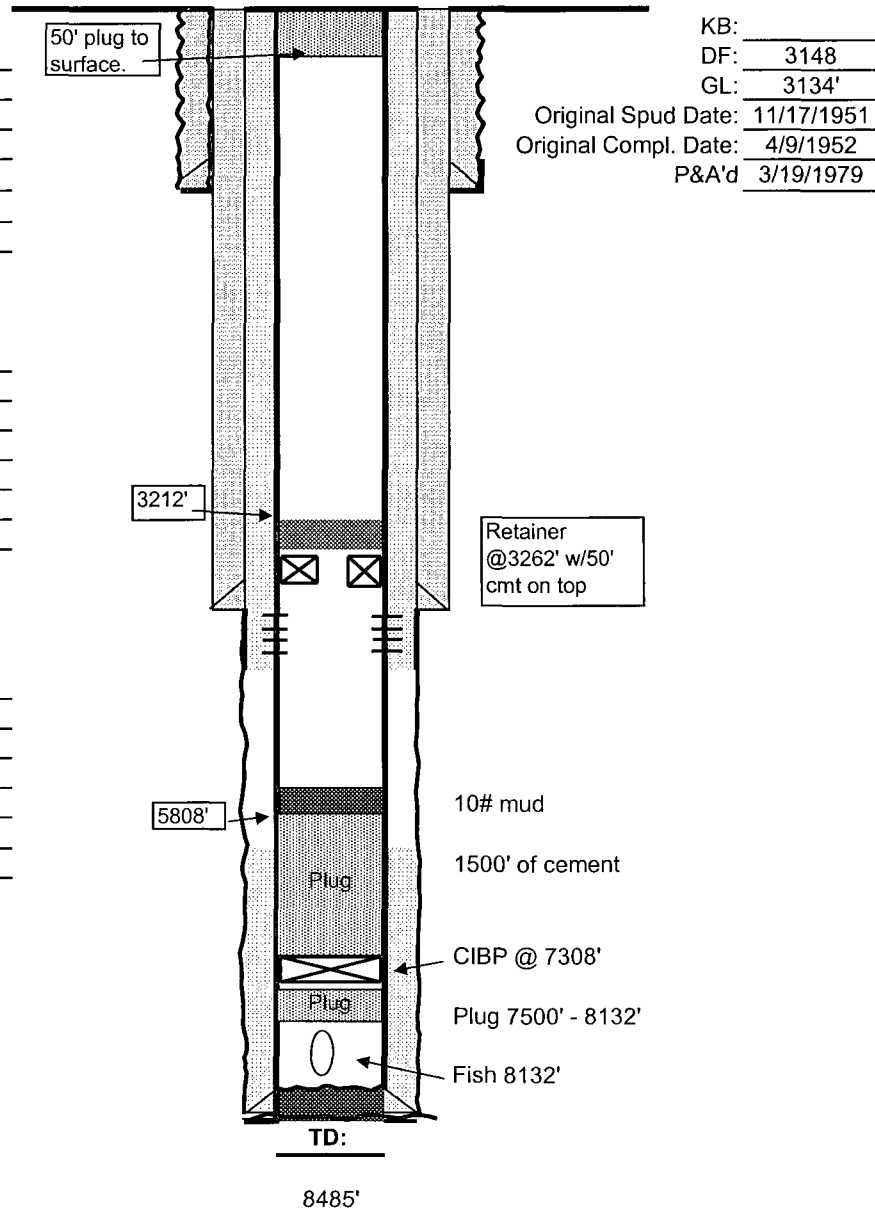
Size: 13 3/8"
Wt.: 48#
Set @: 320'
Sxs cmt: 300
Circ: yes
TOC: surface
Hole Size: 17 1/2"

Intermediate Csg.

Size: 9 5/8"
Wt.: 36#
Set @: 3348'
Sxs cmt: 2100
Circ: ?
TOC: ?
Hole Size: 11"

Producing Csg.

Size: 5 1/2"
Wt.: 17#
Set @: 8484'
Sxs cmt: 485
Circ: no
TOC: 5987' @ 75% eff.
Hole Size: 7 7/8"



With top of fish @8132', spotted 70 sx cmt from 8132' to 7500.' Set CIBP @7308'. 170 sx cement. Plug 7308' to 5808'.
Perf 5 1/2" csg @3349-50'. Cement retainer set @ 3262'. 675 sx cement circ to surface.
Left 50' cmt on top of cement retainer. Spotted 50' plug to surface.

Service Area
Received

Martin Water Laboratories, Inc.

P.O. BOX 98
MIDLAND, TX. 79702
PHONE (432) 683-4521

JUN 06 AM.

709 W. INDIANA
MIDLAND, TEXAS 79701
FAX (432) 682-8819

RESULT OF WATER ANALYSES

TO: Mr. John Bermea LABORATORY NO. 608-23
PO Drawer 29, Andrews, TX 79714 SAMPLE RECEIVED 6-2-08
RESULTS REPORTED 6-5-08

COMPANY Chevron LEASE Dollarhide - Mexico J & L

FIELD OR POOL _____

SECTION _____ BLOCK _____ SURVEY _____ COUNTY Andrews STATE Texas

SOURCE OF SAMPLE AND DATE TAKEN:

NO. 1 Submitted water sample - taken from tank battery on 5-30-08.

NO. 2 _____

NO. 3 _____

NO. 4 _____

REMARKS: _____

CHEMICAL AND PHYSICAL PROPERTIES

	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.0370			
pH When Sampled				
pH When Received	6.86			
Bicarbonate as HCO ₃	708			
Supersaturation as CaCO ₃				
Undersaturation as CaCO ₃				
Total Hardness as CaCO ₃	8,600			
Calcium as Ca	2,720			
Magnesium as Mg	437			
Sodium and/or Potassium	19,097			
Sulfate as SO ₄	2,375			
Chloride as Cl	33,379			
Iron as Fe	2.5			
Barium as Ba	0			
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	58,715			
Temperature °F.				
Carbon Dioxide, Calculated	184			
Dissolved Oxygen,				
Hydrogen Sulfide	201			
Resistivity, ohms/m at 77° F.	0.144			
Suspended Oil				
Fixed Acid Reactivity (xxxxxxx) Corrosiveness	Mod-Severe			
xxxxxxx Barium Sulfate Scaling Tendency	None			
CaCO ₃ S.I. @ 77° F. (Stiff-Davis)	0.31			
CaCO ₃ S.I. @ 122° F. (Stiff-Davis)	0.90			
Calcium Sulfate Scaling Tendency	Mild			

Results Reported As Milligrams Per Liter

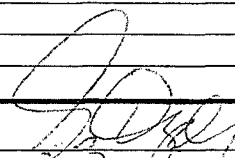
Additional Determinations And Remarks

CaCO₃ S.I. - A positive fig. signifies a scaling potential proportionate to the magnitude of the number, and a negative fig. signifies no scaling potential.

