

PC 04 1205332001

Order Number	API Number	Operator	County
490	30-025-35589	Chewon USA Inc	Lpa
Order Date	Well Name	Number	Location
02-22-12	CC Frisloe B Federal NCT2	27	I 26 245 37E UL Sec T (+Dir) R (+Dir)
		Oil %	Gas %
Pool 1	34200 Justis Blinebry	44%	44%
Pool 2	35280 Justis Tubb Drinkard	56%	56%
Pool 3			
Pool 4			
Comments Posted in RBOMS 02-22-2012 C04			

30-025-35589
DHC-HOB-490

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Chevron USA Inc

PROPERTY NAME: CC Fristoe B Federal NCT-2

WNULSTR: 27-26-245-37E

SECTION I:	ALLOWABLE AMOUNT
POOL NO. 1 <u>Justis Blinebry</u>	<u>107</u> <u>642</u> MCF
POOL NO. 2 <u>Justis Tubb Drinkard</u>	<u>107</u> <u>214</u> MCF
POOL NO. 3 _____	_____ MCF
POOL NO. 4 _____	_____ MCF
POOL TOTALS	<u>214</u> <u>856</u>

SECTION II:	<u>Oil</u>	<u>Gas</u>
POOL NO. 1 <u>Justis Blinebry</u>	<u>44</u>	<u>44</u>
POOL NO. 2 <u>Justis Tubb Drinkard</u>	<u>56 x 214 = 119.84</u>	<u>56</u>
POOL NO. 3 _____	<u><1207</u>	
POOL NO. 4 _____		

<u>OIL</u>	<u>GAS</u>
SECTION III: <u>56% ÷ 107 = 191.071</u>	<u><191></u>

SECTION IV: <u>44 x 191 = 84.04</u>	<u><84></u>
<u>56 x 191 = 106.96</u>	<u><107></u>
_____	_____
_____	_____

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N French Dr, Hobbs NM 88240
District II - (575) 748-1283
811 S First St, Artesia NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd, Aztec, NM 87410
District IV - (505) 476-3460
1220 S St Francis Dr, Santa Fe NM 87505

HOBBS OCD

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

Revised August 1, 2011

FEB 21 2012

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

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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 30-025-35589
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐		5. Indicate Type of Lease STATE ☐ FEE ☐ <u>Federal</u> ☒
2. Name of Operator Chevron USA INC.		6. State Oil & Gas Lease No.
3. Address of Operator 15 Smith Road Midland, TX 79705		7. Lease Name or Unit Agreement Name C.C. Fristoe B Federal NCT-2
4. Well Location Unit Letter <u>I</u> <u>2310</u> feet from the <u>South</u> line and <u>990</u> feet from the <u>East</u> line Section <u>26</u> Township <u>24S</u> Range <u>37E</u> NMPM Lea County, NM		8. Well Number <u>#27</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3166 (KB)		9. OGRID Number 4323
		10. Pool name or Wildcat Justis Blinebry / Justis Tubb Dr

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 ☐	
DOWNHOLE COMMINGLE ☒			
OTHER <u>DHC Blinebry/Tubb/Drinkard</u> ☒		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 19.15.7.14 NMAC For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion			

Under the provisions of Division Order R-11363 it is proposed to downhole commingle pre-approved pools Justis-Blinebry (34200) and Justis-Tubb-Drinkard (35280). The commingling will not reduce the value of the total remaining production, and will allow Chevron to recover additional reserves. The perforated intervals are as follows: Blinebry 6160 -6290' Tubb-Drinkard 6410 -6792'. Ownership and percentages are identical for the specified well and lease. Production will be allocated to the two pools based on the percentages shown in the attached support data.

Spud Date

Rig Release Date

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

SIGNATURE

Byron Smith

TITLE Petroleum Engineer

DATE 10/03/11

Type or print name

Byron Smith

E-mail address:

byron.smith@chevron.com

PHONE

9432-637-7704

For State Use Only

APPROVED BY

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

FEB 22 2012

Conditions of Approval (if any)

FEB 24 2012



Byron Smith
Petroleum Engineer
Dollardside Technical Team

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7704
Fax 432-687-7703
byronsmith@chevron.com

October 3, 2011

State of New Mexico
Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

Request DHC C. C. Fristoe B Federal NCT-2 #27 (30-0250-35589)

ATTN: Oil and Gas Regulatory Department.

