

DATE IN 1/19/11	SUSPENSE	ENGINEER WJ	LOGGED IN 1/19/11	TYPE SWD	APP NO. 1101962508
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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



PTGW
 RECEIVED
 4323
 S/E Kelly Unit # 51

ADMINISTRATIVE APPLICATION CHECKLIST 30-015-05340

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]

FOD
 Eddy

- [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.**

Cancelled
 3/18/11
 (WJ on Regard DATA)
 arrival 3/28/11

[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.

Carolyn Haynie		NM Petroleum Engineering TA	1-11-11
Print or Type Name	Signature	Title	Date
		chay@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

January 11, 2011

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 a sub-operator with 50% WI in the deep rights, respectfully requests administrative approval to convert the Skelly Unit # 51, (API # 30-015-05348), to a Salt Water Disposal well in the Wolfcamp and Cisco formations. Skelly Unit # 51 is located: 1980' FSL & 660' FEL, Unit Letter I; Section 22; T17S, R31E, N.M.P.M.; Eddy County, New Mexico.

The injection interval will be in the Wolfcamp and Cisco formations, perforated area: 9430'-9470'; 9550'-9650'.

Attached are the OCD C-108 and the BLM reentry and sundry, with information relative to the SWD injection of the referenced well. A copy of the legal notice posted in the Carlsbad Current Argus, the letters of notification, well list and the map for the Skelly Unit # 51.

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.

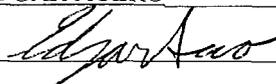
Sincerely,

A handwritten signature in cursive script, appearing to read "Carolyn Haynie". The signature is written in black ink and is positioned above the typed name.

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 = 1686 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, 15% 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: 1/11/11
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: 9430' – 9470', CISCO: 9550'-9650'
- (2) The injection interval and whether it is perforated or open-hole. **PERFORATED: 9430' – 9470', 9550'-9650'**
- (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. **PERFS (3219' – 3606'). SET CIBP @ 3122' WITH CEMENT from 3027' to 3122'**
- (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 USA

WELL NAME & NUMBER: SKELLY UNIT # 51

WELL LOCATION: 1980' FSL & 660' FEL SECTION 22 TOWNSHIP T17S RANGE R31E

UNIT LETTER

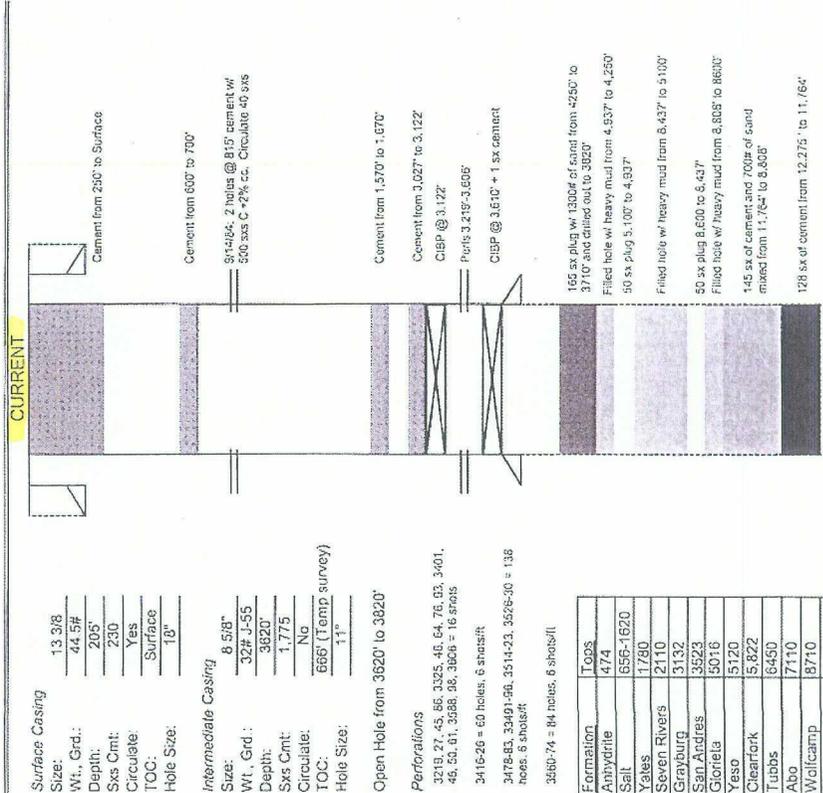
WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Skelly Unit #51 Wellbore Diagram (Current)

Lease:	Skelly Unit	Well #:	51
Field:	Fren	API	30-015-05346
Surf. Loc.:	1980' FSL & 660' FEL	Trsp/Rng:	T17S & R31E
County:	Eddy	Unit Tr.:	1
Status:	P&A (12/11/03)	Section:	22
		Chemc:	FC5987
		Int. Spcd.:	1/28/55



TD: 12,275'

Formation	Top	Bottom
Anhydrite	474	
Salt	656-1620	
Yales	1780	
Seven Rivers	2110	
Grayburg	3132	
San Andres	3523	
Glorieta	5016	
Yeso	5120	
Clearfork	5,822	
Tubbss	6450	
Abo	7110	
Wolfcamp	8710	
Hueco	8964	
Penn	10173	
Des Moines	11114	
Atoka	11354	

Perforated Injection Interval

9430' - 9470' feet to 9550' - 9650'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

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

Type of Packer: ARROW-SET INJECTION PACKER

Packer Setting Depth: 9380'

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

Additional Data

- 1. Is this a new well drilled for injection? Yes No
 If no, for what purpose was the well originally drilled? PRODUCER

2. Name of the Injection Formation: WOLFCAMP, CISCO

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

- 4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

PERFS (3219' - 3606'). Set CIBP @ 3122' w/cement from 3024' to 3122'

- 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')

Skelly Unit #51 Wellbore Diagram (Current)

Lease: Skelly Unit
 Field: Fren
 Surf. Loc.: 1980' FSL & 660' FEL
 County: Eddy St.: NM
 Status: P&A (12/11/03)

Well #: 51
 API: 30-015-05348
 Surface: Tshp/Rng: T17S & R31E
 Unit Ltr.: I Section: 22
 Chevno: _____
 Ini. Spud: 10/17/54 Ini. Comp.: 1/26/55

Surface Casing

Size: 13 3/8
 Wt., Grd.: 44.5#
 Depth: 205'
 Sxs Cmt: 230
 Circulate: Yes
 TOC: Surface
 Hole Size: 18"

Intermediate Casing

Size: 8 5/8"
 Wt., Grd.: 32# J-55
 Depth: 3620'
 Sxs Cmt: 1,775
 Circulate: No
 TOC: 666' (Temp survey)
 Hole Size: 11"

Open Hole from 3620' to 3820'

