

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division

BEFORE ME AND MY NOTARIES  
COUNTY OF OKLAHOMA  
*Kerr McGee*  
NOTARY NO. 24  
EXPIRES 9682 / 9683

COUNTY OF OKLAHOMA )  
STATE OF OKLAHOMA )

Affidavit of Mailing

The undersigned hereby certifies that on this 20<sup>th</sup> day of April, 1989, he sent copies of the attached Application for Authorization to Inject by certified U. S. Mail, return receipt requested, to the parties listed below:

Surface Owners

Paul Davis, Thomas E. Davis, Jr., Marqurete S. Davis and Thomas H. Davis, trustees for H. H. and Margurete S. Davis Trust dated 6/16/87  
South Star Route  
Elida, NM 88116

Finus M. and Laura J. Tucker Revocable Trust  
United New Mexico Trust Co.  
P. O. Box 1927  
Roswell, NM 88201

Leasehold Operators Within One-Half Mile

Murphy Operating Co.  
P. O. Box 2648  
Roswell, New Mexico 88202-2648  
Attn: Ann Murphy Ezzell

Fina Oil and Chemical Company  
1004 N. Big Spring Street  
Suite 400  
P. O. Box 2990  
Midland, TX 79701

Yates Petroleum Corporation  
Yates Building  
207 South Fourth  
Artesia, NM 88210

Bristol Resources Corporation  
3601 East 51st St.  
Suites B&C  
Tulsa, OK 74136  
Attn: Mr. Bob Key

Warren American Oil Company  
P. O. Box 971  
Midland, TX 79702  
Attn: Mr. James A. O'Neill

Marathon Oil Company  
P. O. Box 552  
125 West Missouri Street  
Midland, TX 79702

*Ivan D. Geddie*  
Ivan D. Geddie  
T-25C McGee Tower  
P. O. Box 25861  
Oklahoma City, OK 73125  
Tel: (405) 270-2124

Sworn to before me, a Notary Public, this 20<sup>th</sup> day of April, 1989.

My commission expires:

4-13-93

*Robyn Baker*  
Notary Public in and for  
Oklahoma County, Oklahoma

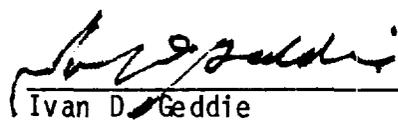
State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division

County of Oklahoma    )  
                                  )  
State of Oklahoma     )

Affidavit of Mailing

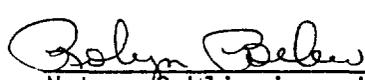
The undersigned hereby certifies that on May 12, 1989, he sent a copy of the K-M Chaveroo San Andres Application for Authorization to Inject by certified U. S. Mail, return receipt requested, to the additional party listed below:

Texaco, Inc.  
P. O. Box 3109  
Midland, TX 79702



Ivan D. Geddie  
T-25C McGee Tower  
P. O. Box 25861  
Oklahoma City, OK 73125  
Tel: (405) 270-2124

Sworn to before me, a Notary Public, this 23<sup>rd</sup> day of May, 1989.



Notary Public in and for  
Oklahoma County, Oklahoma

My Commission Expires:  
4-13-93

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF KERR MCGEE CORPORATION  
FOR WATERFLOOD PROJECT  
CHAVES COUNTY, NEW MEXICO

CASE NO. 9683

CERTIFICATE OF MAILING

AND

COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on May 1, 1989, I caused to be mailed by certified mail-return receipt requested, a notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for June 7, 1989 to the parties shown in the Application evidenced by the attached Exhibit A. .

  
\_\_\_\_\_  
KAREN AUBREY

SUBSCRIBED AND SWORN TO before me this 5th day of June, 1989 by Karen Aubrey, attorney for the applicant.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

March 3, 1993

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

W. Thomas Kellahin  
Karen Aubrey

El Patio - 117 North Guadalupe  
Post Office Box 2265

Telephone 982-4285  
Area Code 505

Jason Kellahin  
Of Counsel

Santa Fé, New Mexico 87504-2265

May 1, 1989

HAND DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87501

RECEIVED

MAY 2 1989

OIL CONSERVATION DIVISION

Re: Application of Kerr McGee Corporation for Waterflood  
Project, Chaves County, New Mexico

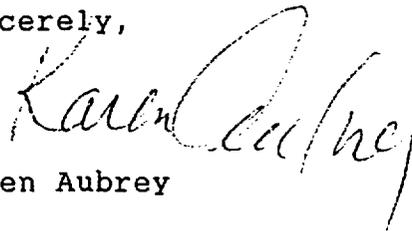
Dear Mr. LeMay:

Enclosed are the original and one copy of Oil Conserva-  
tion Division Form C-108 and attachments which constitutes  
the application of Kerr McGee Corporation for a Waterflood  
Project, Chaves County, New Mexico.