Chevron U.S.A. Inc respectfully requests administrative approval for an amendment to Downhole Commingle the Justis-Blincbry (34200) and the Justis-Tubb/Drinkard (35280) in the C.C. Fristoe B Federal NCT-2 #27. API number 30-025-35589. This well is located 2310 FSL & 990 FEL, Unit 1, Section 26, Township 24 South, Range 37 East, Lea County, New Mexico

The C.C. Fristoe B Federal NCT-2 #27 was drilled in October 2001 to a total depth of 9930'. Since that time, this well has produced from the Fowler-Ellenberger pool. The production of oil has dropped to 0 BOPD and it is proposed to recompleate this well to the Justis-Blincbry and Justis-Tubb Drinkard pools. The proposed perforations are Blincbry 6160'-6290' and Tubb-Drinkard 6410'-6792'. The proposed down hole commingle will initiate production from the Blincbry and Tubb-Drinkard formations

The proposed allocation percentages were calculated using the average of the offset producers from the same commingled production. A total of 15 offset wells that produce from the Justis-Blincbry and Justis-Tubb/Drinkard pools were averaged. Also, attached in support of this request is a proposed well schematic, a C107a, a C102 form for each pool and a lease plat.

Chevron is the operator, with 100% working interest in the lease.

If you require additional information or have any questions, please contact me by telephone at 432-687-7704, or by email at byronsmith@chevron.com.

Sincerely,

Byron Smith
Petroleum Engineer

Enclosure

Request for exemption to rule 303-A
FOR WELLS LOCATED IN PRE-APPROVED POOLS OR AREAS

Operator

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

Lease Name and Well Number

C C Fristoe B Federal NCT-2 #27
30-025-35589
2310 FSL & 990 FEL
Unit 1, Section 26, Township 24 South, Range 37 East
Lea County, New Mexico

Division Order

Pre-approved Pools or Areas established by division order #R-11363

Pools to be Commingled

Justus-Blinbry (34200) Oil
Justus-Tubb-Drinkard (35280) Oil

Proposed Perforated Intervals

Blinbry 6160'-6290'
Tubb-Drinkard 6410'-6792'

Location Plat

Attached

Well Test Report & Production Plots

None attached since this is a recompletion to zones unproduced in this well.

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

Production from the commingled zones was done by examining the offset wells surrounding the subject well. Oil, water and gas rates were examined to determine what the well is expected to make. P30 values were taken to be conservative, since there might be some interference on this approximately 20-acre spacing. These values are shown below as well as the allocation percentages to the two pools. The average of the surrounding wells allocation factors was taken as the estimate for what the subject well will have.

	BOPD	BWPD	MCFPD	Remarks
Justis-Blinebry	44%	44%	44%	Calculated from average offset allocation %
Justis-Tubb/Drinkard	56%	56%	56%	Calculated from average offset allocation %
Totals	100%	100%	100%	

	BOPD	BWPD	MCFPD	Remarks
Justis-Blinebry	15	33	88	Calculated from allocation %
Justis-Tubb/Drinkard	20	42	112	Calculated from allocation %
Totals	35	75	200	

