

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, August 28, 2008 12:01 PM
To: 'Bryan Arrant'; 'christian.combs@chk.com'
Cc: Ezeanyim, Richard, EMNRD
Subject: SWD application: Minnie #1-6 in Lea County Sec 11 T16S R37E

Hello Christion and Bryan:

As you know, there are MANY protests to your proposed injection well.

Let me know when you have a Examiner hearing Case Number assigned? and I will put all my documents in this file.

This is your project and I don't have time to keep checking on its hearing status - so unless you let me know, this info will not get into the file.

As you know, the OCD will no longer consider this administrative application due to all the protests.

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

8/28/2008

DATE IN 7/21/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 7/25/08	PLC TYPE 313	APP NO. PK/R0820752574
--------------------	----------	---------------------	----------------------	--------------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
 Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
 [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

CAROLYN HAYNIE
 Print or Type Name

Signature

Carolyn Haynie

PETROLEUM ENGINEER TA
 Title

Date

7-23-08

chay@chevron.com
 e-mail Address

RECEIVED
 2008 JUL 25 PM 2 04

*Wor PC
 but amended
 add Henry Land
 well*

REQUEST FOR EXEMPTION TO RULE 303-A
FOR WELLS LOCATED IN PRE-APPROVED POOLS OR AREAS

Operator

Chevron MidContinent L.P.
15 Smith Road
Midland, TX 79705

Lease Names and Well Numbers

State DC Lease wells # 3 and # 4, and Harry Leonard J # 5
State "DC" Battery, 1200' FWL & 1800' FNL,
Section 19, T21S, R37E
Lea County, New Mexico

Division Order

Pre-approved pools or areas established by Division Order No. R-11363.

Pools To Be Commingled In State DC Commingled Battery

(6660) Blinebry
(19190) Drinkard
(50350) Grayburg

Perforated Intervals

Blinebry; (5500' - 5990')
Drinkard (6659' -6819')
Grayburg (3728' - 4000')

Product Characteristics And Value

Previous commingling of these zones by Chevron and other operators in the area have shown that the produced fluids are compatible and commingling will not cause formation damage or producing problems. Also, the price received by Chevron for products from these zones is very similar, so value will not be adversely affected.

Production Allocation

<u>Pool</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPD</u>	<u>Remarks</u>
Blinebry	9	172	121	State DC # 3 - Well Test Report 7/10/06
Drinkard	1	76	9	State DC # - Well Test Report 7/10/07
Grayburg	17	111	333	Estimated production is based on Henderson # 17, for Harry Leonard J # 5. Harry Leonard J # 5 is not yet drilled.
Totals	27	359	463	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	33.33	47.91	26.13	Calculated using above production volumes
Drinkard	3.70	21.17	1.94	Calculated using above production volumes
Grayburg	62.96	30.92	71.92	Calculated using above production volumes
Totals	100.00	100.00	100.00	

Ownership

Ownership of all zones is identical so correlative rights will not be compromised.

State / Federal Land Notification

The well is on a State lease, and
notification was sent July 23, 2008.



Carolyn Haynie
Petroleum Engineering
Technical Assistance

Permian Business Unit
Chevron MidContinent, L.P.
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

July 23, 2008

New Mexico Oil Conservations Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

RE: Application to Pool Lease Commingle Production
Oil and Gas Department

Chevron MidContinent, L.P. respectfully requests administrative approval to surface commingle oil and gas production from the Blinebry, Drinkard, and Penrose Skelly Grayburg formations. The State DC # 3, API # 30-025-34401, State DC # 4, API # 30-025-34510, and the Harry Leonard J #5, API # 30-025-38789, will be pool lease commingled in the existing State "DC" Battery, located in Section 19, 1200' FWL & 1800' FNL, T21S, R37E, Lea County, NM. The Harry Leonard J #5 will be a new development well producing in the Penrose Skelly Graybrug formation, located 1200' FNL & 990' FEL, Unit Letter A, Sec, 24, T21S, R37E, Lea County, NM. Currently the production for wells #3 and #4 are going into the State "DC" Battery. The Blinebry, Drinkard, and Grayburg formations were approved in the State "DC" Commingled Battery, PC-435, copy attached.

Chevron has a 100% working interest in these wells and formations and the royalty owner is the State of New Mexico. Enclosed is the letter of notification to the Commissioner of Public Lands, State of New Mexico, and well information needed for your determination of this project. The Henderson 17 oil analysis has been provided as an anticipated Penrose Skelly Grayburg for the Harry Leonard J #5 well, to be drilled upon administrative approval.

We will run a flowline from Harry Leonard J # 5 to the State DC battery connecting to a dedicated 3-phase separator with meters for oil, and gas, in accordance with applicable provisions of the NMOCD's "Manual for the installation and Operation of Commingling Facilities.

