



January 4, 2011

VIA HAND DELIVERY

Mr. Daniel Sanchez
Acting Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 14593

RECEIVED OGD
2011 JAN -4 P 2 22

Re: Amended Application of Chevron U.S.A., Inc. for approval of a salt water disposal well, Eddy County, New Mexico.

Dear Mr. Sanchez:

Enclosed is an original and one copy of the amended application of Chevron U.S.A., Inc. in the above-referenced case (Oil Conservation Division Form C-108) as well as a copy of an amended legal advertisement. By copy of this letter, an additional copy of this Form C-108 is being transmitted to the Oil Conservation Division District Office in Artesia.

Chevron U.S.A., Inc. requests that this matter be placed on the docket for the February 3, 2011 Examiner Hearings.

Very truly yours,

William F. Carr
Ocean Munds-Dry
Attorneys for Chevron U.S.A., Inc.
Enclosures

cc: Oil Conservation Division
District II
1301 W. Grand Avenue
Artesia, New Mexico 88210

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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



Case 14593

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

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[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.

Edgar Acero
 Print or Type Name

Signature

New Mexico Petroleum Engineer
 Title

10/26/10
 Date

EDGAR.ACERO@chevron.com
 e-mail Address



Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

October 28, 2010

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

RE: Convert to Salt Water Disposal
Oil and Gas Department

Chevron North America, as operator, respectfully requests administrative approval to convert the Skelly Unit # 902, (API # 30-015-29322), to a Salt Water Disposal well in the Wolfcamp formation. Skelly Unit # 902 is located: 1650' FNL & 990' FWL, Unit Letter E; Section 15; T17S, R31E, Eddy County, New Mexico.

The injection interval will be in the Wolfcamp formation, Open-hole: 8418' - 8530' and the perforated are: 8552' - 9666'.

Chevron North America and COG Oil & Gas, both have a 50% working interest in the Skelly # 902. Attached is an OCD form C-108 and the BLM sundry, with information relative to the SWD injection of the referenced well. A copy of the legal notice posted in the Carlsbad Current Argus, and the letters sent to the applicable surface land owners and offset operators is included in the attachments. The map highlights the location of the Skelly Unit # 902.

If additional information is required, you may contact me at 432-687-7261 or email me at chay@chevron.com or contact the project engineer, Edgar Acero, at 432-687-7343, EDGAR.ACERO@chevron.com.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant

Enclosure

OFFSET OPERATORS

**MARBOB ENERGY CORPORATION
P.O. BOX 227
ARTESIA, NM 88211**

**PITCH ENERGY CORPORATION
P.O. BOX 304
ARTESIA, NM 88211**

**OXY USA WTP LP
P.O. BOX 50250
MIDLAND, TEXAS 79710**

**McCOMBS ENERGY
5599 SAN FELIPE, SUITE 1200
HOUSTON, TX 77056**

**BP AMERICA PRODUCTION COMPANY
P.O. BOX 3092
HOUSTON, TX 77253**

**SANDRIDGE EXPLORATION & PRODUCTION
ATTENTION: LAND DEPT.
123 ROBERT S. KERR AVE.
OKLAHOMA CITY, OK 73102**

WORKING INTEREST OWNERS

**CHEVRON NORTH AMERICA
15 SMITH ROAD
MIDLAND, TEXAS 79705**

**COG OIL & GAS, L P
550 WEST TEXAS, SUITE 1300
MIDLAND, TEXAS 77253**

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: CHEVRON USA
ADDRESS: 15 SMITH ROAD; MIDLAND, TX 79705
CONTACT PARTY: EDGAR ACERO PHONE: 432-687-7343
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes X No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected; AVG = 3000 BWPD, MAX = 10,000 BWPD
 2. Whether the system is open or closed; CLOSED
 3. Proposed average and maximum injection pressure; AVG = 200 PSI, MAX = 1684 PSI
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, PADDOCK, BLINEBRY
 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.
- IX. Describe the proposed stimulation program, if any. 12,000 GALS, 20% HCL acid
- *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.
- 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: EDGAR ACERO TITLE: PETROLEUM ENGINEER
SIGNATURE: _____ DATE: _____
E-MAIL ADDRESS: EDGAR.ACERO@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. LOWER ABO (OPEN HOLE): 8418' - 8530'; WOLFCAMP: 8552' - 9134'; CISCO: 9700' - 9766'.

- (2) The injection interval and whether it is perforated or open-hole.

LATERAL OPEN HOLE: 8418' - 8530', PERFORATED: 8552' - 9766'

- (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. MORROW PERES (11980' - 11990'). SET CIBP @ 11930' with 35' CEMENT ON TOP. CIBP @ 11870' PUSHED DOWN AND NOT SET.

- (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. HIGHER: ABO (7160' - 8400'). LOWER: CANYON (9990' - 11048')

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.

INJECTION WELL DATA SHEET

OPERATOR: CHEVRON USAWELL NAME & NUMBER: SKELLY UNIT 902WELL LOCATION: 1650' ENL & 990' FWL E 15 T17S R31E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGEWELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: 14-3/4" Casing Size: 11-3/4"
Cemented with: 400 sx. or ft³
Top of Cement: Surface Method Determined: Circulation

Intermediate Casing

Hole Size: 11" Casing Size: 8-5/8"
Cemented with: 2000 sx. or ft³
Top of Cement: Surface Method Determined: Circulation

Production Casing

Hole Size: 7-7/8" Casing Size: 5-1/2"
Cemented with: 2500 sx. or ft³
Top of Cement: 2716' Method Determined: TS
Total Depth: 12,300'

Injection Interval8418' to 8424' Lateral Open Hole & 8552' - 9766' Perforations

INJECTION WELL DATA SHEETTubing Size: 2-7/8" Lining Material: IPCType of Packer: ARROW-SETPacker Setting Depth: 8370'Other Type of Tubing/Casing Seal (if applicable): NAAdditional Data1. Is this a new well drilled for injection? Yes X NoIf no, for what purpose was the well originally drilled? PRODUCER2. Name of the Injection Formation: LOWER ABO (OPEN HOLE): 8418'-8530'; WOLFCSMP: 8552'-9134'; CISCO: 9700'-9766'3. Name of Field or Pool (if applicable): FREN4. 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. Yes, Morrow — (Inactive)11,980' -90', w/4 JSPF, set a CIBP @ 11,930 w/35 cmt on Top. & a CIBP pushed Dwn @ 11,870'. Also: Wolfcamp-8552' -70' (open) w/4 JSPF which will remain open & be included in the disposal interval.