Perforations

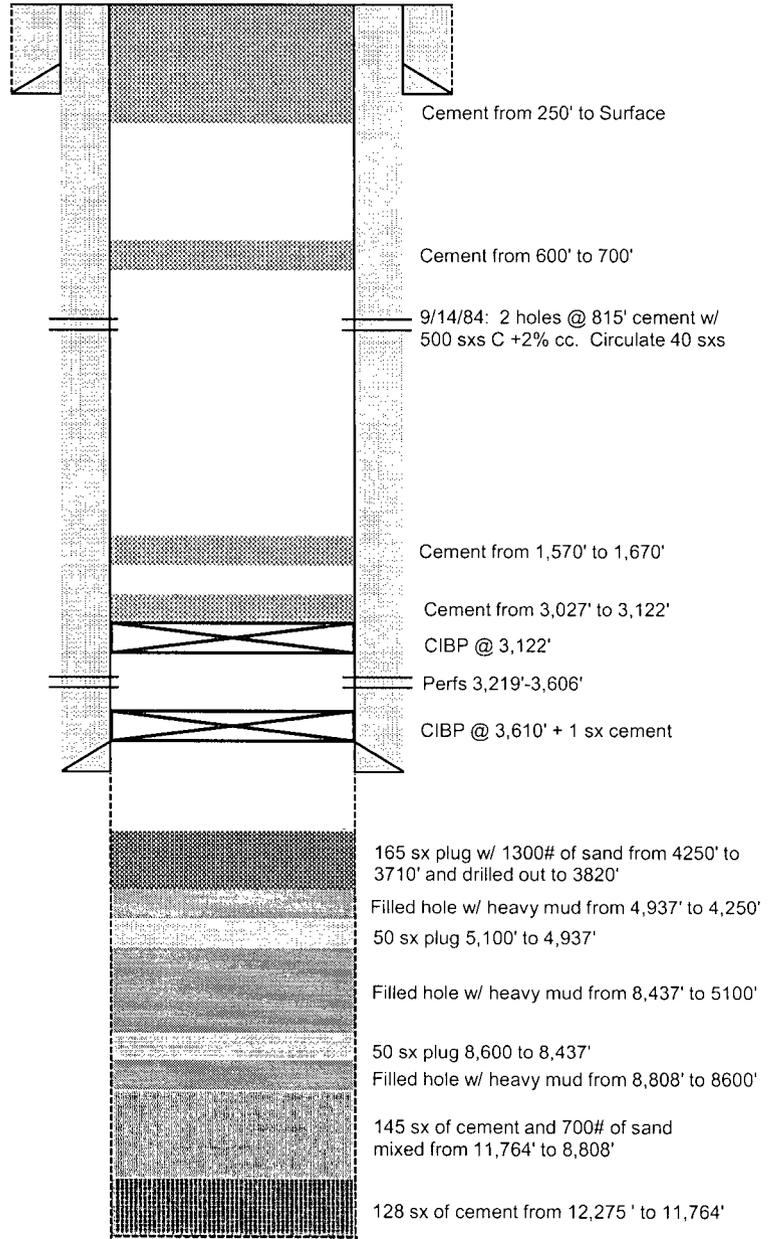
3219, 27, 45, 86, 3325, 46, 64, 76, 93,
 3401, 46, 50, 61, 3588, 98, 3606 = 16 shots

3416-26 = 60 holes, 6 shots/ft

3478-83, 33491-96, 3514-23, 3526-30 =
 138 hoes, 6 shots/ft

3560-74 = 84 holes, 6 shots/ft

Formation	Tops
Anhydrite	474
Salt	656-1620
Yates	1780
Seven Rivers	2110
Grayburg	3132
San Andres	3523
Glorieta	5016
Yeso	5120
Abo	7110
Wolfcamp	8482
Cisco (Pennsylvanian)	9417
Canyon	9990
Strawn	11048
Atoka	11394



TD: 12,275'

Skelly Unit #51 Wellbore Diagram (Proposed)

Lease: Skelly Unit
 Field: Fren
 Surf. Loc.: 1980' FSL & 660' FEL
 County: Eddy St.: NM
 Status: P&A (12/11/03)

Well #: 51
 API: 30-015-05348
 Surface: Tshp/Rng: T17S & R31E
 Unit Ltr.: I Section: 22
 Chevno: _____
 Ini. Spud: 10/17/54 Ini. Comp.: 1/26/55

Surface Casing

Size: 13 3/8
 Wt., Grd.: 44.5#
 Depth: 205'
 Sxs Cmt: 230
 Circulate: Yes
 TOC: Surface
 Hole Size: 18"

Intermediate Casing

Size: 8 5/8"
 Wt., Grd.: 32# J-55
 Depth: 3620'
 Sxs Cmt: 1,775
 Circulate: No
 TOC: 666' (Temp survey)
 Hole Size: 11"

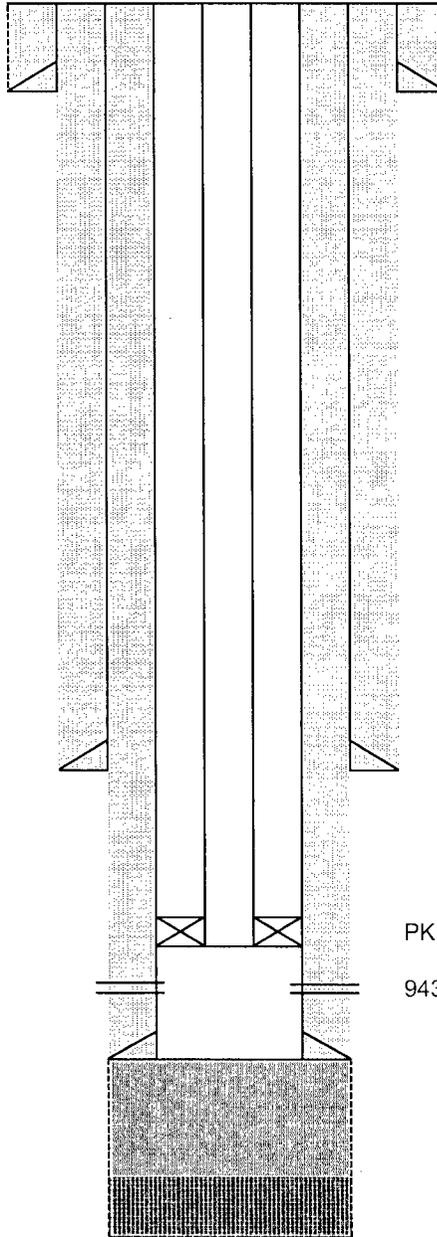
Production Casing

Size: 5 1/2"
 Wt., Grd.: 15.5# J-55
 Depth: 10,045
 Sxs Cmt: _____
 Circulate: Yes
 TOC: Surface
 Hole Size: 8 5/8"

Perforations

9430'-9470', 9550'-9650'

Formation	Tops
Anhydrite	474
Salt	656-1620
Yates	1780
Seven Rivers	2110
Grayburg	3132
San Andres	3523
Glorieta	5016
Yeso	5120
Abo	7110
Wolfcamp	8482
Cisco (Pennsylvanian)	9417
Canyon	9990
Strawn	11048
Atoka	11394



PKR SET @ 9380'

9430'-9470', 9550'-9650'

PBTD: 10,000'

TD: 12,275'

5113-02-293

Operator: Printed Date: 02-02-2009 AM 10:41:32

SUTTLES LOGGING, INC.