For your convenience, I have enclosed an envelope with my return address, so the decision for this application can be sent directly to me. If you require additional information, please contact me by telephone at 432-687-7261, or by email at chay@chevron.com.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant
Enclosure

cc: NMOCD - District 1; Hobbs
Lease File
Mike Howell
Danny Lovell
Denise Pinkerton

NEW MEXICO OIL CONSERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

1972 MAR -6 PM 11:05
COMMINGLING ORDER PC-435

Company Amerada Hess Corporation
Address Drawer 817
City, State, Zip Seminole, Texas 79360
Attention: Mr. G. F. Dewhurst
Lease Name: State "DC" Lease
Description: S/2 NW/4, Sec. 19, T-21-S, R-37-E, Lea County, New Mexico

The above-named company is hereby authorized to commingle production from the following pools

Blinebry Gas Pool and Drinkard, Paddock, and Penrose Skelly Oil Pools

in a common tank battery, and to determine the production from each pool by

☐ separately metering the production from each pool prior to commingling

☐ separately metering the production from

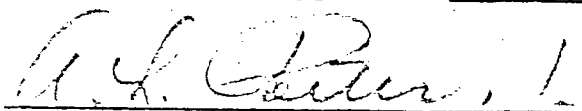
and determining the production by the subtraction method

☒ well tests (if this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Commission in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Commission will amend this order or take such other action as may be appropriate)

Note: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Commission Rules and Regulations and the Commission "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS:

DONE at Santa Fe, New Mexico, on this 6th day of March 19 72


A. L. PORTER, Jr., Secretary-Director



ATTACHMENT 3

Xerox copies mailed 3-11-72
P.A. Lyons (Texas-New Mexico Pipeline) Midland
V.C. Willis (Atlantic Richfield) Midland
B.R. Sessions - Galena Park
A.J. Troop - Monument

CHEN ROU U.S.A INC.

(4323)

State DC Commingled Battery											
Section 19, T21S, R37E, Lea County, NM											
Well	API	Status	Lease	Pool	Pool #	Unit Letter	Sec	Location	Twtnshp	Rng	Co
State DC # 3	30-025-34401	PR	State DC	Blinebry ²⁶⁰⁰ _{21L}	6660	F	19	1866' FNL & 2195' FWL	21S	37E	Lea
State DC # 4	30-025-34510	PR	State DC	DRK _{21L}	19190	E	19	1880' FNL & 660' FWL	"	"	"
NCT Harry Leonard J # 5		New Drill to Be added	Harry Leonard NTC J	Penrose Skelly ⁷ _{Grayburg 21L}							
	30-025-38789				50350	A	24	1200 FNL & 990' FEL	21S	36E	Lea



Martin Water Laboratories, Inc.

Analysts & Consultants since 1953
Bacterial & Chemical Analysis

TO: Mr. Mike Howell
15 Smith Road
Midland, TX 79709

Laboratory No. O708-175
Sample Received 7-16-08
Results Reported 7-21-08

COMPANY: Chevron
COUNTY: Lea, NM
FIELD:
LEASE: As listed

SUBJECT: To make the determinations listed below on submitted oil samples taken 7-14-08.

DETERMINATIONS	State DC (Blinbry / Drinkard) <u>RESULTS</u>	Henderson #17 (Grayburg) <u>RESULTS</u>
Gravity, °API	37.6	34.8
Sulfur, % by weight	0.9470	1.4251

Remarks: The undersigned certifies the above to be true and correct to the best of his knowledge and belief

Greg Ogden, B.S.

Proposed Surface Commingling Order				
State DC Commingled Battery				
1200' FWL & 1800' FNL				
Sec. 19, T21S, R37E				
Lea County, New Mexico				
State DC Commingled Battery (Current Status)				
Pool		BOPD	API Gravity	Remarks
Blinebry	State DC # 3	12.0	37.6	
Drinkard	State DC # 4	1.0	37.6	
Totals		13.0		
State "DC Pool Lease Commingled Battery (pending approval)				
Pool	Well	BOPD	API Gravity	Remarks
Blinebry	State DC # 3	12.0	37.60	
Drinkard	State DC # 4	1.0	37.60	
Grayburg	Harry Leonard J # 5	5.0	34.80	Newly Drilled well-estimated production
Totals		18.0		

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
June 19, 2008

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

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.)		WELL API NO. 30-025--34401
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator CHEVRON MIDCONTINENT, L.P.		6. State Oil & Gas Lease No.
3. Address of Operator 15 SMITH ROAD, MIDLAND, TEXAS 79705		7. Lease Name or Unit Agreement Name STATE DC
4. Well Location Unit Letter F: 1866 feet from the NORTH line and 2195 feet from the WEST line Section 19 Township 21-S Range 37-E NMPM County LEA		8. Well Number 3
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3511' GL		9. OGRID Number 241333
		10. Pool name or Wildcat BLINEBRY OIL & GAS (OIL)

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: BLINEBRY RECOMPLETION	

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. *****PREVIOUS OPERATOR FAILED TO TURN IN COMPLETION PAPERS FOR THE BLINEBRY RECOMPLETION ***** (APPROVED INTENT IS ATTACHED)

9-09-05: MIRU. 9-2-05: TIH W/2 3/8" TBG. TAG BTM @ 6800. 9-13-05: SET PKR @ 6510. ACIDIZE DRINKARD PERFS 6613-6571 W/3000 GALS 15% NEFE HCL. 9-14-05: SWAB. 9-16-05: UNSET PKR @ 6510. SET RBP @ 6498. 9-19-05: PERF BLINEBRY @ 5500,01,12,22,33,43,51,62,72,82,98,5611,20,38,48,71,83,94,5708,16,42,50,64,5817,40,56,70,84,5904,24,42,60,5990. SPOT 300 GALS 15% GEL ACID. SET PKR @ 5385. ACIDIZE PERFS W/9700 GALS 15% HCL. 9-20-05: SWAB. 9-28-05: UNSET PKR @ 5385. TIH W/2 3/8" TBG. FISH RBP @ 6498. SET RBP @ 6495. PULL PKR TO 6446 & SET. UNSET PKR. 9-29-05: PU PUMP & RODS. 10-03-05: FRAC BLINEBRY PERFS 5500-5990 W/75,500 GALS DELTA FRAC. 10-4-05: SWAB. 10-07-05: TIH W/TBG TO 6131. EOT @ 6110. MSN @ 6079. SET TAC @ 5385. 10-08-05: PU PUMP & RODS. WELL PMPG @ 3:00 PM. 10-10-05: TURN GAS DN SALES LINE. 10-12-05: TURN WELL THRU PROD EQPT. RIG DOWN. FINAL REPORT.