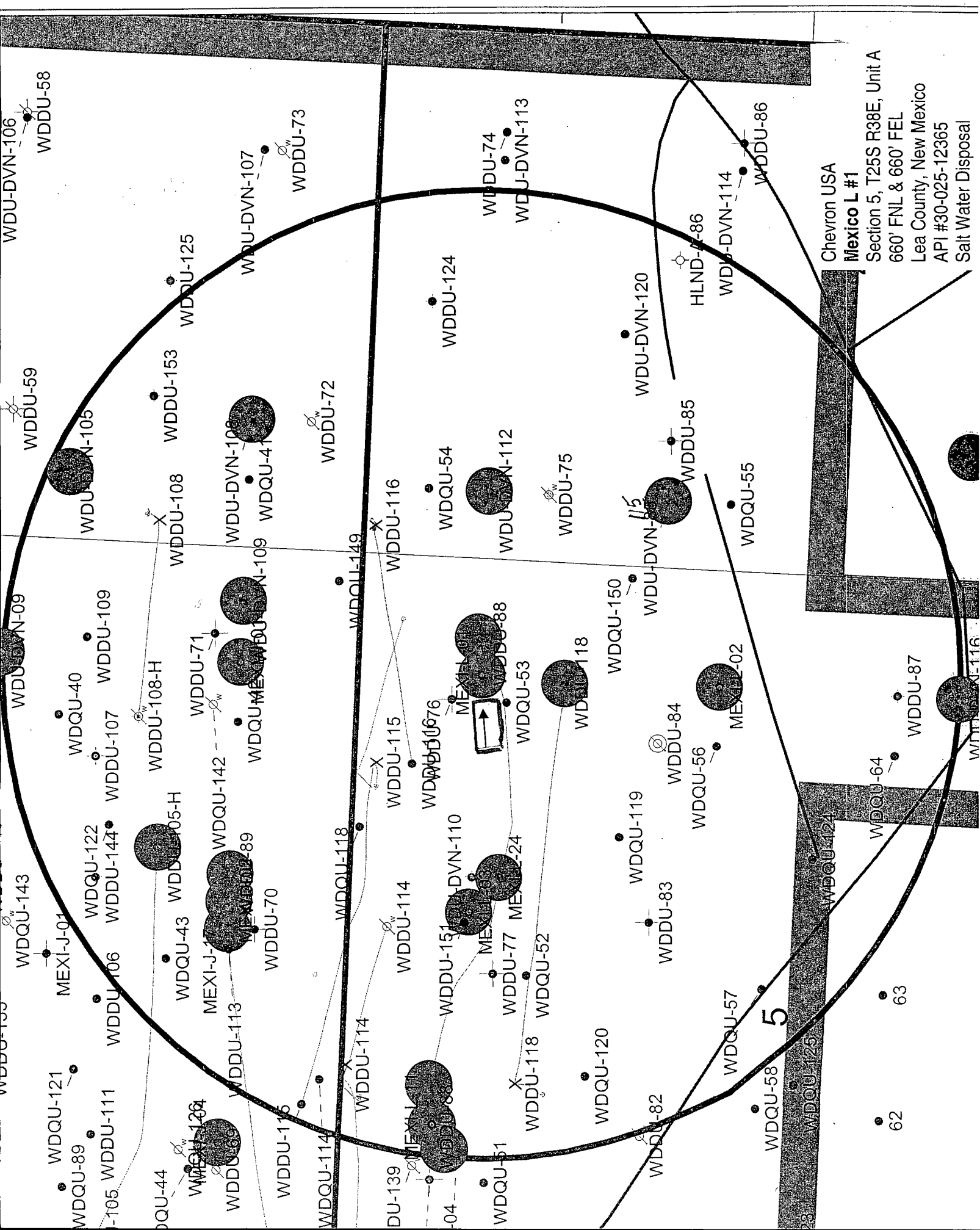
Please feel free to contact us for any details or discussions concerning these results.

Form No. 3

By



Greg Ogden, B.S.



Chevron USA
Mexico L #1
Section 5, T25S R38E, Unit A
660' FNL & 660' FEL
Lea County, New Mexico
API #30-025-12365
Salt Water Disposal

API	Well #	Property	Well type	Well status	Field	Formation	Operator	County	Twnshp	Range	Sec	Unit	Lat	Long	Surface N/S	Surface EW	TVD	Spud	P&A	Hole size	Casing type	Casing size	Set at	Sacks cement	Cement top	Method determined
3002512366	2	Mexico L	Oil	P&A	Dollarhide	Devonian	Texaco	Lea	25.0S	38E	5	H	32.16112	-103.0761	1980 N	660 E	10615'	10/2/51	10/23/92	18"	Surf	13 3/8"	300	300	surface	circ
																				12 1/4"	Inter	9 5/8"	3150	1800	surface	circ
																				7 7/8"	Prod	5 1/2"	8809	1213	2660'	est.
3002512367	3	Mexico L	Oil	P&A	Dollarhide	Fusselman	Texaco	Lea	25.0S	38E	5	B	32.16475	-103.0804	660 N	1980 E	10215'	1/10/52	10/27/92	18"	surf	13"	260'	260	surf	circ
																				12 1/4"	inter	9 5/8"	3150'	1900	surf	circ
																				7 7/8"	prod	5 1/2"	10215'	1470	3710'	CBL
3002512368	4	Mexico L	Oil	active	Dollarhide	Ellenburger	Chevron	Lea	25.0S	38E	5	C	32.16475	-103.0846	660 N	1980 W	10200'	6/24/52		18"	surf	13 3/8"	250'	250	surface	circ
																				12 1/4"	inter	8 5/8"	3150'	1600	surface	circ
3002512375	11	Mexico L	Oil	P&A	Dollarhide	Devonian	Chevron	Lea	25.0S	38E	5	C	32.16515	-103.0841	516 N	2130 W	8490'	8/21/89	12/20/02	18"	surf	13"	250'	250	surface	circ
																				12 1/4"	inter	9 5/8"	3150'	1800	250'	est.
																				6 1/8"	prod	5 1/2"	8490'	910	3150'	est.
3002512387	68H	West Dollarhide Drinkard Unit	Oil	active	Dollarhide	Tubb-Drinkard	Chevron	Lea	25.0S	38E	5	A	32.16473	-103.0756	667 N	500 E	8680'	6/30/56	**	11"	surf	8 5/8"	3150'	2000	surface	circ
																				7 7/8"	prod	5 1/2"	8660'	805	774'	TS
3002512388	24	Mexico L	Oil	TA	Dollarhide	Fusselman	Chevron	Lea	25.0S	38E	5	B	32.16432	-103.0797	816 N	1780 E	8691'	8/10/57	**	11"	surf	8 5/8"	3150'	2000	surface	circ
																				7 7/8"	prod	5 1/2"	8700'	702	700'	TS
3002512390	116	West Dollarhide Devonian Unit	Oil	P&A	Dollarhide	Devonian	Chevron	Lea	25.0S	38E	5	I	32.15746	-103.0761	1980 S	660 E	8486'	11/17/51	3/19/79	17 1/2"	surf	13 3/8"	320'	300	surf	circ
																				11"	inter	8 5/8"	3348'	2100	?	?
																				7 7/8"	prod	5 1/2"	8484'	485	5987' @ 75% eff	calc

