

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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 ☐ Other2. Name of Operator
CHEVRON U.S.A.3a. Address
15 Smith Road; Midland, Texas 797053b. Phone No. (include area code)
432-687-72614. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1650' FNL & 990' FWL, E-15-17S-31E

5. Lease Serial No.

LC 0294208 A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/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	☐ Recombine	☒ 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 recompleat 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/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat 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' FNL & 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: MIRU PU, pull rods and install BOP. TOH w/tbg. RU Wireline, and perf the following intervals w/4 JSPF: 8718' - 8760'; 8800' - 8822'; 9112' - 9136'; 9342' - 9358'; 9378' - 9386'; 9666' - 9766'. TIH w/treating pkr & 2-7/8" WS. Acidize perfs w/12,000 gallons of 20% HCL. Displace w/FW. Release & TOH w/pkr. TIH 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.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Permit Set to Hearing.
NO OCD APPROVAL AS
OF TODAY - RE - 12/14/10

RECEIVED
DEC 09 2010
NMOCD ARTESIA

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

CAROLYN HAYNIE

Title PERTOLEUM ENGINEER TECHNICAL ASSISTANT

Signature

Date

10-26-2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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.

Office

APPROVED

DEC - 7 2010
Rog B. Hall

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)

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

**PECOS DISTRICT
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Chevron U.S.A.
LEASE NO.:	NMLC029420A
WELL NAME & NO.:	Skelly Unit #902
SURFACE HOLE FOOTAGE:	1650' FNL & 990' FWL
BOTTOM HOLE FOOTAGE	Same
LOCATION:	Section 15, T. 17 S., R 31 E., NMPM
COUNTY:	Eddy County, New Mexico

1. Surface disturbance beyond the existing pad must have prior approval.
2. Closed loop system required.
3. Operator to have H2S monitoring equipment on location as H2S has been reported from wells in the area.
4. A minimum of a 2M BOP is required and must be tested prior to starting operations.
5. Contact BLM 575-361-2822 a minimum of 4 hours prior to step 19 pressure test.
6. Subsequent sundry with NMOCD order number and completion report required.

RGH 12/07/2010



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.

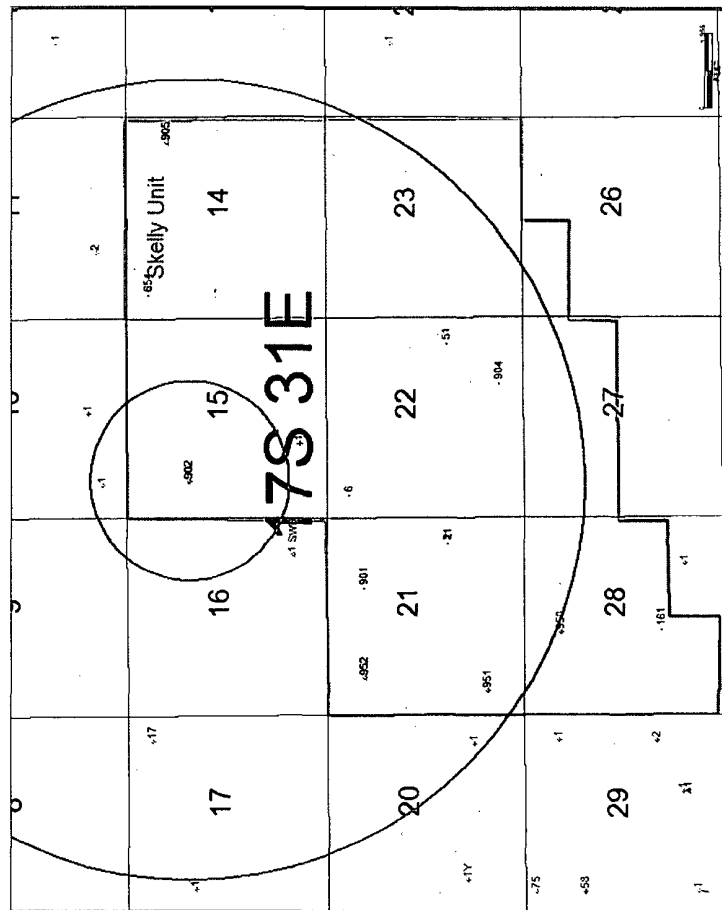
Your consideration and approval of this application will be greatly appreciated. If additional information is required you may contact me at 432-687-7261, or by email at chay@chevron.com, or the engineer on this project may be contacted at 432-687-7343, or by email at EDGAR.ACERO@chevron.com.