Producer: **CHEVRONTEXACO**

Wellname: **SKELLY UNIT #950**

Location: **SEC.28,T17S R31E**

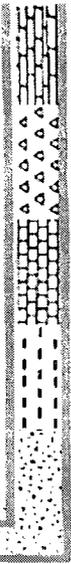
Survey: **973' FNL & 2226' FWL**

County, St: **EDDY COUNTY, N.**

Geologists: **SCOTT BREWER AND DAVID CAGLE**

Elevation: **(GL)- 3784 (KB)- 3801**

Depths: **(START)- 4300 (TD)- 12000, Dates: 12/29/2002 TO 2/2/2003**



HYDROCARBON WELL LOGGING GEOLOGICAL CONSULTING

P.O. BOX 10725, Midland, TX 79702

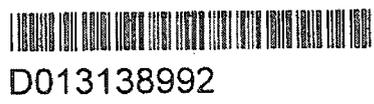
(915)687-3148

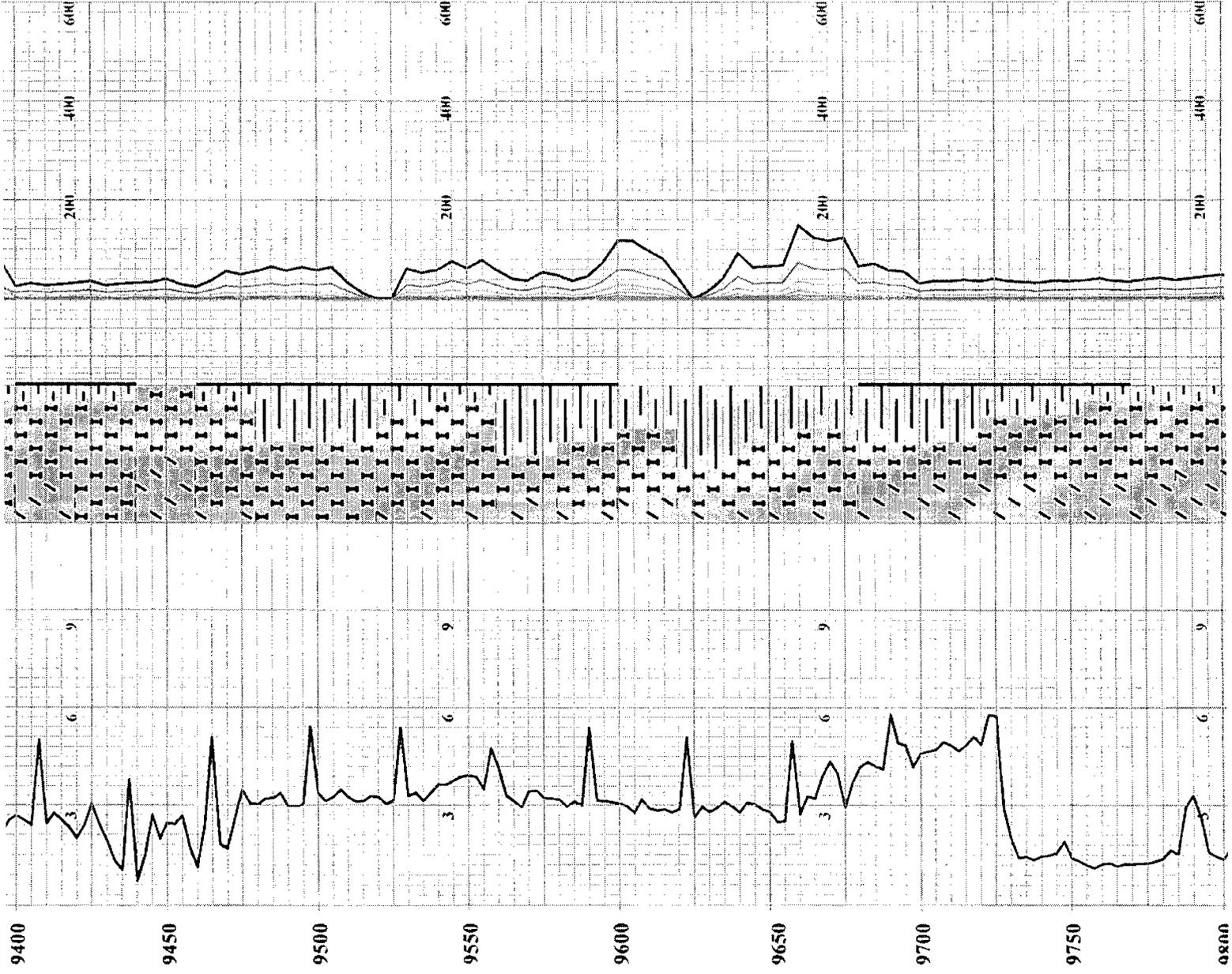
- CO - Circulate Out
- CON - Connection Made
- DC - Depth Correction
- DDC - Drills Depth Correc.
- DS - Directional Survey
- DST - Drill Stem Test
- LC - Lost Circulation
- LB - New Bit
- NR - No Returns
- PG - Plugged Back
- TD - Total Depth
- TG - Trip Gas
- WOB - Weight On Bit
- WT - Weight

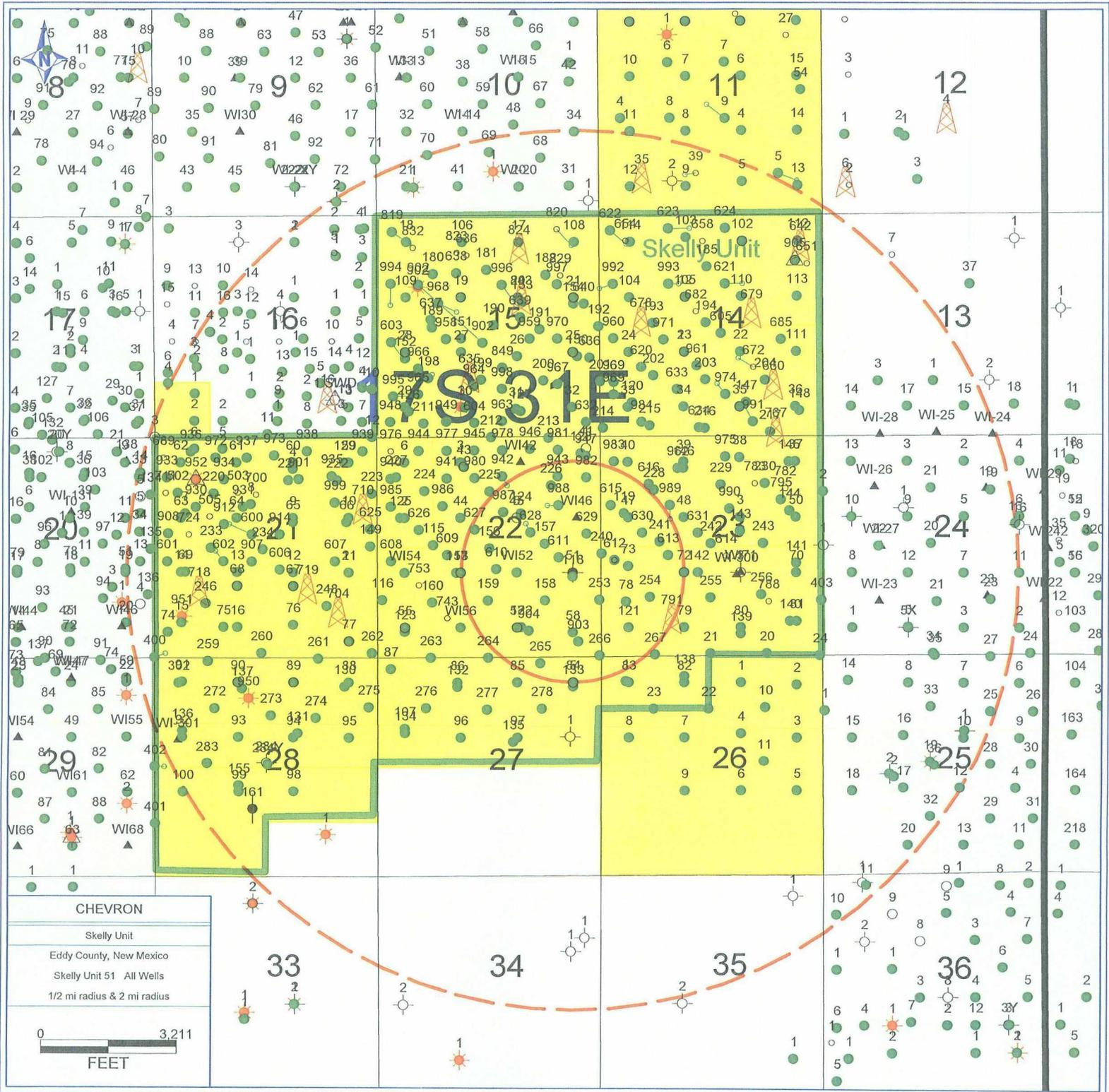
- NO SAMPLE - [Symbol]
- CHERT - [Symbol]
- DOLOMITE - [Symbol]
- LIMESTONE - [Symbol]
- SAND - [Symbol]
- SILT - [Symbol]
- ANYHYDRITE - [Symbol]
- SHALE - [Symbol]
- PYRITE - [Symbol]

Total GAS -
C1 GAS -
C2 GAS -
C3 GAS -
C4 GAS -
C5 GAS -

DEPTH	DRILL TIME (R.O.P.)	COMMENTS	UTHOLOGY	POR FLR CUT	GAS ANALYSIS (MOTWIRE CHROMATOGRAPH)	DESCRIPTION & REMARKS
4300						
4350						
4400						
4450						
4500						