We would appreciate it if you would set this applica-  
tion for hearing before the Division's Examiner on May 24,  
1989.

Copies of the Form C-108 were sent by certified mail to  
the surface owners and leasehold operators within one-half  
mile on April 20, 1989. By copy of this letter, sent cer-  
tified mail, we are notifying the surface owners and  
leasehold operators of our request for a hearing on May 24,  
1989.

Sincerely,



Karen Aubrey

KA/rs  
Encl.

cc: Ivan Geddie  
Kerr McGee Corporation

KELLAHIN, KELLAHIN and AUBREY

Mr. William J. LeMay  
May 1, 1989  
Page 2

CERTIFIED MAIL RETURN RECEIPT REQUESTED:

w/encl:

Floyd Prondo  
State Land Office, with C-108

w/o encl:

Paul Davis, Thomas E. Davis, Jr., Margurete S. Davis  
and Thomas H. Davis, trustees for H.H. and Mar-  
gurete S. Davis Trust dated 6/16/87

Finus M. and Laura J. Tucker Revocable Trust  
United New Mexico Trust Company

Murphy Operating Company

Fina Oil and Chemical Company

Yates Petroleum Corporation

Bristol Resources Corporation

Warren American Oil Company

Marathon Oil Company

RECEIVED

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose:  Secondary Recovery  Pressure Maintenance  Disposal  Storage  
Application qualifies for administrative approval?  yes  no

MAY 2 1989  
OIL CONSERVATION DIVISION

II. Operator: KERR-MCGEE CORPORATION

Address: P. O. BOX 25861, OKLAHOMA CITY, OKLAHOMA 73125

Contact party: R. J. QUANCE

Phone: (405) 848-9750

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, data 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;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
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 geological data on the injection zone including appropriate lithologic detail, geological 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 source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

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 source 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: R. J. QUANCE

Title: SENIOR STAFF ENGINEER

Signature: *R. J. Quance*

Date: APRIL 1, 1989

\* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

KA/KERR MCGEE/WATERFLOOD PROJECT CHAVES CO

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services(s) requested. 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Warren Amer. Oil Co P.O. Box 971 Midland, TX 79702 Atn: Mr. James A. O'Neill

4. Article Number P 484 051 619 Type of Service:  Registered  Insured  Certified  COD  Express Mail  Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. 8. Addressee's Address (ONLY if requested and fee paid) Tolmatyad

5. Signature - Agent James A. O'Neill Date of Delivery MAY - 4 1988

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGee/Waterflood Project Chaves County

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services(s) requested. 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Margarete S. Davis South Star Route Elida, NM 89116

4. Article Number P 484 051 622 Type of Service:  Registered  Insured  Certified  COD  Express Mail  Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. 8. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Address 6. Signature - Agent James A. O'Neill Date of Delivery MAY 08 1988

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services(s) requested. 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Marathon Oil Company P.O. Box 552 Midland, Texas 79702

4. Article Number P 484 051 620 Type of Service:  Registered  Insured  Certified  COD  Express Mail  Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. 8. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Address 6. Signature - Agent Don Marcoe Date of Delivery MAY 89

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGee/Waterflood Proj Chaves CO

SENDER: Complete items 1 and 2 when additional services are desired, and complete item 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services(s) requested. 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Paul Davis South Star Route Elida, NM 88116

4. Article Number P 484 051 621 Type of Service:  Registered  Insured  Certified  COD  Express Mail  Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. 8. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Address 6. Signature - Agent Date of Delivery

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/KERR MCGEE/WATERFLOOD PROJ.