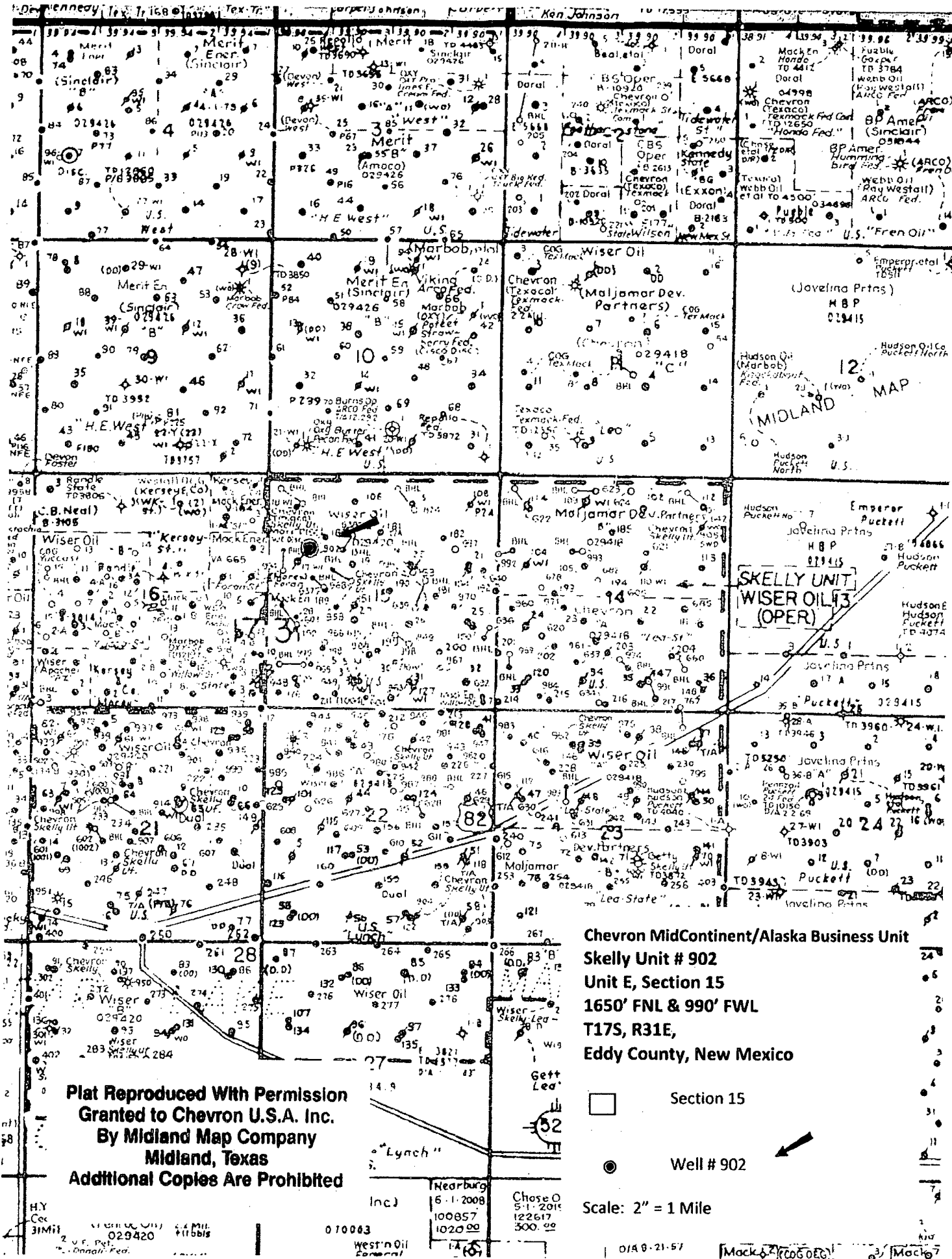
Sincerely,

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

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





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Granted to Chevron U.S.A. Inc.
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Midland, Texas
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Chevron MidContinent/Alaska Business Unit
Skelly Unit # 902
Unit E, Section 15
1650' FNL & 990' FWL
T17S, R31E,
Eddy County, New Mexico

Section 15

Well # 902

Scale: 2" = 1 Mile

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



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.