✓ 11/19/76 ACTIVE
9962-10135
97

S

S

S

S

API	Well #	Property	Well type	Well status	Field	Formation	Operator	County	Twtnshp	Range	Sec	Unit	Lat	Long	Surface N/S	Surface E/W	TVD	Spud	P&A	Hole size	Casing type	Casing size	Set at	Sacks cement	Cement top	Method determined		
3002512295	1	Mexico J	Oil	P&A	Dollarhide	Fusselman	Shelly Oil Co.	Lea	24.0S	38E	32	P	32.16838	-103.0761	660	S	660	E	10245'	4/5/51	1/27/76	18"	Surf	13 3/8"	291'	300	surf	circ
																				12 1/4"	Inter	9 5/8"	3350'	1900	3350	circ		
																				7 7/8"	Prod	5 1/2"	10245'	1150	?	?		
3002512296	2	Mexico J	Gas	P&A	Dollarhide	Tansill Yates 7 Rivers	Texaco	Lea	24.0S	38E	32	O	32.16838	-103.0804	660	S	1980	E	10300'	9/12/51	12/1/93	18"	Surf	13 3/8"	300'	300	surface	circ
																				12 1/2"	Inter	8 5/8"	3155'	1700	surface	circ		
																				7 7/8"	Prod	5 1/2"	10300'	843	3406'	CBL		
3002512311	17	Mexico J	Oil	TA	Dollarhide	Fusselman	Chevron	Lea	24.0S	38E	32	N	32.16838	-103.0841	660	S	2130	W	8600'	2/15/54	**	11"	Surf	8 5/8"	3150'	2000	surface	circ
																				7 7/8"	Prod	5 1/2"	8600'	910	4298'	bond log		
3002512317	89	West Dollarhide Drinkard Unit	Inj	active	Dollarhide	Tubb-Drinkard	Chevron	Lea	24.0S	38E	32	O	32.16838	-103.0799	660	S	1830	E	7385'	4/18/83	**	11"	Surf	8 5/8"	3150'	2000	surface	circ
																				7 3/4"	Prod	5 1/2"	8680'	910	3330'	bond log		
3002512318	109	West Dollarhide Devonian Unit	Inj	active	Dollarhide	Devonian	Pogo Producing	Lea	24.0S	38E	32	P	32.16838	-103.075	660	S	330	E	8700'	5/19/56	**	11"	Surf	8 5/8"	3150'	2000	surface	circ
																				7 7/8"	Prod	5 1/2"	8700'	805	3210'	calc		
3002512337	108	West Dollarhide Devonian Unit	Oil	active	Dollarhide	Devonian	OXY USA	Lea	24.0S	38E	33	M	32.16837	-103.0718	660	S	660	W	10310'	9/2/51	**	17 1/2"	Surf	13 3/8"	306'	325	surface	circ
																				12 1/4"	Inter	9 5/8"	2877'	1300	surface	circ		
																				8 3/4"	Prod	7"	10308'	416300	8810'	TS		
3002512340	105	West Dollarhide Devonian Unit	Inj	TA	Dollarhide	Devonian	OXY USA	Lea	24.0S	38E	33	L	32.1711	-103.0729	1650	S	330	W	8780'	11/2/52	**	17 1/2"	Surf	13"	282'	325	surface	circ
																				11"	Inter	8 5/8"	2900'	1450	1335'	TS		
																				7 7/8"	Prod	5 1/2"	8779'	500	5358'	TS		
3002512352	115	West Dollarhide Devonian Unit	Oil	P&A	Dollarhide	Devonian	Arch Petroleum, Inc.	Lea	25.0S	38E	4	E	32.16202	-103.0729	1650	N	330	W	10590'	5/22/52	3/27/03	17 1/2"	Surf	13 3/8"	304'	300	surf	circ
																				12 1/4"	Inter	9 5/8"	2900'	1200	1935'	TS		
																				8 3/4"	Prod	7"	8849'	720	6075'	TS		
3002512356	112	West Dollarhide Devonian Unit	Inj	active	Dollarhide	Devonian	OXY USA	Lea	25.0S	38E	4	D	32.16475	-103.0729	660	N	330	W	10300'	1/16/52	**	17 1/2"	Surf	13 3/8"	299'	350	surface	circ
																					Inter	9 5/8"	2889'	1700		no circ		
																					Prod	5 1/2"	10283'	1750	2895'	TS		

OK E/B/C 7/80
100 ft
402389

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

MISCELLANEOUS NOTICES

Submit this notice in triplicate to the Oil Conservation Commission or its proper agent before the work specified is to begin. A copy will be returned to the sender on which will be given the approval, with any modifications considered advisable, or the rejection by the Commission or agent, of the plan submitted. The plan as approved should be followed, the Rules and Regulations of the Commission.

Indicate nature of notice by checking below:

NOTICE OF INTENTION TO TEST CASING SHUT-OFF	7"	NOTICE OF INTENTION TO SHOOT OR CHEMICALLY TREAT WELL
NOTICE OF INTENTION TO CHANGE PLANS		NOTICE OF INTENTION TO PULL OR OTHERWISE ALTER CASING
NOTICE OF INTENTION TO REPAIR WELL		NOTICE OF INTENTION TO PLUG WELL
NOTICE OF INTENTION TO DEEPEN WELL		

(? about Cement)

Hobbs, New Mexico

December 19, 1951

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico

Gentlemen:

Following is a notice of intention to do certain work as described below at the

Gulf Oil Corporation Harry Leonard Well No. 7-E in SW SW
Company or Operator Lease
of Sec. 33, T. 24S, R. 38E, N. M. P. M. Undesignated Field.
Lea County.