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Floyd Prondo  
 State Land Office  
 P.O. Box 1148  
 Santa Fe, NM 87504-1148

4. Article Number  
 P 484 051 613

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
 *[Signature]*

6. Signature - Agent  
 *[Signature]*

7. Date of Delivery  
 MAY 3 1988

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGee/Waterflood Proj-Chaves Co

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Yates Petroleum Corp.  
 Yates Building  
 207 S. 4th Street  
 Artesia, NM 88210

4. Article Number  
 P 494- 051-617

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
 *[Signature]*

6. Signature - Agent

7. Date of Delivery  
 5/3/89

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Fina Oil & Chemical Co.  
 P.O. Box 2990  
 Midland, TX 70701

4. Article Number  
 P 484-051-616

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address

6. Signature - Agent  
 *[Signature]*

7. Date of Delivery  
 MAY - 4 1989

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGee/Waterflood Project-Chaves

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Bristol Resources Corp  
 3601 East 51st St  
 Suites B & C  
 Tulsa, OK 74136  
 Attn; Bob Key

4. Article Number  
 P 484 051 618

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address

6. Signature - Agent  
 *[Signature]*

7. Date of Delivery  
 5-4-87

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KAY NELL HUBER/WALTON

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
Thomas E. Davis, Jr.  
~~South Star Route HC 60 Box 45~~  
Elida, NM 88116

4. Article Number  
P 484 051 624

Type of Service:  
 Registered  
 Certified  
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
*[Signature]*

6. Signature - Agent  
*[Signature]*

7. Date of Delivery  
05-04-89

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr MCGEE/Waterflood Proj-Chaves CO

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
Murphy Operating Company  
P.O. Box 2648  
Roswell, NM 88202  
ATN: Ann Murphy Ezzel

4. Article Number  
P 484 051 615

Type of Service:  
 Registered  
 Certified  
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
*[Signature]*

6. Signature - Agent  
*[Signature]*

7. Date of Delivery  
5-3-89

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
Thomas E. Davis  
~~South Star Route HC 60 Box 45~~  
Elida, NM 88116

4. Article Number  
P 484 051 623

Type of Service:  
 Registered  
 Certified  
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
*[Signature]*

6. Signature - Agent  
*[Signature]*

7. Date of Delivery  
05-04-89

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr MCGEE/Walton

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
~~Rinus & Laura Hacker must~~  
~~United New Mexico Bank~~  
~~P.O. Box 1927~~  
~~Roswell, NM 88201~~

4. Article Number  
~~P 155 278 614~~

Type of Service:  
 Registered  
 Certified  
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
*[Signature]*

6. Signature - Agent  
*[Signature]*

7. Date of Delivery  
5 May 89

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

**SENDER: Complete items 1, and 2 when additional services are desired, and complete items 3 and 4.**  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available: Consult postmaster for fees and check box(es) for additional service(s) requested.  
 Show to whom delivered, date, and addressee's address.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Finis A. Valera Tucker Trust  
 United New Mexico Bank  
 P.O. Box 1927  
 Roswell, NM 88201

4. Article Number  
 P. 155 278 614

Type of Service:  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise  
 Always obtain signature of addressee of agent and DATE DELIVERED.

5. Signature of Agent  
 *Finis Valera Tucker*

6. Signature of Addressee  
 *Finis Valera Tucker*

7. Date of Delivery  
*5 May 89*

8. Addressee's Address (ONLY if requested and fee paid)  
*Box 1927*

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF KERR MCGEE CORPORATION  
FOR STATUTORY UNITIZATION  
CHAVES COUNTY, NEW MEXICO

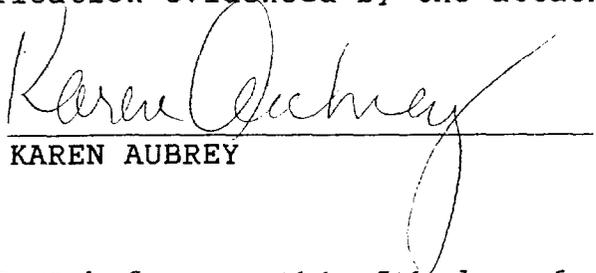
CASE NO. 9682

CERTIFICATE OF MAILING

AND

COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on May 2, 1989, I caused to be mailed by certified mail-return receipt requested, a notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for June 7, 1989 to the parties shown in the Application evidenced by the attached Exhibit A.

  
KAREN AUBREY

SUBSCRIBED AND SWORN TO before me this 5th day of June, 1989 by Karen Aubrey, attorney for the applicant.

