#### STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES **OIL CONSERVATION DIVISON**

IN THE MATTER OF THE APPLICATION OF CHEVRON USA, INC. FOR AMENDMENT OF **DIVISION ORDER NO. R-4442, AS AMENDED,** TO AUTHORIZE A VERTICAL EXPANSION OF THE VACUUM GRAYBURG-SAN ANDRES UNIT AND ADDITION OF NEW WELLS FOR **INJECTION OF CARBON DIOXIDE, LEA** COUNTY, NEW MEXICO.

#### CASE NO. 14114

#### AFFIDAVIT

STATE OF NEW MEXICO ) )ss. COUNTY OF SANTA FE )

William F. Carr, attorney in fact and authorized representative of Chevron USA Inc., the Applicant herein, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "B" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

William F

day of (Dril 2008 by SUBCRIBED AND SWORN to before me this <u>ileth</u> William E. Carr



My Commission Expires: 3-10-12

Notary Public

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No. 14114 ..... Exhibit No. 7 Submitted by: CHEVRON USA INC. Hearing Date: April 17, 2008

# EXHIBIT B

## APPLICATION OF CHEVRON USA, INC. VACUUM GRAYBURG-SAN ANDRES UNIT

### NOTICE LIST

#### **Offset Operators:**

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Brazos Limited Partnership P.O. Box 911 Breckenridge, TX 76424

BP America Production Co. P.O. Box 3092 Houston, TX 77253

ConocoPhillips Co. P.O. Box 7500 Bartlesville, OK 74005

Chase Oil Corp. P.O. Box 1210 Graham, TX 76046

Chase Oil Corp. P.O. Box 1767 Artesia, NM 88211

Dalport Oil Corp. 5646 Milton St. #413 Dallas, TX 75206

Douglas Oil & Gas LP 500 W. Texas Ave Ste 940 Midland, TX 79701

ExxonMobil Corp. P.O. Box 2305 Houston, TX 77252 David Gonzales P.O. Box 2475 Santa Fe, NM 87504-2475

Gordon M. Cove Estate P.O. Box 64244 Lubbock, TX 79424

Headington Oil Co. 7557 Rambles Rd. Suite 1150 Dallas, TX 75231

J.M. Leonard & BP Exploration, Inc. 1100 Penn Tower Oklahoma, OK 73118

Marathon Oil Company P.O. Box 2069 Houston, TX 77252

Mobil Producing Texas & New Mexico P.O. Box 2305 Houston, TX 77252

Nadel and Gussman Permian LLC 15 E. 5th St. Ste 3200 Tulsa, OK 74103

OXY USA WTP Limited Partnership P.O. Box 50250 Midland, TX 79710 Occidental Permian Limited Partnership P.O. Box 4294 Houston, TX 77210

Shinnery Oil Co., Inc. 606 W. Tennessee Ste 107 Midland, TX 79701

7.

XTO Energy Inc. 810 Houston Street Fort Worth, TX 76192

Triple T Resources, LP 4809 Cole Ave Ste 108 Dallas, TX 75205

#### Surface Owners:

State of New Mexico Commissioner of Public Lands P.O. Box 1148 Santa Fe, NM 87504

Pearce Trust Roy F. Pearce Sr & Roy Pearce Jr Co-Trustees 1717 Jackson Pecos, TX 79772

Lee Cattle Company L.P. HC 60 Box 465 Lovington, NM 88260

Hiles M. Lee and Joie A. Lee HC 60 Swamp Rd. Lovington, NM 88260



Ocean Munds-Dry Associate omundsdry@hollandhart.com

March 18, 2008

#### <u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

#### **TO: ALL AFFECTED INTEREST OWNERS**

Re: Application of Chevron USA Inc. for amendment of Division Order No. R-4442, as amended, to authorize a vertical expansion of the Vacuum Grayburg-San Andres Unit And Addition of New Wells for Injection of Carbon Dioxide, Lea County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Chevron USA Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. You are the owner of an interest that may be affected by this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on April 17, 2008. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

