

District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

SEP 13 2007  
OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,  
PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address CHEVRON MIDCONTINENT, L P 15 SMITH ROAD MIDLAND, TEXAS 79705		<sup>2</sup> OGRID Number 241333
		<sup>3</sup> API Number 30 - 015-21802
<sup>3</sup> Property Code	<sup>5</sup> Property Name DOUGLAS COM	<sup>6</sup> Well No. 1
<sup>9</sup> Proposed Pool 1 TANSIL DAM ATOKA		<sup>10</sup> Proposed Pool 2 CARLSBAD, STRAWN. (GAS)

<sup>7</sup> Surface Location									
UL or lot no H	Section 7	Township 22-S	Range 27-E	Lot Idn	Feet from the 2410	North/South line NORTH	Feet from the 560	East/West line EAST	County EDDY

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

<sup>11</sup> Work Type Code P	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3099'
<sup>16</sup> Multiple NO	<sup>17</sup> Proposed Depth 11,570	<sup>18</sup> Formation ATOKA/STRAWN	<sup>19</sup> Contractor	<sup>20</sup> Spud Date
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit Liner: Synthetic <input type="checkbox"/> _____ mls thick Clay <input type="checkbox"/> Pit Volume: _____ bbls		Drilling Method:		
Closed-Loop System <input type="checkbox"/>		Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
NO CHANGE					

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

CHEVRON MIDCONTINENT, L P, INTENDS TO RECOMPLETE THE SUBJECT WELL FROM THE MORROW POOL TO THE ATOKA AND/OR STRAWN RESERVOIR. COMMINGLING OF THE TWO ZONES MAY OCCUR, DEPENDING ON PRODUCTION. A PERMIT FOR DHC WILL BE TURNED IN BEFORE COMMINGLING THE PRODUCTION. A COPY OF THE NSL PERMIT REQUEST IS ATTACHED\*\*\*

A PIT WILL NOT BE USED FOR THIS PLUGBACK. A STEEL FRAC TANK WILL BE UTILIZED.

THE INTENDED PROCEDURE, AND CURRENT AND PROPOSED WELLBORE DIAGRAMS ARE ATTACHED FOR YOUR APPROVAL.

\*\*\*RE: H2S info .....There is less than 100 ppm H2S, therefore a H2S contingency plan is not required (Wells included: Pasley A Com #1, Jarvis Mead Com #1, Union Mead Fee Com #1, Colonia A Com #1 & Carlsbad 7 Com #1)

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature:

Printed name: DENISE PINKERTON

Title: REGULATORY SPECIALIST

E-mail Address: [leakerjd@chevron.com](mailto:leakerjd@chevron.com)

Date 5-07-2007

Phone 432-687-7375

OIL CONSERVATION DIVISION

Approved by

BRYAN G. ARRANT  
DISTRICT II GEOLOGIST

Title:

Approval Date: SEP 19 2007

Expiration Date:

SEP 19 2008

Conditions of Approval Attached ☐

## WORKOVER PROCEDURE

### I - General Information

Well:	Douglass Com #1	Field:	Carlsbad South
API #:	30-015-21802	Location:	2,410' FNL & 560' FEL
CHEVNO:	EO9939	Unit Ltr.:	H Section: 7
WBS #:		Tshp/Rng:	S-22 & E-27

### II - Objective

Recomplete to Atoka, and depending on rate, recomplete to Strawn.

### III - Pre-Job Information

- Utilize 4% KCL to reduce formation damage.