  
Notary Public

My Commission Expires:

March 3, 1993

KELLAHIN, KELLAHIN and AUBREY

*Attorneys at Law*

W. Thomas Kellahin  
Karen Aubrey

El Patio - 117 North Guadalupe  
Post Office Box 2265

Telephone 982-4285  
Area Code 505

Jason Kellahin  
Of Counsel

Santa Fe, New Mexico 87504-2265

May 2, 1989

HAND DELIVERED

William J. LeMay  
Director  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

RECEIVED

MAY 2 1989

OIL CONSERVATION DIVISION

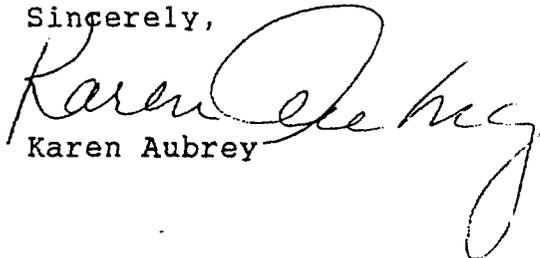
Re: Application of Kerr-McGee Corporation for Statutory  
Unitization, Chaves County, New Mexico

Dear Mr. LeMay:

Enclosed are the original and one copy of the applica-  
tion of Kerr-McGee for statutory unitization which we would  
appreciate being set for hearing on the Examiner's docket on  
May 24, 1989.

We are sending all affected parties copies of the ap-  
plication and this letter by certified mail.

Sincerely,

  
Karen Aubrey

KA/rs  
Encl.

cc: All persons on attached service list

Service List

Floyd Prondo  
State Land Office, with C-108  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

Paul Davis, Thomas E. Davis, Jr., Marqurete S. Davis  
and Thomas H. Davis, trustees for H.H. and Mar-  
qurete S. Davis Trust dated 6/16/87  
South Star Route  
Elida, New Mexico 88116

Finus M. and Laura J. Tucker Revocable Trust  
United New Mexico Trust Company  
P.O. Box 1927  
Roswell, New Mexico 88201

Murphy Operating Company  
P.O. Box 2648  
Roswell, New Mexico 88202  
Attn: Ann Murphy Ezzell

Fina Oil and Chemical Company  
P.O. Box 2990  
Midland, Texas 79701

Yates Petroleum Corporation  
Yates Building  
207 South Fourth  
Artesia, New Mexico 88210

Bristol Resources Corporation  
3601 East 51st Street  
Suites B & C  
Tulsa, Oklahoma 74136  
Attn. Mr. Bob Key

Warren American Oil Company  
P.O. Box 971  
Midland, Texas 70702  
Attn: Mr. James A. O'Neill

Marathon Oil Company  
P.O. Box 552  
Midland, Texas 79702

BEFORE THE OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY,  
MINERALS AND NATURAL RESOURCES

RECEIVED

MAY 2 1989

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF KERR-MCGEE CORPORATION FOR  
APPROVAL OF STATUTORY UNITIZATION,  
CHAVES COUNTY, NEW MEXICO

CASE NO. \_\_\_\_\_

A P P L I C A T I O N

COMES NOW KERR-MCGEE CORPORATION, by and through its attorneys, Kellahin, Kellahin & Aubrey, and pursuant to the provision of the Statutory Unitization Act (Sections 70-7-1 through 70-7-21, N.M.S.A., 1978 Comp.) hereby applies to the New Mexico Oil Conservation Division for an order unitizing the K-M CHAVEROO SAN ANDRES UNIT, Chaves County, New Mexico, and in support of its application states:

1. Kerr-McGee Corporation is a Delaware corporation authorized to transact business in the State of New Mexico, is engaged in the business of, among other things, producing and selling oil and gas and seeks to be designated operator of the K-M Chevroo San Andres Unit.

2. The proposed unit area for which this application is made consists of 1280.37 acres, more or less, of State of

New Mexico lands located in Chaves County, New Mexico, and is more particularly described in Exhibit A attached hereto and incorporated herein by reference. Kerr-McGee Corporation seeks an order pursuant to the Statutory Unitization Act providing for unitized management, operation and further development of the project area.

3. The vertical limits of the formation to be included within the proposed unit area includes that interval known as the San Andres formation which extends from 4211 feet to 4341 feet as measured on the compensated formation density log run in the Kerr-McGee Corporation State "F" Well No. 1 on April 29, 1966, said well located 660 feet from the North line and 660 feet from the West line of Section 2, Township 8 South, Range 33 East, Chaves County, New Mexico. The Unitized Formation shall further include all subsurface points throughout the Unit which are correlative to the aforementioned identified depths.