Edgar Acero		New Mexico Petroleum Engineer	10/26/10
Print or Type Name	Signature	Title	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.

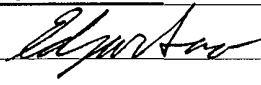
Sincerely,

A handwritten signature in black ink, appearing to read "Carolyn Haynie", written over a horizontal line.

Carolyn Haynie
NM PE Technical Assistant

Enclosure

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance ☒ 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 ☒ 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: **10/26/10**
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. **WOLFCAMP**
- (2) The injection interval and whether it is perforated or open-hole. **OPEN HOLE: 8418' – 8530', PERFORATED: 8552' – 9666'**
- (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 PERFS (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: CISCO CANYON – PENN (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.

WELL NAME & NUMBER: SKELLY UNIT 902

E 15		T17S	R31E
UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA
Surface Casing

Reservoir: Wolfcamp

Location:
1850' 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: 3806

Log Formation Tops	
Tinsaj	1659
Yacou	1814
Seven Rivers	2115
Queen	2752
Graybow	3740
San Maties	4048
Glencola	5012
Tubb	7166
Alce	8550
Callegans	10148
Arsho	11305
Acornaw	11553
Chaster	12130

TUBING DETAIL - 15472002
 WIND CORRECTION: 10°
 263 HA - 2 70° L-60, 6 SWR (WGS 05)
 1 2 70° + 8 W° TA (WGS 05)
 12 05 - (WGS 05)
 1 2 70° GN (WGS 05)
 1 2 70° GN (WGS 05)
 SN 05 05 05 05 05 05 05 05
 EOT 05 05 05 05 05 05 05 05

Head Detail	
1	1 1/2" x 2 1/2" Depth Head
1	1/8" x 1/8" Sub
104	1/8" D Drafts
154	1/8" D Drafts
17	1 1/2" K Case
1	1/8" x 1/8" Sub
1	2 1/2" x 1 1/2" x 1/8" R15C 2mm
1	1 1/4" x 1 1/4" GA

Prod. Csg: 5 42" 12" 22" 70
Set: 48 / 2300 wt 2500 14 cent
Hole Size: 1 7/8" to 12 5/8"
Circ: No TOC: 27 1/8"
TOC @: Temp Survey

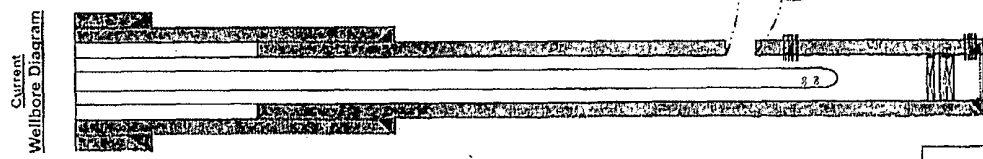
Well ID Info:
API No: 30-015-29322
LSN.B: #415 / 1000
Spud Date: 1/26/97
Rig Released: 3/22/97
Compl. Date: 4/16/97

Surface Ctg: 11 3/4" 42" WC-50
Set: 2000 w/ 450 ea cmf
Hole Size: 14 3/4" TO 60
Toc Yes TOC: Surface
TOC Hvy: Circulation (75 ea)

Intermediate Csg: B 50° J28K55
Set: 5100' w/ 2000 SA cm
Hole Size: 11" to 5100
Chc: Yes TOC: Surface
TOC By: Circulation

[illegible]

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	52
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CIBP 00 11810 pushed down not set
 CIBP 341 00 11930 w/c3' emit on top
 11950-119

YD: 12360 COTD: 12035 PH10: 1:1870

Injection Interval

8418' 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: WOLFCAMP3. Name of Field or Pool (if applicable): FREN. WOLFCAMP4. 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: CISCO CANYON – PENN (9990' – 11048')