### IV - Procedure

- 1 MIRU PU, Note SITP & SICP, Kill Well Down Tubing (No Packer in Hole). (0.5 day)
- 2 ND WH, NU BOP, Release Packer, TOH Scanning Tubing and Packer, LD Packer. (1 day)
- 3 PU & TIH w/4 1/8" Bit and Tubing, Clean Out to 11,150' (Top of Flo-Thru CIBP), TOH. (3 days)
- 4 MIRU WL, RIH w/5" CIBP to ~11,050', Set CIBP @ ~11,050', ROH, RIH w/Dump Bail & 2 Sacks of Cement to Top of CIBP, Dump 2 Sacks of Cement on CIBP (TOC ~11,030'), ROH, RIH w/ 3 3/8" Predator Guns, Perf 2 spf @ 10420-429, 650-672, 745-755, 836-842, Monitor Pressure, ROH, RIH w/1.81" F Profile Nipple w/Blanking Plug Set, 8' 2 3/8" Tubing Sub, Packer w/1.87" F Profile Nipple, & On/Off Tool ~10,350', Set Packer @ 10,350', ROH, RDMO WL. (1 day)
- 5 TIH w/ ~1,950' 2 7/8" L-80 Tubing, & 8,400' 3 1/2" L-80 Tubing, Circulate 4% KCl, Latch Onto Packer @ 10,350', Swab Fluid Level to 8,000'. (2 days)
- 6 MIRU WL, RIH w/Equalizing Tool to 1.81" SN, Pull Equalizing Prong in 1.81" Blanking Plug, Monitor Pressure, ROH, RIH w/Retrieving Tool to 1.81" SN, Latch Onto Blanking Plug, Release Blanking Plug, ROH w/Blanking Plug. (0.5 day)
- 7 MIRU Stimulation Equipment, Acidize as per Engineer, RDMO. (1 day)
- 8 Flow Back Load, Swab as per Engineer, ND BOP, NU WH, Put Well to Sales, If Well is Flowing More Than 500 MCFPD, RDMO PU, Clean Location, Turn Over To Production, Otherwise Perform 4 Point Test, Contact Engineer, and Go To Next Step. (2 days)
- 9 MIRU WL, RIH w/1.81" Blanking Plug to 1.81" SN, Set 1.81" Blanking Plug in SN, ROH, RDMO WL. (0.5 day)

- 10 ND WH, NU BOP, Release On/Off Tool, TOH w/Tubing. (1 day)
- 11 MIRU WL, RIH w/3 3/8" Predator Perf Guns, Perf 2 spf @ 10050-055, 080-088, 164-176, 228-238, Monitor Pressure, ROH. (0.5 day)
- 12 PU & TIH w/5" RBP & Packer to 10,300', Set RBP @ 10,300', TOH 1 Joint, Set Packer, Test Packer & RBP to 500 psi, Release Packer, TOH to 10,000', Set Packer @ 10,000', Swab Fluid Level to 8,000'. (2 days)
- 13 MIRU Stimulation Equipment, Acidize as per Engineer, RDMO. (1 day)
- 14 Flow Back Load, Swab as per Engineer, ND BOP, NU WH, Put Well to Sales, If Well is Flowing More Than 1 MMCFPD, RDMO PU, Clean Location, Turn Over To Production, Otherwise Perform 4 Point Test, Contact Engineer, and Go To Next Step. (2 days)
- 15 Kill Well, ND WH, NU BOP, Release Packer, TIH to 10,300', Latch Onto RBP, Release RBP, TOH w/Tubing, Packer, & RBP. (1 day)
- 16 PU & TIH w/ On/Off Tool, 145' 2 7/8" L-80, 2 Joints 2 7/8" L-80 Perforated Tubing, 145' 2 7/8" L-80, 5" Hydraulic Packer w/1.87" R Profile Nipple, 10,000' 2 7/8" L-80 Tubing to Top of Bottom Packer, Circulate 4% KCL, Latch Onto On/Off Tool, Hydraulic Packer should be @ ~10,000, Set Hydraulic Packer. (2 days)
- 17 ND BOP, NU WH, Swab In Strawn Zone, Put Well Down Sales Line, RDMO PU, Clean Location, Turn Over To Production. (1.5 day)
- 18 MIRU WL, RIH w/Equalizing Tool to 1.81" SN, Pull Equalizing Prong in 1.81" Blanking Plug, Monitor Pressure, ROH, RIH w/Retrieving Tool to 1.81" SN, Latch Onto Blanking Plug, Release Blanking Plug, ROH w/Blanking Plug. (0.5 day)

Prepared by  
Christopher A. Irle

# Douglas Com #1 Wellbore Diagram - Current

Created: 08/29/06 By: C. A. Irl  
 Updated: By:  
 Lease: Douglass Com  
 Field: Carlsbad South  
 Surf. Loc.: 2,410' FNL & 560' FEL  
 Bot. Loc.:  
 County: Eddy St.: NM  
 Status: Shut-In Gas Well

Well #: 1 Fd./St. #: Fed  
 API: 30-015-21802  
 Surface Tshp/Rng: S-22 & E-27  
 Unit Ltr.: H Section: 7  
 Bottom hole Tshp/Rng:  
 Unit Ltr.: Section:  
 Directions: Carlsbad, NM  
 Chevno: EO9939