03-01-06: ON 24 HR OPT. PUMPING 5 OIL, 112 GAS, & 102 WATER. GOR-22400

Spud Date:

09-09-05

Rig Release Date:

10-12-05

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 07-22-2008

Type or print name DENISE PINKERTON

E-mail address: leakejd@chevron.com

Phone: 432-687-7375

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

BLINEBY
BRINKARD

Field: ~~BRINKARD~~

Reservoir: ~~DRINKARD~~

Field Code: ~~U44~~ 446

Resv Code: 0000005817

Unique Code:	BCU418600
--------------	-----------

Battery:	STATE DC
----------	----------

Wellbore:	359485
-----------	--------

API No:	300253440100
---------	--------------

BLINEBY
BRINKARD

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
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

¹ API Number 30-025-34401	² Pool Code 6660	³ Pool Name BLINEBRY
⁴ Property Code 26764	⁵ Property Name STATE "DC"	
⁷ OGRID No. 241333	⁸ Operator Name CHEVRON MIDCONTINENT, L.P.	⁶ Well Number 3
		⁹ Elevation 3511' Gr.

¹⁰ Surface Location

UL or lot no. F	Section 19	Township 21S	Range 37E	Lot Idn	Feet from the 1866	North/South line NORTH	Feet from the 2195	East/West line WEST	County LEA
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	-----------------------	------------------------	---------------

¹¹ 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
² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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.

				¹⁷ OPERATOR CERTIFICATION <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> Signature Date
				Carolyn Haynie Printed Name <u>Petroleum Engineering Technical Assistant</u>
				¹⁸ SURVEYOR CERTIFICATION <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

WELL TEST REPORT									
Lease: STATE DC #4		Field: DRINKARD		Reservoir: DRINKARD					
Well: 4		Field Code: U41		Resv Code: 0000005817					
		Unique Code: BCU418600		Battery: STATE DC					
		Wellbore: 359486		API No: 300253451000					

Reservoir: DRINKARD

Resv Code: 0000005817

Battery:	STATE DC
----------	----------

API No: 300253451000

[illegible]

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
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

¹ API Number 30-025-34510	² Pool Code 19190	³ Pool Name DRINKARD
⁴ Property Code 22202	⁵ Property Name STATE "DC"	⁶ Well Number 4
⁷ OGRID No. 241333	⁸ Operator Name CHEVRON MIDCONTINENT, L.P.	⁹ Elevation 3520' Gr.

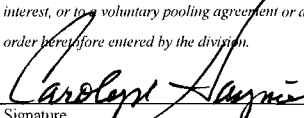
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	19	21S	37E		1880	NORTH	660	WEST	LEA

¹¹ 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
¹² Dedicated Acres 36.85	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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>1880'</div> <div>Lot 1 36.82</div>				<div>¹⁷ OPERATOR CERTIFICATION <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> <div> 7-22-08 Signature Date</div><div>Carolyn Haynie Printed Name Petroleum Engineering Technical Assistant Title</div></div>
<div>660'</div> <div>Lot 2 36.85</div>				<div>¹⁸ SURVEYOR CERTIFICATION <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: <div>Certificate Number</div></div>
Lot 3 36.89				
Lot 4 36.92				

DISTRICT I
1625 N. FRENCH DR., ROBBES, NM 86240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 86210

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 Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-38789	Pool Code 50350	Pool Name Pimose Kelly Grayburg
Property Code	Property Name HARRY LEONARD J	Well Number 5
OGRID No. 4323	Operator Name CHEVRON USA INC.	Elevation 3528'