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

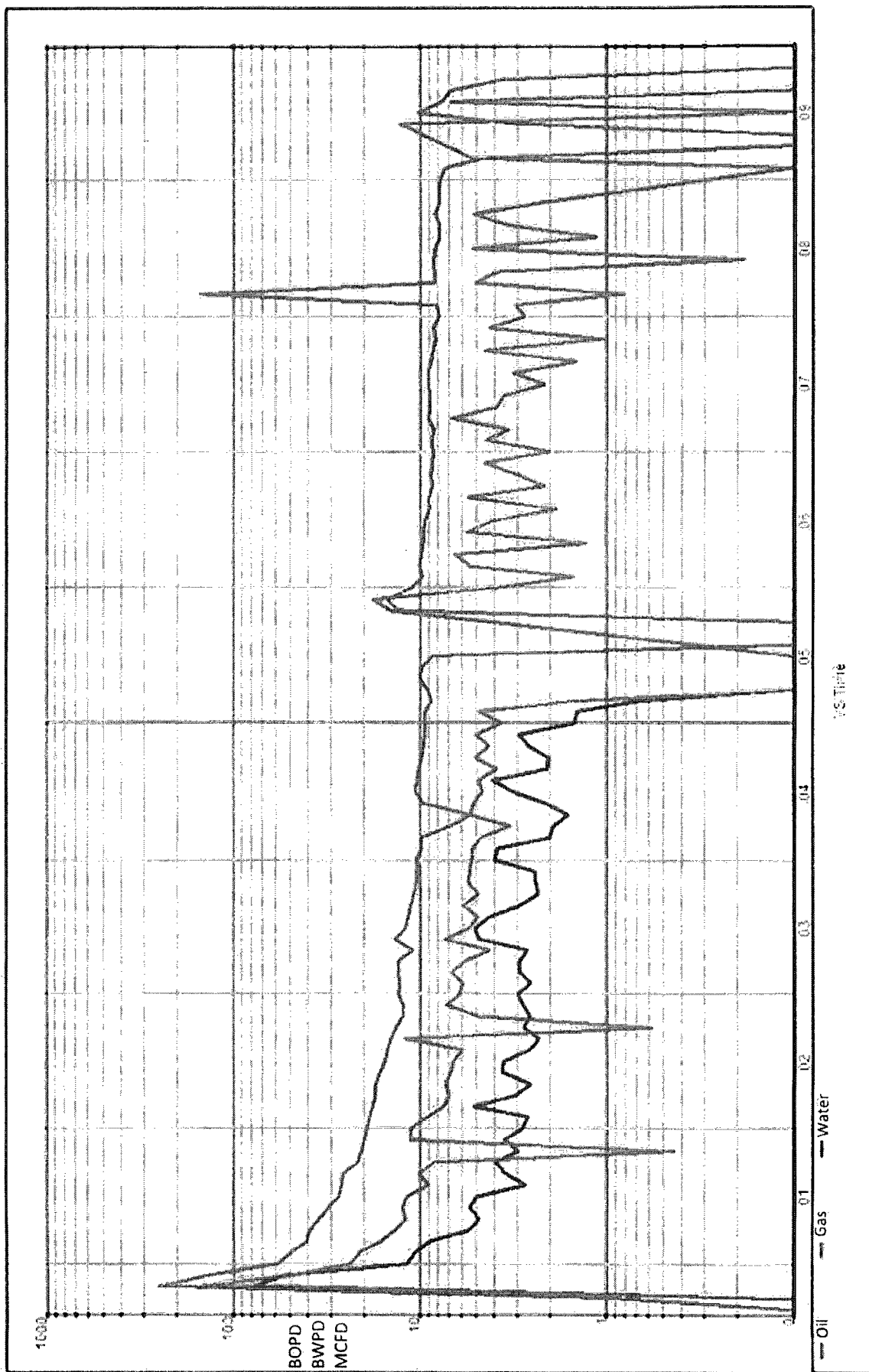
HIGHER: ABO (7160' — 8400')LOWER: CANYON (9990' — 11048')

Wells Within 1/2 mile Radius of the Skelly Unit # 902, Proposed Salt Water Disposal well

Well Name	Well No.	API	Field	Reservoir	Pool	Status		Location	Unit Letter	Section	Township	Range	County	Company	Penetrates proposed in zone	TD
OXY BUTTERPECAN FEDERAL	1	30-015-32316	FREN	Wolfcamp	96520	GAS	Active	890' FWL & 660' FSL	M	10	17S	31E	Eddy	MARBOB ENERGY	Diagram included Yes	12200
WILLOW STATE	5	30-015-29495	FREN	Paddock Henshaw Wolfcamp	26770	OIL	Active	330' FEL & 2310' FSL	I	16	17S	31E	Eddy	COG OPERATING	Diagram included Yes	8700
SKELLY UNIT	902	30-015-29322	FREN	Wolfcamp SE	96520	GAS	Inactive	990' FEL & 1650' FNL	E	15	17S	31E	Eddy	CHEVRON	Diagram included Yes	12300
SKELLY UNIT	843	30-015-37985	FREN	Glorita-Yeso	26770	START	New well	1845' FEL & 1958' FNL	G	15	17S	31E	Eddy	CHEVRON	No	6742
SKELLY UNIT	832	30-015-37984	FREN	Glorita-Yeso	26770	LOC	New well	866' FWL & 764' FNL	D	15	17S	31E	Eddy	COG OPERATING	No	7000
SKELLY UNIT	823	30-015-37982	FREN	Glorita-Yeso	26770	LOC	New well	1897' FWL & 887' FNL	C	15	17S	31E	Eddy	COG OPERATING	No	7000
SKELLY UNIT	836	30-015-37909	FREN	Glorita-Yeso	26770	LOC	New well	2132' FWL & 948' FNL	C	15	17S	31E	Eddy	COG OPERATING	No	6750
CHOCTAW STATE	5	30-015-37868	FREN	Glorita-Yeso	26770	LOC	New well	990' FEL & 890' FNL	A	16	17S	31E	Eddy	COG OPERATING	No	6700
SKELLY UNIT 824	824	30-015-37668	FREN	Glorita-Yeso	26770	START	New well	1890' FEL & 755' FNL	B	15	17S	31E	Eddy	COG OPERATING	No	7035
SKELLY UNIT 635	635	30-015-37657	FREN	Glorita-Yeso	26770	OIL	Active	2200' FWL & 1475' FSL	K	15	17S	31E	Eddy	CHEVRON	No	6725
CHOCTAW STATE 4	4	30-015-37637	FREN	Glorita-Yeso	26770	START	New well	380' FEL & 330' FNL	A	16	17S	31E	Eddy	COG OPERATING	No	6700
WILLOW STATE 12	12	30-015-37624	FREN	Glorita-Yeso	26770	LOC	New well	330' FEL & 1630' FSL	I	16	17S	31E	Eddy	COG OPERATING	No	6700
WILLOW STATE 10	10	30-015-37622	FREN	Glorita-Yeso	26770	LOC	New well	1055' FEL & 2310' FSL	I	16	17S	31E	Eddy	COG OPERATING	No	6700
SKELLY UNIT 819	819	30-015-37475	FREN	Glorita-Yeso	26770	OIL	Active	670' FNL & 771' FWL	D	15	17S	31E	Eddy	COG OPERATING	No	6930
SKELLY UNIT 637	637	30-015-37089	FREN	Glorita-Yeso	26770	OIL	Active	2465' FNL & 1300' FWL	E	15	17S	31E	Eddy	COG OPERATING	No	6735
SKELLY UNIT 638	638	30-015-37084	FREN	Glorita-Yeso	26770	OIL	Active	1380' FNL & 1890' FWL	C	15	17S	31E	Eddy	COG OPERATING	No	6740
SKELLY UNIT 639	639	30-015-37083	FREN	Glorita-Yeso	26770	OIL	Active	2445' FNL & 1875' FEL	G	15	17S	31E	Eddy	COG OPERATING	No	6720
SKELLY UNIT 996	996	30-015-36729	FREN	Glorita-Yeso	26770	OIL	Active	2140' FNL & 1965' FEL	G	15	17S	31E	Eddy	COG OPERATING	No	6767
SKELLY UNIT 603	603	30-015-36728	FREN	Glorita-Yeso	26770	OIL	Active	1850' FSL & 650' FWL	L	15	17S	31E	Eddy	COG OPERATING	No	6753
SKELLY UNIT 994	994	30-015-36588	FREN	Glorita-Yeso	26770	OIL	Active	2150' FNL & 330' FWL	E	15	17S	31E	Eddy	COG OPERATING	No	6690
SKELLY UNIT 966	966	30-015-35969	FREN	Glorita-Yeso	26770	OIL	Active	1500' FSL & 1310' FWL	L	15	17S	31E	Eddy	COG OPERATING	No	6615
CHOCTAW STATE 3	3	30-015-35877	FREN	Glorita-Yeso	26770	OIL	Active	990' FNL & 330' FEL	A	16	17S	31E	Eddy	COG OPERATING	No	6625
CHOCTAW STATE 2	2	30-015-35876	FREN	Glorita-Yeso	26770	OIL	Active	330' FNL & 990' FEL	A	16	17S	31E	Eddy	COG OPERATING	No	6610
SKELLY UNIT 968	968	30-015-35816	FREN	Glorita-Yeso	26770	OIL	Active	2310' FNL & 1890' FWL	F	15	17S	31E	Eddy	COG OPERATING	No	6586
SKELLY UNIT 965	965	30-015-34647	FREN	Paddock	26770	OIL	Active	990' FSL & 990' FWL	M	15	17S	31E	Eddy	CHEVRON	No	5370
SKELLY UNIT 958	958	30-015-34318	FREN	Paddock	26770	OIL	Active	2310' FSL & 1650' FWL	K	15	17S	31E	Eddy	CHEVRON	No	5480