## Surface Casing (Not Shown)

Size: 16"  
 Wt., Grd.: 65# H-40  
 Depth: 414  
 Sxs Cmt: 500  
 Circulate: Yes  
 TOC: Surface  
 Hole Size: 20"

## Intermediate Casing

Size: 10 3/4  
 Wt., Grd.: 40.5# K-55  
 Depth: 1,722  
 Sxs Cmt: 1,500  
 Circulate: Yes, 125sx  
 TOC: Surface  
 Hole Size: 15"

## Production Casing

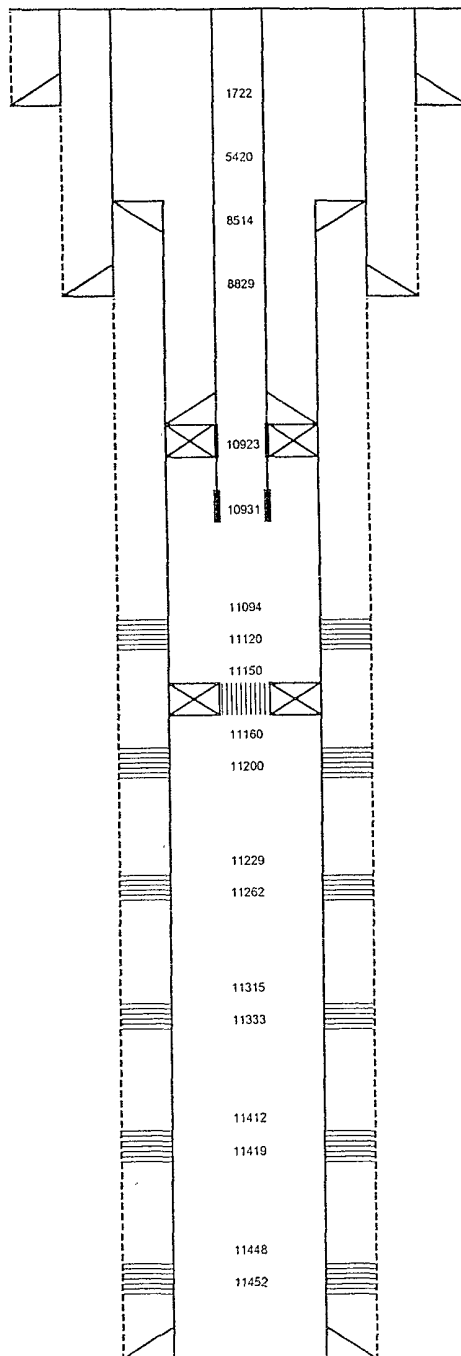
Size: 7 5/8  
 Wt., Grd.: 29.7#\*  
 Depth: 8,829  
 Sxs Cmt: 500  
 Circulate: No  
 TOC: 5,420 TS  
 Hole Size: 8 1/2  
 DV Tool:  
 \*N-80 & S-95

## Production Liner

Size: 5"  
 Wt., Grd.: 17.6# N-80  
 TOL: 8,514  
 Depth: 11,567  
 Sxs Cmt: 430  
 Circulate: Yes  
 TOC: TOL  
 Hole Size: 6 1/2

## Perforations

11094-102, 112-120, 160-164,  
 186-200, 229-241, 250-262, 315-  
 320, 326-333, 412-419, 448-452