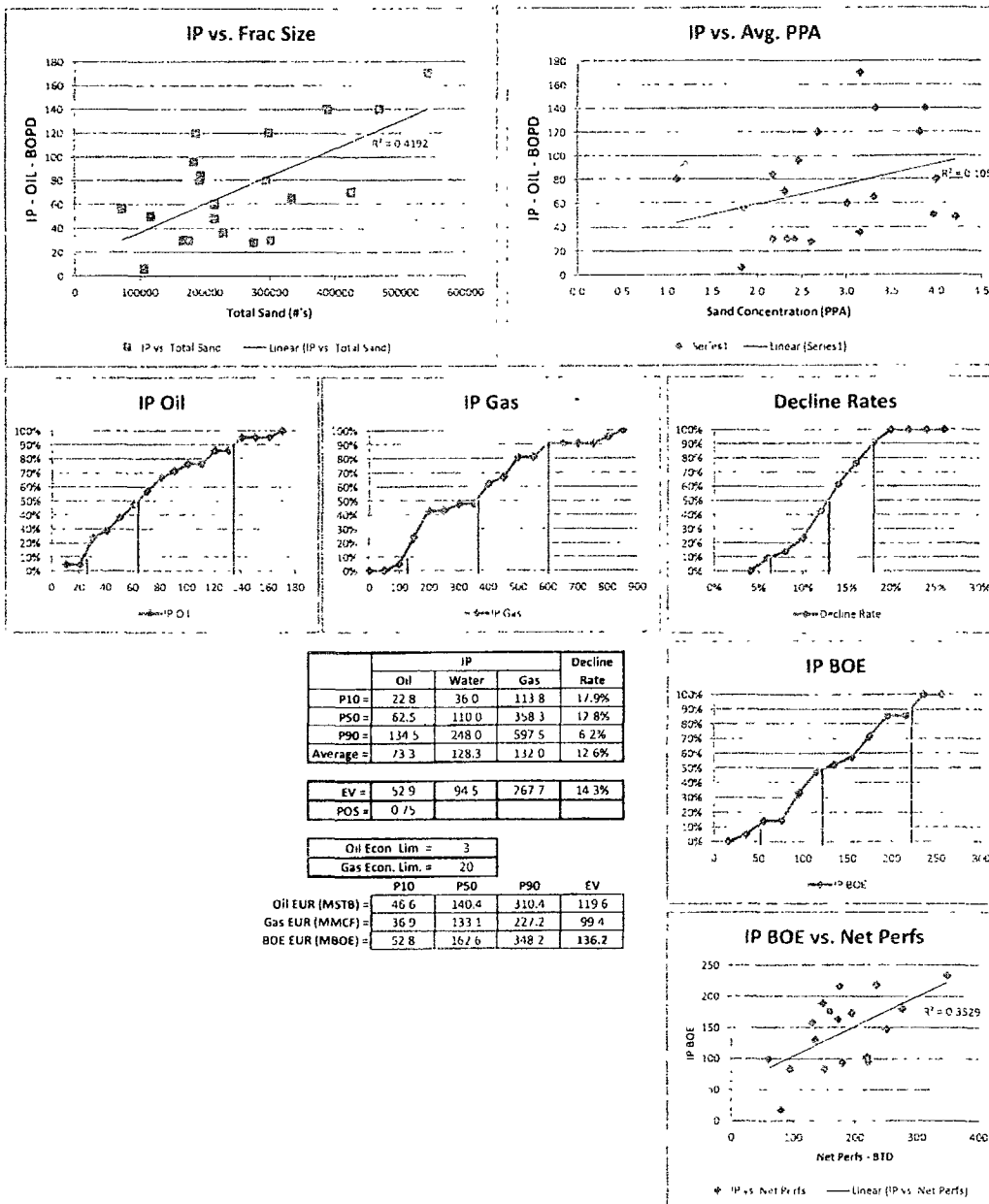
Oil and Gas Allocation % for offset commingled wells	Justis-Blinebry (34200)	Justis-Tubb/Drinkard (35280)
Fristoe B NCT-1 #3	88%	13%
Fristoe B NCT-2 #22	21%	79%
Fristoe B NCT-2 #16	22%	78%
Fristoe B NCT-2 #19	23%	77%
Fristoe B NCT-2 #21	21%	79%
Fristoe B NCT-2 #15	46%	54%
Fristoe A NCT-1 #12	50%	50%
Fristoe B NCT-2 #20	22%	78%
Fristoe B NCT-2 #25	86%	14%
Erwin B NCT-2 #10	78%	22%
Erwin A Fed #8	36%	64%
Erwin A Fed #5	41%	59%
Erwin B NCT-2 #11	50%	50%
Erwin B NCT-2 #9	33%	67%
Erwin A Fed #7	44%	56%
Average	44%	56%

Ownership

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

State/Federal Land Notification

This is Federal land, so proper notifications will be given to the BLM.



FEB 21 2012

District I
6235 N. French Drive Hobbs NM 88202State of New Mexico
Energy, Minerals and Natural Resources DepartmentForm C-107A
Revised August 1, 2011District II
811 S. First St. Artesia NM 88210District III
1202 Rio Bravo Blvd. Santa Fe NM 87505District IV
1223 S. St. Francis Dr. Santa Fe, NM 87505Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELL BORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator CHEVRON USA INC. Address 15 Smith Rd Midland, TX 79705

