

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

Form C-103  
May 27, 2004

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

WELL API NO.  
**30-039-30436**

5. Indicate Type of Lease  
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

**Paul Williams (17725 Property Code)**

8. Well Number **4**

9. OGRID Number  
131994

10. Pool name or Wildcat  
Basin-Dakota / Blanco-Mesaverde

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)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator  
Four Star Oil & Gas Company (131994)

3. Address of Operator  
15 Smith Road Midland, Texas 79705 (c/o Alan W. Bohling, Rm 4205)

4. Well Location

Unit Letter E : 1522 feet from the North line and 1224 feet from the West line  
Section 35 Township 26-N Range 06-W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6,332' GR

Pit or Below-grade Tank Application ☐ or Closure ☐ Use Steel Flowback Tanks

Pit type: \_\_\_\_\_ Depth to Groundwater: \_\_\_\_\_ Distance from nearest fresh water well: \_\_\_\_\_ Distance from nearest surface water: \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Amend Allocation %'s for DHC 2863 AZ, 04/29/2008 ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

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.

As per phone conversation with Mr. Steve Hayden-NMOCD on 05/07/2008 pertaining to DHC 2863 AZ, approved on 04/29/2008, Four Star Oil & Gas Company respectfully submits this Sundry NOI with attached table and map to provide additional data and substantiation for Allocation Factors to be assigned to the Downhole Commingled Production within this wellbore (Basin-Dakota and Blanco-Mesaverde Pools).

As a result of our further review, Four Star Oil & Gas Company requests to amend our originally proposed allocation percentages for DHC 2863 AZ to now reflect the following:

Pool	Oil	Gas	Water
Blanco-Mesaverde (72319)	69%	59%	69%
Basin-Dakota (71599)	31%	41%	31%

RCVD MAY 12 '08  
OIL CONS. DIV.  
DIST. 3

Please see additional Downhole Commingle Supporting Data Table and Map.

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: Alan W. Bohling TITLE: Regulatory Agent DATE: 04/08/2008

Type or print name: Alan W. Bohling E-mail address: ABohling@chevron.com Telephone No.: 432-687-7158

For State Use Only

APPROVED BY: [Signature] TITLE: Deputy Oil & Gas Inspector, District #3 DATE: MAY 14 2008

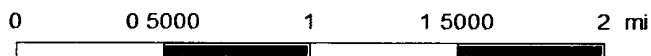
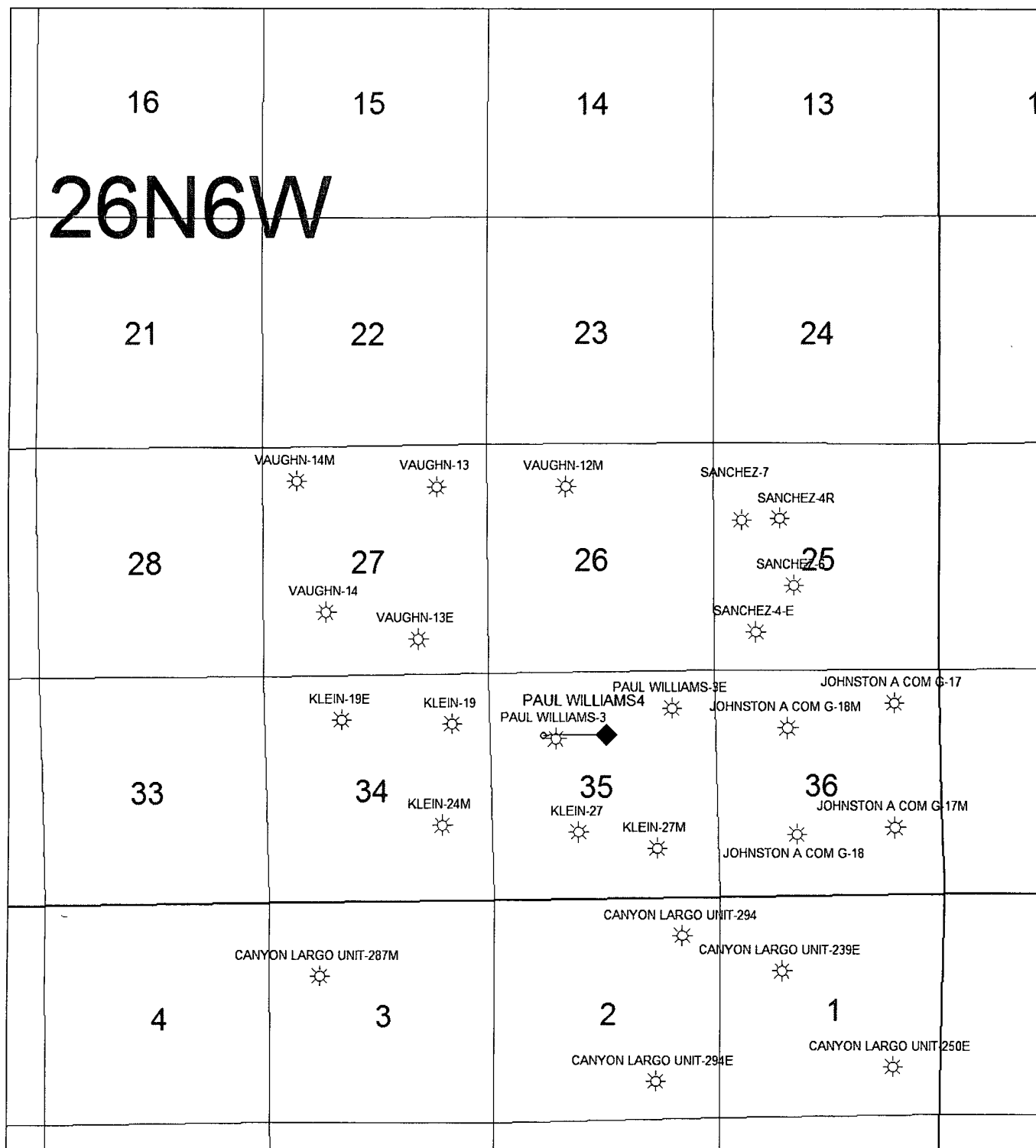
Conditions of Approval (if any):