4. The portion of the reservoir involved in this application has been reasonably defined by development.

5. The type of operations to be conducted in this unit is secondary recovery by means of water flooding.

6. Attached to this application as Exhibit B and incorporated herein by reference is a copy of the proposed plan of unitization which Kerr-McGee considers fair, reasonable and equitable.

7. Attached to this application as Exhibit C and incorporated herein by reference is a copy of the proposed operating plan covering the manner in which the unit will be supervised and managed and costs allocated and paid.

8. Kerr-McGee Corporation has obtained the concurrence of at least 94% of the working interest ownership within the unit area of the proposed plan of unit operations, thereby assuring effective and efficient control of the unit.

9. Kerr-McGee Corporation further states:

a. Unitized management, operating and further development of the K-M Chaveroo San Andres Unit is reasonably necessary in order to effectively carry on secondary recovery and to substantially increase the ultimate recovery of oil from the unitized portion thereof.

b. Unitized methods of operations applied to the K-M Chaveroo San Andres Unit are feasible, will prevent waste and will result with reasonable probability in the increased recovery of substantially more oil than would otherwise be recovered.

c. The estimated additional costs, if any, of conducting such operations will not exceed the estimated value of additional oil so recovered plus reasonable profit.

d. Unitization and adoption of unitized methods of operation will benefit the working interest owners, royalty owners and overriding royalty owner of the oil and gas rights within the pool.

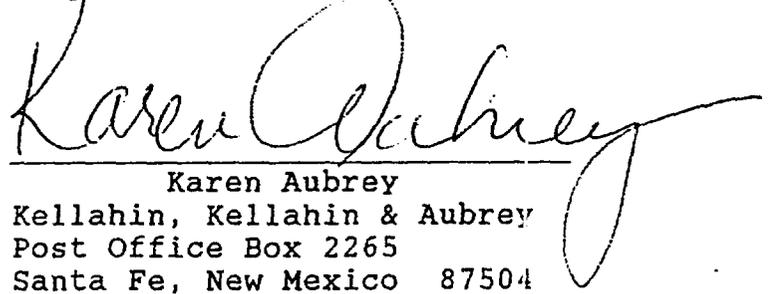
e. Kerr-McGee Corporation, as operator, has made a good faith effort to secure voluntary unitization of all interests in the pool.

f. The participation formula contained in the unitization agreement allocated the produced and saved unitized hydrocarbons to the separately owned tracts in the unit area on a fair, reasonable and equitable basis.

9. Statutory unitization of the San Andres formation is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Kerr-McGee Corporation respectfully requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 24, 1989, and, that after notice and hearing as required by law and the rules of the Division, the Division enter its order granting this application to statutorily unitize the San Andres formation, Chaves County, New Mexico.

Respectfully submitted,

A handwritten signature in cursive script that reads "Karen Aubrey". The signature is written in black ink and is positioned above a horizontal line.

Karen Aubrey  
Kellahin, Kellahin & Aubrey  
Post Office Box 2265  
Santa Fe, New Mexico 87504