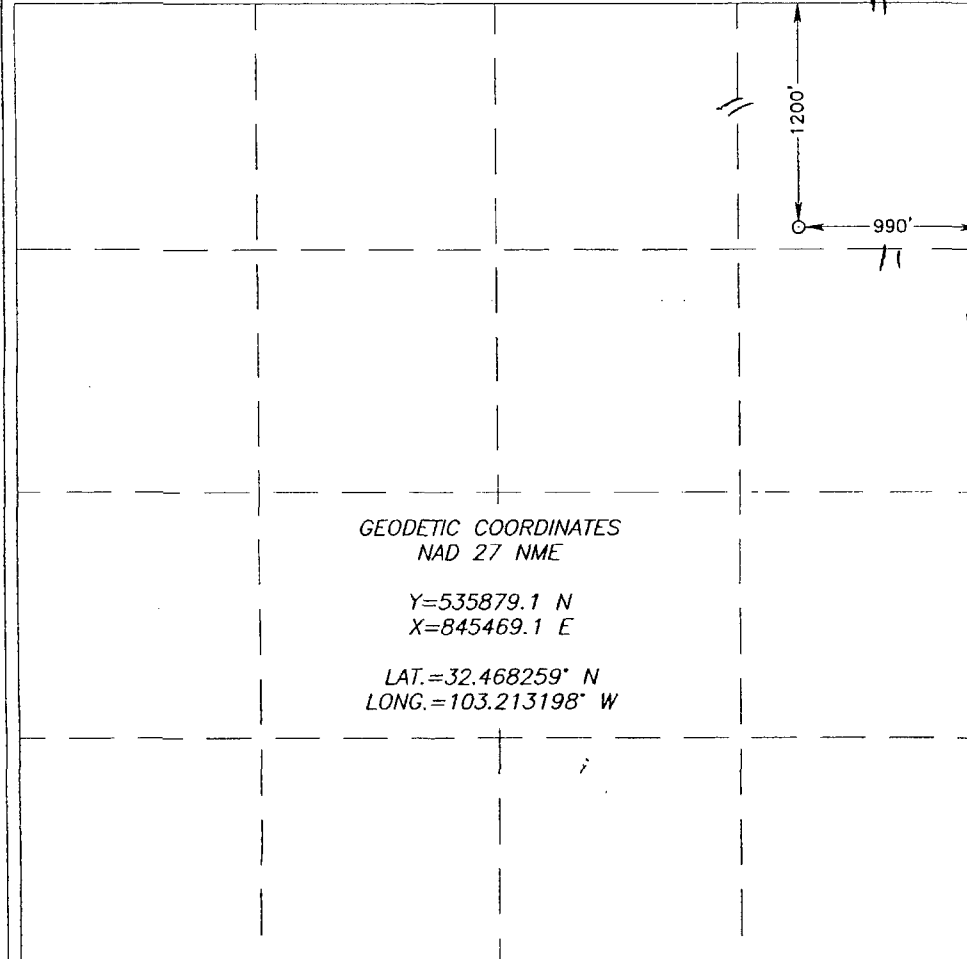
Surface Location

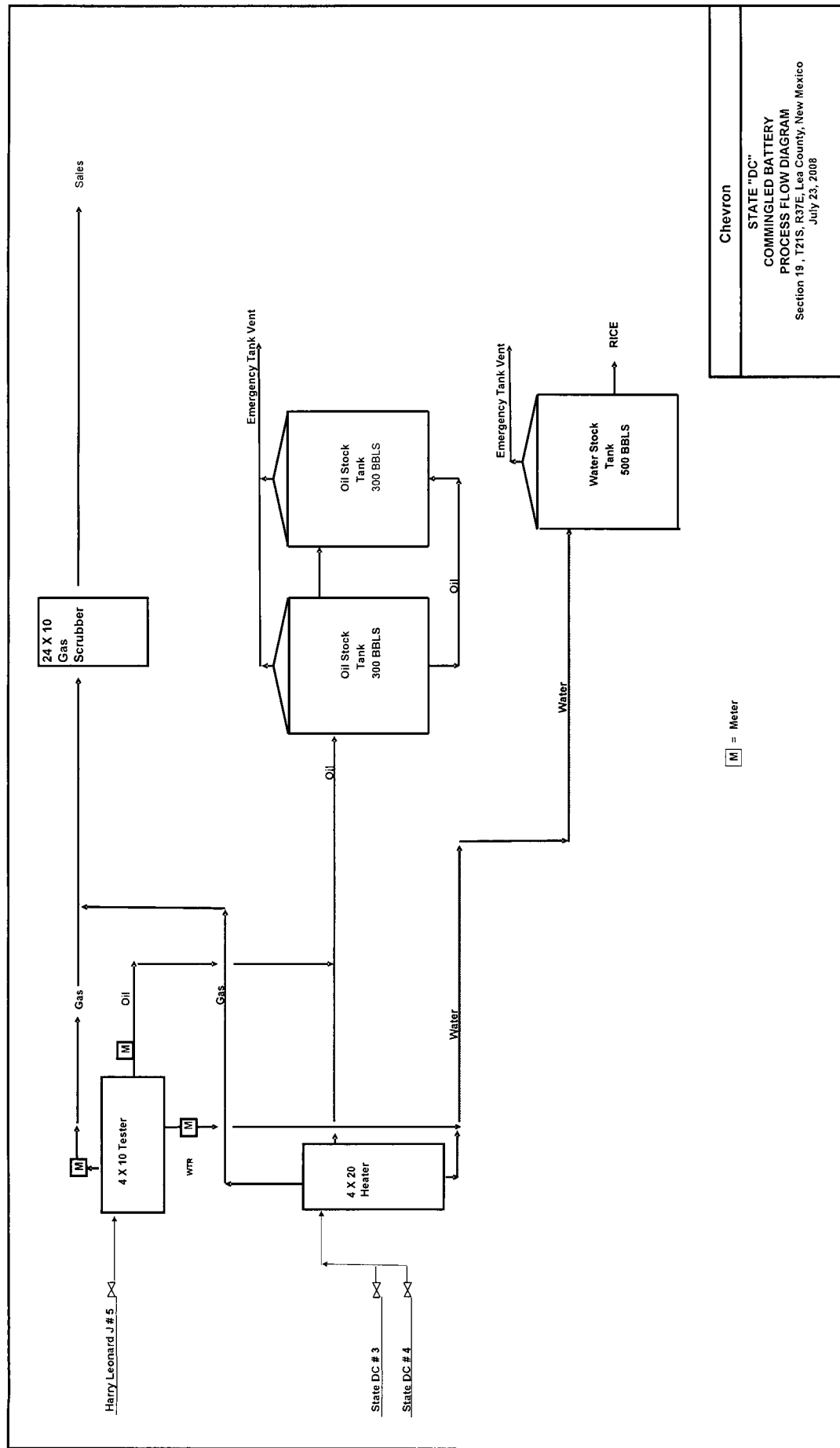
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	24	21-S	36-E		1200	NORTH	990	EAST	LEA