FORAN STATE 2	2	30-015-30725	Fren Grayburg	Paddock	28770	OIL	Active	1650' FNL & 330' FEL	H	16	17S	31E	Eddy	MARBOB ENERGY	No	5530
SKELLY UNIT 190	190	30-015-29207	Jackson, SR Grayburg	SR-Q-G-SA	28509	OIL	Active	2822' FSL & 2465' FEL	J	15	17S	31E	Eddy	SANDRIDGE E&P	No	4050
SKELLY UNIT 189	189	30-015-29206	Jackson, SR Grayburg	SR-Q-G-SA	28509	OIL	Active	2630' FSL & 1310' FWL	L	15	17S	31E	Eddy	SANDRIDGE E&P	No	3925
SKELLY UNIT 180	180	30-015-29203	Jackson, SR Grayburg	SR-Q-G-SA	28509	OIL	Active	1401' FNL & 1338' FWL	F	15	17S	31E	Eddy	SANDRIDGE E&P	No	3950
SKELLY UNIT 198	198	30-015-29013	Jackson, SR Grayburg	SR-Q-G-SA	28509	OIL	Active	1354' FSL & 1300' FWL	L	15	17S	31E	Eddy	SANDRIDGE E&P	No	4000
SKELLY UNIT 181	181	30-015-28965	Jackson, SR Grayburg	SR-Q-G-SA	28509	OIL P&A	Inactive	1303' FNL & 2606' FWL	C	15	17S	31E	Eddy	SANDRIDGE E&P	No	3950
FORAN STATE	1	30-015-26098	Jackson, SR Grayburg	SR-Q-G-SA	28509	4/12/00	Inactive	2310' FNL & 330' FEL	H	16	17S	31E	Eddy	MARBOB ENERGY	No	3844
H E WEST B	41	30-015-26033	Jackson, SR Grayburg	SR-Q-G-SA	28509	OIL	Active	660' FSL & 2020' FWL	N	10	17S	31E	Eddy	LINN OPERATING	No	4008
CHOCTAW STATE	1	30-015-24011	Jackson, SR Grayburg	SR-Q-G-SA	28509	OIL P&A	Active	990' FNL & 990' FEL	A	16	17S	31E	Eddy	COG OPERATING	No	3500
SKELLY UNIT	153	30-015-22531	Fren	7RVS	26790	9/26/90 P&A	Inactive	2080' FNL & 1880' FEL	G	15	17S	31E	Eddy	TEXACO	No	2629
SKELLY UNIT	152	30-015-22495	Fren	7RVS	26790	9/28/90	Inactive	1830' FSL & 660' FWL	L	15	17S	31E	Eddy	TEXACO	No	2550
SKELLY UNIT	151	30-015-22494	Fren	7RVS	26790	P&A	Inactive	2310' FSL & 1980' FWL	K	15	17S	31E	Eddy	TEXACO	No	2600
SKELLY UNIT	109	30-015-20468	Jackson, SR Grayburg	SR-Q-G-SA	28509	INJ	Inactive	1980' FNL & 660' FWL	E	15	17S	31E	Eddy	SANDRIDGE E&P	No	3810
SKELLY UNIT	106	30-015-20366	Jackson, SR Grayburg	SR-Q-G-SA	28509	OIL/INJ P&A	Inactive	660' FNL & 1980' FWL	C	15	17S	31E	Eddy	SANDRIDGE E&P	No	3692
MOBIL-STATE	1	30-015-05174	Jackson, SR Grayburg	SR-Q-G-SA	28509	5/17/97	Inactive	2310' FNL & 990' FEL	H	16	17S	31E	Eddy	H&W ENTERPRISES	No	3749
STATE B	4	30-015-05173	Jackson, SR Grayburg	SR-Q-G-SA	28509	OIL P&A	Active	1650' FSL & 660' FEL	J	16	17S	31E	Eddy	SANDRIDGE E&P	No	3782
SHELL-STATE	1	30-015-05166	Jackson, SR Grayburg	SR-Q-G-SA	28509	5/25/69	Inactive	330' FNL & 330' FEL	A	16	17S	31E	Eddy	KERSEY & COMPANY	No	3778
SKELLY UNIT	20	30-015-05161	Jackson, SR Grayburg	SR-Q-G-SA	28509	INJ	Active	1980' FNL & 1980' FEL	G	15	17S	31E	Eddy	SANDRIDGE E&P	No	3657
SKELLY UNIT	27	30-015-05159	Jackson, SR Grayburg	SR-Q-G-SA	28509	INJ	Inactive	1960' FSL & 1980' FWL	K	15	17S	31E	Eddy	SANDRIDGE E&P	No	3600
SKELLY UNIT	28	30-015-05156	Jackson, SR Grayburg	SR-Q-G-SA	28509	INJ	Active	1980' FSL & 660' FWL	L	15	17S	31E	Eddy	SANDRIDGE E&P	No	3714
SKELLY UNIT	19	30-015-05155	Jackson, SR Grayburg	SR-Q-G-SA	28509	INJ	Inactive	1980' FNL & 1960' FWL	F	15	17S	31E	Eddy	SANDRIDGE E&P	No	3670
SKELLY UNIT	18	30-015-05154	Jackson, SR Grayburg	SR-Q-G-SA	28509	INJ	Inactive	660' FNL & 660' FWL	D	15	17S	31E	Eddy	SANDRIDGE E&P	No	3611
SKELLY UNIT	17	30-015-05153	Jackson, SR Grayburg	SR-Q-G-SA	28509	INJ	Inactive	660' FNL & 1980' FEL	B	15	17S	31E	Eddy	SANDRIDGE E&P	No	3666
H E WEST B	21	30-015-05127	Jackson, SR Grayburg	SR-Q-G-SA	28509	INJ	Active	660' FSL & 660' FWL	M	10	17S	31E	Eddy	LINN OPERATING	No	3917

SKELLY UNIT 902 - WOLFCAMP PRODUCTION RATE VS TIME



Well: Skelly Unit #902

Field: Fren

Reservoir: Wolfcamp

Location:

1650' FNL & 990' FWL
 Section: 15 (SW/4: NW/4)
 Township: 17S
 Range: 31E Unit: E
 County: Eddy State: NM

Elevations:

GL: 3870
 KB: 3887
 DF: 3886

Log Formation Tops

Tansill	1658
Yates	1814
Seven Rivers	2115
Queen	2752
Grayburg	3140
San Andres	3494
Glorieta	5012
Tubb	6456
Abo	7160
Wolfcamp	8550
Pennsylvanian	9444
Strawn	11048
Atoka	11305
Morrow	11553
Chester	12130

TUBING DETAIL - 11/4/2000

RKB correction: 10'

265 jls - 2 7/8" L-80, 6.50# lbm (8359.05)

1 2 7/8" x 5 1/2" TA (8361.85)

12 jls - lbm (8740.52)

1 2 7/8" SN (8741.62)

1 3 1/2" MA (8766.77)

SN @ 8740.52 TAC @ 8359.05

EOT @ 8766.77

Rod Detail:

1 1 1/2" x 26' Polish Rod

1 7/8" x 6' sub

144 7/8" D rods

192 3/4" D rods

12 1 1/2" K-bars

1 7/8" x 4' sub

1 2 1/2" x 1 1/2" x 24' RHBC pmp

1 1 1/4" x 12' GA

TAC @ 6591.17

Prod. Csg: 5 1/2" 17# WC-70

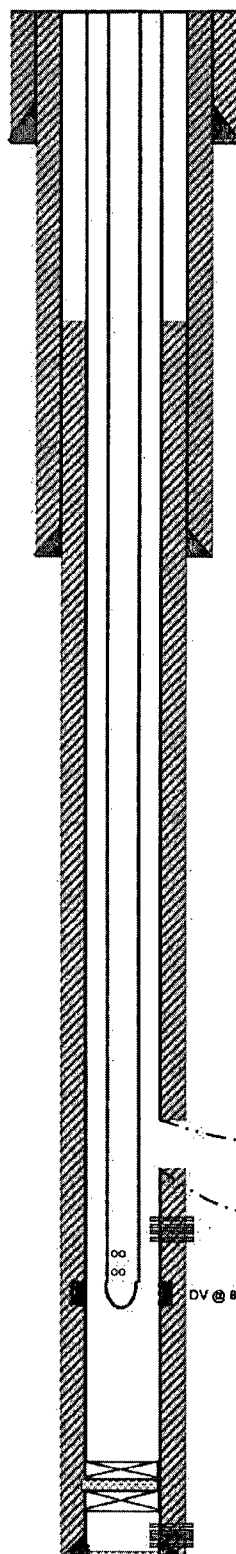
Set: @ 12300 w/2500 sx cmt

Hole Size: 7 7/8" to 12300

Circ: No TOC: 2716'

TOC By: Temp Survey

DV Tool @ 8695', circulated

Current Wellbore Diagram**Well ID Info:**

API No: 30-015-29322
 L5/L6: PH6 / 1000
 Spud Date: 1/26/97
 Rig Released: 3/22/47
 Compl. Date: 4/16/97

Surface Csg: 11 3/4" 42# WC-50

Set: @ 600 w/ 450 sx cmt

Hole Size: 14 3/4" TO 600

Circ: Yes TOC: Surface

TOC By: Circulation (75 sx)

Intermediate Csg: 8 5/8" 32# K-55

Set: 5100' w/ 2000 sx cmt

Hole Size: 11" to 5100

Circ: Yes TOC: Surface

TOC By: Circulation

Initial Completion:

4/97 (Morrow) perf 11980-90 (4 jsf) ; A/1000 gal 7 1/2% HCL

Subsequent Work

1/2000 CIBP @ 11930 w/35' cmt on top ; (Wolfcamp) perf 8552-70 (4 jsf)

A/1890 gal 20% NEFE HCL

11/2000 CIBP @ 8430 ; KO Horizontal : TOW 8418 ; BOW 8424

Drilled to MD 10534 ; TVD 8550 ; 60000 gal 20% HCL & 40000 gal WF-130

POH w/whipstock & push CIBP to 11870'

Perfs

Status

Window @ 8418 to 8424

MD: 10534 ; TVD: 8530

OH 8418-10534

Wolfcamp - open

8552-70

Wolfcamp - open

DV @ 8695'; Circulated

CIBP @ 11870 pushed down not set

CIBP set @ 11930 w/35' cmt on top

{ 11980-90 Morrow - inactive

TD: 12300 COTD: 12085 PBTD: 11870

Well: Skelly Unit #902

Field: Fren

Reservoir: Wolfcamp

Location:

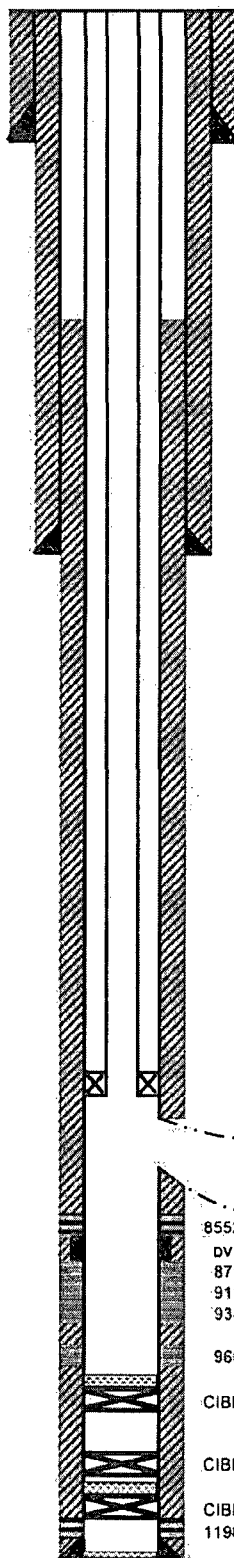
1650' FNL & 990' FWL
 Section: 15 (SW/4 NW/4)
 Township: 17S
 Range: 31E Unit: E
 County: Eddy State: NM

Elevations:

GL: 3870
 KB: 3887
 DF: 3886

Log Formation Tops

Tansill	1658
Yates	1814
Seven Rivers	2115
Queen	2752
Grayburg	3140
San Andres	3494
Glorieta	5012
Tubb	6456
Abo	7160
Wolfcamp	8550
Pennsylvanian	9444
Strawn	11048
Atoka	11305
Morrow	11553
Chester	12130

Proposed Wellbore Diagram**Well ID Info:**

API No: 30-015-29322
 L5/L6: PH6 / 1000
 Spud Date: 1/26/97
 Rig Released: 3/22/97
 Compl. Date: 4/16/97

Surface Csg: 11 3/4" 42# WC-50

Set: @ 600 w/ 450 sx cmt
 Hole Size: 14 3/4" TO 600
 Circ: Yes TOC: Surface
 TOC By: Circulation (75 sx)

Intermediate Csg: 8 5/8" 32# K-55

Set: 5100' w/ 2000 sx cmt
 Hole Size: 11" to 5100
 Circ: Yes TOC: Surface
 TOC By: Circulation

Prod. Csg: 5 1/2" 17# WC-70

Set: @ 12300 w/2500 sx cmt.
 Hole Size: 7 7/8" to 12300
 Circ: No TOC: 2716'
 TOC By: Temp Survey
 DV Tool @ 8695', Circulated

Initial Completion:

4/97. (Morrow) perf 11980-90 (4 jspl) ; A/1000 gal 7 1/2% HCL

Subsequent Work

1/2000 CIBP @ 11930 w/35' cmt on top ; (Wolfcamp) perf 8552-70 (4jspl)
 A/1890 gal 20% NEFE HCL
 11/2000 CIBP @ 8430 ; KO Horizontal ; TOW 8418 ; BOW 8424
 Drilled to MD 10534 ; TVD 8550 ; 60000 gal 20% HCL & 40000 gal WF-130
 POH w/whipstock & push CIBP to 11870'

WINDOW @ 8418' to 8424'

MD: 10534 ; TVD: 8530

OH 8418'-10534'

WOLFCAMP - OPEN

8552'-70' (WOLFCAMP - OPEN)

DV @ 8695'; Circulated

8718'-8760', 8800'-8822'

9112'-9136'

9342'-9358', 9378'-9386'

9661'-9766'

PROPOSED PERFS

CIBP SET @ 9960' W/ 35' CMT ON TOP

CIBP @ 11870' PUSHED DOWN NOT SET

CIBP SET @ 11930' W/ 35' CMT ON TOP
 11980'-90' (MORROW - INACTIVE)

PBTD: 11870
 COTD: 12085
 TD: 12300

Well: Willow State # 5

Field: Fren Paddock

Reservoir: Paddock

Location:

2310' FSL & 330' FEL
 Section: 16
 Township: 17S
 Range: 31E Unit: M
 County: Eddy State: NM
 Status: Active - Oil