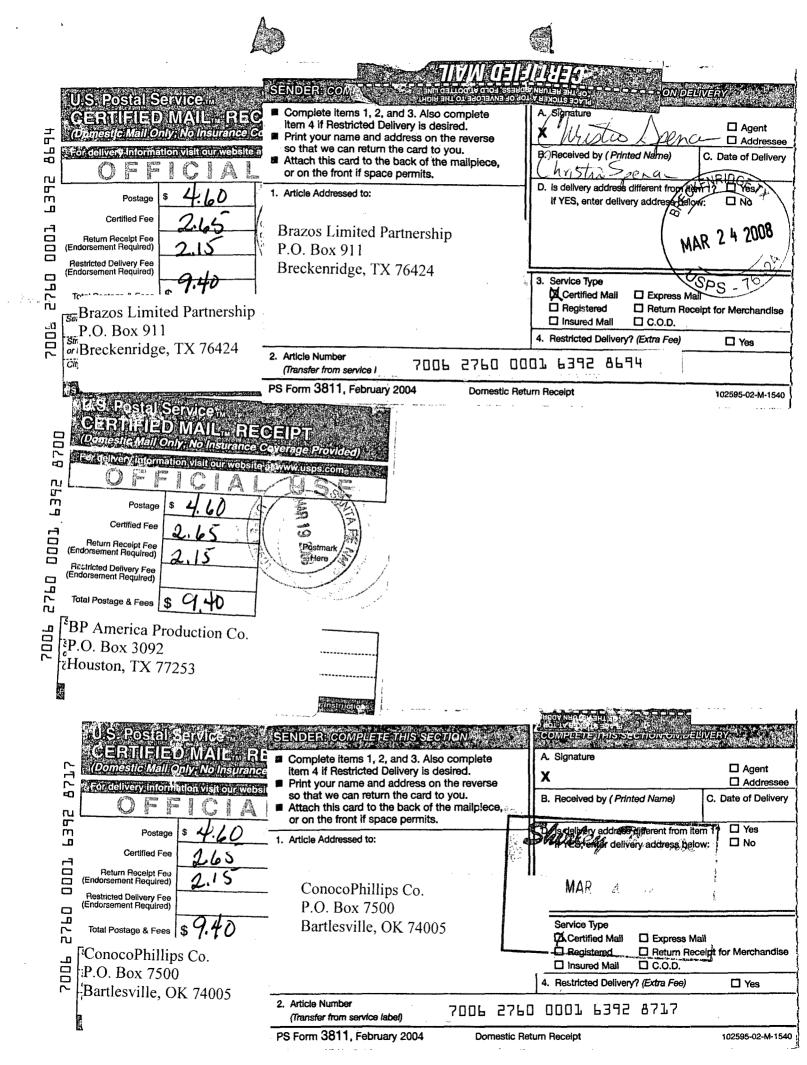
Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