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

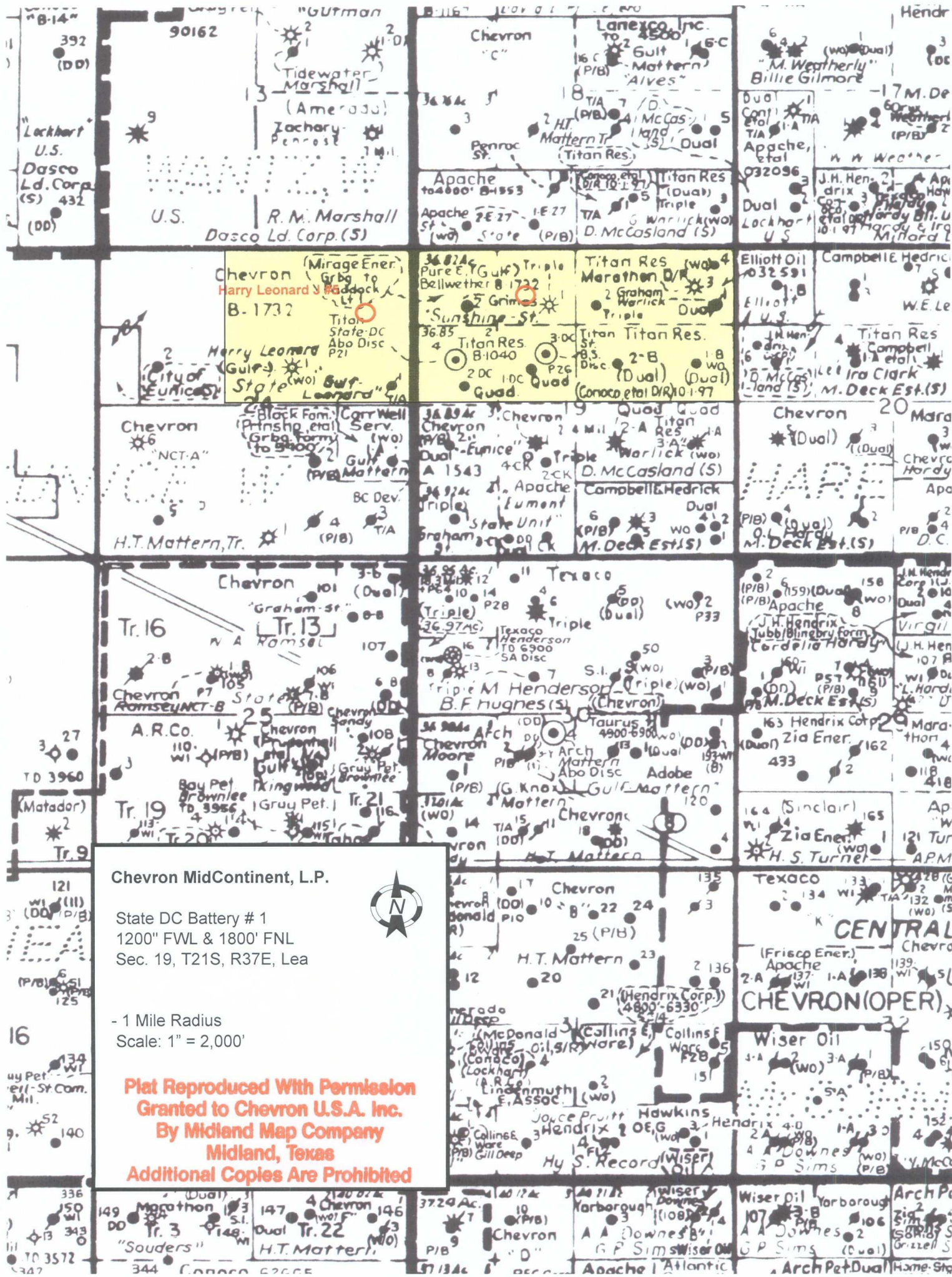
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: Denise Pinkerton Date: 2-25-08 Printed Name: DENISE PINKERTON</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date Surveyed: OCTOBER 10, 2007 Signature & Seal of Professional Surveyor: RONALD J. EIDSON Certificate No. GARY G. KIDSON 12041 RONALD J. EIDSON 3239</p>
---	--



Chevron

STATE "DC"
COMMINGLED BATTERY
PROCESS FLOW DIAGRAM
Section 19, T21S, R37E, Lea County, New Mexico
July 23, 2008



Chevron MidContinent, L.P.

State DC Battery # 1
1200' FWL & 1800' FNL
Sec. 19, T21S, R37E, Lea

- 1 Mile Radius
Scale: 1" = 2,000'

**Plat Reproduced With Permission
Granted to Chevron U.S.A. Inc.
By Midland Map Company
Midland, Texas
Additional Copies Are Prohibited**



Carolyn Haynie
Petroleum Engineering
Technical Assistance

Permian Business Unit
Chevron MidContinent, L.P.
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

July 23, 2008

Pool Lease Commingle
State DC Commingled Battery
Chevron MidContinent, L.P.
15 Smith Road
Midland, TX 79705

Commissioner of Public Lands
State of New Mexico,

Chevron MidContinent, L.P. respectfully gives notice of intent to Pool Lease Commingle the oil and gas production from the Blinbry, Drinkard, and Penrose Skelly Grayburg formations. The State DC # 3, API # 30-025-34401, State DC # 4, API # 30-025-34510, and the Harry Leonard J #5, API # 30-025-38789, will be pool lease commingled in the existing State "DC" Battery, located in Section 19, 1200' FWL & 1800' FNL, T21S, R37E, Lea County, NM. The Harry Leonard J #5 will be a new development well producing in the Penrose Skelly Grayburg ^{pool} formation; located 1200' FNL & 990' FEL, Unit Letter A, Sec, 24, T21S, R37E, Lea County, NM. Currently the production for wells #3 and #4 are going into the State "DC" Battery. The Blinbry, Drinkard, and Grayburg formations were approved in the State "DC" Commingled Battery, PC-435, copy attached.