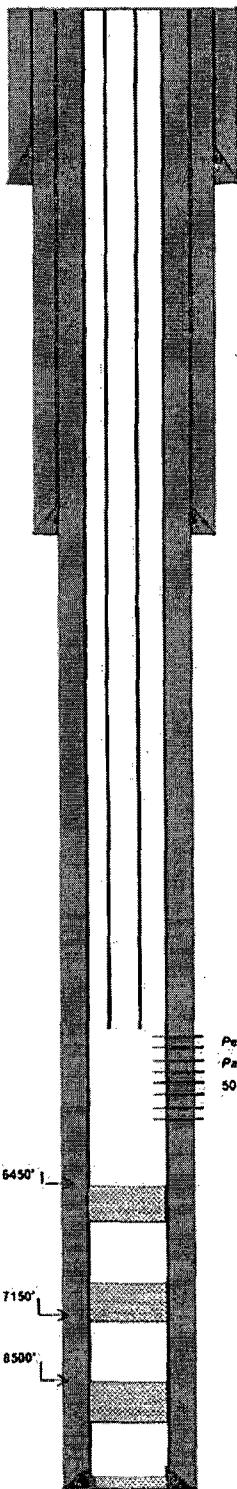
Elevations:

GL: 3858'
 KB:
 DF:

Log Formation Tops

B/Salt	1560'
Yates	
Seven Rivers	
Queen	
Grayburg	
San Andres	3420'
Glorieta	4942'
Paddock	5030'
Tubb	8408'
Abo	7090'
Wolfcamp	8364'
Penn	
Strawn	
Atoka	
Morrow	

Tubing: 6/5/1997
 2-7/8" set @ 5281'

Current Wellbore Diagram

Perfs:
 Paddock
 5042' - 5254', 1/2", 30

TD: 8700' PBD: 5416'

Well ID Info:

Chevron: NA
 API No: 30-015-29495
 Operator: COG Operating LLC (3/1/2006)
 Spud Date: 5-1-97
 Rig Released: 5-21-97
 Compl. Date: 6-5-97

Surface Csg: 13-3/8" 54# J-55 csg

Set: @ 343 w/ 350 sx cmt
 Hole Size: 17 1/2" TO 350'
 Circ: Yes TOC: Surface
 TOC By: Circulation

Intermediate Csg: 8 5/8" 24# J-55

Set: @ 1630' w/800 sx cmt
 Hole Size: 11" to 1630'
 Circ: Yes TOC: Surface
 TOC By: Circ'd 160 sxs

Initial Completion:

Orig TD @ 8700', Set 75 sx cmt plug @ 8500', Set 50 sx cmt plug @ 7150', Set 50 sx cmt plug @ 6450', Ran 5-1/2" csg to 5416', PB to 5403', DV tool @ 4060', Cmt 5-1/2" csg w/1280 sxs cmt. Perf 5042' - 5254'. Complete in Fren Paddock formation

Subsequent Work

Prod. Csg: 5 1/2" 17# J-55 LT&C csg
 Set: @ 5416' w/1280 sx cmt
 Hole Size: 7-7/8" to 8700'
 Circ: TOC:
 TOC By: CBL
 PBTD @ 5403'

Updated: 10-12-10

By: Chay

Well: Oxy Butter Pecan Federal #1

Field: Henshaw Southeast

Reservoir: Wolfcamp

Location:

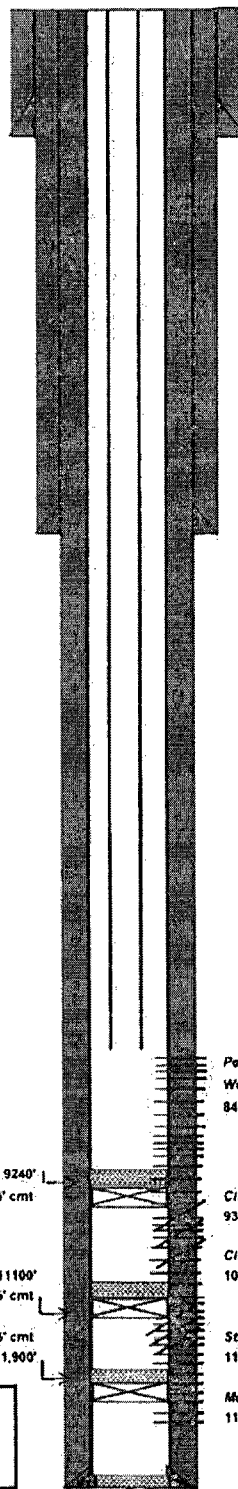
660' FSL & 890' FWL
 Section: 10
 Township: 17S
 Range: 31E Unit: M
 County: Eddy State: NM

Elevations:

GL: 3896'
 KB:
 DF:

Log Formation Tops

Tansill	
Yates	
Seven Rivers	
Queen	
Grayburg	
San Andres	
Glorieta	
Tubb	
Abo	
Wolfcamp	8448'
Penn	10114'
Strawn	11066'
Atoka	11328'
Morrow	11719'

Current Wellbore Diagram**Well ID Info: BLM Well**

Chevno: NA
 API No: 30-015-32316
 Operator: Marbob Energy Corp (7/1/2004)
 Spud Date: 8/15/2002
 Rig Released: 7/30/02
 Compl. Date: 10/27/04

Surface Csg: 13-3/8" 48# H-40

Set: @ 650 w/ 550 sx cmt
 Hole Size: 17 1/2" TO 650
 Circ: Yes TOC: Surface
 TOC By: Circulation (114 sxs)

Intermediate Csg: 9 5/8" 36 - 40# K-55

Set: @ 4505' w/1800 sx cmt
 Hole Size: 12-1/4" to 4500
 Circ: Yes TOC: Surface
 TOC By: Circulation (350 sxs)

Initial Completion:

Initial completion: Perf'd in Cisco Canyon formation: 10180' - 10281', 179 holes

Subsequent Work

1/8/2003 Disposal of Produced Water from the Morrow in the amt of 1 BWPD is being stored in a 300 bbl FG tank and trucked to a Disposal facility.
 7/1/2004 Operator change from Oxy to Marbob Energy Company, Artesia, NM.
 10/2004 Plug Back: Cmt sqz Cisco Canyon perms, 10,180' - 10,281'. Perf the Morrow @ 11,51' (24 shots). Acdz w/500 gals 15% acd. Set CIBP @ 11,900'. Perf Strawn @ 11,169'-11,167'.
 Dump 35' cmt on top of CIBP @ 11,900'. Acdz Strawn w/1500 gals 15% acd. Set CIBP @ 11,100'. Perf Cisco @ 9308' - 9583', 15 shots. Dump 35' cmt on CIBP @ 11,100'. Acdz w/3000 gals 15% acd. Set CIBP @ 9240'. Perf Wolfcamp @ 8449'-8703'. 20 shots. Dump 35' cmt on top of CIBP @ 9240'. Acdz Wolfcamp w/5000 gals 15% HCL. Frac Wolfcamp @ 8449'-856 w/128,040 gals fl & 100,000 # proppant. Tag PBTD @ 9205'. Hung well on prp 10/27/2004.
 Tbg detail not available.