FULL DETAILS OF PROPOSED PLAN OF WORK

FOLLOW INSTRUCTIONS IN THE RULES AND REGULATIONS OF THE COMMISSION

On December 15, 1951, ran 245 joints, 10,298', of 7" OD 29-26 & 23# 8 R.T. SS casing from bottom up: 28 joints, 1179.03' of 29# N-80 R-3 LT&C National, 51 joints, 2268.52' of 26# N-80 R-3 LT&C, 143 joints, 5851.92' of 23# N-80 R-3 LT&C, 22 joints, 975.26' of 26# N-80 R-3 LT&C and 1 joint 18.51' of 29# N-80 on top with 19 Weatherford scratchers and 5 centralizers from 10,300' to 10,080' and 5 centralizers from 7,950' to 7,540' and 14 centralizers from 7,100' to 6,050' set and cemented at 10,308' with 200 sack of trinity slow set neat cement. Plug at 10,263'. Maximum pump pressure 1000#. Job complete at 6:00 p.m. 12-15-51 by HOWCO. Temperature survey by HOWCO, found top of cement behind 7" casing at 8,810'. On 12-16-51, perforated 7" casing at 8760' with (2) ~~two~~ 1/2" bullet holes at 4:30 p.m. 12-16-51. Circulating behind 7" casing 3 hours and pick up 2-3/8" tubing w/HOWCO Drillable cement retainer on bottom of tubing. Ran in hole & set retainer at 8711' in 7" casing and re-cemented w/625 sacks bulk 2% Gel cement and 50 sacks Neat cement on bottom. Maximum pressure 2000#. Displaced w/33-1/2 bbls mud. Complete at 3:00 p.m. 12-17-51. Top cement behind 7" casing at 2925' per Gulf. Propose to test 7" casing shut-off at 3:00 p.m. 12-19-51.

Approved
except at follows:

DEC 2

By

Position

Area Prod. Supt.
Send communications regarding well to

Name

Gulf Oil Corporation

Address

Box 2167, Hobbs, New Mexico

By

Title

OIL CONSERVATION COMMISSION,

Oil & Gas Inspector

AOR Well

(Producing in)

AOR

Well Name:	MEXICO L # 004	API:	3002512368			
Location:	C-5-25.0S-38E 660 FNL 1980 FWL					
Lat:	32.16475021	Long:	-103.0846251			
Operator Name:	CHEVRON U S A INC	County:	Lea			
Land Type:	State	Well Type:	Oil			
Spud Date:		Plug Date:				
Elevation GL:		Depth TVD:	10200	APC Status:		
Pool Name:	DOLLARHIDE;ELLENBURGER					
Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced	Accum. Oil(BBLS)	Accum. Gas(MCF)
Year:	2006					
Pool Name:	DOLLARHIDE;ELLENBURGER					
Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced	Accum. Oil(BBLS)	Accum. Gas(MCF)
January	492	135	8491	31	362356	116322
February	426	42	3776	28	362782	116364
March	666	113	5250	31	363448	116477
April	529	111	6361	30	363977	116588
May	589	102	6284	31	364566	116690
June	518	72	2909	30	365084	116762
July	665	115	5533	31	365749	116877
August	515	166	5680	31	366264	117043
September	489	87	3666	30	366753	117130
October	673	125	10865	31	367426	117255
November	654	154	11303	30	368080	117409
December	603	259	15894	31	368683	117668
Year:	2007					
Pool Name:	DOLLARHIDE;ELLENBURGER					
Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced	Accum. Oil(BBLS)	Accum. Gas(MCF)
January	596	157	6133	31	369279	117825
February	592	288	4966	28	369871	118113
March	667	47	5376	31	370538	118160
April	667	215	5334	30	371205	118375
May	586	264	5026	31	371791	118639
June	592	246	5306	30	372383	118885
July	519	141	5764	31	372902	119026
August	757	180	4689	31	373659	119206
September	520	99	6540	24	374179	119305
October	0	0	0	0	374179	119305
November	0	0	0	0	374179	119305
December	0	0	0	0	374179	119305
Year:	2008					
Pool Name:	DOLLARHIDE;ELLENBURGER					
Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced	Accum. Oil(BBLS)	Accum. Gas(MCF)
January	0	0	0	0	374179	119305
February	0	0	0	0	374179	119305
March	0	0	0	0	374179	119305
April	0	0	0	0	374179	119305
May	0	0	0	0	374179	119305
June	0	0	0	0	374179	119305
July	0	0	0	0	374179	119305
August	0	0	0	0	374179	119305
September	0	0	0	0	374179	119305
October	0	0	0	0	374179	119305
November	0	0	0	0	374179	119305
December	0	0	0	0	374179	119305

NOTIFICATION LIST

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

Mexico "L" Well No. 1

660' FNL & 660' FEL

Section 5, T-25-S, R-38E, Unit Letter A

Lea County, New Mexico

Offset Operators, Working Interest Owners, E/2 Section 4 -T25S-R38E; and SW/4SW/4 Section 33-T24S-R35E:

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

Oxy U.S.A. WTP L. P.
P. O. Box 4294
Houston, Texas 77210

Arch Petroleum Incorporated
P. O. Box 2504
Houston, Texas 77252-2504

Offset Operators, Working Interest Owners, NE/4 Section 5-T25S-R38E:

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

Chaparral Energy Inc. LLC
701 Cedar Lake Boulevard
Oklahoma, OK 73114

Offset Operators, Working Interest Owners, NE/4SE/4 & NW/4SE/4 Section 5-T25S-R38E:

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

Chaparral Energy Inc. LLC
701 Cedar Lake Boulevard
Oklahoma, OK 73114

Offset Operators, Working Interest Owners, SW/4 Section 32-T24S-R38E:

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

Chaparral Energy Inc. LLC
701 Cedar Lake Boulevard
Oklahoma, OK 73114

Surface Owner for Sections 5, T25S-R38E:

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

Nancy Cayce
Technical Assistant
Permian Basin

Mid-Continent Business Unit
Chevron Corporation
15 Smith Rd.
Midland, Texas 79705
Tel 432-687-7455
Fax 432-687-7871
cayn@chevron.com

June 16, 2008

RE: **Mexico 'L' #1**
Convert to Salt Water Disposal
Lea Co., New Mexico

Offset Operators:

For your information, Chevron USA, Inc., as operator, filed an application with the New Mexico Oil Conservation Division to convert the Mexico 'L' #1 from a temporarily abandoned oil well to a salt water disposal well, located in Section 5, Unit A, T25S, R38E, Lea County, New Mexico.

Included with this letter is the OCD Form C-108 with information relative to the water disposal conversion of the referenced well. A copy of the legal notice posted in the Hobbs News-Sun is included. The enclosed map highlights the location of the well in relation to your offset operations.

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

If you require additional information, please contact me at 432-687-7455 or cayn@chevron.com.