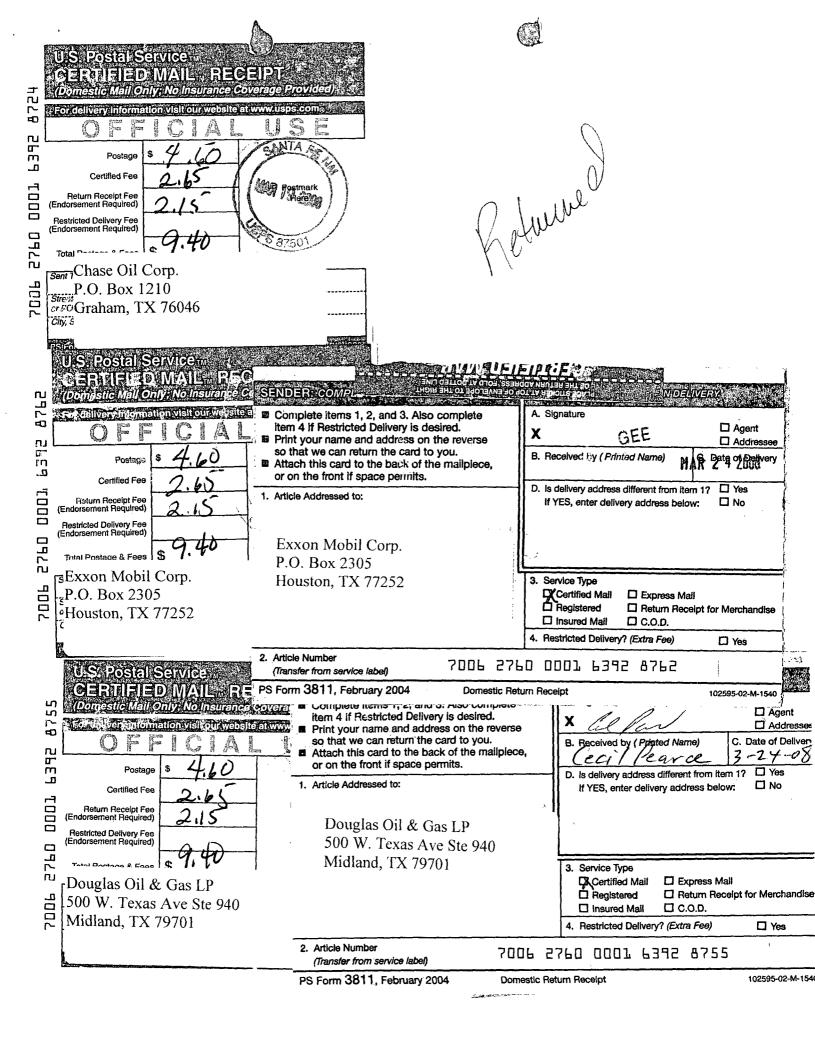
Very truly yours,

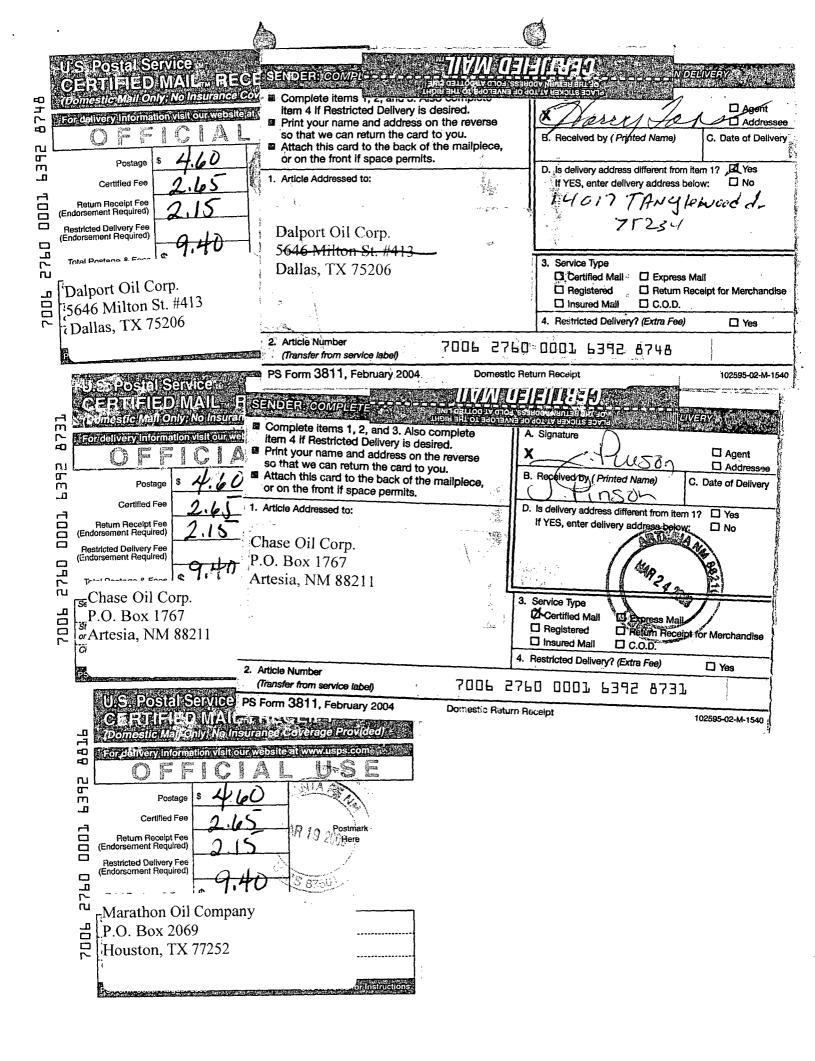
Ocean Munds-Dry Attorney for Chevron USA, Inc.