Perfs:
 Wolfcamp
 8449'-8703'; 20 shots

Cisco Canyon - Perfs Sqz'd
 9308' - 9583'; 15 shots

Cisco Canyon Perfs Sqz'd
 10180' - 10281'; 179 holes

Strawn Perfs
 11169'-11187'; 9 shots

Morrow perfs
 11956'-11959'; 24 shots

Prod. Csg: 5 1/2" P-110 & L-80, 17#
 Set: @ 12200 w/1350 sx cmt
 Hole Size: 8-3/4" to 12200
 Circ: No TOC: 6340'
 TOC By: CBL

TD: 12200 COTD: PBTD: 9205'

Updated: 10-4-10

By: Chay

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

Water Analysis Report by Baker Petrolite

Company:	CHEVRON MID CONTINENT LP	Sales RDT:	33506
Region:	PERMIAN BASIN	Account Manager:	TIM GRAY (575) 910-9390
Area:	BUCKEYE, NM	Sample #:	523266
Lease/Platform:	SKELLY UNIT	Analysis ID #:	102032
Entity (or well #):	995	Analysis Cost:	\$90.00
Formation:	BLINEBRY/PADDOCK		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 523266 @ 75 °F					
Sampling Date:	07/22/10	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	07/29/10	Chloride:	96083.0	2710.15	Sodium:	53669.1	2334.47
Analyst:	SANDRA GOMEZ	Bicarbonate:	207.0	3.39	Magnesium:	1112.0	91.48
TDS (mg/l or g/m3):	161016.5	Carbonate:	0.0	0.0	Calcium:	6087.0	303.74
Density (g/cm3, tonne/m3):	1.112	Sulfate:	2489.0	51.4	Strontium:	133.0	3.04
Anion/Cation Ratio:	1	Phosphate:			Barium:	0.3	0.0
		Borate:			Iron:	8.5	0.31
		Silicate:			Potassium:	1247.0	31.89
Carbon Dioxide:	210 PPM	Hydrogen Sulfide:		0 PPM	Aluminum:		
Oxygen:		pH at time of sampling:		5.7	Chromium:		
Comments:		pH at time of analysis:			Copper:		
RESISTIVITY: .042 OHM-M 2 75°F		pH used in Calculation:		5.7	Lead:		
					Manganese:	0.600	0.02
					Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO ₃		Gypsum CaSO ₄ ·2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	-0.50	0.00	0.11	291.36	0.12	241.60	0.16	26.38	0.62	0.00	2.91
100	0	-0.41	0.00	0.05	131.89	0.12	242.80	0.14	23.08	0.43	0.00	3.58
120	0	-0.31	0.00	0.00	0.00	0.15	288.36	0.13	21.58	0.26	0.00	4.26
140	0	-0.21	0.00	-0.05	0.00	0.20	366.90	0.13	21.28	0.11	0.00	4.9

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

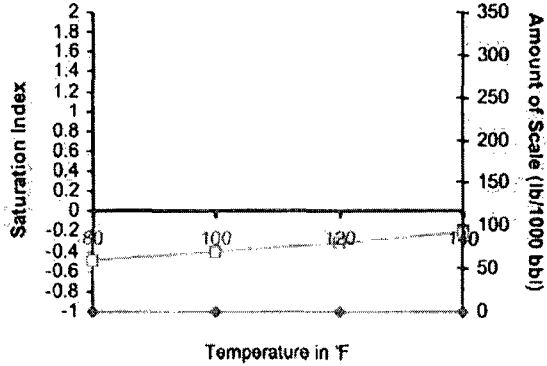
Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

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

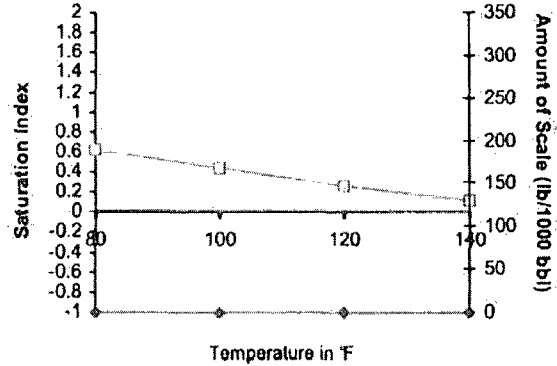
Scale Predictions from Baker Petrolite

Analysis of Sample 523266 @ 75 °F for CHEVRON MID CONTINENT LP, 07/29/10

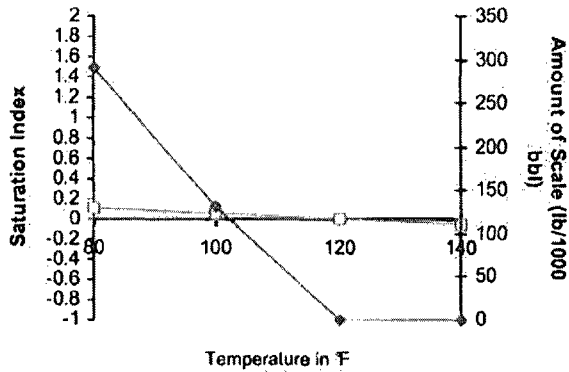
Calcite - CaCO_3



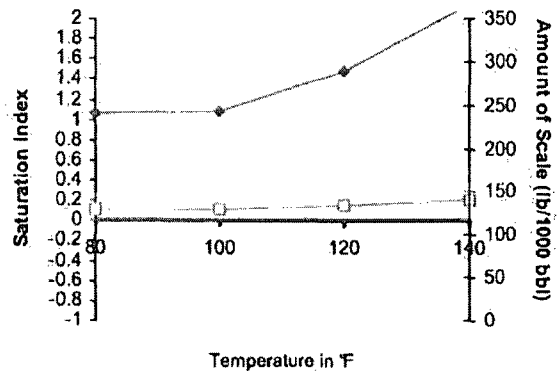
Barite - BaSO_4



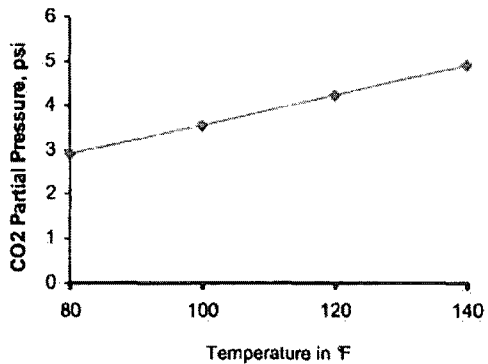
Gypsum - $\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$



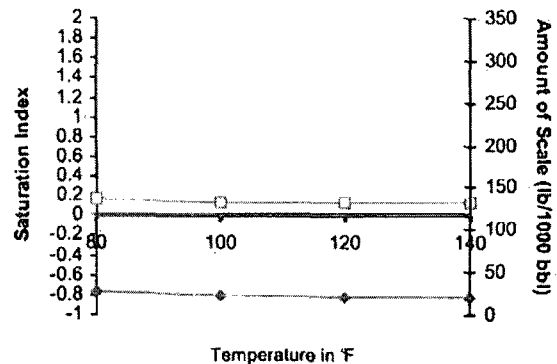
Anhydrite - CaSO_4



Carbon Dioxide Partial Pressure



Celestite - SrSO_4





Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

October 28, 2010

**CONVERT TO SALT WATER DISPOSAL
EDDY COUNTY, NEW MEXICO**

RE: SKELLY UNIT # 902
Offset Operators:

For your information, as an offset operator, Chevron North America, as operator of the Skelly Unit # 902, has filed an application with the New Mexico Oil Conservation Division and submitted a Sundry to the BLM, to convert the Skelly Unit well # 902, (API # 30-015-29322), in the Wolfcamp formation, to a Water Disposal well, located: 1650' FNL & 990' FWL, Unit Letter E; Section 15; T17S, R31E, Eddy County, New Mexico.

Attached is an OCD form C-108 and the BLM sundry, with information relative to the water disposal conversion of the referenced well. A copy of the legal notice posted in the Carlsbad Current Argus is included. The enclosed map highlights the location of the Skelly Unit # 902, in relation to your offset operations.

If additional information is required, please contact me at (432-687-7261), or the project engineer, Edgar Accero, at (432-687-7343).