KB:  
 DF:  
 GL: 3,099  
 Ini. Spud: 05/14/76  
 Ini. Comp.: 09/27/76

## History

5/14/76 Dri: Gas show 9250, flare 9400, 10748, 11240, 11377.  
 9/27/76 Ini Comp: Perf 11187-194, 230-239, 255-262, 315-320, 326-333, 412-419, 448-452, acid 7000 gls 7.5%.  
 12/17/90 Tbg Fail. Blkg plug 10989 (N nipple), rel o/o, redress SA, stng o/o, not ret plug, imp blk marked on side & bottom, SA overtorgued & crimped?, broak not work, rotate tbg not work, swedge stk, cut line, swedge & bail, rec plug, CO 11427 tag hard, flow 20 days, tag 11333, reperf 11187 194.  
 5/21/91 CO: Tag 9600, knife not cut.  
 6/1/91 CO: Bail thru bridges, CTCO, when was comp inst?  
 1/11/00 Swab?: Tag 11402, no fluid.  
 1/17/00 Reperf: Tag 11388, perf 4 spf 11186-200, 229-241, 311-332  
 5/23/00 Reperf: CTCO Tag 11390, couldn't get down to reperf 11406-456.  
 6/16/00 Stim: 1000 gls methanol w/50Q CO2, 10000 gls 10% FE 50Q CO2, SION, circ 350 scfm N2.  
 5/13/04 Swab: IFL 10500, 2 runs, dry, 500' 1 hr, tight 5300 & 7000, 4 sp stx.  
 11/18/04 Perf & Stim: CT dri fill 11190, 204, 246, 319, 359, CO snd 11400-531, perf 11094-102, 112-120, 160-164, 250-260, acid 4000 gls 7.5% morrow.  
 6/11/05 Stim: Not rel o/o, cut tbg 2' abv SA, FP 31' abv SA, cut free, ret fish, blow csg foam air unit, tag 11405, CO 11525, circ, rec scale & salt, gage 11150, flo thru CBP 11150, Stim??, CO2 blowing, CT tag snd 5800, CO 11150 (CBP), swab, 1.875 F blk plug in pkr, rel o/o, prod tbg, swab 8000, plug stk, rel pkr, 344 jts 2 3/8 N80, o/o w/1.875 F N, pkr, 8' 2 3/8 Sub, 1.81 F N, pkr 10923, swab, rec 292 bbl, ann cap 202 bbl.

PBTD: 11,527  
 TD: 11,570

# Carlsbad, Strawn TANBILL DAM ATOKA

320 Acres

## Douglas Com #1 Wellbore Diagram - Proposed

Created: 08/29/06 By: C. A. Irle  
Updated: By:  
Lease: Douglass Com  
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Surf. Loc.: 2,410' FNL & 560' FEL  
Bot. Loc.:  
County: Eddy St.: NM  
Status: Shut-In Gas Well

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API: 30-015-21802  
Surface Tshp/Rng: S-22 & E-27  
Unit Ltr.: H Section: 7  
Bottom hole Tshp/Rng:  
Unit Ltr.: Section:  
Directions: Carlsbad, NM  
Chevno: EO9939

### Surface Casing (Not Shown)

Size: 16"  
Wt., Grd.: 65# H-40  
Depth: 414  
Sxs Cmt: 500  
Circulate: Yes  
TOC: Surface  
Hole Size: 20"

### Intermediate Casing

Size: 10 3/4"  
Wt., Grd.: 40.5# K-55  
Depth: 1,722  
Sxs Cmt: 1,500  
Circulate: Yes, 125sx  
TOC: Surface  
Hole Size: 15"

### Production Casing

Size: 7 5/8"  
Wt., Grd.: 29.7#\*  
Depth: 8,829  
Sxs Cmt: 500  
Circulate: No  
TOC: 5,420 TS  
Hole Size: 8 1/2"

DV Tool:

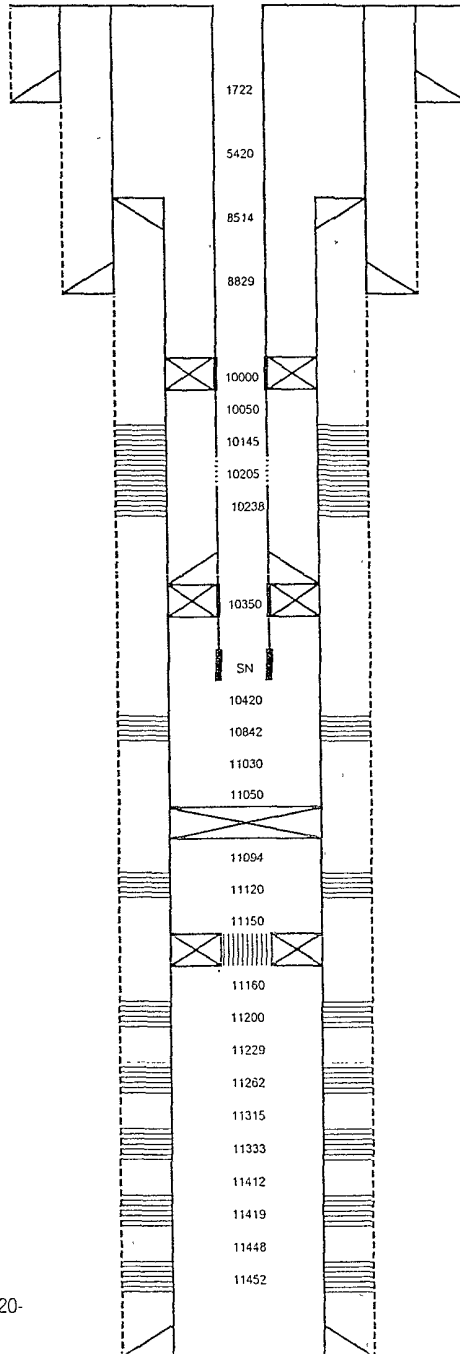
\*N-80 & S-95

### Production Liner

Size: 5"  
Wt., Grd.: 17.6# N-80  
TOL: 8,514  
Depth: 11,567  
Sxs Cmt: 430  
Circulate: Yes  
TOC: TOL  
Hole Size: 6 1/2"

### Perforations

10050-055, 080-088, 164-176, 228-238, 420-429, 650-672, 745-755, 836-842, 44094-402, 112-120, 160-164, 186-200, 229-241, 250-262, 315-320, 326-333, 412-419, 448-452



KB:  
DF:  
GL: 3,099  
Ini. Spud: 05/14/76  
Ini. Comp.: 09/27/76

### History

5/14/76 Dr. Gas show 9250, flare 9400, 10748, 11240, 11377  
9/27/76 Ini Comp Perf 11187-194, 230-239, 255-262, 315-320, 326-333, 412-419, 448-452, acid 7000 gls 7 5%.  
12/17/90 Tbg Fail Blkg plug 10989 (N nipple), rel o/o, redress SA, stng o/o, not ret plug, imp blk marked on side & bottom, SA overtorqued & crimped?, broak not work, rotate tbg not work, swedge stk, cut line, swedge & bail, rec plug, CO 11427 tag hard, flow 20 days, tag 11333, reperf 11187-194.  
5/21/91 CO: Tag 9600, knife not cut  
6/1/91 CO: Bail thru bridges, CTCO, when was comp inst?  
1/11/00 Swab?: Tag 11402, no fluid  
1/17/00 Reperf. Tag 11388, perf 4 spf 11186-200, 229-241, 311-332.  
5/23/00 Reperf CTCO Tag 11390, couldn't get down to reperf 11406-456  
6/16/00 Stim 1000 gls methanol w/50Q CO2, 10000 gls 10% FE 50Q CO2, SION, circ 350 scfm N2  
5/13/04 Swab: IFL 10500, 2 runs, dry, 500' 1 hr, tight 5300 & 7000, 4 sp sbx.  
11/18/04 Perf & Stim: CT drl fill 11190, 204, 246, 319, 359, CO snd 11400-531, perf 11094-102, 112-120, 160-164, 250-260, acid 4000 gls 7 5% morrow.  
6/11/05 Stim: Not rel o/o, cut tbg 2' abv SA, FP 31' abv SA, cut free, ret fish, blow csg foam air unit, tag 11405, CO 11525, circ, rec scale & salt, gage 11150, flo thru CBP 11150, Stim??, CO2 blowing, CT tag snd 5800, CO 11150 (CBP), swab, 1 875 F blk plug in pkr, rel o/o, prod tbg, swab 8000, plug stk, rel pkr, 344 jts 2 3/8 N80, o/o w/1.875 F N, pkr, 8' 2 3/8 Sub, 1 81 F N, pkr 10923, swab, rec 292 bbl, ann cap 202 bbl  
Proposed CIBP 11150, cmt 20', perf 10420-429, 650-672, 745-755, 836-842, pkr 10350, acid 2000 gls, flow, blk plug in SN, perf 10050-055, 080-088, 164-176, 228-238, RBP 10300, pkr 10000, acid 2000 gls, flow, rel pkr & RBP, run BHA, latch btm pkr, set top pkr 10000, swab Strawn in, ret blk plug

### Tubing Detail

10,000' 2 7/8" 6 4# L-80 Tubing  
Hydraulic Packer w/1 87" F Profile Nipple  
145' 2 7/8" 6 4# L-80 Tubing  
60' 2 7/8" Perforated Blast Joint  
145' 2 7/8" 6 4# L-80  
On/Off Tool  
Mechanical Packer w/1 81" F Profile Nipple  
8' 2 3/8" Tubing Sub  
1 78" R Profile Nipple  
Wireline Entry Guide