FORAN STATE 2	2	30-015-30725	Fren	Paddock	26770	OIL	Active	1650' FNL & 330' FEL	H	16	17S	31E	Eddy	MARBOB ENERGY	No	5530
SKELLY UNIT 190	190	30-015-29207	Grayburg Jackson, SR-	SR-Q-G-SA	28509	OIL	Active	2622' FSL & 2465' FEL	J	15	17S	31E	Eddy	SANDRIDGE E&P	No	4050
SKELLY UNIT 189	189	30-015-29206	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	SR-Q-G-SA	28509	OIL	Inactive	1303' FNL & 2606' FWL	C	15	17S	31E	Eddy	SANDRIDGE E&P	No	3950
FORAN STATE	1	30-015-26098	Grayburg Jackson, SR-	SR-Q-G-SA	28509	P&A- 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	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	SR-Q-G-SA	28509	OIL	Active	990' FNL & 990' FEL	A	16	17S	31E	Eddy	COG OPERATING	No	3600
SKELLY UNIT	153	30-015-22531	Fren	7RVS	26790	P&A 9/26/90	Inactive	2080' FNL & 1880' FEL	G	15	17S	31E	Eddy	TEXACO	No	2629
SKELLY UNIT	152	30-015-22495	Fren	7RVS	26790	P&A 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	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	SR-Q-G-SA	28509	OIL	Active	1650' FSL & 660' FEL	I	16	17S	31E	Eddy	SANDRIDGE E&P	No	3782
SHELL-STATE	1	30-015-05166	Grayburg Jackson, SR-	SR-Q-G-SA	28509	P&A 5/25/69	Inactive	330' FNL & 330' FEL	A	16	17S	31E	Eddy	KERSEY & COMPANY	No	3778
SKELLY UNIT	20	30-015-05161	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	SR-Q-G-SA	28509	INJ	Inactive	1980' FSL & 1980' FWL	K	15	17S	31E	Eddy	SANDRIDGE E&P	No	3600
SKELLY UNIT	28	30-015-05156	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	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	Grayburg Jackson, SR-	SR-Q-G-SA	28509	INJ	Active	660' FSL & 660' FWL	M	10	17S	31E	Eddy	LINN OPERATING	No	3917

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
Strawn	11048
Atoka	11305
Morrow	11553
Chester	12130

TUBING DETAIL - 11/4/2000

RKB correction: 10'
 265 jts - 2 7/8" L-80, 6.50# tbg (8359.05)
 1 2 7/8" x 5 1/2" TA (8361.85)
 12 jts - tbg (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

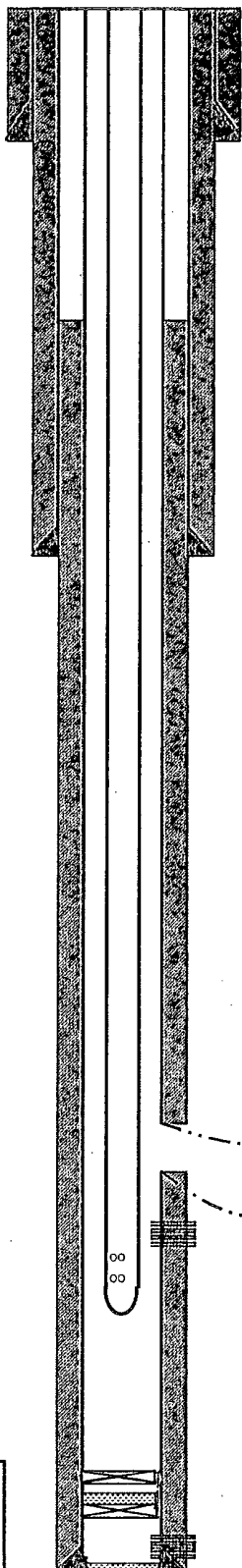
Rod Detail:

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

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 jspf) ; A/1000 gal 7 1/2% HCL

Subsequent Work

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

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
Strawn	11048
Atoka	11305
Morrow	11553
Chester	12130

TUBING DETAIL - 11/4/2000

RKB correction: 10'

265 jts - 2 7/8" L-80, 6.50# tbg (8359.05)

