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**Mull, Donna, EMNRD**

**From:** Ingram, Scott (ScottIngram) [ScottIngram@chevron.com] **Sent:** Mon 5/21/2007 12:35 PM  
**To:** Pinkerton, J. Denise (leakejd); Mull, Donna, EMNRD  
**Cc:**  
**Subject:** RE: New Mexico O State NCT-1 #40-J, 36-17s-34e API # 30-025-38140  
**Attachments:**

Donna,

The subject well was drilled to a total depth of 13,300'. Due to significant shallow and intermediate depth deviation, at the depth of approximately 11,000' a tabulation of our Totco surveys disclosed the possibility of our having exceeding our regulatory lease line setback, so we rigged up (at approximately 11,500' MD) and ran a MWD directional gyro survey. This gyro survey equipment was utilized from that point on until we reached our 7" production casing point of 12,135', at which point the BHL was 45' North of and 22' West of the surface location (therefore ~1930' FSL and 2000' FEL), well within a legal location setback. At this point the MWD gyro equipment was rigged down and released and from this depth on to our ultimate TD of 13,300' only Totco type surveys were run which showed a maximum subsequent deviation of only 147' from the BHL at 12,135', again well within the regulatory setback.

Please let me know if you need any further information.

Sincerely, Scott

**Scott M. Ingram**  
 Sr. Staff Geologist, Mid-Continent/Alaska BU  
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**From:** Pinkerton, J. Denise (leakejd)  
**Sent:** Monday, May 21, 2007 12:02 PM  
**To:** 'Mull, Donna, EMNRD'  
**Cc:** Ingram, Scott (ScottIngram)  
**Subject:** RE: New Mexico O State NCT-1 #40-J, 36-17s-34e API # 30-025-38140

Scott,  
 Can you explain to Donna Mull what you explained to me about this well and the discrepancy with the TD?

J. Denise Pinkerton

REGULATORY SPECIALIST  
 NEW MEXICO ASSET TEAM  
 CHEVRON NORTH AMERICA EXPLORATION & PRODUCTION COMPANY  
 15 SMITH ROAD  
 MIDLAND, TEXAS 79705  
 (432) 687-7375 FAX 432-687-7221, ROOM #4229

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**From:** Mull, Donna, EMNRD [mailto:donna.mull@state.nm.us]  
**Sent:** Monday, May 21, 2007 11:49 AM  
**To:** Pinkerton, J. Denise (leakejd)  
**Subject:** New Mexico O State NCT-1 #40-J, 36-17s-34e API # 30-025-38140

Denise, I am reviewing the completion paperwork on this well.

C105 -- TD @ 13300'

Deviation survey states you went to 12915'

Directional drill survey 10321'

OCD needs more information on the DIRECTIONAL DRILL SURVEY>

THANKS DM

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