

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.

30-015-29735

5. Indicate Type of Lease

Federal

STATE ☐

FEE ☐

6. State Oil / Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMI
(FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well: OIL WELL ☐ GAS WELL ☐ OTHER DISPOSAL WELL

2. Name of Operator
CHEVRON USA INC

3. Address of Operator
15 SMITH RD, MIDLAND, TX 79705

4. Well Location
Unit Letter F : 1686' Feet From The NORTH Line and 2505' Feet From The WEST Line
Section 1 Township 23-S Range 28-E NMPM EDDY COUNTY

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPERATION ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐ RULE 705C(2) EXTENSION ☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

PER REQUEST OF MR. JERRY GUYE, NMOCD, ATTACHED IS AN EXTENSION OF INJECTION AUTHORITY (RULE 705C(2)) FOR THE SUBJECT WELL.

THIS WELL IS A FEDERAL WELL, AND IS ON THE NMOCD INACTIVE WELL LIST. ONCE THE C-115 FOR JANUARY PRODUCTION IS RECEIVED, THIS WELL SHOULD BE DROPPED OFF THE INACTIVE WELL LIST.

1-17-06: OPENED VALVE & INJECTED WATER. 210 BWPD @ 840 PSI.

WATER WILL BE INJECTED ON A MONTHLY BASIS.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Denise Pinkerton* TITLE Regulatory Specialist

DATE 2/8/2006

TYPE OR PRINT NAME Denise Pinkerton

Telephone No. 432-687-7375

(This space for State Use)

APPROVED

CONDITIONS OF APPROVAL, IF ANY:

TITLE

Accepted for record - NMOCD
fo.

DATE



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 30, 2006

Mr. Scott Ingram
Chevron
15 Smith Road
Midland, Texas 79705

Re: OCD Rule 705C(2) Extension of Injection Authority

Dear Mr. Ingram:

The OCD is in receipt of your January 26, 2006 request to Daniel Sanchez, OCD Compliance Director, to extend your injection authority on the Lentini 1 Federal # 17 SWD well (API 30-015-29735) (hereinafter, "Lentini 1").

Pursuant to your e-mail to Mr. Sanchez, it is my understanding that in November 2004, Chevron stopped injecting produced water into the Lentini 1 after establishing a pilot, one pattern Delaware waterflood on the Lentini lease. Chevron has been injecting produced water into the waterflood injector that would previously have been disposed into the Lentini 1.

Although you have not used the Lentini 1 since approximately November 2004, you would like to have the option to resume daily SWD operations as a back up to the waterflood injection well. If Chevron would have been aware of the requirements of Rule 705) [19.15.9.705], it would have continued periodic injections into the Lentini 1, to maintain its authority to do such injections.

As you are now aware, once a well is inactive for over one (1) year, pursuant to OCD Rule 705C(1), it is considered abandoned and Chevron's authority for injection automatically terminated. However, Rule 705C(2) allows the division director, "for good cause shown, ... to grant an administrative extension or extensions of injection authority as an exception to Subsection C."

Based on the history outlined above, and that Chevron conducted a successful MIT test on October 20, 2005, under the authority of Rule 705C(2), you are granted an extension to continue injecting into the Lentini 1. However, you must submit Chevron activities on the appropriate C103 and/or C115 reports. In all other respects, you will continue to be subject to Rule 705 and all other

Scott Ingram
Chevron
January 30, 2005
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Applicable OCD rules or requirements. If, in the future, you do not comply with Rule 705, your authority to inject may be permanently terminated.

If you have any questions, please contact me.

Very truly yours,

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

Mark Fesmire, Director

pc: Daniel Sanchez, OCD Compliance Director
Cheryl O'Connor, Assistant General Counsel, OCD