(505) 982-4285

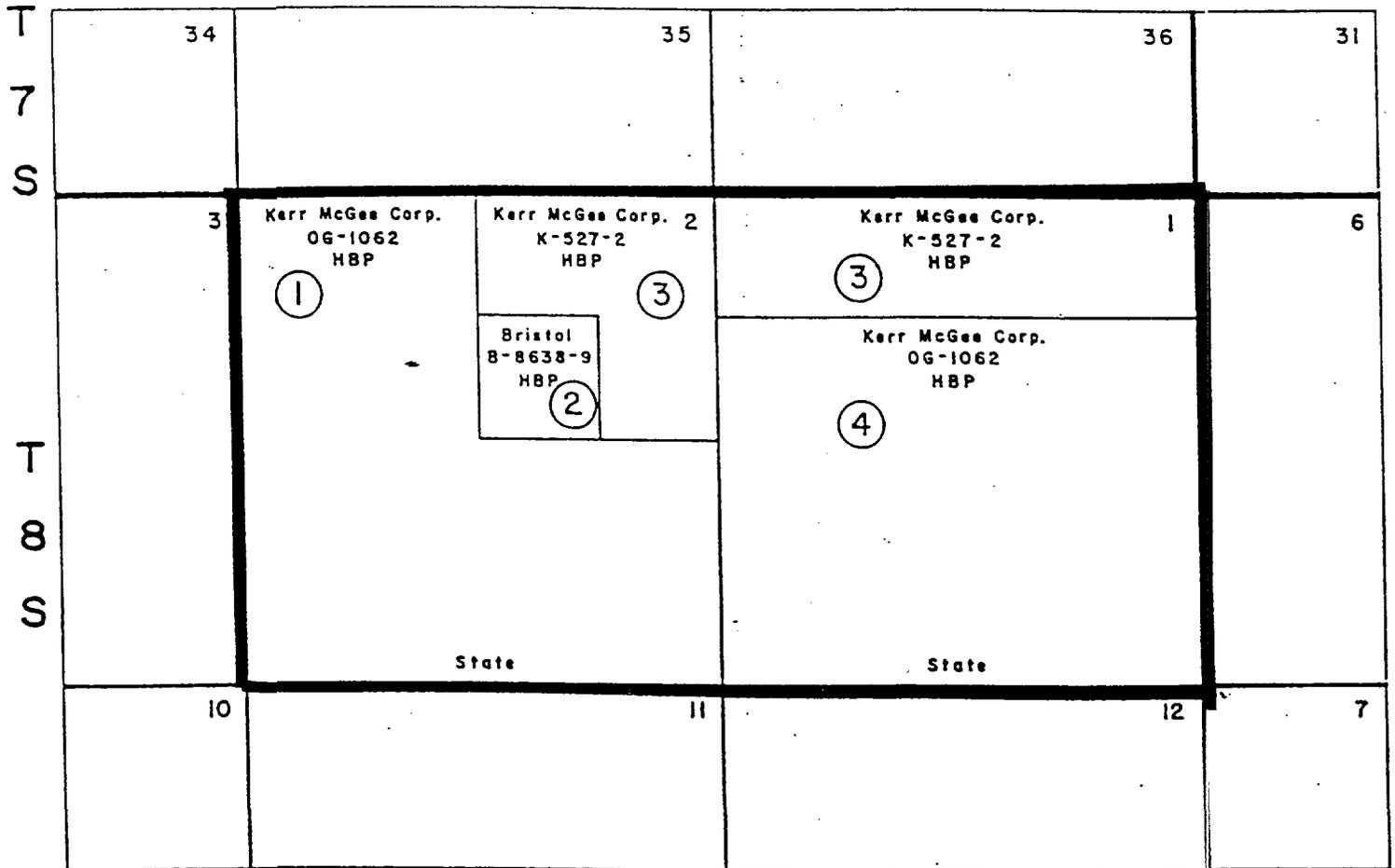
Attorneys for Kerr-McGee  
Corporation

# EXHIBIT "A"

## K-M CHAVEROO SAN ANDRES UNIT CHAVES COUNTY, NEW MEXICO

R 33 E

R 34 E



○ Tract Number

▬ Unit Outline

1280.37 Acres  
100% Unit Area  
Scale: 1" = 2000'

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.  
 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Bristol Resources Corp 3601 E. 51st Street Suite B & C Tulsa, OK 74136 <i>74135</i>		4. Article Number P 155 278 618
5. Signature - Address <i>X</i>		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
6. Signature - Agent <i>X</i> <i>Julius Mart</i>		
7. Date of Delivery <i>5-8-89</i>		8. Addressee's Address (ONLY if requested and fee paid) <i>3601 E. 51st St. DC. Tulsa, OK 74135</i>

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/KERR MCGEE UNIT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.  
 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Wates Petroleum Co 207 S. 4th St Artesia, NM 88210		4. Article Number P 155 278 613
5. Signature - Address <i>X</i>		Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
6. Signature - Agent <i>X</i>		
7. Date of Delivery <i>5/5/89</i>		8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

KA/Kerr McGee/Unit

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 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Warren American Oil Co P.O. Box 971 Midland, TX 79702 Attn James O'Neill		4. Article Number P 155 278 619
5. Signature - Address <i>X</i>		Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
6. Signature - Agent <i>X</i> <i>James O'Neill</i>		
7. Date of Delivery <i>5-5-89</i>		8. Addressee's Address (ONLY if requested and fee paid) <i>POB 971</i>