Wells Within 1/2 mile Radius of the Skelly Unit # 51, Proposed Salt Water Disposal well

Lease Name	Well No.	API	Field	Reservoir	Pool	Status	Location	Unit Letter	Sec.	Township	Rge	County	Company	proposed inj_zone	TD	
SKELLY UNIT	982	30-015-36515	FREN	Yeso	26770	PROD	875' FNL & 510' FEL	A	22	17S	31E	Eddy	COG OPERATING	No	6830'	
SKELLY UNIT	943	30-015-32962	FREN	PADDOCK	26770	PROD	990' FNL & 990' FEL	A	22	17S	31E	Eddy	CHEVRON	No	5410'	
SKELLY UNIT	226	30-015-29182	GRYBRG JACKSON	GRAYBURGS AN ANDRES	28509	PROD	1217' FNL & 1117' FEL	A	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	4000'	
SKELLY UNIT	998	30-015-36680	FREN	Yeso	26770	PROD	1650' FNL & 1250' FEL	H	22	17S	31E	Eddy	COG OPERATING	No	6716'	
SKELLY UNIT	987	30-015-36497	FREN	Yeso	26770	PROD	1800' FNL & 2300' FEL	G	22	17S	31E	Eddy	CHEVRON	No	6630'	
SKELLY UNIT	124	30-015-22258	FREN	TRVS	26790	PROD	1880' FNL & 1880' FEL	G	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	3860'	
SKELLY UNIT	46	30-015-05357	JACKSON	SAN ANDRES	28509	INJECTION	1980' FNL & 560' FEL	H	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	3859'	
SKELLY UNIT	45	30-015-05346	JACKSON	GRAYBURGS AN ANDRES	28508	INJECTION	1980' FNL & 1980' FEL	G	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	5040'	
SKELLY UNIT	627	30-015-36968	FREN	Yeso	26770	PROD	2210' FNL & 2310' FWL	F	22	17S	31E	Eddy	COG OPERATING	No	6815'	
SKELLY UNIT	628	30-015-36981	FREN	Yeso	26770	PROD	2080' FNL & 1769' FEL	G	22	17S	31E	Eddy	COG OPERATING	No	6846'	
SKELLY UNIT	629	30-015-36964	FREN	Yeso	26770	PROD	2330' FNL & 330' FEL	H	22	17S	31E	Eddy	COG OPERATING	No	6804'	
SKELLY UNIT	156	30-015-25038	JACKSON	GRAYBURGS AN ANDRES	28509	PROD	2560' FSL & 2630' FEL	J	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	3685'	
SKELLY UNIT	157	30-015-25039	JACKSON	GRAYBURGS AN ANDRES	28509	PROD	2600' FNL & 1310' FEL	H	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	3705'	
SKELLY UNIT	611	30-015-36887	FREN	Yeso	26770	PROD	2380' FSL & 990' FEL	I	22	17S	31E	Eddy	COG OPERATING	No	6890'	
SKELLY UNIT	610	30-015-36888	FREN	Yeso	26770	PROD	2110' FSL & 2470' FEL	J	22	17S	31E	Eddy	COG OPERATING	No	6935'	
SKELLY UNIT	52	30-015-05345	JACKSON	GRAYBURGS AN ANDRES	28509	PROD	1980' FSL & 1980' FEL	J	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	3790'	
SKELLY UNIT	51	30-015-05348	JACKSON	GRAYBURGS AN ANDRES	28509	P&A'd	1980' FSL & 660' FEL	I	22	17S	31E	Eddy	CHEVRON	CONVERS	ON WELL	12,275'
SKELLY UNIT	118	30-015-22252	FREN	TRVS	26790	PROD	1880' FSL & 660' FEL	I	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	2580'	
SKELLY UNIT	159	30-015-25041	JACKSON	SAN ANDRES	28509	PROD	1310' FSL & 2630' FWL	N	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	4050'	
SKELLY UNIT	158	30-015-25040	JACKSON	SAN ANDRES	28509	PROD	1310' FSL & 1310' FEL	P	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	4050'	
SKELLY UNIT	57	30-015-05353	JACKSON	SAN ANDRES	28509	PROD	660' FSL & 1980' FEL	O	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	3710'	
SKELLY UNIT	122	30-015-22256	FREN	TRVS	26790	PROD	660' FSL & 1880' FEL	O	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	2607'	
SKELLY UNIT	904	30-015-29461	Lake E. Cedar	ABO	96685	P&A'd	625' FSL & 1709' FEL	O	22	17S	31E	Eddy	CHEVRON	Yes, wellbore	9200'	
SKELLY UNIT	58	30-015-05355	JACKSON	GRAYBURG	28509	TA'd	540' FSL & 660' FEL	P	22	17S	31E	Eddy	SANDRIDGE EXPL & PROD	No	3700'	
SKELLY UNIT	903	30-015-29419	Lake E. Cedar	ABO	96685	P&A'd	360' FSL & 540' FEL	P	22	17S	31E	Eddy	CHEVRON	Yes, wellbore	8000'	

Skelly Unit #903 Wellbore Diagram

Created: 12/14/10 By: CHAY
 Updated: By:
 Lease: Skelly Unit
 Field: Cedar Lake East
 Surf. Loc.: 360' FSL & 540' FEL
 County: Eddy St.: NM
 Status: P&A - 11-15-04

Well #: 903 Fd./St. #:
 API 30-015-29419
 Surface Tshp/Rng: T-17-S,R-31-E
 Unit Ltr.: P Section: 22
 Wellbore #: 427621
 Cost Code PH41000
 Chevno: BR4662