Interested parties must file objections with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico, 87505, within 15 days.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant

Enclosure

OFFSET OPERATORS

**MARBOB ENERGY CORPORATION
P.O. BOX 227
ARTESIA, NM 88211**

**PITCH ENERGY CORPORATION
P.O. BOX 304
ARTESIA, NM 88211**

**OXY USA WTP LP
P.O. BOX 50250
MIDLAND, TEXAS 79710**

**McCOMBS ENERGY
5599 SAN FELIPE, SUITE 1200
HOUSTON, TX 77056**

**BP AMERICA PRODUCTION COMPANY
P.O. BOX 3092
HOUSTON, TX 77253**

**SANDRIDGE EXPLORATION & PRODUCTION
ATTENTION: LAND DEPT.
123 ROBERT S. KERR AVE.
OKLAHOMA CITY, OK 73102**

WORKING INTEREST OWNERS

**CHEVRON NORTH AMERICA
15 SMITH ROAD
MIDLAND, TEXAS 79705**

**COG OIL & GAS, L P
550 WEST TEXAS, SUITE 1300
MIDLAND, TEXAS 77253**



Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

October 28, 2010

COG OIL & GAS, LP
550 West Texas, Suite 1300
MIDLAND, TX 77253

RE: CONVERT TO SALT WATER DISPOSAL
EDDY COUNTY, NEW MEXICO

ATTN: Working Interest Owner,

Chevron North America, as operator of the Skelly Unit # 902, has filed an application with the New Mexico Oil Conservation Division, (OCD) and the Bureau of Land Management, (BLM), to convert the Skelly Unit well # 902, (API # 30-015-29322), in the Wolfcamp formation, to a Salt Water Disposal well, located: 1650' FNL & 990' FWL, Unit Letter E; Section 15; T17S, R31E, Eddy County, New Mexico.

Attached is an 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 Carlsbad Current Argus is included. The enclosed map highlights the location of the Skelly Unit # 902.

For additional information, please contact me at 432-687-7261, or email chay@chevron.com, or the project engineer, Edgar Acero, 432-687-7343, or email EDGAR.ACERO@chevron.com.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant

Enclosure

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

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

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

October 17 2010

That the cost of publication is **\$56.14** and that
payment thereof has been made and will be
assessed as court costs.

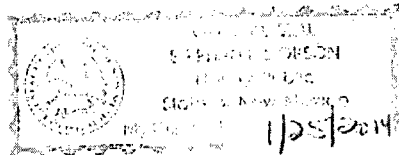
Kathy McCarroll
Subscribed and sworn to before me this

19th day of October, 2010

Stephen R. Brown

My commission Expires on 11/25/2014

Notary Public



October 17, 2010
LEGAL NOTICE
October 11, 2010
Notice is hereby
given of the
application of
CHEVRON-NORTH
AMERICA,
15 Smith Road, Mid-
land, TX 79705, to the
Oil Conservation of
the State of New
Mexico, the Bureau
of Land Management
and the Commission-
er of Public Lands,
State of New Mexico
for approval to con-
vert the Skelly Unit
well # 902 to a Soil
Water disposal well.
The Skelly Unit # 902
is located 1650' FNL
& 990' FWL, E. Sec.
15, T17S, R31E, Eddy
County, New Mexico.
The injection interval
is in the Wolfcamp
formation from 8418'
to 8424' lateral Open
Hole & 8552' - 9766'
thru perforations.
The maximum in-
jection rate will be
10,000 BWPD with a
maximum allowable
amount of 1684' PSI.
Interested parties
should file objections
or requests for hear-
ing with the Oil Con-
servation Division,
1220 South St. Fran-
cis Drive, Santa Fe,
New Mexico, 87505
within 15 days.
Inquiries regarding
this application
should be directed to
Chevron North Amer-
ica, Attn: Edgar
Acero, 15 Smith Rd.,
Midland TX 79705.



Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

October 28, 2010

Carlsbad Field Office
Field Manager: Jim Stovall
Bureau of Land Management
620 E. Greene Street
Carlsbad, New Mexico 88220-6292

RE: Application for Authorization to Inject

Chevron North America, respectfully requests administrative approval to inject salt water into the Skelly Unit well # 902, (API # 30-015-29322), located: 1650' FNL. & 990' FWL, Unit Letter E; Section 15; T17S, R31E, Eddy County, New Mexico.

The Injection interval will be in the Wolfcamp formation, Open-hole: 8418' - 8530' and perforated: 8552' - 9666'.

Attached is a BLM Sundry form 3160-5 with information relative to the SWD injection of the referenced well. A copy of the letters sent to applicable surface land owners and offset operators and the application to the OCD, is included in the attachments, for your information.

Your consideration and approval of this application will be greatly appreciated. If additional information is required you may contact me at 432-687-7261, or by email at chay@chevron.com, or the engineer on this project may be contacted at 432-687-7343, or by email at EDGAR.ACERO@chevron.com.

Sincerely,

Carolyn Haynie
NM PE Technical Assistant
Enclosure

cc: Lease File
Edgar Acero
Ivan Penny
Adil Manzoor
Scott Ingram
Danny Pequeno
David Thompson
Luke Salman
Alejandro Rodriguez
Tejay Simpson
Denise Pinkerton

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

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

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

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

3b. Phone No. (include area code)
432-687-7261

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1650' ENL & 990' FWL, K-15-17S-31E

5. Lease Serial No.

LC 0294208

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A/Agreement, Name and/or No.

8. Well Name and No.

Skelly Unit # 902

9. API Well No.

30-015-29322

10. Field and Pool, or Exploratory Area

Fren, Wolfcamp

11. County or Parish, State

Eddy County, New Mexico

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

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

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

Chevron North America, respectfully requests administrative approval to inject salt water into the Skelly Unit well # 902, (API # 30-015-29322), located: 1650' ENL & 990' FWL, Unit Letter E; Section 15; T17S, R31E, Eddy County, New Mexico.

The Injection interval will be in the Wolfcamp formation, Lateral Open-hole: Window @ 8418' - 8424'; MD 10,534', TVD 8530', and perforated: 8552' - 9766'.

The proposed well procedure is to: MURU PU, pull rods and install BOP. TOH w/tbg. RU Wireline, and perf the following intervals w/4 JSPP: 8718' - 8760'; 8800' - 8822'; 9112' - 9136'; 9342' - 9358'; 9378' - 9386'; 9666' - 9766'. THH w/treating pkr & 2-7/8" WS. Acidize perms w/12,000 gallons of 20% HCL. Displace w/EW. Release & TOH w/pkr. THH w/3-1/2" Injection pkr. ND BOP, NU wellhead. Perform MIT, and RDMO. PU.

The estimated starting date will be pending regulatory approval and the duration is approximately 12 days.