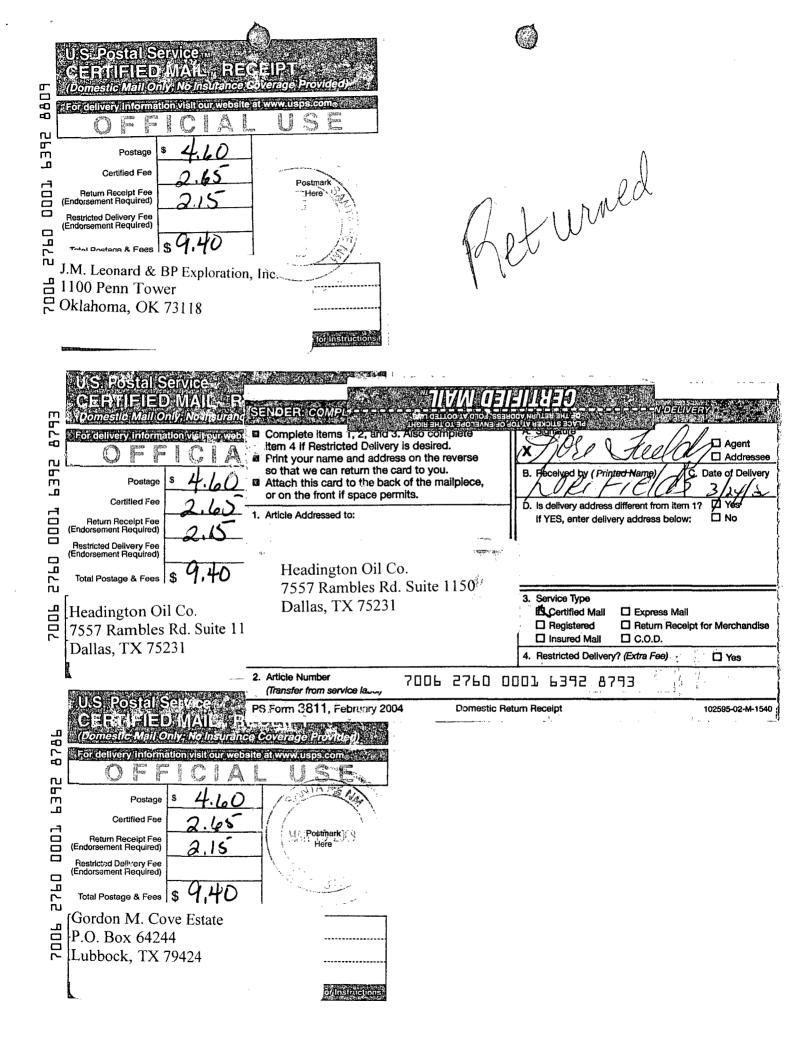
Holland & Hart LLP

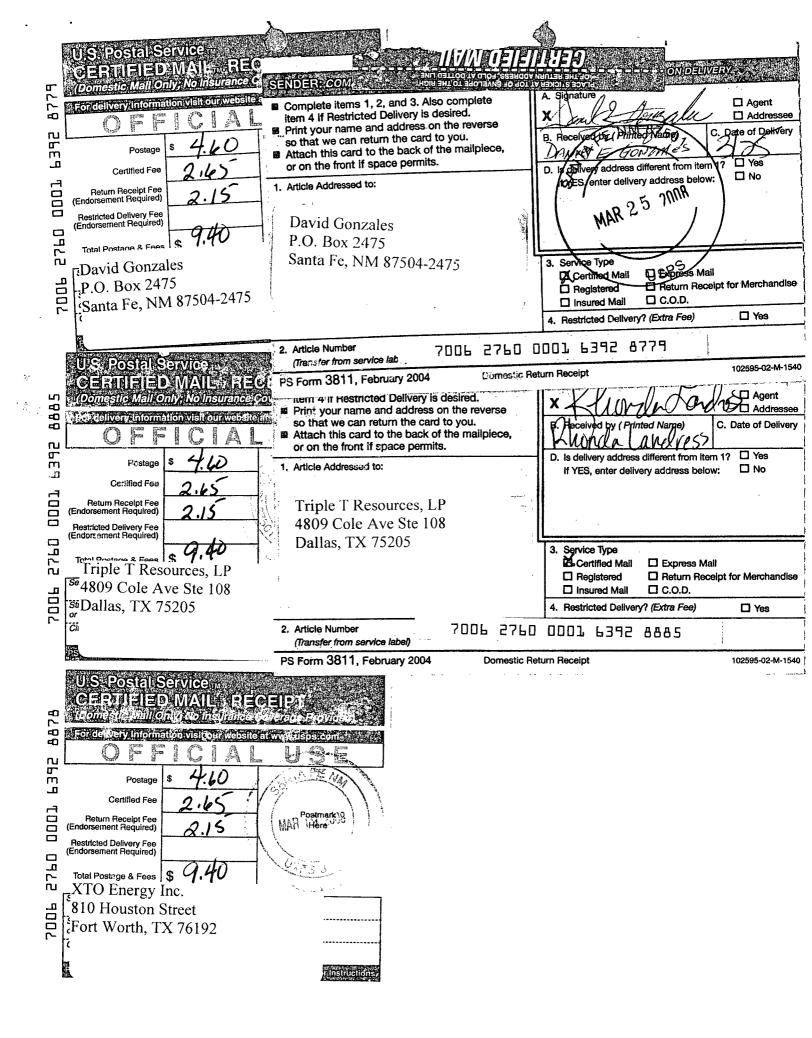
Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com 110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208 Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C.