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KA/Kerr McGee/Unit

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 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Thomas H. Davis South Star Route Elida, NM 88116		4. Article Number P 155 278 613
5. Signature - Address <i>X</i>		Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
6. Signature - Agent <i>X</i> <i>Thomas Davis</i>		
7. Date of Delivery <i>MAY 8 1989</i>		8. Addressee's Address (ONLY if requested and fee paid)

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KA/Kerr McGee/Unit

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
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 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Fina Oil & Chemical Co P.O. Box 2990 Midland, TX 79701		4. Article Number P 155 278 616	
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		Type of Service: <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.			
5. Signature - Address X		8. Addressee's Address (ONLY if requested and fee paid) P.O. Box 2990 MIDLAND, TX 79702	
6. Signature - Agent X <i>L.H. [Signature]</i>			
7. Date of Delivery			

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KA/Kerr McGee/Waterflood Proj

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.  
 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Finus M. & Laura J Tucker Reyocable Trust United New Mexico Trust Co P.O. Box 1927 Roswell, NM 88201		4. Article Number P 484 051 614	
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		Type of Service: <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.			
5. Signature - Address X		8. Addressee's Address (ONLY if requested and fee paid) <i>Service paid for</i>	
6. Signature - Agent X <i>Bill Merchant</i>			
7. Date of Delivery <i>3 May 89</i>			

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 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Murphy Operating Co P.O. Box 2648 Roswell, NM 88202 Ann; Ann Murphy Ezzell		4. Article Number P 155 278 615	
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		Type of Service: <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.			
5. Signature - Address X		8. Addressee's Address (ONLY if requested and fee paid) <i>Box 2648</i>	
6. Signature - Agent X <i>[Signature]</i>			
7. Date of Delivery <i>8/20/88</i>			

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KA/Kerr McGee/Unit

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 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: Margerite Davis South Star Route Elida. NM 88116		4. Article Number P 155 278 612	
Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail		Type of Service: <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.			
5. Signature - Address X		8. Addressee's Address (ONLY if requested and fee paid)	
6. Signature - Agent X <i>Thomas A. Davis</i>			
7. Date of Delivery <i>5-8-88</i>			

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 Show to whom delivered, date, and addressee's address.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Thomas E. Davis, Jr.  
 South Star Route  
 Elida, NM 88116

4. Article Number:  
 P 155 278 611

Type of Service:  
 Registered  Insured  
 Certified  COD  Return Receipt for Merchandise  
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Address  
*Thomas E. Davis, Jr.*

6. Signature - Agent  
*Thomas E. Davis, Jr.*

7. Date of Delivery  
 05-09-89

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 Show to whom delivered, date, and addressee's address.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Marathon Oil Co.  
 P.O. Box 552  
 Midland, TX 79702

4. Article Number:  
 P 155 278 609

Type of Service:  
 Registered  Insured  
 Certified  COD  Return Receipt for Merchandise  
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Address  
*John M. ...*

6. Signature - Agent  
*John M. ...*

7. Date of Delivery  
 5 MAY 1989

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 Show to whom delivered, date, and addressee's address.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Paul Davis  
 South Star Route  
 Elida, NM 88116

4. Article Number:  
 P 155 278 610

Type of Service:  
 Registered  Insured  
 Certified  COD  Return Receipt for Merchandise  
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Address  
*Paul Davis*

6. Signature - Agent  
*Paul Davis*

7. Date of Delivery  
 5-10-89

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3. Article Addressed to:  
 Floyd Prondo  
 State Land Office  
 P.O. Box 1148  
 Santa Fe, NM 87504

4. Article Number:  
 P 155 278 608

Type of Service:  
 Registered  Insured  
 Certified  COD  Return Receipt for Merchandise  
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Address  
*Floyd Prondo*

6. Signature - Agent  
*Floyd Prondo*

7. Date of Delivery  
 5 MAY 1989

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Show to whom delivered, date, and addressee's address.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
**Finis & Wainra Tucker Trust**  
**United New Mexico Bank**  
**P.O. Box 1927**  
**Roswell, NM 88201**

4. Article Number:  
**P 155 278 614**

Type of Service:  
 Registered  Insured  COD  Return Receipt for Merchandise  
 Certified  Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature Address  X

6. Signature Agent  X  
*Eric Meehan &*

7. Date of Delivery *5 May 89*

8. Addressee's Address (ONLY if requested and fee paid)  
*Bob*  
*1977*

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