PBTD: 11,527  
TD: 11,570

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-21802	<sup>2</sup> Pool Code 85900	<sup>3</sup> Pool Name TANSIL DAM, ATOKA (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name DOUGLAS COM	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 241333	<sup>8</sup> Operator Name CHEVRON MIDCONTINENT, L.P.	<sup>9</sup> Elevation 3.099'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	7	22-S	27-E		2410	NORTH	560	EAST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<div style="text-align: center;"> </div>	<sup>16</sup>	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Denise Pinkerton</i> 5-07-2007 Signature Date DENISE PINKERTON REGULATORY SPECIALIST Printed Name
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Date of Survey Signature and Seal of Professional Surveyor	
	Certificate Number	

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

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☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-21802	<sup>2</sup> Pool Code 74040	<sup>3</sup> Pool Name CARLSBAD; STRAWN, (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name DOUGLAS COM	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 241333	<sup>8</sup> Operator Name CHEVRON MIDCONTINENT, L.P	<sup>9</sup> Elevation 3,099'

<sup>10</sup> Surface Location

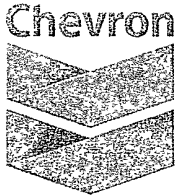
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	7	22-S	27-E		2410	NORTH	560	EAST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup>						<b><sup>17</sup> OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>Denise Pinkerton</i> 5-07-2007 Signature Date DENISE PINKERTON REGULATORY SPECIALIST Printed Name	
						<b><sup>18</sup> SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</i>	
						Date of Survey Signature and Seal of Professional Surveyor	
						Certificate Number	



**Mid-Continent Business Unit**  
Chevron U.S.A. Inc.  
15 Smith Rd.  
Midland, Texas 79705

May 2<sup>nd</sup>, 2007

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, N.M. 87505

Attention: Engineering Bureau

**Re: Application for Permit to Recomplete at a NSL  
Douglass Com #1, Eddy County, New Mexico**

Dir Sirs:

Chevron Mid-continent, L.P. respectfully requests your review and administrative approval of the attached permit to plugback and recomplete the Douglass Com #1, API 30-015-21802 at its unorthodox location.

The subject well is located just outside the city of Carlsbad and was drilled in 1976 by Belco Petroleum; location is 560' FEL and 2410' FSL, section 7, T22S R27E, Eddy County, New Mexico. Chevron now operates this well and proposes to recomplete to either the Tansil Dam Atoka and/or the Carlsbad Strawn pools depending on production indicators during the recompletion. In the event we desire to produce both pools, we will seek and acquire a DHC permit prior to producing both pools simultaneously. Both pools are on state wide gas pool rules of 320 acre proration units and 660' setbacks so the subject work will require approval of an unorthodox location.

Chevron requests your administrative approval of this application as doing so will allow the utilization of an existing wellbore preventing significant waste. Our records indicate the well was originally permitted at a legal location 660' FEL but was subsequently re-permitted at an unorthodox location 560' FEL due to proximity to a topographic draw and cultivated lands. This location is also adjacent to residential areas within the city of Carlsbad so it is highly unlikely an orthodox location could be achieved within these surface constraints.

In support of this application, the following attached information is included with this application:

Form C-101, Application for Permit to Plugback

Form C-102, Well Location and Acreage Dedication Plat

Certified Copy of notice to Oxy USA Inc., operator of west half of section 8.

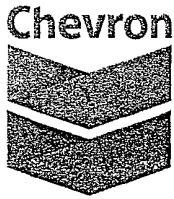
Vicinity map showing the location of the well in relation to the city limits, housing and streets.

Respectfully Submitted,

A handwritten signature in black ink that reads "Scott M. Ingram".

Scott M. Ingram  
Interim Carlsbad Area Technical Team Leader  
Chevron North America E & P





David Thompson  
Land Representative

North America Upstream  
MidContinent / Alaska Business  
Unit  
15 Smith Road  
Midland, Texas 79705  
Tel 432 687 7241  
Fax 432 687 7448  
thompdw@chevron.com

May 2, 2007

Oxy USA, Inc.  
Attn: Land Dept.  
P.O. Box 50250  
Midland, TX 79710

Notice of Non-Standard Location  
Douglass Com #1 - Strawn & Atoka Recompletion  
2,410' FNL, 550' FEL Section 7, T22S, R27E  
Eddy County, New Mexico

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Gentlemen:

Enclosed is a copy of a New Mexico Oil Conservation Division application to re-enter the Chevron Midcontinent L.P.-Operated Douglass Com #1 well located 2,410' FNL, 550' FEL of Section 7, T22S, R27E, Eddy County, New Mexico and attempt to complete in the Strawn and/or Atoka formations.