Sincerely,

Nancy Cayce

SENDER: COMPLETE THIS SECTION

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

Article Addressed to:

State of New Mexico
D- District 1
225 N. French Dr.
Hobbs, NM 88240

Article Number

(Transfer from service label)

7007 2560 0002 4790 7714

Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Proof of notice

SENDER: COMPLETE THIS SECTION

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

Article Addressed to:

State of New Mexico
Oil Conservation Div.
220 S. St. Francis Dr.
Santa Fe, NM 87505
Attn: Mark Fesmire

Article Number

(Transfer from service label)

7008 1140 0002 5849 2522

Form 3811, February 2004

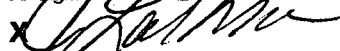
Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

6-17-08

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

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:

New Mexico Oil Conservation
Division
1220 S. St. Francis
Santa Fe, NM 87505

2. Article Number

(Transfer from service label)

7007

PS Form 3811, February 2004

Domestic R

Proof of notice

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:

State of NM - DCD
District 1
1625 N. French Dr.
Hobbs, NM 88240

2. Article Number

(Transfer from service label)

7008 11

PS Form 3811, February 2004

Domestic F

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

6/17

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

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:

OXY USA, Inc.
Elizabeth Bush-Ivie
P.O. Box 4294
Houston, TX 77210

2. Article Number

(Transfer from service label)

7007 2

PS Form 3811, February 2004

Domestic I

SENDER: COMPLETE THIS SECTION

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

Article Addressed to:

Hobbs News-Sun
201 N. Thorp
Hobbs, NM 88240

Article Number

(Transfer from service label)

7007 2560 0002 4790 7691

Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

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

Sent To Hobbs News-Sun
Street, Apt. No.,
or PO Box No. 201 N. Thorp
City, State, ZIP+4[®] Hobbs, NM 88240
PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

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

Sent To New Mexico OGD
Street, Apt. No.,
or PO Box No. 1220 S. St. Francis Dr.
City, State, ZIP+4[®] Santa Fe, NM 87505
PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

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

Sent To Arch Petroleum
Street, Apt. No.,
or PO Box No. PO Box 10340
City, State, ZIP+4[®] Midland, TX 79102-7340
PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

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

Sent To OXY USA, Inc.
Street, Apt. No.,
or PO Box No. P.O. Box 4294
City, State, ZIP+4[®] Houston, TX 77210
PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	



Nancy Cayce
Technical Assistant
Permian Basin

Mid-Continent Business Unit
Chevron Corporation
15 Smith Rd.
Midland, Texas 79705
Tel 432-687-7455
Fax 432-687-7871
cayn@chevron.com

June 12, 2008

REQUEST TO PUBLISH LEGAL NOTICE

Mexico 'L' #1
Hobbs News-Sun
201 N. Thorp
Hobbs, NM 88240

Attention: Classified Department

Chevron U.S.A., Inc. requests that you publish the attached notice in your newspaper, one time only, as soon as possible.

Please mail the invoice for this legal notice to the letterhead address above, attention: Nancy Cayce, Room 2237. Please attach a copy of the notice as it was published in your newspaper and an affidavit certifying publication of the attached notice and the date of publication.

Your prompt assistance in this matter will be greatly appreciated. Questions may be directed to me at (432) 687-7455.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Cayce".

Nancy Cayce
Technical Assistant

Attachment

Legal Notice

June 12, 2008

Notice is hereby given of the application of CHEVRON U.S.A., INC., 15 Smith Road, Midland, TX 79705, to the Oil Conservation Division, New Mexico Energy, Minerals and Natural Resources Department, for the approval of the following oil well to be converted for the purpose of water disposal.

Mexico "L" #1
Lea County, New Mexico
5-25S-38E, Unit A
660' FNL & 660' FEL
API #30-025-12365

The injection formations are the Fusselman, located between the interval of 8473' and 8853', and Ellenburger, between the interval of 9930' and 10,360'. Expected maximum injection rate will be 5,000 barrels per day and the expected injection pressure is 3,000 psi.

Persons wanting to contact Chevron U.S.A. should direct their inquiries to Nancy Cayce, Chevron USA, 15 Smith Road, Midland, TX 79705; telephone (432) 687-7455.

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

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

PUBLISHER

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

of 1
_____ weeks.

Beginning with the issue dated

June 19 2008

and ending with the issue dated

June 19 2008

Kathi Bearden

PUBLISHER

Sworn and subscribed to before

me this 19th day of

June 2008

Notary Public.

My Commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: _____

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

LEGAL NOTICE
June 19, 2008

Notice is hereby given of the application of CHEVRON
U.S.A. INC. 15 Smith Road, Midland, TX 79705, to the Oil
Conservation Division, New Mexico Energy, Minerals and
Natural Resource Department, for the Approval of the fol-
lowing oil well to be converted for the purpose of water dis-
posal.

Mexico "L" #1
Lea County, New Mexico
5-25S-38E Unit A
660' FNL & 660' FEL
API # 30-025-12365

The injection formations are the Fusselman, located be-
tween the interval of 8473' and 8853', and Ellenburger, be-
tween the interval of 9930' and 10,360'. Expected maxi-
mum injection rate will be 5,000 barrels per day and the ex-
pected injection pressure is 3,000 psi.

Persons wanting to contact Chevron U.S.A. should direct
their inquiries to Nancy Cayce, Chevron USA, 15 Smith
Road, Midland, TX 79705, telephone (432) 687-7455.

Interested parties should file objections or request for hear-
ing with the Oil Conservation Division, 1220 South St. Fran-
ces Drive, Santa Fe, New Mexico, 87505, within 15 days of
this notice.

#24141

01102480000 67551573

CHEVRON USA INC.
15 SMITH ROAD
MIDLAND, TX 79705



Nancy Cayce
Technical Assistant
Permian Basin

Mid-Continent Business Unit
Chevron Corporation
15 Smith Rd.
Midland, Texas 79705
Tel 432-687-7455
Fax 432-687-7871
cayn@chevron.com

June 30, 2008

State of New Mexico
Energy and Minerals Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Attention: Mark E. Fesmire, P.E., Director

RE: C108 Proof of Notice Certification
Mexico "L" #1
Lea Co., NM

Please find attached the Proof of Notice Certification for the C108 – Authorization to convert to SWD, which was mailed to your office on June 16, 2008. There are two copies in this mailing and another is being sent to the District office as well.

Your prompt consideration and approval of this application will be greatly appreciated. If additional information is required, please contact me at (432) 687-7455 or Pam Boring, at (432) 687-7879.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Cayce".