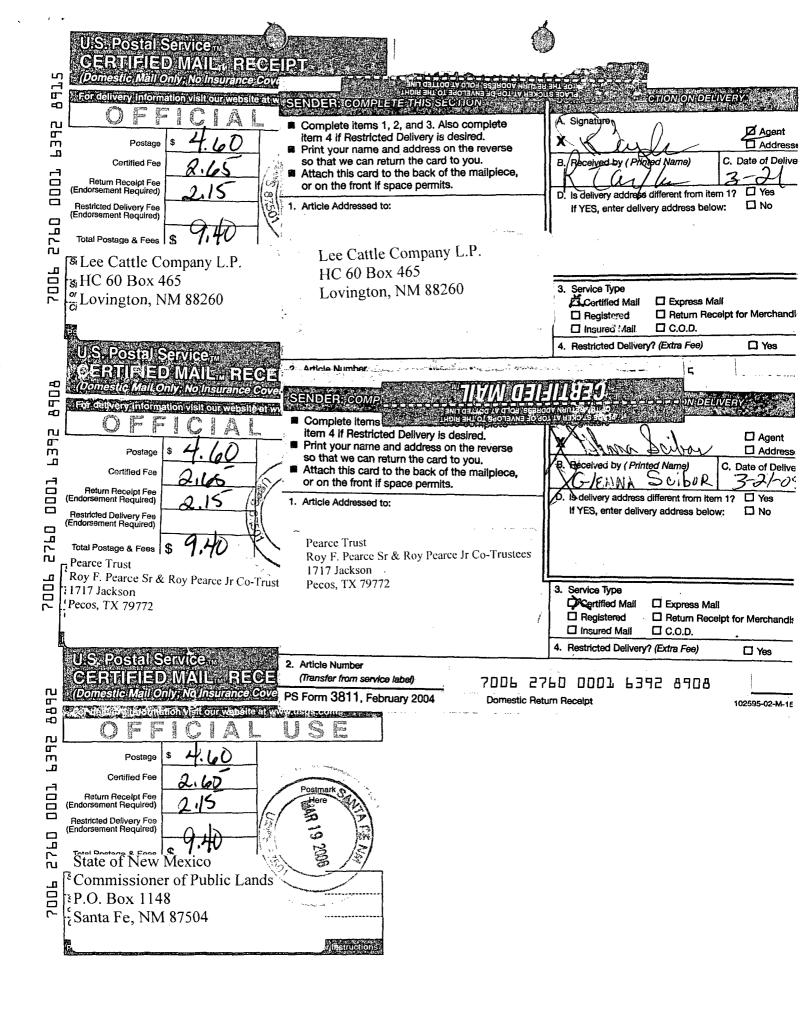








GENINAMAEIENE SENDERRICON m αO ē A. Signature/ Complete items 1, 2, and 3. Also complete C Agent item 4 if Restricted Delivery is desired. ГЦ X Addres Print your name and address on the reverse σ m Postage so that we can return the card to you. B. Received by 07 Date of Deliv Attach this card to the back of the mailplece. Certified Fee or on the front if space permits. -7 D. Is delivery address different from item 1? U Yes Return Receipt Fee (Endorsement Required) Article Addressed to: If YES, enter delivery address below: Restricted Delivery Fee (Endorsement Required) AR 2 4 2008 Nadel and Gussman Permian LLC 276 Total Postage & Fees 15 E. 5th St. Ste 3200 Nadel and Gussman Permian LLC Tulsa, OK 74103 7006 3. Service Type 15 E. 5th St. Ste 3200 Certified Mail Tulsa, OK 74103 C Registered Return Receipt for Merchand Insured Mail C.O.D. 4. Restricted Deliverv? (Extra Fee) C Yes 7006 2760 0001 6392 8830 2. Article Number 3IA'A'A BIFIFIPRIFI ED MAIL RECEISSINDER A. Signature Complete items 1, 2, and 3. Also complete ru GEE 9 9 item 4 if Restricted Delivery is desired. Agent Х Print your name and address on the reverse Addresse n: T so that we can return the card to you. B. Received by (Printed Name) Date of Deliver Attach this card to the back of the malipiece, MAR 4 20曲 2 ភិព Postade or on the front if space permits. ت\_ D. Is delivery address different from item 1? C Yes Certified Fee 1. Article Addressed to: 1000 If YES, enter delivery address below: Return