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

CAROLYN HAYNIE

Title **PETROLEUM ENGINEER TECHNICAL ASSISTANT**

Signature

Carolyn Haynie

Date

10-26-2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

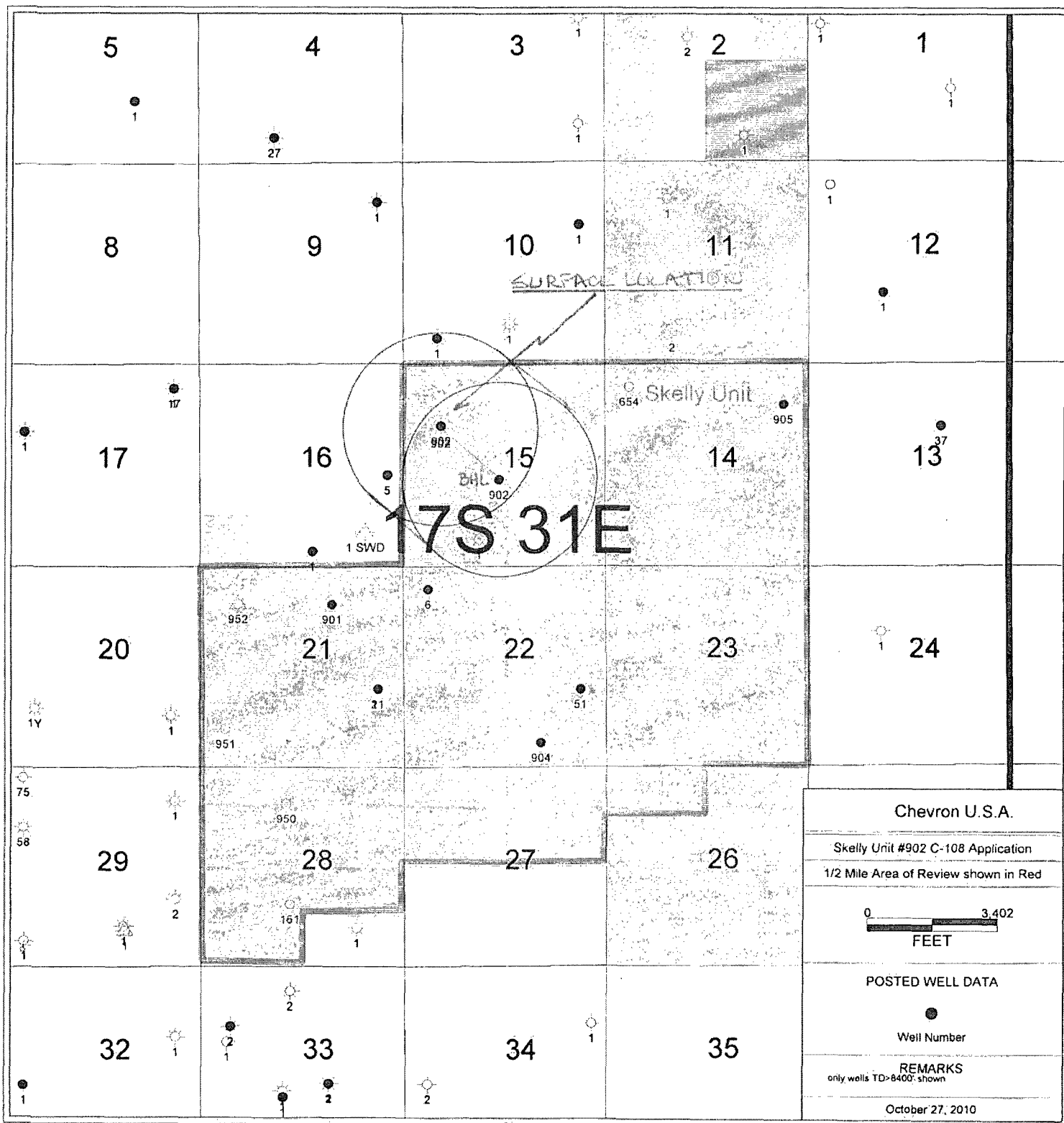
Title

Date

Office

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

(Instructions on page 2)



NOTIFICATION LIST

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

Skelly Unit Well No. 902
1,650' FNL & 990' FWL
Section 15, T-17-S, R-31E, Unit Letter D
Eddy County, New Mexico

**Offset Operators, Working Interest Owners, All Section 9 and W/2 Section 10, all in T17S-R31E,
from Surface to the top of the Glorieta formation:**

Merit Partners, LP
12222 Merit Drive, Suite 1500
Dallas, Texas 75251

Merit Energy Partners III, LP
12222 Merit Drive, Suite 1500
Dallas, Texas 75251

Merit Energy Partners D-III, LP
12222 Merit Drive, Suite 1500
Dallas, Texas 75251

**Offset Operators, Working Interest Owners, All Section 9 and W/2 Section 10, all in T17S-R31E,
below the top of the Glorieta formation:**

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

Pitch Energy Corporation
P. O. Box 304
Artesia, New Mexico 88211

BP America Production Company
P. O. Box 3092
Houston, Texas 77253

**Offset Operators, Working Interest Owners, E/2 of Section 10-T17S-R31E, from Surface to top of the
Glorieta formation:**

Merit Partners, LP
12222 Merit Drive, Suite 1500
Dallas, Texas 75251

Merit Energy Partners III, LP
12222 Merit Drive, Suite 1500
Dallas, Texas 75251

Merit Energy Partners D-III, LP
12222 Merit Drive, Suite 1500
Dallas, Texas 75251

**Offset Operators, Working Interest Owners, E/2 of Section 10-T17S-R31E, top of the Glorieta to the
Base of the Abo formation:**

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

Pitch Energy Corporation
P. O. Box 304
Artesia, New Mexico 88211

BP America Production Company
P. O. Box 3092
Houston, Texas 77253

Offset Operators, Working Interest Owners, E/2 of Section 10-T17S-R31E, from Base of the Abo to the Base of the Morrow formation:

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

Pitch Energy Corporation
P. O. Box 304
Artesia, New Mexico 88211

OXY USA WTP LP
P. O. Box 50250
Midland, Texas 79710

McCombs Energy, LLC
5599 San Felipe, Suite 1200
Houston, Texas 77056

Offset Operators, Working Interest Owners, E/2 of Section 10-T17S-R31E, below the Base of the Morrow formation:

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

Pitch Energy Corporation
P. O. Box 304
Artesia, New Mexico 88211

BP America Production Company
P. O. Box 3092
Houston, Texas 77253

Offset Operators, Working Interest Owners, Section 15-T17S-R31E:

COG Oil & Gas, L.P.
550 West Texas, Suite 1300
Midland, Texas 79701

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

Surface Owner for Sections 9, 10 and 15, T17S-R31E:

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

Offset Operators, Working Interest Owners, Section 16-T17S-R31E:

COG Oil & Gas, L.P.
550 West Texas, Suite 1300
Midland, Texas 79701

Marbob Energy Corporation
P. O. Box 227
Artesia, New Mexico 88211-0227

SandRidge Exploration and Production, LLC
Attention: Land Department
123 Robert S. Kerr Avenue
Oklahoma City, OK 73102

Surface Owner for Section 16, T17S-R31E:

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

CASE _____: Amended Application of Chevron U.S.A., Inc. for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks approval to utilize its Skelly Unit No. 902 Well (API No. 30-015-29322), located 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 15, Township 17 South, Range 31 East, NMPM, to inject up to 10,000 barrels of water per day, at a maximum pressure of 1684 psi, into the Lower Abo formation in an open-hole interval from 8418 feet to 8530 feet, into the Undesignated Wolfcamp formation in the perforated interval from 8552 feet to 9134 and into the Cisco formation in the perforated interval from 9700 feet to 9766 feet. This well is located approximately 8 miles northeast of Loco Hills, New Mexico.

NOTIFICATION LIST

**AMENDED APPLICATION OF CHEVRON U.S.A., INC.
FOR SALT WATER DISPOSAL
EDDY COUNTY, NEW MEXICO**

**SKELLY UNIT NO. 902
(API No. 30-015-29322)**

Section 15, Township 17 South, Range 31 East

SURFACE OWNERSHIP:

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

State of New Mexico
Commissioner of Public Lands
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

Leasehold Operators within ½ Mile Area of Review

Apache Corp.
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705

BP America Production Company
Post Office Box 3092
Houston, Texas 77253

COG Oil & Gas, LP
550 West Texas, Suite 1300
Midland, Texas 79701

Marbob Energy Corporation
Post Office Box 227
Artesia, New Mexico 88211

McCombs Energy, LLC
5599 San Felipe, Suite 1200
Houston, Texas 77056

Merit Partners, LP
13727 Noel Road, 500
Dallas, Texas 75251

Merit Energy Partners D-III, LP
13727 Noel Road, 500
Dallas, Texas 75251

Merit Energy Partners III, LP
13727 Noel Road, 500
Dallas, Texas 75251

OXY USA WTP LP
Post Office Box 50250
Midland, Texas 79710

Pitch Energy Corporation
Post Office Box 304
Artesia, New Mexico 88211

SandRidge Exploration and Production, LLC
Attention: Land Department
123 Robert S. Kerr Avenue
Oklahoma City, Oklahoma 73102