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

12 jts - tbg (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

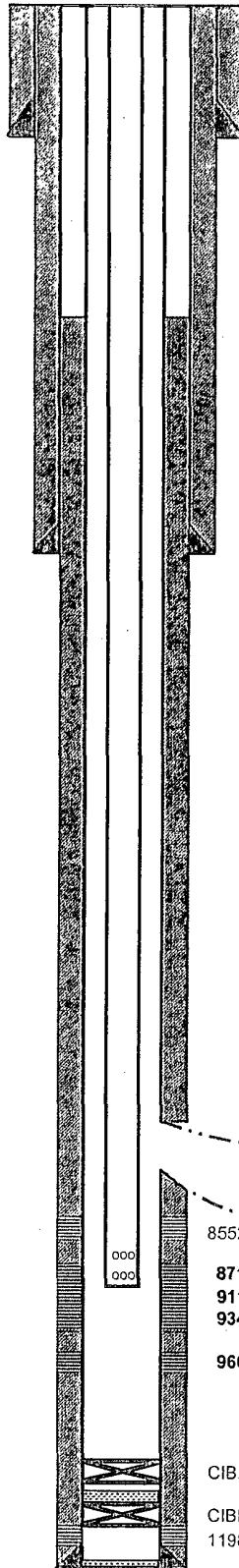
192 3/4" D rods

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

**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

Initial Completion:

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

Subsequent Work

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

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)

8718'-8760', 8800'-8822'

9112'-9136'

9342'-9358', 9378'-9386'

PROPOSED PERFS

9661'-9766'

CIBP @ 11870' PUSHED DOWN NOT SET

CIBP SET @ 11930' W/ 35' CMT ON TOP

11980'-90' (MORROW - INACTIVE)

PBDT: 11870

COTD: 12085

TD: 12300

Well: Oxy Butter Pecan Federal #1

Field: Henshaw Southeast

Reservoir: Wolfcamp

Location:

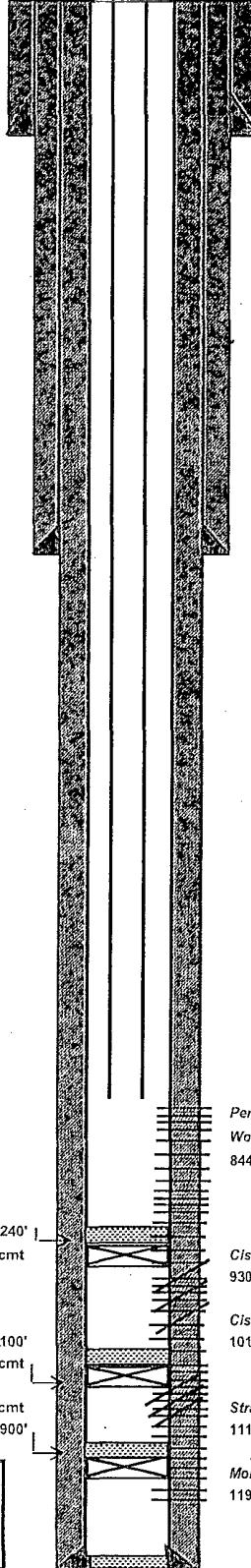
660' FSL & 890' FWL
 Section: 10
 Township: 17S
 Range: 31E Unit: M
 County: Eddy State: NM

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**

Cheveno: NA
 API No: 30-015-32316
 Operator: Marbob Energy Corp (7/1/2004)
 Spud Date: 6/15/2002
 Rig Released: 7/30/02
 Compl. Date: 10/27/04

Surface Csg: 13-3/8\"

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\"

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 @ 11,96' (24 shots). Acdz w/500 gals 15% acid. Set CIBP @ 11,900'. Perf Strawn @ 11,169'-11,187'.
 Dump 35' cmt on top of CIBP @ 11,900'. Acdz Strawn w/1500 gals 15% acid. Set CIBP @ 11,100. Perf Cisco @ 9308' - 9583', 15 shots. Dump 35' cmt on CIBP @ 11100'. Acdz w/3000 gals 15% acid. 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 PBDT @ 9205'. Hung well on pmp 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

CIBP @ 9240'
 Top w/35' cmt

CIBP @ 11100'
 Top w/35' cmt

Top w/35' cmt
 CIBP @ 11,900'

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: PBDT: 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.	Calcium:	6087.0	303.74
Density (g/cm3, tonne/m3):	1.112	Sulfate:	2469.0	51.4	Strontium:	133.0	3.04
Anion/Cation Ratio:	1	Phosphate:			Barium:	0.3	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 @ 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