As this well is located 560' from the west line of your operated property (Paslay A Com #1) in Section 8, we are hereby giving notice under NMOCD rules associated with Non-Standard location wells. Should you have any objections to our recompletion attempt, you may contact the New Mexico Oil Conservation Division at: 1220 South St. Francis Drive, Santa Fe, NM 87505, within 20 days of the NMOCD receiving Chevron's application. I have enclosed a plat of the area for your convenience.

Should you have any questions, I may be contacted by email, letter or phone as shown on the letterhead.

Yours truly,

A handwritten signature in cursive script that reads "David Thompson".

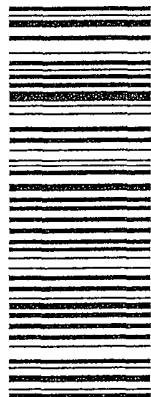
David Thompson  
Land Representative

Enclosures

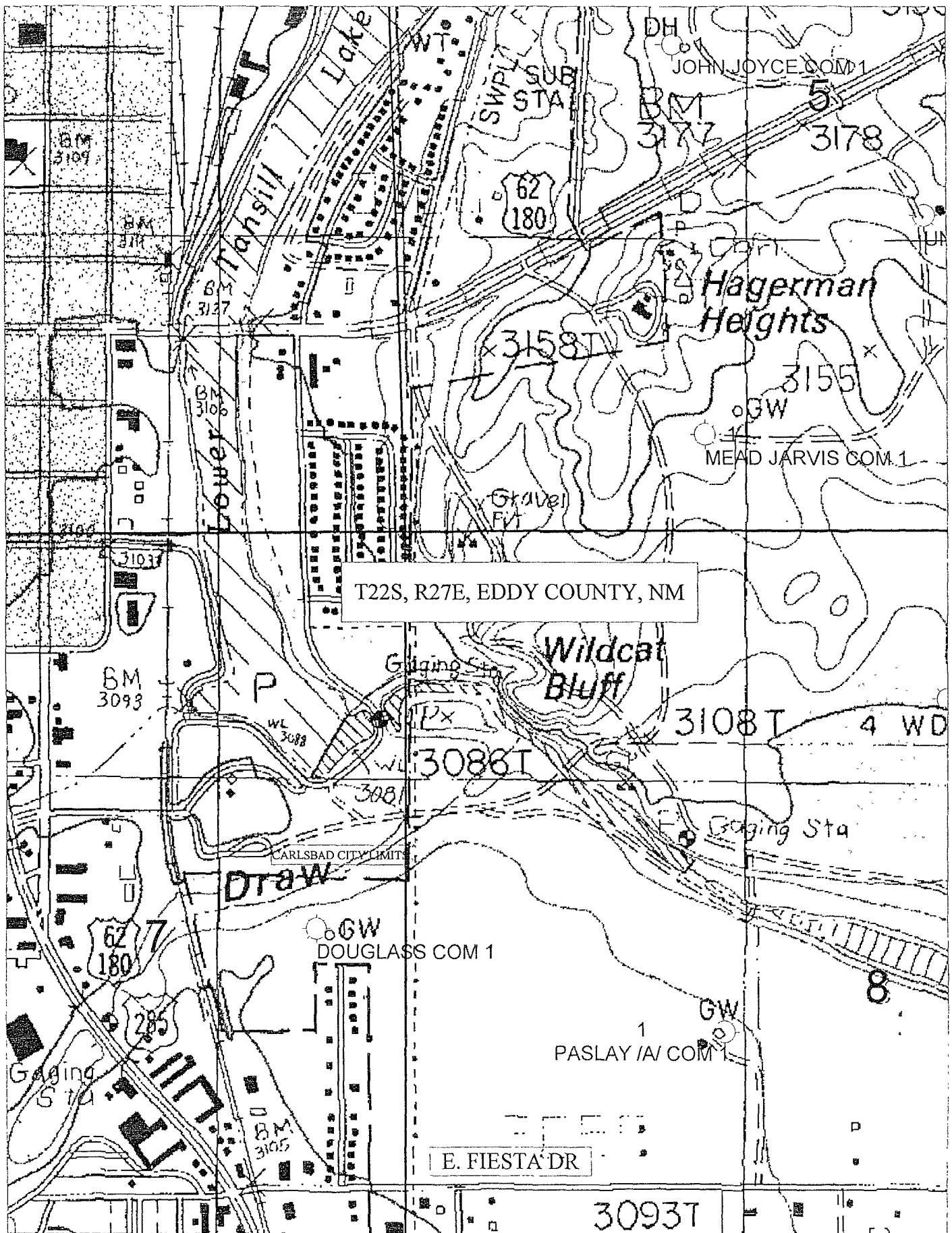
SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <b>X</b></p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p><b>Oxy USA, Inc.</b> <b>Attn: Land Dept.</b> <b>P.O. Box 50250</b> <b>Midland, TX 79710</b></p>		<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p>	
<p>2. Article Number (Transfer from service label): <b>7002 2410 0001 5905 7591</b></p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
PS Form 3811, August 2001		Domestic Return Receipt 102595-02-M-1540	