Chevron is the operator and has a 100% working interest in these wells and formations. For your information, our application submitted to the OCD is enclosed for your determination of this project. Any objections to this commingle must be sent to the **New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504**, within 20 days of receipt of this notification.

If you require additional information, please contact me, by telephone at 432-687-7261, or by email at: chay@chevron.com.

Sincerely,

Carolyn Haynie
NM PE Technical Assistant
Enclosure

cc: Lease File

Jones, William V., EMNRD

From: Haynie, Carolyn (CHaynie) [Preferred Personnel] [CHAY@chevron.com]
Sent: Monday, July 28, 2008 9:56 AM
To: Jones, William V., EMNRD
Subject: Pool Lease Commingle
Attachments: dwnhl_commingle_data_Harry_Leonard_J_5.xls

Good Morning Will,

I just mailed an application for the State "DC" to Pool Lease Commingle the Blinbry, Drinkard, and Grayburg production, and I did not sent the formation intervals and estimated production allocation for this project. Please let me know if you have everything for this project. They are wanting this project asap so they can began drilling the Harry Leonard J well. Sorry if I delayed it because of these intervals.

Thanks,

Carolyn Haynie
Petroleum Engineer TA
Room 3337
432-687-7261
<<dwnhl_commingle_data_Harry_Leonard_J_5.xls>>

This inbound email has been scanned by the MessageLabs Email Security System.

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

7/30/2008

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, August 06, 2008 10:51 AM
To: 'Haynie, Carolyn (CHaynie) [Preferred Personnel]'
Subject: RE: Pool Lease Commingle

Carolyn:
Thanks for this - I had this out to work on.

You can fax the DHC submittal to 505-476-3462 - and we'll get it back to you (unless it has diverse interests, that you must notify and we must wait the 20 days) - Let me know?

Just let me know the Pools involved with DC#3 and I can write the surface commingle up to allow for these Pools. Of course, you need to get the C-102s for each of these pools in this well to your Landman and ask him/her about ownership, whether it is identical. IF not, then more notice would be involved.

I have a hearing tomorrow so will be away from this til next week - but maybe could look at it Friday.

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Haynie, Carolyn (CHaynie) [Preferred Personnel] [mailto:CHAY@chevron.com]
Sent: Wednesday, August 06, 2008 10:19 AM
To: Jones, William V., EMNRD
Subject: Pool Lease Commingle

Good Morning Will,

I just wanted to let you know that the rush project I mentioned to you, the "State DC Surface Commingle" may have to be resubmitted. There are some formation issues on well # 3. Donna Mull from the OCD in Hobbs, has informed us that we need to DHC the State DC # 3 and shut it in until the paperwork is submitted. So, we have requested the field to shut in the well, and are currently waiting to hear from the engineer and geologist on the project.

As busy as you are, I don't want you to have to process this commingle two times. :)

Thanks,

Carolyn Haynie
Petroleum Engineer TA
Room 3337
687-7261

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited

8/6/2008

To: Will Jones
Fax Number: 505-476-3462
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Carolyn Haynie
Fax Number: 432-687-7758
Chevron USA Inc.
15 Smith Road
Midland, TX 79705
432-687-7261
chay@chevron.com

Will, this information is for the State DC # 3 well which Chevron would like to Surface commingled with the State DC # 4 and the Harry Leonard J # 5, (not yet drilled,). After reevaluation, the engineer and geologist took the tops from the OCD and surrounding area wells and amended the previously submitted top of Blinbry for the #3 well. Therefore the downhole commingle will not be necessary.

To help you find this project, it's on an email from me to you, and it's dated, August 6, 2008. ☺

Thanks,
Carolyn

State DC # 3

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy 1210	T. Canyon	T. Ojo Alamo	T. Penn. A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates 2608	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
T. Queen	T. Silurian	T. Menefee	T. Madison
T. Grayburg 3475	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzie
T. Paddock 5152	T. Ellenburger	Base Greenhorn	T. Granite
T. Blinberry 5494	T. Gr. Wash	T. Dakota	
T. Tubb 6186	T. Delaware Sand	T. Morrison	
T. Drinkard 6360	T. Bone Springs	T. Todilto	
T. Abo 6656	T.	T. Entrada	
T. Wolfcamp	T.	T. Wingate	
T. Penn	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

OIL OR GAS
SANDS OR ZONES

No. 1, from to No. 3, from to
 No. 2, from to No. 4, from to

IMPORTANT WATER SANDS

include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet
 No. 2, from to feet
 No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
			This report is to amend the top of the Blinberry Copy of original attached				