Well No CC Frisbie B Federal NCT-2 #27 Unit I 245 37E Section 26 Lease Lea, NM

OGRID No _____ Property Code _____ API No 30-025-35589 Lease Type ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>Juris - Bl. rebry</u>	<u>Juris - Tabt/U. rebry</u>	
Pool Code	<u>34200</u>	<u>35200</u>	
Top and Bottom of Pay Section (Perforated for Open-Hole Interval)	<u>6160' - 6290'</u>	<u>6410' - 6740'</u>	
Method of Production (Flowing or Artificial Lift)	<u>Artificial Lift Rods</u>	<u>Artificial Lift Rods</u>	
Bottomhole Pressure (Note: Pressure data will not be reported if the bottom hole perforation is in the upper zone within 150% of the depth of the top perforation in the upper zone)	<u>not needed</u>	<u>not needed</u>	
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<u>39° API</u>	<u>39° API</u>	
Producing, Shut-In or New Zone	<u>New Zone</u>	<u>New Zone</u>	
Date and Oil/Gas/Water Rates of Last Production (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: <u>Estimated</u> Oil: <u>15</u> Water: <u>33</u> Gas: <u>38</u> Rates	Date: <u>Estimated</u> Oil: <u>20</u> Water: <u>42</u> Gas: <u>112</u> Rates	Date: _____ Rates: _____
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: <u>44 %</u> Gas: <u>44 %</u>	Oil: <u>56 %</u> Gas: <u>56 %</u>	Oil: _____ Gas: _____

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No _____

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes _____ No _____

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No _____

Will commingling decrease the value of production? Yes _____ No ☒ _____

If this well is on, or commingled with state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No _____

NMOCD Reference Case No. applicable to this well _____

Attachments

- ☒ C-102 for each zone to be commingled showing its spacing unit and acreage dedication
- ☒ Production curve for each zone for at least one year (If not available, attach explanation)
- ☒ For zones with no production history, estimated production rates and supporting data
- ☒ Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases
- Any additional statements, data or documents required to support commingling

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- ☒ List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- ☒ List of all operators within the proposed Pre-Approved Pools
- ☒ Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application
- ☒ Bottomhole pressure data - not needed

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

SIGNATURE Byron Smith TITLE Operator DATE 10/03/11

TYPE OR PRINT NAME Byron Smith TELEPHONE NO (432) 681-7709

E-MAIL ADDRESS byron.smith@chevron.com

DISTRICT I
P. O. Box 1653, Hobbs NM 88240
DISTRICT II
P. O. Drawer 88 Artesian NM 88210
DISTRICT III
1000 Rio Blueton Rd., Artes, NM 87410
DISTRICT IV
P. O. Box 2038, Santa Fe, NM 87504 9068

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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FEB 21 2012

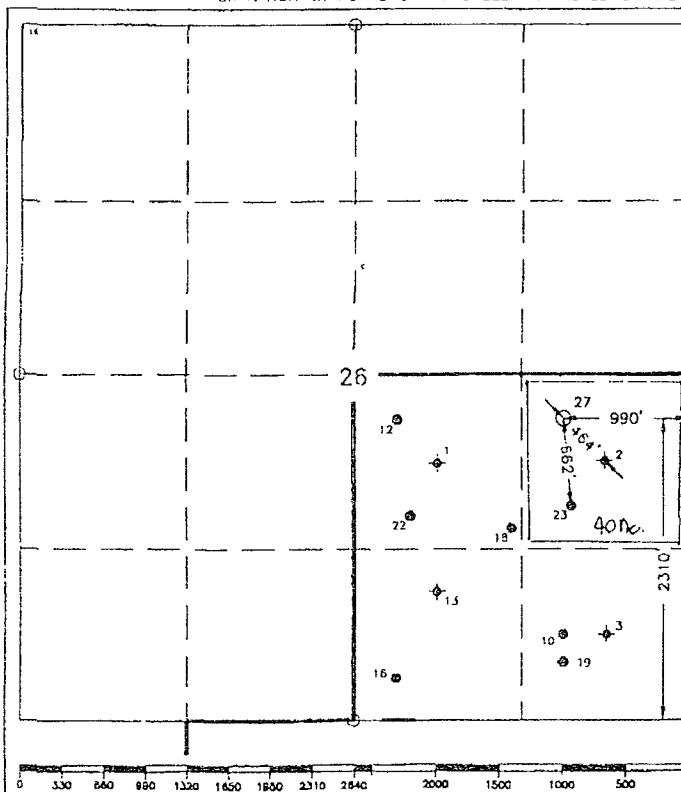
Form C-102
Revised February 0, 1994
Instructions on back
Submit to Appropriate District Office
State Lease-4 expires
Fee Lease-3 expires