Receipt Fee (Endorsement Regulred) Restricted Delivery Fee (Endorsement Required) Mobil Producing Texas & New Mexico 2760 P.O. Box 2305 Total Postage & Fees Houston, TX 77252 3. Service Type Certified Mail <sup>8</sup>Mobil Producing Texas & New Mexico Express Mail 006 Registered Return Receipt for Merchandis BO. Box 2305 Insured Mail C.O.D. Houston, TX 77252 4. Restricted Delivery? (Extra Fee) C Yes Article Number 7006 2760 0001 6392 8823 (Transfer from service label) PS Form 3811, February 2004 **Domestic Return Receipt** 102595-02-M-154 INDERRO 8847 Complete items 1, 2, and 3. Also complete Sic item 4 if Restricted Delivery is desired. Agent Agent 11 Print your name and address on the reverse n Addressee 6395 so that we can return the card to you. Postage Attach this card to the back of the mailpiece, Date of Delivery or on the front if space permits. Certified Fee 1001 is delivery 1. Article Addressed to: address different from item 1/ Yee Return Receipt Fee (Endorsement Required) If YES, enter delivery address below: Restricted Delivery Fee (Endorsement Required) OXY USA WTP Limited Partnership 2760 P.O. Box 50250 Total Postage & Fees \$ OXY USA WTP Limited Part Midland, TX 79710 3. Service Type \_0 .P.O. Box 50250 7006 Certified Mail Express Mall Midland, TX 79710 Registered Return Receipt for Merchandise Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee) 🛛 Yes K 2. Article Number 7006 2760 0001 6392 8847 (Transfer from service label) PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