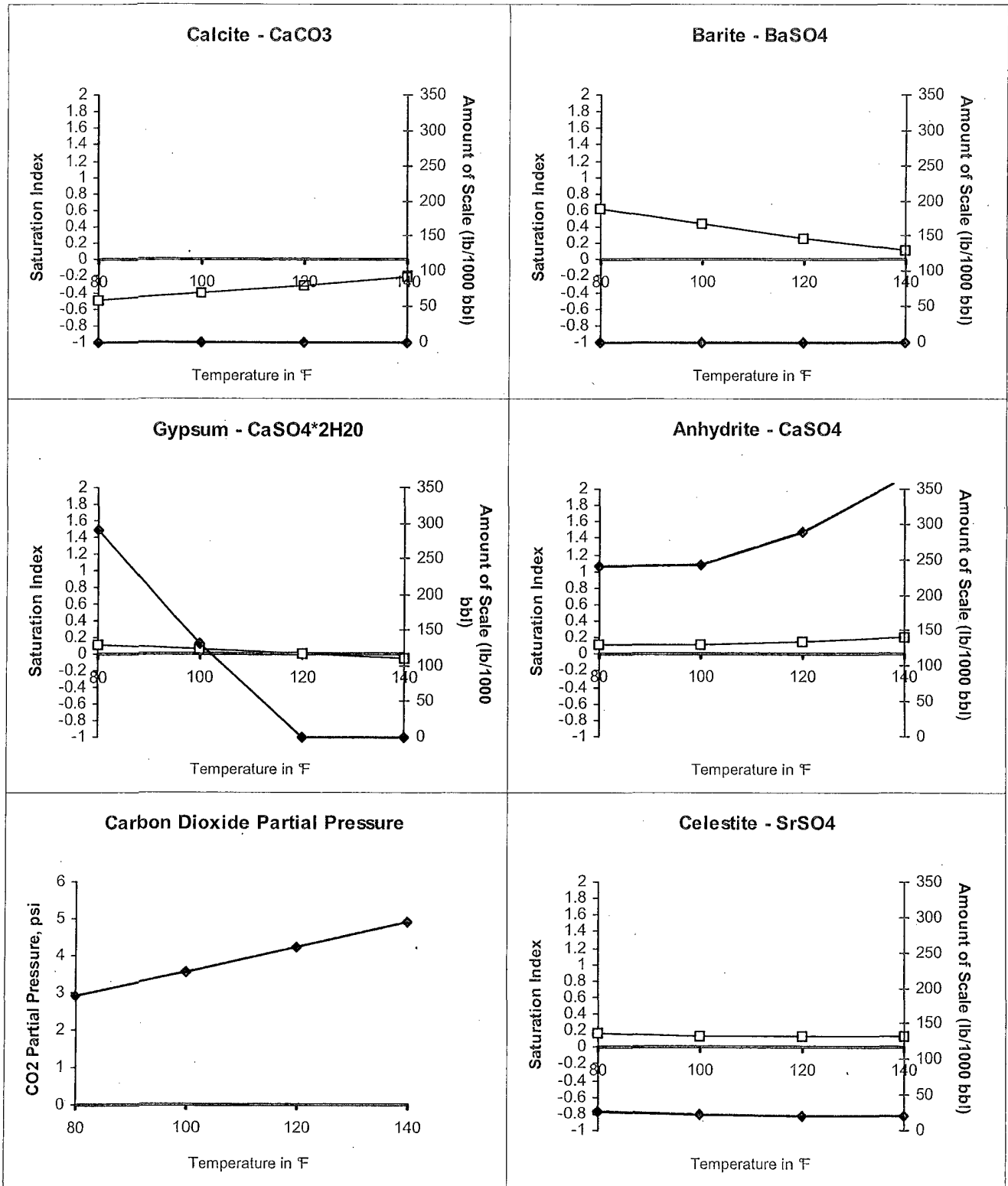
Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

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 C ONTINENT LP, 07/29/10





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 Acero, 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



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 that reads "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.

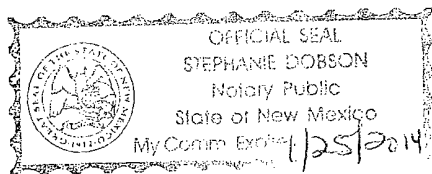
Kathy McCarroll

Subscribed and sworn to before me this

19th day of October, 2010
Stephanie Dobson

My commission Expires on 1/25/2014

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 Salt

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 iniec-

tion 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.

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