

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Con

DIV-Div 2

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

clsf

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well: ☐ OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator
CHEVRON USA INC

3. Address and Telephone No. 15 SMITH ROAD, MIDLAND, TX 79705-915-687-7337

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter M : 990 Feet From The SOUTH Line and 660 Feet From The

WEST Line Section 21 Township 17-S Range 31-E

5. Lease Designation and Serial No.

NM-98122

6. If Indian, Alottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and Number

SKELLY UNIT

951

9. API Well No.

30-015-32434

10. Field and Pool, Exploatory Area
MORROW

11. County or Parish, State

EDDY, NM

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Attaching Casing
☒ OTHER: OPERATOR CHANGE

TYPE OF ACTION

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

PER JOE LARA, THE SUBJECT WELL, PERMITTED BY MACK ENERGY CORPORATION, OPERATOR, (COPY ATTACHED) WILL NOW BE OPERATED BY CHEVRON U.S.A.. THIS WELL IS SCHEDULED TO BE DRILLED IN APPROXIMATELY 2-3 WEEKS.

MACK ENERGY AND CHEVRON U.S.A. ARE BOTH IN AGREEMENT OF THIS REQUEST.

MR. LARA ALSO ADVISED THAT DRILLING OPERATIONS NEED NOT BE DELAYED DUE TO APPROVAL OF THIS REQUEST.

ANY QUESTIONS MAY BE DIRECTED TO DAVID CRAWFORD, CHEVRON U.S.A., 915-687-7331.

14. I hereby certify that the foregoing is true and correct

SIGNATURE Denise Leake TITLE Regulatory Specialist DATE 9/3/2002

TYPE OR PRINT NAME Denise Leake

(This space for Federal or State office use)

APPROVED (ORIG. SGD.) ALEXIS C. SWOBODA
CONDITIONS OF APPROVAL, IF ANY: TITLE

PETROLEUM ENGINEER

DATE

SEP 11 2002

Title 18 U.S.C. Section 1001, makes 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOS: 7-10-02

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.

NM-98122

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Skelly Unit #951

9. API WELL NO.

10. FIELD AND POOL OR WILDCAT

Morrow

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec 21-T17S-R31E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

1a. TYPE OF WORK

DRILL ☒DEEPEEN ☐

b. TYPE OF WELL

OIL
WELL ☐Gas
Well ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Mack Energy Corporation

3. ADDRESS AND TELEPHONE NO.

P.O. Box 960, Artesia, NM 88211-0960

(505) 748-1288

4. LOCATION OF WELL (Report local on clearly and in accordance with any state requirement*)

At surface

990 FSL & 660 FWL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

6 miles east of Loco Hills Post Office

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660

16. NO. OF ACRES IN LEASE

4160

17. NO. OF ACRES IN LEASE
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED
OR APPLIED FOR, ON THIS LEASE, FT.

330

19. PROPOSED DEPTH

12,200'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3793' GR

Koswell Controlled Water Basin

22. APPROX. DATE WORK WILL START*

8/23/02

23.

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|--------------------|
| 17 1/2 | J-55, 13 3/8 | 48 | 400 | Circ |
| 12 1/4 | J-55, 8 5/8 | 32 | 4500 | Sufficient to Circ |
| 7 7/8 | S-95 & N-80, 5 1/2 | 17 | 12,200 | Sufficient to Circ |

WITNESS

Mack Energy proposes to drill to a depth sufficient to test the Morrow Formation for gas. If productive, 5 1/2" casing will be cemented. If non-productive, plugging and abandoning in a manner consistent with federal regulation. Specific programs as per Onshore Oil and Gas Order #1 are outlined in the following attachments:

1. Surveys

Exhibit #1- Well Location Plat

Exhibit #2- Vicinity Map

Exhibit #3- Location Verification Map

4. Certification5. Hydrogen Sulfide Drilling Operation Plan

Exhibit #7- H2S Warning Sign

Exhibit #8- H2S Safety Equipment

7. Responsibility Statement2. Drilling Program3. Surface Use & Operating Plan

Exhibit #4- One Mile Radius Map

Exhibit #5- Production Facilities Layout

Exhibit #6- Location Layout

6. Blowout Preventers

Exhibit #9- BOPE Schematic

Exhibit #10- Blowout Preventer Requirements

Exhibit #11- Choke Manifold

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Cristina D. Carter

TITLE

Production Analyst

DATE

7/23/02

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

J. L. Lala

Acting

FIELD MANAGER

DATE

8/30/02

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes 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 statement.