

DATE IN <u>3-16-10</u>	SUSPENSE	ENGINEER <u>RE</u>	LOGGED IN <u>3-16-10</u>	TYPE <u>PLC</u>	PTG-W APP NO. <u>1007537736</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Chevron USA

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.

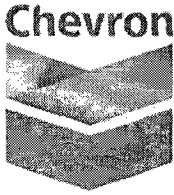
Scott M. Ingram
 Print or Type Name

Scott M. Ingram
 Signature

SR. GEOLOGIST
 Title

3/11/10
 Date

smin@chevron.com
 e-mail Address



Scott Ingram
Sr. Staff Geologist/Project Manager

Chevron USA, Inc.
15 Smith Road,
Midland, Texas 79705
Tel 432 687-7212
Fax 432 687-7871
smin@chevron.com

March 11th, 2010

New Mexico Oil Conservation Division
Engineering and Geological Services Bureau
1220 S St. Francis Drive
Santa Fe, N.M. 87505

Attention: Mr. Richard Ezeanyim

**Re: Request for Administrative Approval of Surface Pool Commingle
Chevron's Abo Reef Consolidated Battery,
Unit B, Section 7, T18S R35E, Lea County, New Mexico**

Dear Mr. Ezeanyim,

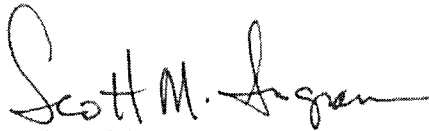
Attached is data in support of Chevron's request for administrative approval to amend an existing commingling permit (PLC-103 approved on 12/16/1996) for production into the Abo Reef Consolidated Battery located in the Vacuum Field in Section 7, T18S, R35 E, Lea County, N.M. This battery was previously approved for surface commingling of production from the Vacuum Abo (61780), Vacuum Drinkard (62110), and Vacuum Atoka (96454) pools, however, the Drinkard and Atoka pools are no longer productive. This battery receives production from wells on the NM 'AB' State, NM 'AN' State, Hobbs 'N' State and NM 'R' State (via communitization in the NM 'AN' State Com #2H) leases (see attached well listing) each of which are 100% W1 and 1/8 State royalty leases.

The Vacuum Blinebry pool will be initially produced from the 'AN' #11 wellbore currently being recompleted to the Blinebry; this well is also located in Unit B of section 7, 18S R35E. Allocation will be by metered well test at the battery.

Mr. Peter Martinez of the State Land Office, who represents the royalty interest owner in this case, is being notified by copy of this application package.

Please contact me at 432-687-7212 or by Email at smin@chevron.com, if any additional information is required.

Sincerely,


Scott M. Ingram

Cc w/ attachments:

Mr. Peter Martinez
State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

ATTACHMENT I

LAND OWNERSHIP STATUS

PREPARED BY Daniel Pequeno, Landman, CPL/ESA

March 11, 2010

Application of Chevron U.S.A. Inc. for Administrative Approval to amend existing Surface Pool
Commingle to add Blinebry Pool :

Chevron's Abo Reef Consolidated Battery
Section 7, T-2518-S, R-35E
Lea County, New Mexico

E/2 SECTION 7 -T18S-R35, NMPM – STATE LEASE E-7653:

Lease Owner – 100% WI

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Royalty Owner – 1/8 Royalty

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148

Wells located on the Lease are the NM "AN" State #1 & 5 (Abo Reservoir); NM "AN" State
Com #2H (Abo Reservoir and Com with NM "R" State (NCT-1) Lease). NM "AN" State #11 (to
be recompleted into the Blinebry Reservoir)

SE/4 SECTION 6-T18S-R35E NMPM – STATE LEASE B-1031:

Lease Owner – 100% WI

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Royalty Owner – 1/8 Royalty

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148

Wells located on the Lease are the NM "AB" State #2 & 9 (Abo Reservoir)

NE/4 SECTION 6-T18S-R35E – STATE LEASE B-1306:

Lease Owner – 100% WI

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Royalty Owner – 1/8 Royalty

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148

Wells located on the Lease are the NM "AN" State Com #2H (Abo Reservoir and Com with NM
"R" State (NCT-1) Lease).

LAND OWNERSHIP STATUS (CONTINUE)

S/2 NE/4 SECTION 8-T18S-R35E – STATE LEASE E-6704:

Lease Owner – 100% WI

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705
Chaparral Energy Inc. LLC
701 Cedar Lake Boulevard
Oklahoma, OK 73114

Royalty Owner – 1/8 Royalty

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148

Wells located on the Lease are the Hobbs “N “ State #5 (Abo Reservoir)