HED MAIL SREGEI SENDER TLI I **MONOFEREN** Complete items 1, 2, and 3. Also complete n 6 item 4 if Restricted Delivery is desired. A. Signature Print your name and address on the reverse so that we can return the card to you. X n Agent D Attach this card to the back of the mailpiece, E D Addresser 8. Received by (Annted Name) Postage or on the front if space permits. C. Date of Delivery ۵\_ Certified Fee 1. Article Addressed to: B. Is delivery andress different from item 1? Return Receipt Fee (Endorsement Required) If YES, enter delivery address below: I Yes O No Restricted Delivery Fee (Endorsement Required) Hiles M. Lee and Joie A. Lee HC 60 Swamp Rd. 7 Total Postage & Fees Hiles M. Lee and Joie A. Lee Lovington, NM 88260 'n 7006 HC 60 Swamp Rd. Service Type Acertified Mail Lovington, NM 88260 C Express Mail D Registered Return Receipt for Merchandise Insured Mail C.O.D. Restricted Delivery? (Extra Fee) 2. Article Number C Yes ENDER COMPLETEN Complete items 1, 2, and 3. Also complete A. Signature 1 23 COR Agent Agent item 4 if Restricted Delivery is desired. X Print your name and address on the reverse Addressee 886. so that we can return the card to you. B. Received by (Printed Name) Date of Delivery C: Attach this card to the back of the mailpiece. or on the front if space permits. D. Is delivery address different from item 1? 🖸 Ýes n, 1. Article Addressed to: 633 If YES, enter delivery address below: 🗆 No Postage Certified Fee 1000 Shinnery Oil Co., Inc. Return Receipt Fee (Endorsement Required) 606 W. Tennessee Ste 107 Restricted Delivery Fee (Endorsement Required) Midland, TX 79701 2760 Service Type 3. Total Postage & Fees Certified Mail Express Mail C Registered C Return Receipt for Merchandise Shinnery Oil Co., Inc. Insured Mail C.O.D. 7006 606 W. Tennessee Ste 107 Restricted Delivery? (Extra Fee) C Yes Midland, TX 79701 2. Article Number 7006 2760 0001 6392 8861 (Transfer from service label) PS Form 3811, February 2004 **Domestic Return Receipt** 102595-02-M-1540 11 ENDER 60 Complete items 1. 📮 Agent item 4 if Restricted Delivery is desired. ů. Addressee Print your name and address on the reverse 99 C. Date of Delivery so that we can return the card to you. lived by ( Printed Name) Attach this card to the back of the mailplece, DS പ or on the front if space permits. C Yes σ D. Is delivery address different from item 1? Postage m D No Article Addressed to: If YES, enter delivery address below: \_ Certified Fee 10 Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Occidental Permian Limited Partnership 2760 P.O. Box 4294 Service Type 3. Houston, TX 77210 Certified Mail Express Mail Occidental Permian Limit Return Receipt for Merchandise C Registered 7006 C.O.D. Insured Mail P.O. Box 4294 Houston, TX 77210 4. Restricted Delivery? (Extra Fee) Ves 2 Article Number 7006 2760 0001 6392 8854 (Transfer from service label) IT AD ALMAN AND 102595-02-M-1540 : PS Form 3811, February 2004 **Domestic Return Receipt** 

# Affidavit of Publication

STATE OF NEW MEXICO

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#### COUNTY OF LEA

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertisting Director of **THE LOVINGTON LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of THE LOV-INGTON LEADER and not in any supplement thereof, for  $\underline{One(1)day}$ , beginning with the issue of  $\underline{March 22}$ , 2008 and ending with the issue of  $\underline{March 22}$ , 2008.

And that the cost of publishing said notice is the sum of  $\frac{68.67}{1000}$  which sum has been (Paid) as Court Costs.

Subseribed and sworn to before me this  $2^{6} \stackrel{t_1}{=} day f$ 

March 2008

Debbie Schilling Notary Public, Lea County, New Mexico My Commission Expires June 22, 2010

" LEGAL NOTICE NOTICE OF PUBLICATION STATE OF NEW MEXI-CO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT **OIL CONSERVATION** DIVISION SANTA FE. NEW MEXICO The State of New Mexico through , its , Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on April 17; 2008, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are, an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by April 7, 2008. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO

All named parties and persons having any right, title, interest or claim in, the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal-Meridian whether or not so stated.)

CASE NO. 14114

Application of Chevron USA, Inc. for amendment of Division Order No. R-4442, as 'amended, to authorize a vertical expansion of the Vacuum Grayburg-San Andres. Unit and Addition of New Wells for Injection of Carbon Dioxide, Lea County, New Mexico. Applicant seeks approval of a vertical expansion of the unitized formation in its Vacuum Grayburg-San Andres Unit and to place additional wells on injection. Chevron proposes to inject carbon dioxide into the Grayburg and San Andres formation from a proposed depth of 3902 feet to 5020 feet in Sections 1 and 2 of Township 18 South, Range 34 East; NMPM. Applicant seeks to inject at a maximum rate of 1850 psi. The contact party for Chevron is Daniel Pequeno who may be contacted at 15 Smith Road, RM-2235, Midland; Texas 79707 or (432) 687-7461 Said unit is located. approximately 22 miles northwest of Hobbs, New Mexico.

Given under the Seal of the State of New Mexico Oil Commission at Santa Fe, New Mexico on this 20th day March 2008.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Mark E. Fesmiré, P.E., Director Published in the Lovington Leader March 22, 2008