Paul Williams # 4 Allocation Factors.~

				Gas				OIL			
Item	Offset Well Names	API #	Location	DK %	MV%	Total %	Comments	DK%	MV%	Total %	Comments
1	VAUGHN 13	30-039-20371	27-26N-6W	39	61	100	*Gallup included in original factors	100	0	100	*Gallup included in original factors
2	VAUGHN 14	30-039-20382	27-26N-6W	32	68	100	*Gallup included in original factors	36	64	100	*Gallup included in original factors
3	KLEIN 19	30-039-20499	34-26N-6W	11	89	100	*Gallup included in original factors	18	82	100	*Gallup included in original factors
4	JOHNSTON A COM G 17	30-039-20767	34-26N-6W	33	62	100	*Gallup included in original factors	49	51	100	*Gallup included in original factors
5	PAUL WILLIAMS 3	30-039-21079	35-26N-6W	40	60	100		0	100	100	
6	KLEIN 27	30-039-21603	35-26N-6W	16	84	100	*Gallup included in original factors	18	82	100	*Gallup included in original factors
7	CANYON LARGO UNIT 294	30-039-22308	2-25N-6W	25	75	100		84	16	100	
8	PAUL WILLIAMS 3E	30-039-22610	35-26N-6W	50	50	100		0	100	100	
9	SANCHEZ 4E	30-039-22912	25-26N-6W	35	65	100		19	81	100	
10	SANCHEZ 4R	30-039-23723	25-26N-6W	61	39	100		24	76	100	
11	KLEIN 19M	30-039-23770	34-26N-6W	16	84	100	*Gallup included in original factors	9	91	100	*Gallup included in original factors
12	KLEIN 24M	30-039-23771	34-26N-6W	37	63	100	*Gallup included in original factors	27	73	100	*Gallup included in original factors
13	KLEIN 27M	30-039-23772	35-26N-6W	16	84	100	*Gallup included in original factors	18	82	100	*Gallup included in original factors
14	VAUGHN 14M	30-039-23789	27-26N-6W	21	79	100	*Gallup included in original factors	18	82	100	*Gallup included in original factors
15	VAUGHN 12M	30-039-23922	26-26N-6W	47	53	100	*Gallup included in original factors	45	55	100	*Gallup included in original factors
16	VAUGHN 13M	30-039-25106	27-26N-6W	49	51	100		49	51	100	
17	JOHNSTON A COM G 18	30-039-25324	36-26N-6W	66	34	100		62.5	37.5	100	
18	CANYON LARGO UNIT 239E	30-039-25549	1-25N-6W	28	72	100		34	66	100	
19	CANYON LARGO UNIT 287M	30-039-25550	3-25N-6W	67	33	100		51	49	100	
20	JOHNSTON A COM G 18M	30-039-25559	36-26N-6W	26	74	100		33	67	100	
21	JOHNSTON A COM G 17M	30-039-25560	36-26N-6W	36	64	100		18	82	100	
22	CANYON LARGO UNIT 294E	30-039-25714	2-25N-6W	48	52	100		0	100	100	
23	CANYON LARGO UNIT 250E	30-039-25720	1-25N-6W	73	27	100		0	100	100	
24	SANCHEZ 6	30-039-26763	25-26N-6W	73	27	100		30	70	100	
25	SANCHEZ 7	30-039-27433	25-26N-6W	73	27	100		30	70	100	
				Average of Gas Allocation Factors for 25 Commingled Wells				Average of Oil Allocation Factors for 25 Commingled Wells			
				41	59	100	*Gallup production included in original approved Allocation %'s was extracted out and the DK & MV production was prorated accordingly prior to averaging.	31	69	100	*Gallup production included in original approved Allocation %'s was extracted out and the DK & MV production was prorated accordingly prior to averaging.
				DK %	MV%	Total %		DK%	MV%	Total %	

\* Original Proposal for the Paul Williams Well #4 by Chevron was Gas: 60% MV + 40% DK and Oil: 100% MV + 0% DK and Water: 60% MV + 40% DK

\* Updated Allocation Factors from this analysis would be: Gas: 59% MV + 41% DK and Oil: 69% MV + 31% DK and Water: 69% MV + 31% DK



 <b>Chevron North America Exploration &amp; Production</b> <b>MidContinent/Alaska Business Unit</b> <b>Coalbed Methane Asset Development Team</b>		
<b>San Juan Basin</b> <b>26N-6W</b> <b>Williams Area</b> <b>Rio Arriba County, NM</b> <b>Wells used in Avg Allocation Factor Calculations</b>		
By: nksulmeh	Scale:	Date: 8 May 2008
C&T	Contour Interval	