



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

December 8, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

Attention: Mr. David J. Smith, P.E.

Re: CO₂ Huff-n-Puff Injection /Production Test
Central Vacuum Unit Well No. 240
API No. 30-025-37232
BHL-Unit N, Section 36, T-17S, R-34E, NMPM,
Lea County, New Mexico

Dear Mr. Smith:

Pursuant to your request dated November 17, 2005, Chevron is hereby authorized to conduct a CO₂ Huff-n-Puff Injection /Production Test on its Central Vacuum Unit Well No. 240. According to the information provided in your request, the test parameters are described as follows:

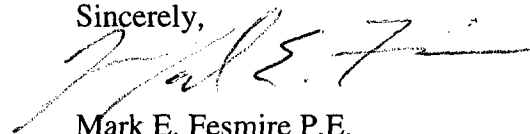
- 1) Commencing on or about February 1, 2006, Chevron will commence CO₂ injection into the CVU Well No. 240.
- 2) Approximately 1.5 MMSCF of CO₂ per day for 15 days will be injected into the well. Injection pressure during the injection phase will not exceed 1850 psi. The total amount of injected CO₂ will be approximately 22.5 MMSCF.
- 3) The soak period will last approximately 4 weeks.
- 4) Production flow back will last approximately 4-8 weeks.
- 5) The test will conclude approximately May 15, 2006.

It is our understanding that injection will occur into the "Unitized Interval" of the Central Vacuum Unit Area. It is further our understanding that the CVU Well No. 240 has been permitted as an injection well within the Central Vacuum Unit by Division Order No. PMX-231 dated June 21, 2005.

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Chevron shall notify the Hobbs District office of the Division at the time CO₂ injection commences within the CVU Well No. 240. Chevron shall also notify the Santa Fe Office of the Division upon completion of the test.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", with a long horizontal flourish extending to the right.

Mark E. Fesmire P.E.
Director

Xc: OCD-Hobbs
 Case File 6008