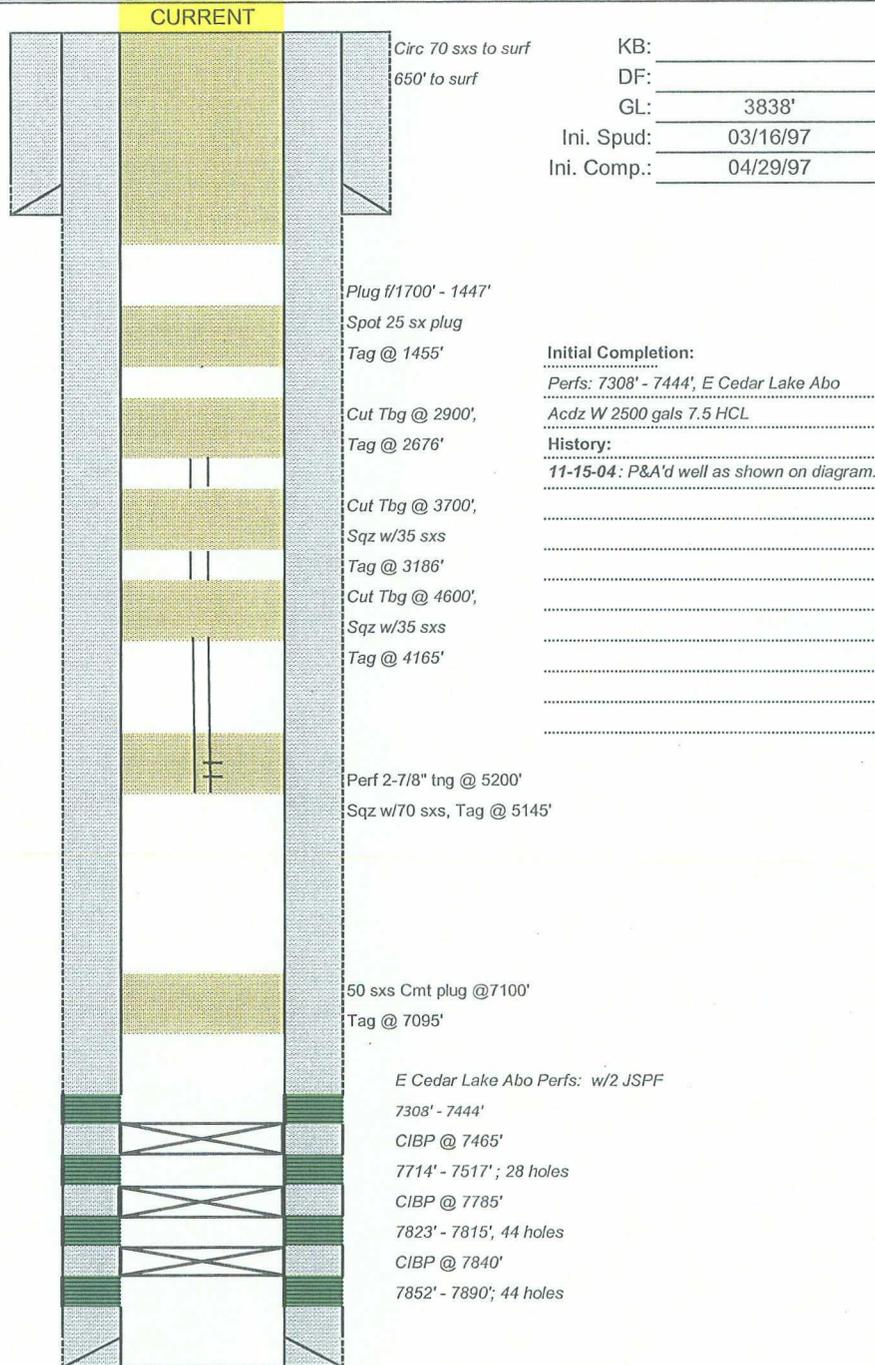
Surface Casing

Size: 8 5/8
 Wt., Grd.: 32# L-80
 Depth: 605'
 Sxs Cmt: 450
 Circulate: yes, 113 sxs
 TOC: Surface
 Hole Size: 11.00"

Formation Tops	
Yates	1830'
7Rvrs	2169'
Queen	2817'
Grayburg	3213'
San Andres	3618'
Glorieta	5090'
Tubb	6490'
Abo	7170'

Production Casing

Size: 5-1/2"
 Wt., Grd.: 15.50# L-80
 Depth: 7985'
 Sxs Cmt: 5,000
 Circulate: Yes, 330 sxs
 TOC: Surface
 Hole Size: 7-7/8"
 DV Tool:



KB: _____
 DF: _____
 GL: 3838'
 Ini. Spud: 03/16/97
 Ini. Comp.: 04/29/97

Initial Completion:
 Perfs: 7308' - 7444', E Cedar Lake Abo
 Acdz W 2500 gals 7.5 HCL
History:
 11-15-04: P&A'd well as shown on diagram.

PBTD: 7465'
 TD: 8000'

Skelly Unit #904 Wellbore Diagram

Created: 12/15/10 By: CHAY
 Updated: _____ By: _____
 Lease: Skelly Unit
 Field: Cedar Lake East
 Surf. Loc.: 625' FSL & 1709' FEL
 County: Eddy St.: NM
 Status: P&A - 11-4-04

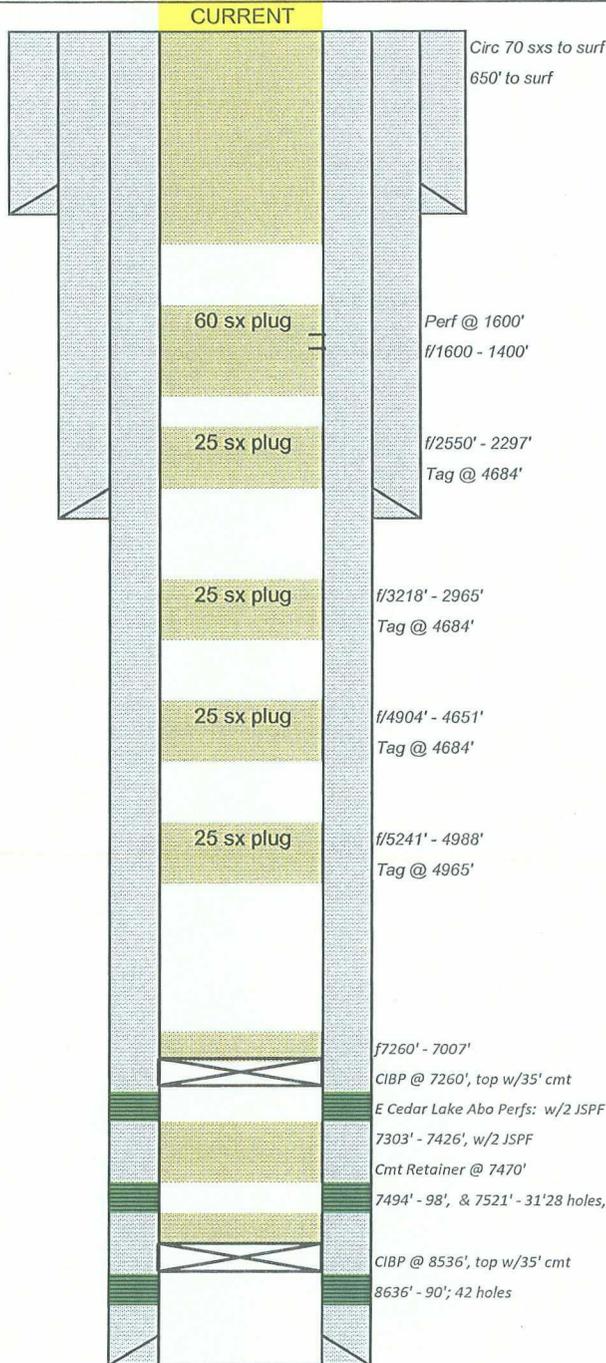
Well #: 904 Fd./St. #: _____
 API: 30-015-29461
 Surface Tshp/Rng: T-17-S,R-31-E
 Unit Ltr.: O Section: 22
 Wellbore #: 427622
 Cost Code: PH41000
 Chevno: BS6862

Surface Casing
 Size: 11-3/4"
 Wt., Grd.: 42#, WC-40
 Depth: 615'
 Sxs Cmt: 500 sxs
 Circulate: Yes, 210 sxs
 TOC: Surface
 Hole Size: 14-3/4"

Formation Tops	
Yates	1570'
7Rvrs	
Queen	1790'
Grayburg	2750'
San Andres	3150'
Paddock	
Abo	6450'
Wolfcamp	

Intermediate Casing
 Size: 8-5/8"
 Wt., Grd.: 32# WC-50
 Depth: 4828'
 Sxs Cmt: 2350 sxs
 Circulate: Yes
 TOC: Surface
 Hole Size: 11"

Production Casing
 Size: 5-1/2"
 Wt., Grd.: 17# WC-50
 Depth: 9200'
 Sxs Cmt: 2100 sxs
 Circulate: yes
 TOC: Surface
 Hole Size: 7-7/8"
 DV Tool: _____



KB: 3849'
 DF: 3848'
 GL: 3831'
 Ini. Spud: 12/10/97
 Ini. Comp.: 04/09/98

Initial Completion:
 E Cedar Lake Abo, perfs: 7303' - 7426'
 Acdz w/3500 gals 15% HCL
 Frac w/12000 gals 15% HCL & 8000
 gals gell wlr.
History:
 11-4-04: P&A'd well as shown on diagram.