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. Well Number		2. Well Code		3. Well Name	
		34200		Justis Blinbury Justis Blinbury	
4. Property Code		5. Property Name			
		C. C. Frisoe "B" Federal NCT-2			
6. UICID No		7. Operator Name			
22351		TEXACO EXPLORATION & PRODUCTION, INC.			
8. Surface Location					
9. UIC or lot no.	10. Section	11. Township	12. Range	13. Lot or Section	14. Feet from the
1	26	24-S	37-E	2310'	North/South line
					South
					Feet from the
					990'
					East/West line
					East
					County
					Lea
9. Bottom Hole Location If Different From Surface					
10. UIC or lot no.	11. Section	12. Township	13. Range	14. Lot or Section	15. Feet from the
					North/South line
					Feet from the
					East/West line
					County
					Lea
16. Allocated Acres		17. UIC or lot no.		18. Contention Code	
40				19. Inds. 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



10. OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>A. Phil Ryan</i>
Printed Name	A. Phil Ryan
Position	Commissioner Coordinator
Company	Texaco Expl. & Prod. Inc.
Date	February 28, 2001
11. SURVEYOR CERTIFICATION	
I hereby certify that the well location shown on this plat was planned 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 knowledge and belief.	
Date Surveyed	February 22, 2001
Signature & Seal of Professional Surveyor	<i>John S. Piper</i>
Certificate No.	7254
Surveyor	John S. Piper

DISTRICT I
P. O. Box 1953, Hobbs, NM 88240

DISTRICT II
P. O. Box 100, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87413

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

FEB 21 2012

Form C-102
Revised February 10, 1994

Instructions on back

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Appropriate District Office

Scale Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

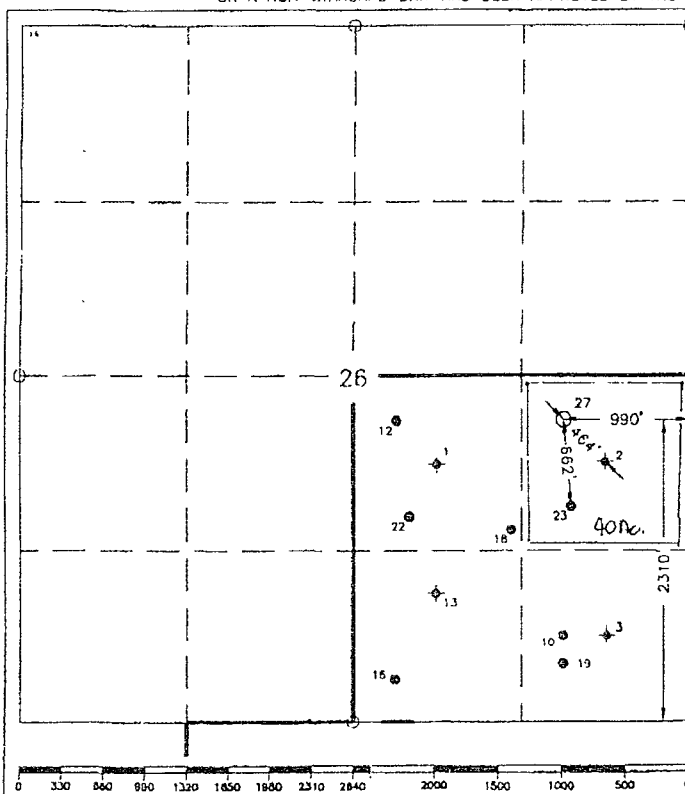
WELL LOCATION AND ACREAGE DEDICATION PLAT

Well Number 35280		Well Name Justis Tubbs/Drill Land	
Property Code 22351	Operator Name C. C. Frisoe "B" Federal NCT-2		Well Number 27
Operator Name TEXACO EXPLORATION & PRODUCTION, INC.		Elevation 3166'	

Surface Location									
UL or LR no. 1	Section 26	Township 24-S	Range 37-E	Lot 10 2310'	Feet from the South	North/South line 990'	East/West line East	County Lea	

Bottom Hole Location if Different From Surface									
UL or LR no.	Section	Township	Range	Lot 10	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Split	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



OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>A. Phil Ryan</i> Printed Name: A. Phil Ryan Position: Commissioner Coordinator Company: Texaco Expl. & Prod. Inc. Date: February 28, 2001	
SURVEYOR CERTIFICATION 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 knowledge and belief. Date Surveyed: February 22, 2001 Signature & Seal of Professional Surveyor: <i>John S. Piper</i> Certificate No.: 7254 John S. Piper	
Sheet	