Nancy Cayce
Technical Assistant

Attachments

2008 JUL 8 PM 1 52
RECEIVED



Nancy Cayce
Technical Assistant
Permian Basin

Mid-Continent Business Unit
Chevron Corporation
15 Smith Rd.
Midland, Texas 79705
Tel 432-687-7455
Fax 432-687-7871
cayn@chevron.com

June 12, 2008

State of New Mexico
Oil Conservation Division – District 1
1625 N. French Dr.
Hobbs, NM 88240

RE: NOTICE OF APPLICATION FOR AUTHORIZATION
TO CONVERT TO SWD – OCD FORM C-108
MEXICO L #1
LEA COUNTY, NEW MEXICO

Chevron U.S.A., Inc. has filed an application with the New Mexico Oil Conservation Division to convert the Mexico 'L' #1, a temporarily abandoned oil well, to a Salt Water Disposal well. The well is located in Section 5, Unit A, T25S, R38E, Lea County, New Mexico.

Attached is an OCD Form C-108 with information relative to the referenced well. Also attached is a copy of the legal notice to be posted in the Hobbs News-Sun.

If additional information is required please contact me at (432) 687-7455 or Pam Boring, Petroleum Engineer, at (432) 687-7879.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Cayce". The signature is fluid and extends to the right with a long horizontal stroke.

Nancy Cayce

Attachments

Jones, William V., EMNRD

From: CAYCE, NANCY G [CAYN@chevron.com]

Sent: Monday, July 21, 2008 8:17 AM

To: Jones, William V., EMNRD

Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

Please have an engineer give an opinion on the effect of injection into this well (Fusselman and Ellenburger) on offsetting well to the west 30-025-12368 (Mexico L #4). I know the well is not producing since last October, but it is still considered "active" in the Fusselman until it is Plugged.

"The Mexico L-1 well is 2600' from the Mexico L #4. Wells in this area are generally on a 40 acre spacing. Therefore, the Mexico L-1 is two spacing units away from the Mexico L #4. For these reasons, no adverse affects on Mexico L #4 are expected from injection into Mexico L #1."

Pamela A. Boring, P.E.

This inbound email has been scanned by the MessageLabs Email Security System.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, July 17, 2008 12:27 PM
To: 'cayn@chevron.com'
Cc: Ezeanyim, Richard, EMNRD
Subject: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

Hello Nancy:

Application basically looks fine, but need a few things:

- 1) Please send proofs of "notice" that you sent to Pogo, Oxy, Arch, and the State Land Office (as surface owner). Also please look at your 1/2 mile AOR map and let me know which of these parties controls the minerals in each quadrant of segment of this "circle". We have been asking applicants from applications that require notice, to let us know where (near the subject area or well) that the affected parties own interests.
- 2) Please send copies of any electric logs, bond logs, temp surveys that Chevron has in its files to the Hobbs district office for scanning into the imaging system. I found no logs on the OCD web site.
- 3) Please have an engineer give an opinion on the effect of injection into this well (Fusselman and Ellenburger) on offsetting well to the west 30-025-12368 (Mexico L #4). I know the well is not producing since last October, but it is still considered "active" in the Fusselman until it is Plugged.

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

7/17/2008

Jones, William V., EMNRD

Release 8/14/08

From: CAYCE, NANCY G [CAYN@chevron.com]
Sent: Thursday, July 24, 2008 1:41 PM
To: Jones, William V., EMNRD
Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County
Attachments: Cert receipt Land Office.tif

This is the the receipt showing I mailed the application package to the State Land office on July 18. I'll be getting the mail receipt for the packages sent to Chaparral and Arch Petroleum later today and will send them. When I get the certified return receipts, I'll send those also.

I did not know Chaparral was involved with these wells until Daniel Pequeno told me today. The company was not named on anything regarding these wells on the OCD site or PI/Dwights. Also, a local address for Arch Petroleum was listed on the OCD site, and my package was returned weeks ago. I hope I've caught up with all the companies involved now and will get everything to you the minute I have it.

Thank you very much for your patience and help. This is my 2nd C-108 application, and I learned a lot this time!

Nancy Cayce
 432-687-7455

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, July 22, 2008 2:43 PM
To: CAYCE, NANCY G
Cc: PEQUENO, DANIEL; Ezeanyim, Richard, EMNRD
Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

Nancy:
 I normally let the applicant keep me informed as to when the application is totally complete - but was checking several applications today from various operators and

,,, correct me if I looked over something, but it looks like all I need from you,
 is Proof of Notice to the
 State Land Office and to Chaparral

You could send them both copies of the application - and then ask for signed waivers OR just send me proof of notice with the Date of Notice clearly marked and I can add 15 or 16 days to that and release the permit at that time.

Regards,

William V. Jones PE
 New Mexico Oil Conservation Division
 1220 South St. Francis
 Santa Fe, NM 87505
 505-476-3448

7/24/2008

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, July 22, 2008 1:43 PM
To: CAYCE, NANCY G
Cc: 'PEQUENO, DANIEL'; Ezeanyim, Richard, EMNRD
Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

Nancy:
I normally let the applicant keep me informed as to when the application is totally complete - but was checking several applications today from various operators and

,,, correct me if I looked over something, but it looks like all I need from you,
is Proof of Notice to the
State Land Office and to Chaparral

You could send them both copies of the application - and then ask for signed waivers OR just send me proof of notice with the Date of Notice clearly marked and I can add 15 or 16 days to that and release the permit at that time.

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: PEQUENO, DANIEL [mailto:PEQD@chevron.com]
Sent: Tuesday, July 22, 2008 1:10 PM
To: Jones, William V., EMNRD
Cc: CAYCE, NANCY G
Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

Hello Mr. Jones,

Attached is the Notification List for the Mexico L #1 Well located in Section 5, T-25-S, R-38-E in Lea County, New Mexico. Chevron owns and operates all depths in the leases (operated the West Dollarhide Drinkard Unit) with the exception of the Queen and Devonian formations for which I have listed the other parties. The notification list covers a 1/2 mile radius around the well.

Nancy will sent out notifications to the parties that were not notified before.

Thanks as usual for your patience and cooperation regarding this matter.

Regards,
Daniel Pequeno
Land Representative
432-687-7461

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, July 17, 2008 4:01 PM
To: CAYCE, NANCY G
Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

7/22/2008

Nancy:

Here is what we have been asking everyone who applies for Rule 104 exceptions and also for Injection Permits:

As per Rule 701B(2) <http://www.emnrd.state.nm.us/OCD/Rules.htm>

Who is the operator or the lessees or the mineral owners in:

SW/4 SW/4 of Section 33

SE/4 of Section 32

NW/4 of Section 4

NE/4 of Section 5

NE/4 SE/4 of Section 5

You had to determine this in order to send out notices, so the landman could answer.