U.S. Postal Service <sup>TM</sup>	
<b>CERTIFIED MAIL<sup>TM</sup> RECEIPT</b>	
<i>(Domestic Mail Only: No Insurance Coverage Provided)</i>	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
OFFICIAL USE	
<p>Postage \$</p> <p>Certified Fee</p> <p>Return Receipt Fee (Endorsement Required)</p> <p>Restricted Delivery Fee (Endorsement Required)</p> <p>Total Postage &amp; Fees \$</p>	<p>Postmark Here</p>
<p>Sent To <b>Oxy USA Inc. Attn: Land Dept.</b></p> <p>Street, Apt. No. or PO Box No <b>P.O. Box 50250</b></p> <p>City, State, ZIP+4 <b>Midland, TX 79710</b></p>	
PS Form 3800, June 2002 See Reverse for Instructions	

7002 2410 0001 5905 7591



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# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joan M. Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

June 7, 2007

Chevron Mid-Continent, L.P.  
Attn: Mr. Scott M. Ingram  
15 Smith Rd.  
Midland, TX 79705

**JUN 18 2007**

**OCD-ARIES**

**Administrative Order NSL-5637**

**Re: Douglas Com. Well No. 1  
API No. 30-015-21802  
H-7-22S-27E  
Eddy County**

Dear Mr. Ingram:

Reference is made to the following:

(a) your application (**administrative application reference No. pCLP07-13031279**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 9, 2007, and

(b) the Division's records pertinent to this request.

Chevron Mid-Continent, L.P. (Chevron) has requested to re-complete its Douglas Com. Well No. 1 (API No. 30-015-21802) at an unorthodox gas well location in the Atoka and/or Strawn formations, 2410 feet from the North line and 560 feet from the East line (Unit H) of Section 7, Township 22 South, Range 27 East, N.M.P.M., in Eddy County, New Mexico. The E/2 of Section 7 will be dedicated to this well in order to form a standard 320-acre spacing unit in the undesignated Tansil Dam-Atoka Gas Pool (85900) and/or the undesignated Carlsbad-Strawn Gas Pool (74040). These pools are governed by statewide Rule 104.C(2), which provides for 320-acres units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 from the eastern unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that Chevron is seeking this location in order to utilize an existing wellbore that was originally drilled to a deeper formation.

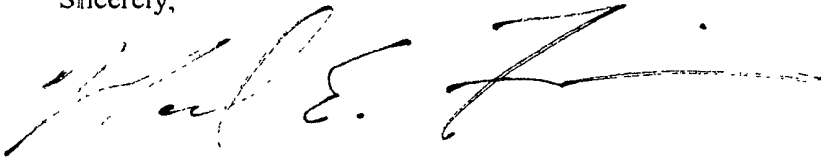
It is also understood that notice of this application has been furnished to the operator of the offsetting spacing unit towards which this location encroaches.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is **CONDITIONED, HOWEVER**, upon Chevron obtaining administrative approval from the Division for down-hole commingling prior to completing this well in both formations in such manner as to commingle the respective gas streams.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a stylized flourish at the end.

Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia  
New Mexico State Land Office - Santa Fe