Submit To Appropriate District Office Two Copies District I 1623 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, 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	Form C-105 July 17, 2008																																				
WELL COMPLETION OR RECOMPLETION REPORT AND LOG		1. WELL API NO. 30-025-34401																																				
4. Reason for filing: <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)		2. Type of Lease <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN 3. State Oil & Gas Lease No.																																				
7. Type of Completion: <input type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input checked="" type="checkbox"/> OTHER AMENDING TOP OF BLINERY		5. Lease Name or Unit Agreement Name STATE DC																																				
8. Name of Operator CHEVRON MIDCONTINENT, L.P. 10. Address of Operator 15 SMITH ROAD, MIDLAND, TEXAS 79705		6. Well Number: 3																																				
12. Location <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Location</th> <th>Unit Ltr</th> <th>Section</th> <th>Township</th> <th>Range</th> <th>Lot</th> <th>Feet from the</th> <th>N/S Line</th> <th>Feet from the</th> <th>E/W Line</th> <th>County</th> </tr> <tr> <td>Surface:</td> <td>F</td> <td>19</td> <td>21-S</td> <td>37-E</td> <td></td> <td>1866</td> <td>NORTH</td> <td>2195</td> <td>WEST</td> <td>LEA</td> </tr> <tr> <td>BH:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>		Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County	Surface:	F	19	21-S	37-E		1866	NORTH	2195	WEST	LEA	BH:											9. OGRID 241333 11. Pool name or Wildcat BLINERY OIL & GAS (OIL)			
Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County																												
Surface:	F	19	21-S	37-E		1866	NORTH	2195	WEST	LEA																												
BH:																																						
13. Date Spudded 14. Date T.D. Reached 15. Date Rig Released 16. Date Completed (Ready to Produce) 17. Elevations (DF and RKB, RT, GR, etc.)		21. Type Electric and Other Logs Run																																				
18. Total Measured Depth of Well 19. Plug Back Measured Depth 20. Was Directional Survey Made?																																						
22. Producing Interval(s), of this completion - Top, Bottom, Name																																						
23. CASING RECORD (Report all strings set in well) <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>CASING SIZE</th> <th>WEIGHT LB./FT.</th> <th>DEPTH SET</th> <th>HOLE SIZE</th> <th>CEMENTING RECORD</th> <th>AMOUNT PULLED</th> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>			CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED																														
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED																																	
24. LINER RECORD <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>SIZE</th> <th>TOP</th> <th>BOTTOM</th> <th>SACKS CEMENT</th> <th>SCREEN</th> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>			SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN																															
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN																																		
25. TUBING RECORD <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>SIZE</th> <th>DEPTH SET</th> <th>PACKER SET</th> </tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </table>			SIZE	DEPTH SET	PACKER SET																																	
SIZE	DEPTH SET	PACKER SET																																				
26. Perforation record (interval, size, and number)																																						
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </table>			DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED																																		
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED																																					
28. PRODUCTION <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>Date First Production</td> <td>Production Method (Flowing, gas lift, pumping - Size and type pump)</td> <td>Well Status (Prod. or Shut-in)</td> </tr> <tr> <td>Date of Test</td> <td>Hours Tested</td> <td>Choke Size</td> </tr> <tr> <td>Flow Tubing Press.</td> <td>Casing Pressure</td> <td>Calculated 24-Hour Rate</td> </tr> <tr> <td></td> <td></td> <td>Prod'n For Test Period</td> </tr> <tr> <td></td> <td></td> <td>Oil - Bbl.</td> </tr> <tr> <td></td> <td></td> <td>Gas - MCF</td> </tr> <tr> <td></td> <td></td> <td>Water - Bbl.</td> </tr> <tr> <td></td> <td></td> <td>Oil Gravity - API - (Corr.)</td> </tr> </table>			Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)	Date of Test	Hours Tested	Choke Size	Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate			Prod'n For Test Period			Oil - Bbl.			Gas - MCF			Water - Bbl.			Oil Gravity - API - (Corr.)												
Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)																																				
Date of Test	Hours Tested	Choke Size																																				
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate																																				
		Prod'n For Test Period																																				
		Oil - Bbl.																																				
		Gas - MCF																																				
		Water - Bbl.																																				
		Oil Gravity - API - (Corr.)																																				
29. Disposition of Gas (Sold, used for fuel, vented, etc.)		30. Test Witnessed By																																				
31. List Attachments																																						
32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.																																						
33. If an on-site burial was used at the well, report the exact location of the on-site burial:																																						
Latitude Longitude NAD 1927 1983																																						
I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief																																						
Signature <i>Denise Pinkerton</i> Printed Name DENISE PINKERTON Title REGULATORY SPECIALIST Date 08-19-08																																						
E-mail Address leakejd@chevron.com																																						

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy <u>1210</u>	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates <u>2608</u>	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Ebert
T. Grayburg <u>3475</u>	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock <u>5152</u>	T. Ellenburger	T. Dakota	T.
T. Blinberry <u>5678</u>	T. Gr. Wash	T. Morrison	T.
T. Tubb <u>6186</u>	T. Delaware Sand	T. Todillo	T.
T. Drinkard <u>6360</u>	T. Bone Springs	T. Entrada	T.
T. Abo <u>6456</u>	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn. "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from to No. 3, from to
 No. 2, from to No. 4, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