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: CAYCE, NANCY G [mailto:CAYN@chevron.com]

Sent: Thursday, July 17, 2008 2:39 PM

To: Jones, William V., EMNRD

Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

Will the notice list from Midland Map satisfy your request for the 1/2 mile parties?

Nancy Cayce

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]

Sent: Thursday, July 17, 2008 1:27 PM

To: CAYCE, NANCY G

Cc: Ezeanyim, Richard, EMNRD

Subject: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

Hello Nancy:

Application basically looks fine, but need a few things:

- 1) Please send proofs of "notice" that you sent to Pogo, Oxy, Arch, and the State Land Office (as surface owner). Also please look at your 1/2 mile AOR map and let me know which of these parties controls the minerals in each quadrant of segment of this "circle". We have been asking applicants from applications that require notice, to let us know where (near the subject area or well) that the affected parties own interests.
- 2) Please send copies of any electric logs, bond logs, temp surveys that Chevron has in its files to the Hobbs district office for scanning into the imaging system. I found no logs on the OCD web site.
- 3) Please have an engineer give an opinion on the effect of injection into this well (Fusselman and Ellenburger) on offsetting well to the west 30-025-12368 (Mexico L #4). I know the well is not producing since last October, but it is still considered "active" in the Fusselman until it is Plugged.

Regards,

7/22/2008

Jones, William V., EMNRD

From: PEQUENO, DANIEL [PEQD@chevron.com]
Sent: Tuesday, July 22, 2008 1:10 PM
To: Jones, William V., EMNRD
Cc: CAYCE, NANCY G
Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County
Attachments: NOTIFICATION LIST_Mexico L #1 SWD Well.doc

Hello Mr. Jones,

Attached is the Notification List for the Mexico L #1 Well located in Section 5, T-25-S, R-38-E in Lea County, New Mexico. Chevron owns and operates all depths in the leases (operated the West Dollarhide Drinkard Unit) with the exception of the Queen and Devonian formations for which I have listed the other parties. The notification list covers a 1/2 mile radius around the well.

Nancy will sent out notifications to the parties that were not notified before.

Thanks as usual for your patience and cooperation regarding this matter.

Regards,
Daniel Pequeno
Land Representative
432-687-7461

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, July 17, 2008 4:01 PM
To: CAYCE, NANCY G
Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

Nancy:

Here is what we have been asking everyone who applies for Rule 104 exceptions and also for Injection Permits:

As per Rule 701B(2) <http://www.emnrd.state.nm.us/OCD/Rules.htm>
Who is the operator or the lessees or the mineral owners in:

SW/4 SW/4 of Section 33
SE/4 of Section 32
NW/4 of Section 4
NE/4 of Section 5
NE/4 SE/4 of Section 5

You had to determine this in order to send out notices, so the landman could answer.

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

7/22/2008

Jones, William V., EMNRD

From: CAYCE, NANCY G [CAYN@chevron.com]
Sent: Tuesday, July 29, 2008 11:53 AM
To: Jones, William V., EMNRD
Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County
Attachments: Document.tif

Here are proofs of notice for the Land Office, logs sent to the District office, and C108 package to Chaparral and Arch Petroleum.

Nancy Cayce
Chevron
432-687-7455

This inbound email has been scanned by the MessageLabs Email Security System.

7/29/2008

Jones, William V., EMNRD

From: CAYCE, NANCY G [CAYN@chevron.com]
Sent: Thursday, July 31, 2008 2:41 PM
To: Jones, William V., EMNRD
Subject: Chevron - Mexico L #1

Attachments: Document.tif



Document.tif (21
KB)

Attached is the certified return receipt from Arch Petroleum. They were sent the entire C108 package for the Mexico L #1 SWD project.

Nancy Cayce
Chevron
432-687-7455

This inbound email has been scanned by the MessageLabs Email Security System.

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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:

Arch Petroleum, Inc.
PO Box 2504
Houston, TX 77252-2504

COMPLETE THIS SECTION ON DELIVERY

A. Signature

GEE

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

JUL 29 2008

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

☐ Yes
☐ No

3. Service Type

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

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7008 1140 0002 5856 0016

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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

Article Addressed to:
State of NM Land Office
P.O. Box 1148
Santa Fe, NM
87504-1148

Article Number
(Transfer from service label) 7008 1140 0002 5849 2546

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
B. Received by (Printed Name) ☒ Addressee
C. Date of Delivery

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



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

SENDER: COMPLETE THIS SECTION

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

Article Addressed to:
State of NM
Occ-District 1
1625 N. French Dr.
Hobbs, NM 88240

Article Number
(Transfer from service label) 7008 1140 0002 5855 7498

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
B. Received by (Printed Name) ☒ Addressee
C. Date of Delivery 7-23-05

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

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

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

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

Sent to	Arch Petroleum, Inc.
Street, Apt. No., or PO Box No.	PO Box 2504
City, State, Zip+4	Houston, TX 77252-2504

PS Form 3800, August 2006

See Reverse for Instructions

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

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

Sent to	Chaparral Energy
Street, Apt. No., or PO Box No.	701 Cedar Lake Blvd.
City, State, Zip+4	Oklahoma City, OK 73114

PS Form 3800, August 2006

See Reverse for Instructions

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

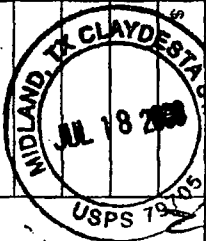
For delivery information visit our website at www.usps.com

OFFICIAL USE

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

Postmark
Here

Postage
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)



Mexico #1

Sent To New Mexico State Land Office

Street, Apt. No., or PO Box No. PO Box 1148

City, State, ZIP+4 Santa Fe, NM 87504-1148

PS Form 3800, August 2005 See Reverse for Instructions

7008 1140 0002 5849 2546

From: CAYCE, NANCY G [mailto:CAYN@chevron.com]
Sent: Thursday, July 17, 2008 2:39 PM
To: Jones, William V., EMNRD
Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

Will the notice list from Midland Map satisfy your request for the 1/2 mile parties?

Nancy Cayce

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, July 17, 2008 1:27 PM
To: CAYCE, NANCY G
Cc: Ezeanyim, Richard, EMNRD
Subject: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

Hello Nancy:

Application basically looks fine, but need a few things:

- 1) Please send proofs of "notice" that you sent to Pogo, Oxy, Arch, and the State Land Office (as surface owner). Also please look at your 1/2 mile AOR map and let me know which of these parties controls the minerals in each quadrant of segment of this "circle". We have been asking applicants from applications that require notice, to let us know where (near the subject area or well) that the affected parties own interests.
- 2) Please send copies of any electric logs, bond logs, temp surveys that Chevron has in its files to the Hobbs district office for scanning into the imaging system. I found no logs on the OCD web site.
- 3) Please have an engineer give an opinion on the effect of injection into this well (Fusselman and Ellenburger) on offsetting well to the west 30-025-12368 (Mexico L #4). I know the well is not producing since last October, but it is still considered "active" in the Fusselman until it is Plugged.