PBTD: 7470'
 TD: 9200'

NM WAIDS

DATA

MAPS

HOME

SCALE

CORROSION

General Information About: Sample 2392			
Section/ Township/Range	34 / 17 S / 31 E	Lat/Long	32.7908 / -103.8566
Elevation	3799	Depth	362
Date Collected	12/6/1948	Chlorides	54
Collector / Point of Collection	USG / DP	Use	Stock
Formation	SANTA ROSA	TDS	0



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		

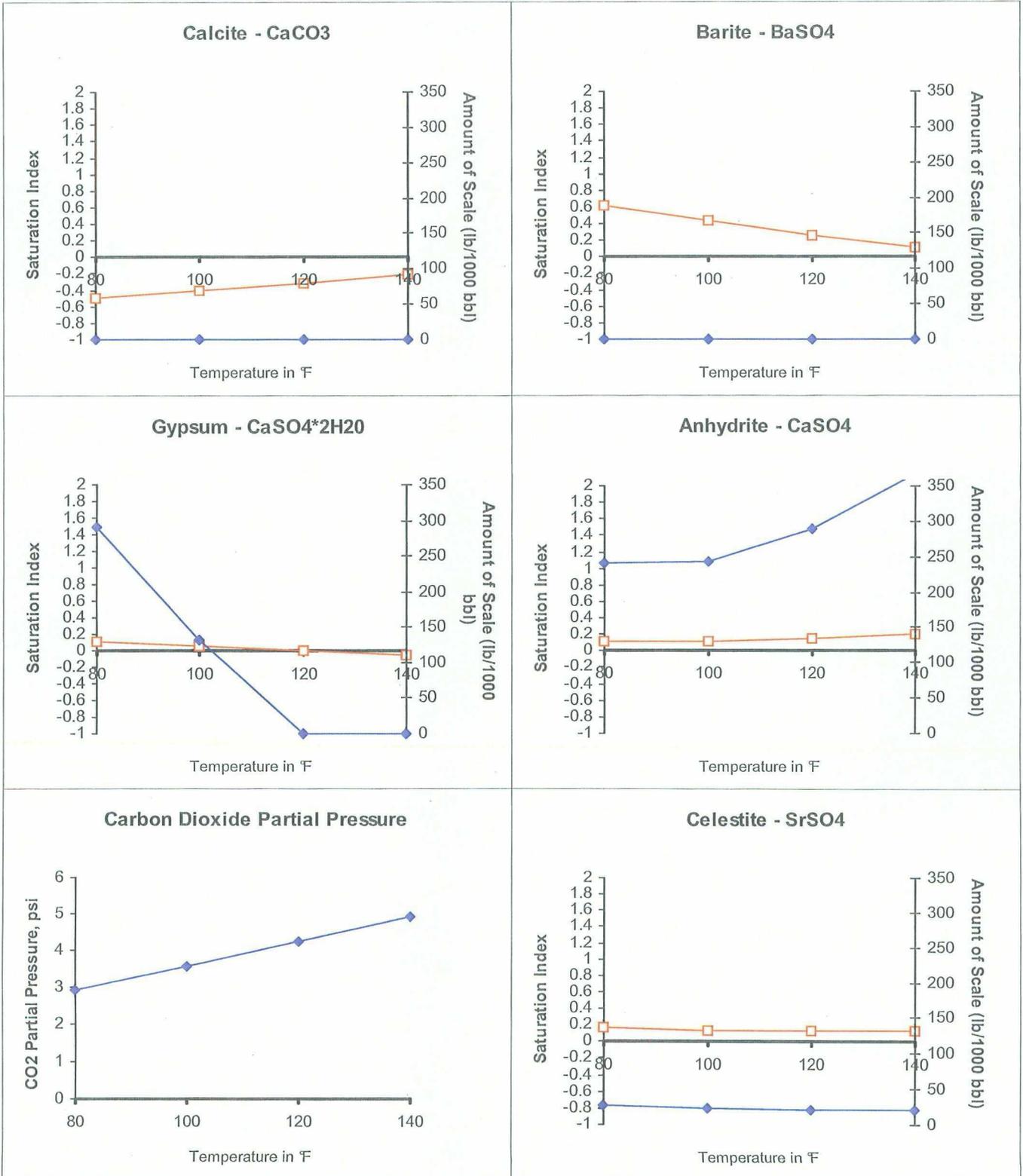
Summary		Analysis of Sample 523266 @ 75 F			
Sampling Date:	07/22/10	Anions	mg/l	meq/l	Cations
Analysis Date:	07/29/10	Chloride:	96083.0	2710.15	Sodium:
Analyst:	SANDRA GOMEZ	Bicarbonate:	207.0	3.39	Magnesium:
TDS (mg/l or g/m3):	161016.5	Carbonate:	0.0	0.	Calcium:
Density (g/cm3, tonne/m3):	1.112	Sulfate:	2469.0	51.4	Strontium:
Anion/Cation Ratio:	1	Phosphate:			Barium:
		Borate:			Iron:
		Silicate:			Potassium:
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:
					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
		Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	
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



December 26, 2010

LEGAL NOTICE
December 21, 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 # 51 to a Salt
Water Disposal well.
The Skelly Unit # 51
is located 1980' ESL
& 660' FEL, 1, Sec.
22, T17S, R31E, Eddy
County, New Mexico.
The injection interval
is in the Wolfcamp
and Cisco formation
from 9430' - 9470' &
9550' - 9650' thru per-
forations. The maxi-
mum injection rate
will be 10,000 BWPD,
with a maximum al-
lowable amount of
1686 PSI. Interested
parties should file ob-
jections or requests
for hearing with the
Oil Conservation Di-
vision, 1220 South St.
Francis 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.

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:

December 26 2010

That the cost of publication is **\$55.40** and that
payment thereof has been made and will be
assessed as court costs.

Kathy McCarroll

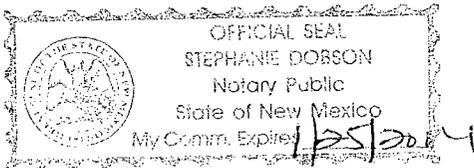
Subscribed and sworn to before me this

27th day of December, 2010

Stephanie Dorson

My commission Expires on 1/25/2014

Notary Public



NOTIFICATION LIST

Prepared 1/11/2011 by Daniel Pequeno, Senior Land Representative

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

Skelly Unit Well No. 51 (API #30-015-05348)

1,980' FSL & 660' FEL
Section 22, T-17-S, R-31E, Unit Letter I
Eddy County, New Mexico

Offset Operators, Working Interest Owners, All Sections 21, 22, 23, 26, N/2 of Section 27 and N/2, SW/4 & N/2SE/4 of Section 28, all in T17S-R31E, to all depths from surface to 4,918 feet (shallow rights):

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

Interest owned: 100%

Offset Operators, Working Interest Owners, All Sections 21, 22, 23, 26, N/2 of Section 27 and N/2, SW/4 & N/2SE/4 of Section 28, all in T17S-R31E, to all depths below 4,918 feet (deep rights):

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

Interest owned: 50%

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

Interest owned: 50%

Surface Owner for All Sections 21, 22, 23, 26, N/2 of Section 27 and N/2, SW/4 & N/2SE/4 of Section 28, all in T17S-R31E:

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





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

January 11, 2011

CONVERT TO SALT WATER DISPOSAL
EDDY COUNTY, NEW MEXICO

RE: SKELLY UNIT # 51
Working Interest and Offset Operators:

For your information, as an offset operator, or a working interest owner, Chevron North America, as operator of the Skelly Unit # 51, has filed an application with the New Mexico Oil Conservation Division and submitted a Sundry to the BLM, to convert the currently abandoned Skelly Unit well # 51, (API # 30-015-05348), in the Wolfcamp/Cisco formation, to a Salt Water Disposal well, located: 1980' FSL & 660' FEL, Unit Letter I; Section 22; T17S, R31E, Eddy County, New Mexico.

Attached is an OCD form C-108 and the BLM sundry, with information relative to the salt 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 # 51.

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 Conservations Division, 1220 South St. Francis Dr., Santa Fe, New Mexico, 87505, within 15 days.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Haynie". The signature is written in black ink and is positioned above the typed name.

Carolyn Haynie
NM PE Technical Assistant

Enclosure

WORKING INTEREST OWNERS & OFFSET OPERATORS

**COG OIL & GAS, L.P.
550 WEST TEXAS, SUITE 1300
MIDLAND, TX 79701**

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



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

December 22, 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 # 51, (API # 30-015-05348), located: 1980' FSL & 660' FEL, Unit Letter I; Section 22; T17S, R31E, Eddy County, New Mexico.

The Injection interval will be in the perforated Wolfcamp formation: 9430' – 9470' / CISCO formation: 9550' – 9650'.