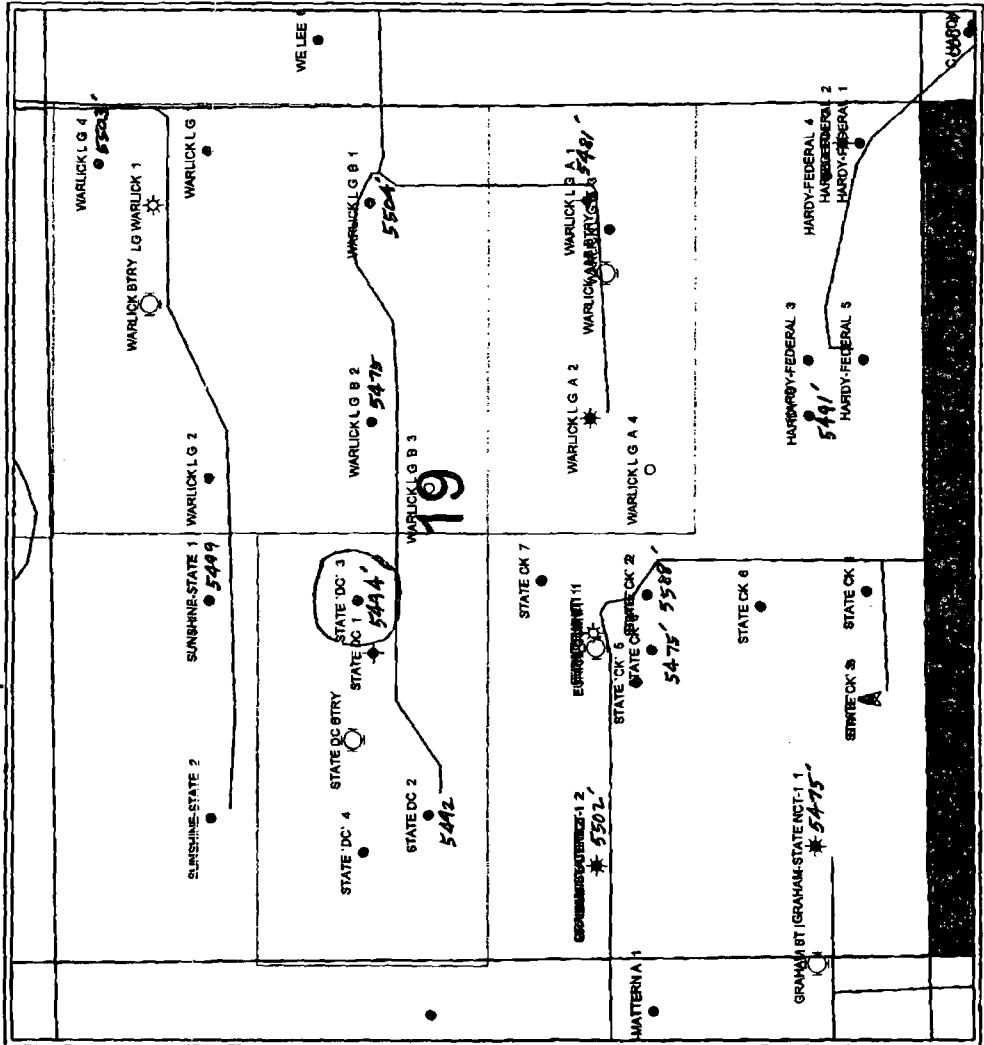
No. 1, from to feet
 No. 2, from to feet
 No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
0.0	957.0		REDDED				
957.0	1220.0		ANHYDRITE				
1220.0	2988.0		ANHY-SALT				
2988.0	4793.0		ANHY-DOLO				
4793.0	7585.0		DOLOMITE				
7585.0	7825.0		DOLO-LIME				

Received
 006

TOP OF BLINEBRY



Chevron U.S.A.	
Lea Co. New Mexico	
Section 18, T21S, R37E	
833 FEET 1,000	
POSTED WELL DATA Well Label	
WELL SYMBOLS TANK BATTERY Gas Well Oil & Gas Well Oil Well Plugged and Abandoned START	
August 14, 2005	

TOPS R.M.ALTANY 12/2003



D00533697

DIGITAL ACOUSTILOG
GAMMA RAY CALIPER LOG

FILE NO: 8294	COMPANY TITAN RESOURCES, INC	OTHER SERVICES SL DLI/MLL/GR HOIP FMT
API NO: 30-025-34401	WELL STATE "DC" NO. 3	
	FIELD EUNICE	
	COUNTY LEA	STATE NM
LOCATION: 1865' FNL & 2195' FWL SEC 19 TWP 21S RGE 37E		
PERMANENT DATUM G.L. ELEVATION 3511 FT LOG MEASURED FROM K.B. 12 FT ABOVE P.D. DRILL. MEAS. FROM K.B.		ELEVATIONS KB 3522 FT DF 3521 FT GL 3511 FT

DATE	5-JUNE-98	
RUN	1	
SERVICE ORDER	213165	
DEPTH DRILLER	7825 FT	
DEPTH LOGGER	7822 FT	
BOTTOM LOGGED INTERVAL	7740 FT	
TOP LOGGED INTERVAL	3400 FT	
CASING - DRILLER	8.525 IN @ 1220 FT	0
CASING LOGGER	NOT LOGGED	
BIT SIZE	7.875 IN	
TYPE OF FLUID IN HOLE	CUT BRINE STARCH	
DENSITY / VISCOSITY	9.3 LB/G 30 S	
PH / FLUID LOSS	10 15.2 C3	
SOURCE OF SAMPLE	MUOPIT	
RM AT MEAS. TEMP.	.036 OHMM @ 75 DEGF	0
RMP AT MEAS. TEMP.	.036 OHMM @ 75 DEGF	0
RMC AT MEAS. TEMP.	0	0
SOURCE OF RMT / RMC	MEASURED	
RM AT BHT	.024 OHMM @ 116 DEGF	0
TIME SINCE CIRCULATION	5 H	
MAX. RECORDED TEMP.	116 DEGF	
EQUIP. NO. / LOCATION	HL-6611 HOBBS, NM	
RECORDED BY	MBACA	
WITNESSED BY	LARRY WAGNER	

- FOLD HERE

