Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED
JUL 19 2006

Form C-103
May 27, 2004

WELL API NO.	30-015-34686
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 A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name	SKELLY UNIT
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 964
2. Name of Operator: Chevron USA Inc. (COG Operating LLC Agent)	9. OGRID Number 4323
3. Address of Operator: 550 W. Texas Ave., Suite 1300 Midland, TX 79701	10. Pool name or Wildcat FREN; PADDOCK

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2006
OCD - ARTESIA

4. Well Location
Unit Letter N : 1175' feet from the South line and 2310' feet from the West line
Section 15 Township 17S Range 31E NMPM County EDDY

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3861' GR

Pit or Below-grade Tank Application ☐ or Closure ☒
Pit type DRILLING Depth to Groundwater 110' Distance from nearest fresh water well 1000' Distance from nearest surface water 1000'
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
OTHER: Pit closure ☒		OTHER: ☐	

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

COG Operating LLC proposes to close the drilling pit as follows:

1. Remove fluids from pit.
2. A deep trench pit will be constructed next to the existing reserve pit and lined with a 12 mil liner. The contents will be encapsulated in this pit and the liner will be folded over the mud and cuttings.
3. Cover liner with 20 mil liner with excess of 3' on all sides as per option IV.B.3.(b) of the Pit and Below-Grade Tank Guidelines.
4. Cover with a minimum 3' of native soil.
5. Contour pit to prevent erosion and ponding of rainwater.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Phyllis Edwards TITLE Regulatory Analyst DATE 7-18-06

Type or print name Phyllis Edwards E-mail address: pedwards@conchoresources.com Telephone No. 432-685-4340

For State Use Only

APPROVED BY: Jim W. Gum District II Supervisor DATE 7/24/06

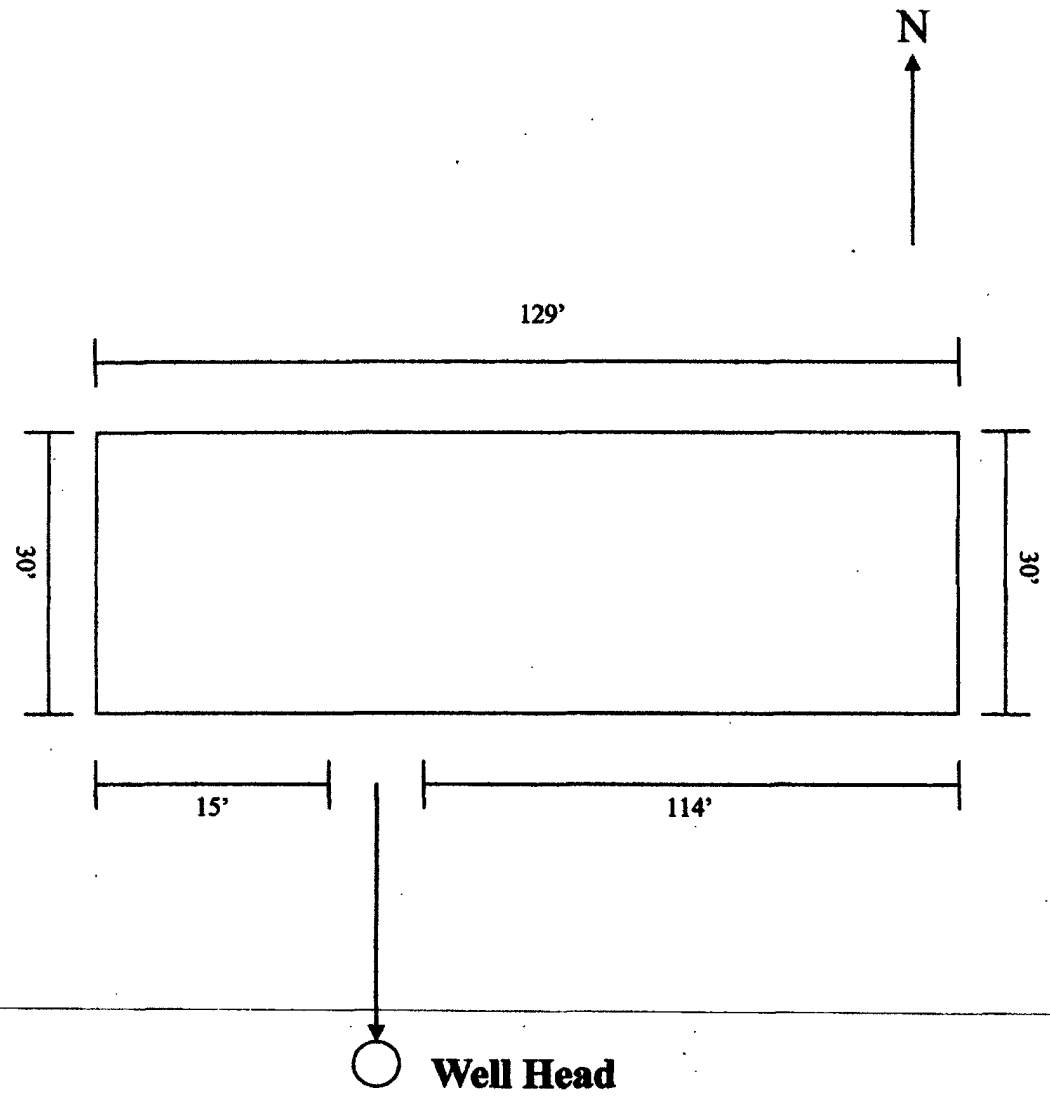
Conditions of Approval (if any):

12/21/06

Accepted for record - NMOCD

CHEVRON USA INC.
(COG OPERATING LLC AGENT)
SKELLY UNIT #964
API #: 30-015-34686
EDDY COUNTY, NM

CLOSURE BEGAN: **9-19-06**
CLOSURE COMPLETE: **9-23-06**



ALLSTATE ENVIRONMENTAL SERVICES, LLC

P.O BOX 11322
MIDLAND, TEXAS 79702
OFFICE: (432) 682-3547
FAX: (432) 682-4182
Contractors License #94195

30-015-34696

September 23, 2006

New Mexico Oil Conservation Division
District 2
1301 Grand Avenue
Artesia, New Mexico 88210

Dear Sir/Ma'am

Included in this mailing is the closure report for COG Operating Corp. Skelly Unit #964 lease. As indicated in the summary the pit closure work was begun on September 19, 2006 and completed on September 23, 2006.

Any concern or questions regarding this site may be addressed to Randy Offield, Allstate Environmental Services, at 432-682-3547 or his e-mail address at allstateenviro@sbcglobal.net

Sincerely
Mark Meadows for Randy Offield-Owner
Allstate Environmental Services

cc: COG Operating Corp.-Artesia, N.M.
Allstate Environmental Svcs. file