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

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7/22/2008

Jones, William V., EMNRD

From: CAYCE, NANCY G [CAYN@chevron.com]
Sent: Wednesday, July 30, 2008 1:19 PM
To: Jones, William V., EMNRD
Subject: Chevron -Mexico L #1

Attachments: Document.tif



Document.tif (25
KB)

Certified receipt from Chaparral Energy for C108 package for the Mexico L #1.

Nancy Cayce
Chevron USA
432-687-7455
cayn@chevron.com

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

1. Article Addressed to:

Chaparral Energy, Inc.
701 Cedar Lake Blvd.
Oklahoma City, OK 73114

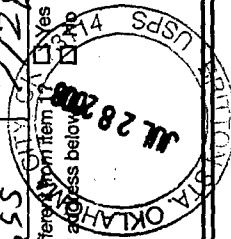
COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
Lady Bass ☐ Addressee

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

Cody Bass *7/28*

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



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

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

2. Article Number
(Transfer from service label)

7008 1140 0002 5855 7504

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Jones, William V., EMNRD

From: CAYCE, NANCY G [CAYN@chevron.com]
Sent: Thursday, July 17, 2008 1:11 PM
To: Jones, William V., EMNRD
Subject: RE: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County
Attachments: Delivery receipts.tif; Letter to Offset Operators .doc; Certified mail receipts.tif

The entire package that was sent to you was also sent to Pogo, Oxy, Arch and the State Land Office, which included the legal notice put in the Hobbs News Sun. I have since found out that the wells formerly operated by Pogo and Arch are now operated by Oxy, so there is only one offset operator involved. I've attached a scan of my certified mail receipts. Does this satisfy what you need for the first part of #1?

We'll get the rest of the information you need as soon as possible.

Nancy Cayce
 432-687-7455

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, July 17, 2008 1:27 PM
To: CAYCE, NANCY G
Cc: Ezeanyim, Richard, EMNRD
Subject: Injection application from Chevron: Mexico L #1 30-025-12365 Unit A, Sec 5, T25S, R38E Lea County

Hello Nancy:
 Application basically looks fine, but need a few things:

- 1) Please send proofs of "notice" that you sent to Pogo, Oxy, Arch, and the State Land Office (as surface owner). Also please look at your 1/2 mile AOR map and let me know which of these parties controls the minerals in each quadrant of segment of this "circle". We have been asking applicants from applications that require notice, to let us know where (near the subject area or well) that the affected parties own interests.
- 2) Please send copies of any electric logs, bond logs, temp surveys that Chevron has in its files to the Hobbs district office for scanning into the imaging system. I found no logs on the OCD web site.
- 3) Please have an engineer give an opinion on the effect of injection into this well (Fusselman and Ellenburger) on offsetting well to the west 30-025-12368 (Mexico L #4). I know the well is not producing since last October, but it is still considered "active" in the Fusselman until it is Plugged.

Regards,

William V. Jones PE
 New Mexico Oil Conservation Division
 1220 South St. Francis
 Santa Fe, NM 87505
 505-476-3448

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7/17/2008

Injection Permit Checklist (7/8/08)

Case _____ R- SWD 113 WFX _____ PMX _____ IPI _____ Permit Date 7/23/08 UIC Qtr July/Spr# Wells 1 Well Name: MEXVO L' #1API Num: (30-) 025-12365 Spud Date: 8/6/51 New/Old: OLD (UIC primacy March 7, 1982)Footages 660 FNL/FEL Unit A Sec 5 Tsp 255 Rge 38E County LeaOperator: Cherco USA INC Contact Nancy CayceOGRID: 4323 RULE 40 Compliance (Wells) 3/1394 (OK) (Finan Assur) (OK)Operator Address: 15 SMITH ROAD, MIDLAND TX 79705Current Status of Well: TAED (CIBP over Fusselman) @ 8466' 4/11/95Planned Work to Well: Drill out PLWG Planned Tubing Size/Depth: 27/8 @ 8444

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing _____ Surface	<u>18 13 3/8</u>	<u>304</u>	<u>300</u>	<u>CIRC</u>
Existing _____ Intermediate	<u>12 1/4 9 3/8</u>	<u>3250</u>	<u>2100</u>	<u>CIRC</u>
Existing _____ Long String	<u>7 7/8 5 1/2</u>	<u>10360</u>	<u>1613</u>	<u>3040 CBL/SOZ</u>

DV Tool 8416 Liner _____ Open Hole _____ Total Depth 10360 PBD 8466Well File Reviewed ✓ y22Diagrams: Before Conversion ✓ After Conversion ✓ Elogs in Imaging File: NO LOGS

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	<u>8545</u>	<u>ABO</u>	
Injection..... Interval TOP:	<u>8473-8853</u>	<u>Fusselman</u> (<u>Low Fm = wet</u>)	
Injection..... Interval BOTTOM:	<u>993-10360</u>	<u>Evanburg</u> (<u>Tope 10012</u>)	
Below (Name and Top)			

DELLARTIDE area
near State Line
(well is INSIDE WDDU)

PSI Max. WHIP

NO Open Hole (Y/N)NO Deviated Hole?

1695 psi
MAX

Sensitive Areas: Capitan Reef _____ Cliff House _____ Salt Depths 1160

.... Potash Area (R-111-P) _____ Potash Lessee _____ Noticed? _____

Fresh Water: Depths: 0-300 Wells (Y/N) _____ Analysis Included (Y/N): _____ Affirmative Statement ✓Salt Water: Injection Water Types: DEV/EU Analysis? yesInjection Interval: Water Analysis: _____ Hydrocarbon Potential Depleted or wetNotice: Newspaper (Y/N) ✓ Surface Owner S.L.O. Mineral Owner(s) _____RULE 701B(2) Affected Parties: POGO/OXY/ARCH/Cherco

Area of Review: Adequate Map (Y/N) _____ and Well List (Y/N) _____

Active Wells 3 Num Repairs 0 Producing in Injection Interval in AOR Yes one DOES..P&A Wells 5 Num Repairs 0 All Wellbore Diagrams Included? yes

Questions to be Answered:

Sand LGS
off well (0025-12368)

Required Work on This Well: _____ Request Sent _____ Reply: _____

AOR Repairs Needed: _____ Request Sent _____ Reply: _____

Request Sent _____ Reply: _____