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 owners, offset operators, and working interest owners 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
Adil Manzoor
Scott Ingram
Danny Pequeno
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)
1980' FSL & 660' FEL, SEC. 22, T17S, R31E, Unit Letter I, N.M.P.M.

5. Lease Serial No.
LC 029419

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Skelly Unit # 51

9. API Well No.
30-015-05348

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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Salt Water Disposal
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 # 51, (API # 30-015-05348), located: 1980' FSL & 660' FEL, Unit Letter D; Section 22; T17S & R31E, Eddy County, New Mexico.

The Injection interval will be in the Wolfcamp and Cisco formation, perforated: 9430'-9470', 9550'-9650.

The proposed well procedure is to: MIRU PU and install BOP. Drill out plugs to 10,045'. RIH w/ 5 1/2" csg. Cement in place. RU wireline and perf the following intervals w/ 4 JSPF: 9430'-9470', 9550'-9650'

TIH w/ treating pkr & 2-7/8" WS. Acidize perfs. Release & TOH w/pkr. TIH w/ injection pkr and 3 1/2" tubing. ND BOP, NU wellhead. Perform MIT, and RDMO PU.

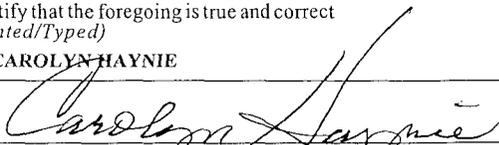
The estimated starting date will be June 1, 2011, and the duration is approximately 17 days.

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

CAROLYN HAYNIE

Title **Petroleum Engineering Technical Assistant**

Signature



Date **1-3-11**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

Title

Date

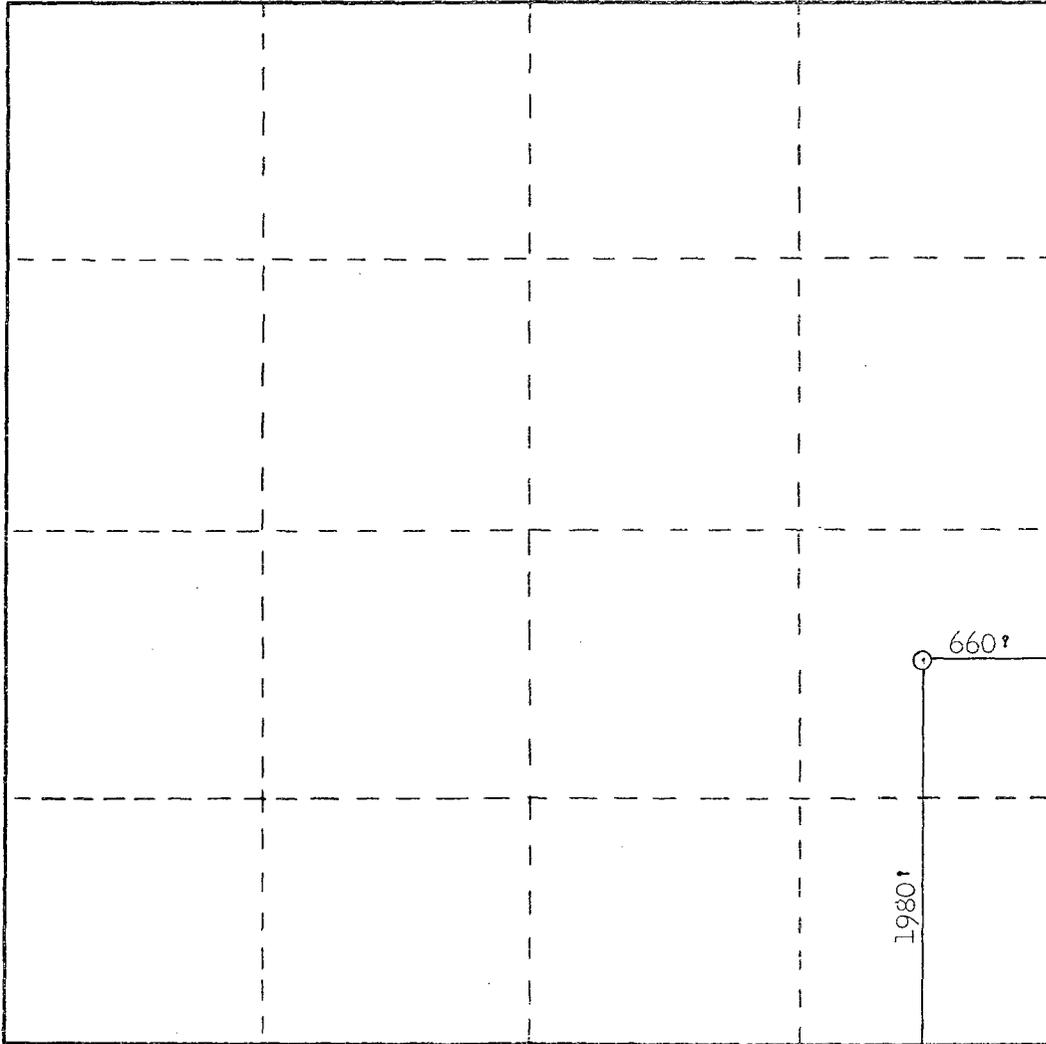
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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.

WELL LOCATION SURVEY PLAT.

COMPANY SKELLY OIL COMPANY
LEASE LYNCH "A"
WELL NO. #7



SEC. 22 TWP. 17 S. RGE. 31 E. N.M.P.M.

I CERTIFY THAT THIS SURVEY WAS MADE UNDER
MY DIRECTION, AND THAT THE PLAT IS CORRECT
TO THE BEST OF MY KNOWLEDGE.

S. J. Stanley
NEW MEXICO LICENSE NO. 1540

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

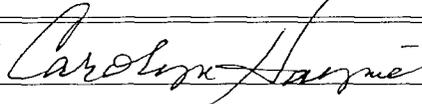
APPLICATION FOR PERMIT TO DRILL OR REENTER

5a. Type of work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. LC-029419
5b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name NA
2. Name of Operator CHEVRON U.S.A.		7. If Unit or CA Agreement, Name and No. 29742
3a. Address 15 SMITH ROAD; MIDLAND, TX 79705	3b. Phone No. (include area code) 432-687-7261	8. Lease Name and Well No. SKELLY UNIT #51
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1980' FSL & 660' FEL At proposed prod. zone Wolfcamp / Cisco formation; N.M.P.M. Survey		9. API Well No. 30-015-05348
14. Distance in miles and direction from nearest town or post office* 6 MILES SW of MALJAMAR, NM		10. Field and Pool, or Exploratory FREN, WOLFCAMP
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 3420'	16. No. of acres in lease 5120	11. Sec., T, R, M. or Blk. and Survey or Area SEC, 22, T17S, R31E Unit Letter I,
18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft. NA	19. Proposed Depth 9430'-9470'; 9550'-9650'	12. County or Parish EDDY
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3851' DF	22. Approximate date work will start* 06/01/2011	13. State NM
17. Spacing Unit dedicated to this well		
20. BLM/BIA Bond No. on file		
23. Estimated duration 17 DAYS		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Carolyn Haynie	Date 1-3-2011
---	---	-------------------------

Title
Petroleum Engineering Technical Assistant

Approved by (Signature)	Name (Printed/Typed)	Date
-------------------------	----------------------	------

Title
Office

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, are attached.