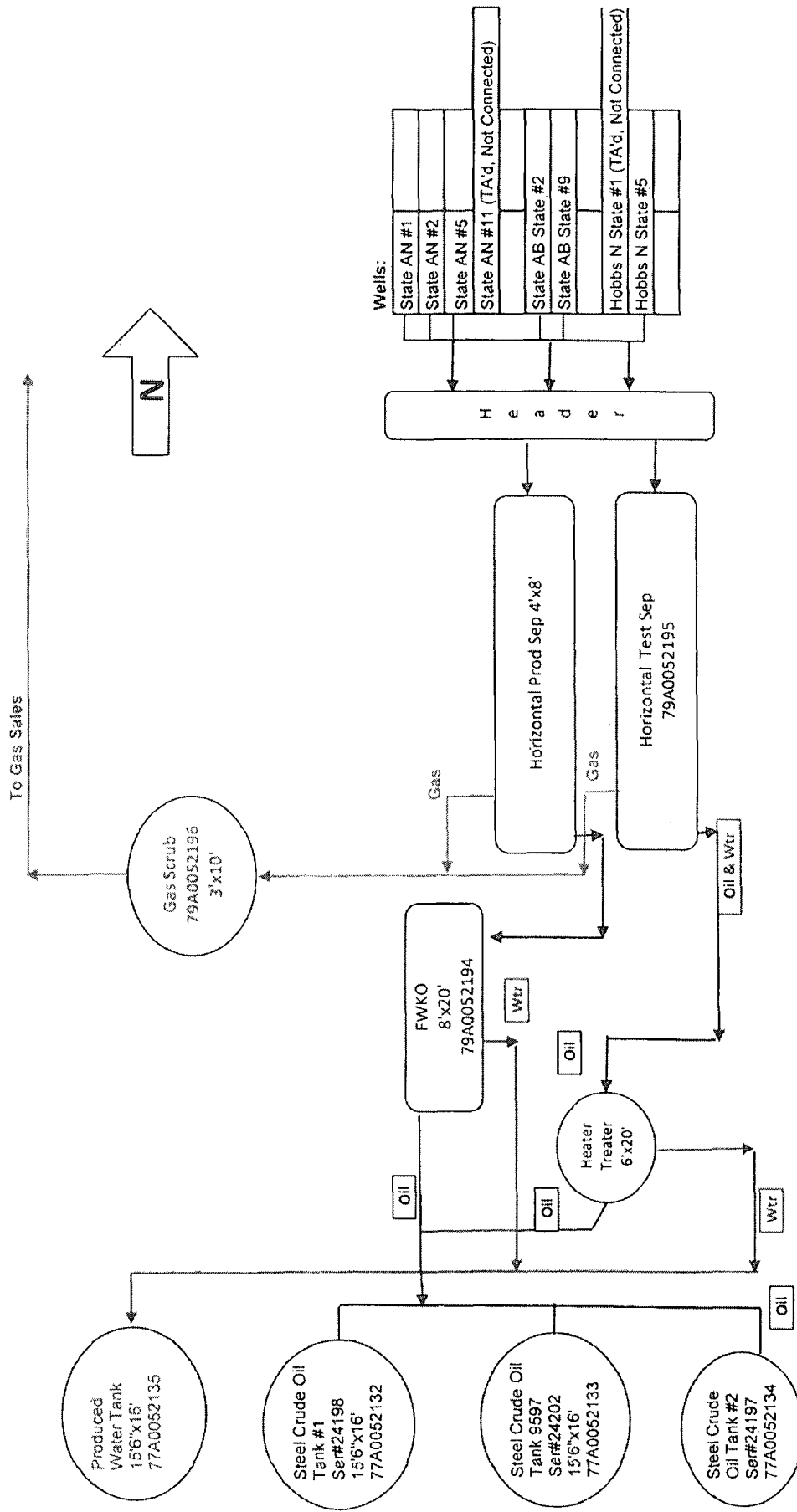
Surface Owner for Sections 6, 7 & 8, T18S-R35E:

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Signed By:


Daniel Pequeno, Landman

Date: March 11, 2010



Chevron

**ABO REEF CONSOLIDATED
COMMINGLED BATTERY
PROCESS FLOW DIAGRAM**

Section 7 , T18S, R35E, Lea County, New Mexico

MARCH 10, 2010

SURFACE COMMINGLING FOR ABO & BLINEBRY (STATE AN #11)

WELL NAME	API#	STATUS	LEASE	POOL	POOL CODE	UL	SEC	LOCATION	TWNSHIP	RNG	CNTY
State AN #1	30-025-03101	PR	State AN	Vacuum Abo Reef	61780	A	7	330'FNL & 990' FEL	18S	35E	LEA
State AN #2	30-025-03102	PR	State AN	Vacuum Abo Reef	61780	B	7	330'FNL & 2100' FEL	18S	35E	LEA
State AN #5	30-025-03105	ZA	State AN	Vacuum Abo Reef	61780	J	7	2310'FSL & 2310'FEL	18S	35E	LEA
State AN #11	30-025-34097	TA	State AN	Vacuum Abo Reef	61780	B	7	900'FNL & 1440'FEL	18S	35E	LEA
NM AB State #2	30-025-03085	PS	NM AB State	Vacuum Abo Reef	61780	P	6	660'FSL & 560'FEL	18S	35E	LEA
NM AB State #9	30-025-30139	PS	NM AB State	Vacuum Abo Reef	61780	P	6	538'FSL & 818'FEL	18S	35E	LEA
Hobbs N State #1	30-025-63108	TA	Hobbs N State	Vacuum Drinkard	62116	D	8	330'FNL & 350'FEL	18S	35E	LEA
Hobbs N State #5	30-025-26604	PR	Hobbs N State	Vacuum Abo Reef	61780	H	8	1980'FNL & 330'FEL	18S	35E	LEA

TA'd 4/13/09