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)

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, March 18, 2011 12:18 PM
To: 'Haynie, Carolyn (CHaynie) [Preferred Personnel]'
Cc: Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Dade, Randy, EMNRD; Reeves, Jacqueta, EMNRD
Subject: Disposal application from Chevron USA, Inc.: Skelly Unit #51 30-015-05348 9430 to 9650 Wolfcamp and Cisco

Hello Carolyn,

Received this application and after reviewing have a few easy questions or requests:

- a. Please ask your geologist what the top of the Penn formation is and send corrected wellbore diagrams. The diagrams show the top of the Penn at 10173 yet the application says disposal will be into the Cisco to a maximum depth of 9650. The Cisco is in the upper Penn, so something is missing (could be my understanding?) If the Cisco is the incorrect name on this application for the targeted disposal interval, then the application may need to be re-advertised.
- b. Please send info on Fresh Water within 1 mile of this well. At what depths could fresh water occur and in what formations?
- c. If any windmills or other wells exist, obtain a fresh water sample and have it analyzed and send a copy of the analysis to me. Let me know if you are in the midst of doing this and I won't delay the permit.
- d. Send a writeup, from a geologist or log analyst, as to the potential productivity of the proposed disposal interval (9430 to 9640). If you have any mudlogs through this interval, that would be good also. I am especially interested in the upper portion of the proposed disposal interval. If there is any question on productivity, Chevron will need to perf, treat, and swab test for hydrocarbons – especially the upper portion of this interval.
- e. Please add the proposed depth of the DV tool in the proposed 5-1/2 inch casing and add the cement data with designed cement tops above and below this DV tool.

Thank You,

....and have a fun weekend,

William V Jones, P.E.

Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



Jones, William V., EMNRD

From: ACERO, EDGAR [EDGAR.ACERO@chevron.com]
Sent: Monday, March 28, 2011 5:44 PM
To: Jones, William V., EMNRD
Cc: Haynie, Carolyn (CHaynie) [Beeline]
Subject: RE: Disposal application from Chevron USA, Inc.: Skelly Unit #51 30-015-05348 9430 to 9650 Wolfcamp and Cisco
Attachments: Section 34_17S_31E - Water Sample.pdf; Skelly Unit 950 - Mud Log.pdf; Skelly Unit 51 WBD.pdf

Mr. Jones,

Please see the response to each question in red font below.

Please do not hesitate to contact me if you have any questions.

Best Regards,
Edgar Acero
Production Engineer
MidContinent Alaska Business Unit
Chevron North America Upstream
Exploration and Production Company
15 Smith Road, Midland, TX 79705
Office (432) 687-7343

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Friday, March 18, 2011 1:18 PM
To: Haynie, Carolyn (CHaynie) [Beeline]
Cc: Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Dade, Randy, EMNRD; Reeves, Jacqueta, EMNRD
Subject: Disposal application from Chevron USA, Inc.: Skelly Unit #51 30-015-05348 9430 to 9650 Wolfcamp and Cisco

Hello Carolyn,

Received this application and after reviewing have a few easy questions or requests:

- a. Please ask your geologist what the top of the Penn formation is and send corrected wellbore diagrams. The diagrams show the top of the Penn at 10173 yet the application says disposal will be into the Cisco to a maximum depth of 9650. The Cisco is in the upper Penn, so something is missing (could be my understanding?) If the Cisco is the incorrect name on this application for the targeted disposal interval, then the application may need to be re-advertised.
The top of the Pennsylvanian is the Cisco. The top of the Pennsylvanian is 9417'. Corrected wellbore diagrams are attached.
- b. Please send info on Fresh Water within 1 mile of this well. At what depths could fresh water occur and in what formations?
No fresh water wells were identified within 1 mile of the Skelly Unit #51. Fresh water could occur at approximately 362' in the Santa Rosa formation.
- c. If any windmills or other wells exist, obtain a fresh water sample and have it analyzed and send a copy of the analysis to me. Let me know if you are in the midst of doing this and I won't delay the permit.
The attached water sample location is approximately 1.5 miles from the Skelly Unit #51.
- d. Send a writeup, from a geologist or log analyst, as to the potential productivity of the proposed disposal interval (9430 to 9640). If you have any mudlogs through this interval, that would be good also. I am especially

interested in the upper portion of the proposed disposal interval. If there is any question on productivity, Chevron will need to perf, treat, and swab test for hydrocarbons – especially the upper portion of this interval. The proposed interval (Cisco) has been known to have mud losses during the drilling of other wells in the area e.g. Skelly Unit 950 (30-015-32437), Skelly Unit 905 (30-015-31371), and Skelly Unit 902 (30-015-29322). There are mud logs present in other wells for the proposed interval which does not show any indication of hydrocarbon potential. The Skelly Unit 950 mud log is attached as a reference. Skelly Unit 51 does not currently have much data.

- e. Please add the proposed depth of the DV tool in the proposed 5-1/2 inch casing and add the cement data with designed cement tops above and below this DV tool.

A DV tool will not be used for the proposed design. The 5 ½" production casing is designed to be cemented to surface.

The 5 ½" proposed cement design is as follows:

- EconoCem "C" and ¼ pps Poly-E-Flake, 690 sacks, 12.4 ppg, 2.42 cf/sx, 25% excess
- VersaCem "H" and ¼ pps Poly-E-Flake, 185 sacks, 14.2 ppg, 1.25 cf/sx, 25% excess

The above cement volumes are approximate and are calculated on the assumption of a gauge hole being drilled. Actual cement volumes may vary due to hole conditions and/or caliper logs.

Thank You,

....and have a fun weekend,

William V Jones, P.E.

Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



Injection Permit Checklist (11/15/2010)

WFX PMX SWD 1270 Permit Date 3/29/11 UIC Qtr (J/F/M)

Wells 1 Well Name(s): Skelly UNIT #51

API Num: 30-0 15-05348 Spud Date: 10/17/54 New/Old 0 (UIC primacy March 7, 1982)

Footages Unit I Sec 22 Tsp 17S Rge 31E County EDDY

General Location: 1980 FSL/660 FEL 6 mi SE of Maljoran

Operator: Chevron USA, INC Contact Carolyn Haynie

OGRID: 4323 RULE 5.9 Compliance (Wells) 5/14/23 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed Current Status: P&A (12/11/03)

Planned Work to Well: Drill out, run 5 1/2"

Diagrams: Before Conversion After Conversion Elogs in Imaging File:

Well Details:	Sizes		Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
	Hole.....	Pipe				
New <input checked="" type="checkbox"/> Existing <input checked="" type="checkbox"/> Surface	<u>18</u>	<u>13 3/8</u>	<u>250</u>	<u> </u>	<u>230</u>	<u>CIRC</u>
New <input checked="" type="checkbox"/> Existing <input checked="" type="checkbox"/> Interm	<u>11</u>	<u>8 5/8</u>	<u>3620</u>	<u> </u>	<u>1775</u>	<u>666 TS.</u>
New <input checked="" type="checkbox"/> Existing <input checked="" type="checkbox"/> LongSt	<u>8 5/8</u>	<u>5 1/2</u>	<u>10,045</u>	<u>(NO)</u>	<u>690/185</u>	<u>Surface</u>
New <input type="checkbox"/> Existing <input type="checkbox"/> Liner	<u> </u>					
New <input type="checkbox"/> Existing <input type="checkbox"/> OpenHole	<u> </u>					

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	<u>8710</u>	<u>UC</u>	<input checked="" type="checkbox"/>
Injection TOP:	<u>9430 - 9470</u>	<u>WFCO</u>	<input checked="" type="checkbox"/>
Injection BOTTOM:	<u>9658 - 9660</u>	<u>WFCO</u>	<input checked="" type="checkbox"/>
Formation(s) Below	<u>79417</u>	<u>Pann</u>	<input checked="" type="checkbox"/>

Capitan- Roof? (Potash? Noticed?) [WIPP? Noticed?] Salado Top/Bot 656-1620 Cliff House?

Fresh Water: Depth 1362 Formation Santa Rosa Wells? None Analysis? 492 Affirmative Statement 1.5 mi away

Disposal Fluid Analysis? Sources: Paddock/Blindry

Disposal Interval: Analysis? Production Potential/Testing:

Notice: Newspaper Date 12/26/10 Surface Owner BLM Mineral Owner(s) BLM

RULE 26.7(A) Affected Persons: COG/Sandridge

AOR: Maps? Well List? Producing in Interval? NO Wellbore Diagrams?

.....Active Wells 0 Repairs? Which Wells?

.....P&A Wells 0 Repairs? Which Wells?

Issues: Request Sent Reply: