

ABOVE THIS LINE FOR DIVISION USE ONLY

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



30-025-03106-00
 -00 State An #6
 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 AMENDMENT

- [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 Havnic
 Print or Type Name

Carolyn Havnic
 Signature

NM Petro Eng Technical Assistant
 Title

2-19-13
 Date

chay@chevron.com
 e-mail Address

PLC-103-F



Carolyn Haynie
Production Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

February 12, 2013

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Commingling Order PLC-103-E Amendment
Oil and Gas Department

Chevron U.S.A. Inc. respectfully request administrative approval to amend Commingle Order PLC-103-E. Chevron plans to recomplete the TA'd well, State AN # 6, API # 30-025-03106 into the Bone Spring formation and add the production to the Abo Reef Consolidated Commingled Battery, located in Section 7, T18S, R35E, Lea County, New Mexico.

Chevron has 100% working interest in all the wells in the battery, and the royalty owner is the State of New Mexico, Commissioner of Public Lands. The royalty owner has been notified of Chevron's intend to amend this commingle and their current value will not be impacted by the proposed action. The attachments include the well list currently going in the battery and information needed for this commingle amendment.

If you require additional information, please contact me 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
Ryan Warmke
Nick Moschetti
Bliane Nickerson
Denise Pinkerton

ATTACHMENT I

LAND OWNERSHIP STATUS

PREPARED BY Daniel Pequeno, Landman, CPL/ESA

February 18, 2013

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 (Blinebry Reservoir) & 5 (Abo Reservoir); NM "AN" State Com #2H (Abo Reservoir and Com with NM "R" State (NCT-1) Lease); NM "AN" State #11 (Blinebry Reservoir); NM "AN" State #4; State "AN" #13 (Blinbry Reservoir) and State "AN" #6 (currentlyTA'd to be recompleted in the Bone Springs Reservoir).

N/2NW/4 SECTION 7 -T18S-R35, NMPM - 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 "R" State #3, 4, 5, 6, 7 (to be new drills 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)

LAND OWNERSHIP STATUS (CONTINUE)

N/2 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

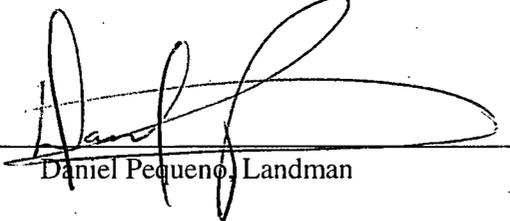
State of New Mexico
Commissioner of Public Lands
P. O. Box 1148

Wells located on the Lease are the Hobbs “N” State #5 (Abo Reservoir) and re-completion in progress of the Hobbs “N” #1 (Blinebry Reservoir) located in the NW/4NW/4 of Section 8; planned re-entry & recompletion of the Hobbs “N” State #2 (Blinebry Reservoir) located in the NE/4NW/4 of Section 8.

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: February 18, 2013

State AN #6 Recompletion Recommendation

RECOMMENDATION:

I recommend we reenter the AN #6, drill out the CIBP's @ 4370' and 5050', and production test including fracture stimulation, the Second Bone Spring Sands across the gross interval of 7990 to 8730'. The specific perf intervals and shot density can be adjusted to optimize the effectiveness of the frac design, however the general perf intervals proposed at this point are 7990-8000', 8075-85', 8210-20', 8320-30', 8590-8600', 8660-70', and 8720-30', then frac stimulate. Tie into Schlumberger's GR-Sonic log dated 9/17/1962 for correlation and run a GR-CNL-RAL from PBSD to 4800'. Note the Queen perfs from 4425 to 4670' remain open uphole so it will not be possible to run the RAL with pressure. Also note that the current version of the AN #6 wellbore diagram is missing any reference to the 2007 Queen recompletion attempt.

If successful, we have a similar reentry opportunity in the AN State #12 and then new drill opportunities on this property as well; the nearby AN #7, 8, 9 and 10 are not re-enterable due to the production casing having been cut and; in most cases, pulled. Further, success from this reentry would provide justification to further evaluate the possibility of similar potential on the 1600 acres of AE & AA leases to the west.

Please contact me with any questions related to this recommendation.

Scott Ingram X7212
11/14/2012

State AN 6 WELLBORE DIAGRAM

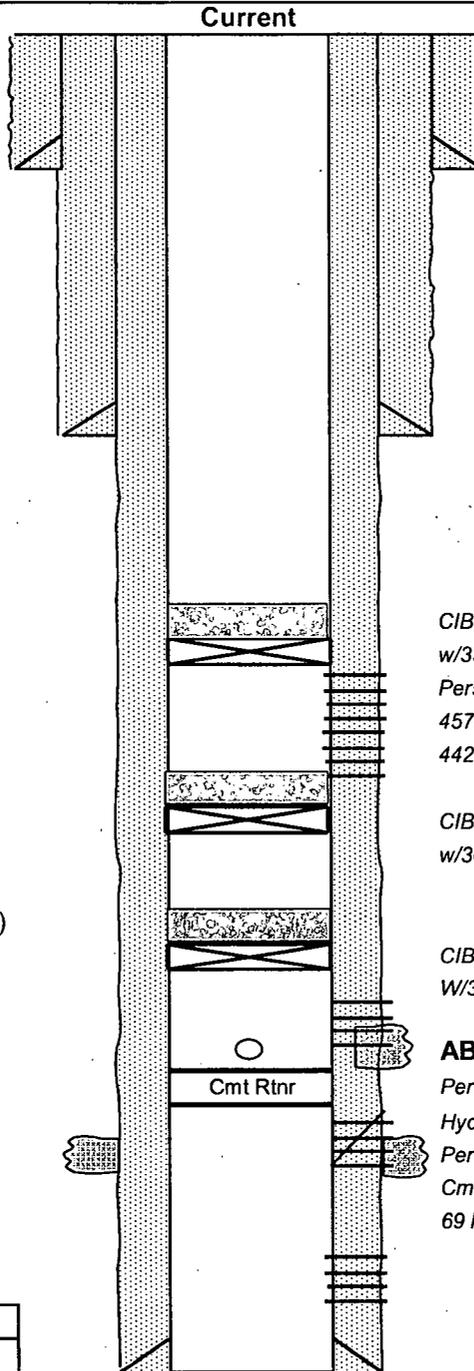
Created: 10/7/2005 By: Wannjd
 Updated: 12/06/12 By: Chay
 Lease: NM STATE AN
 Field: VACUUM ABO REEF
 Surf. Loc.: 990' FSL & 2310' FEL
 Bot. Loc.:
 County: Lea St.: NM
 Status: TA'd well

Well #: 6 St. Lse:
 API 30-025-03106
 Unit Ltr.: O Section: 7
 TSHP/Rng: T18S / R35E
 Unit Ltr.: F Section:
 TSHP/Rng:
 Directions:
 Chevno:

Surface Casing
 Size: 13-3/8"
 Wt., Grd.: 25.6#
 Depth: 337
 Sxs Cmt: 2185 sxs +25 sx
 Circulate: Yes
 TOC: Surface
 Hole Size: 17-1/4"

Intermediate Casing
 Size: 8-5/8"
 Wt., Grd.: 24# & 32# J-55
 Depth: 3316
 Sxs Cmt: 1650 sx
 Circulate: Yes
 TOC: Surf
 Hole Size: 11"

Production Casing
 Size: 5-1/2"
 Wt., Grd.: 15.5 & 17#
 Depth: 9025
 Sxs Cmt: 827 sx; 700 sx (2007)
 Circulate: No
 TOC: 3600'; 620' (2007)
 Hole Size: 7-7/8"



KB: 3996'
 DF:
 GL: 3984'
 Ini. Spud: 03/17/78
 Ini. Comp.: 04/28/78

History:
 Check More History tab Below

CIBP @ 4370'
 w/35' cmt on top
 Pers: 4642-46, 4660-70, 4615-21, 4554-58,
 4578-82, 4494-98, 4534-38, 2261-72, 4484-88,
 4425-29, 4436-40'

CIBP @ 5050'
 w/30' cmt on top

CIBP @ 8750'
 W/35' cmt on top

ABO PERFORATIONS

Perf 8856-92, 8896-8925, 8930-68, 2 spf (7/1962)
 Hydromite perms 8931-8881 (1/1969)
 Perf 8850-81, 31 holes (12/1982)
 Cmt Sq 8850-80 w/ 50 sxs, Perf 8800-8834,
 69 holes (Couldn't breakdown) (1/1983)

Formation Tops	
T/Salt	
B/Salt	
T/Yates	2990'
T/Queen	4080'
T/Grayburg	4440'
T/San Andres	4790'

PBTD:
 TD: 9025'

State AN 6 WELLBORE DIAGRAM

Created: 10/7/2005 By: Wannjd
 Updated: 01/18/13 By: Chay
 Lease: NM STATE AN
 Field: VACUUM ABO REEF
 Surf. Loc.: 990' FSL & 2310' FEL
 Bot. Loc.:
 County: Lea St.: NM
 Status: TA'd well

Well #: 6 St. Lse:
 API: 30-025-03106
 Unit Ltr.: O Section: 7
 TSHP/Rng: T18S / R35E
 Unit Ltr.: F Section:
 TSHP/Rng:
 Directions:
 Chevno:

Proposed

Surface Casing

Size: 13-3/8"
 Wt., Grd.: 25.6#
 Depth: 337
 Sxs Cmt: 2185 sxs +25 sx
 Circulate: Yes
 TOC: Surface
 Hole Size: 17-1/4"

Intermediate Casing

Size: 8-5/8"
 Wt., Grd.: 24# & 32# J-55
 Depth: 3316
 Sxs Cmt: 1650 sx
 Circulate: Yes
 TOC: Surf
 Hole Size: 11"

Production Casing

Size: 5-1/2"
 Wt., Grd.: 15.5 & 17#
 Depth: 9025
 Sxs Cmt: 827 sx; 700 sx (2007)
 Circulate: No
 TOC: 3600'; 620' (2007)
 Hole Size: 7-7/8"

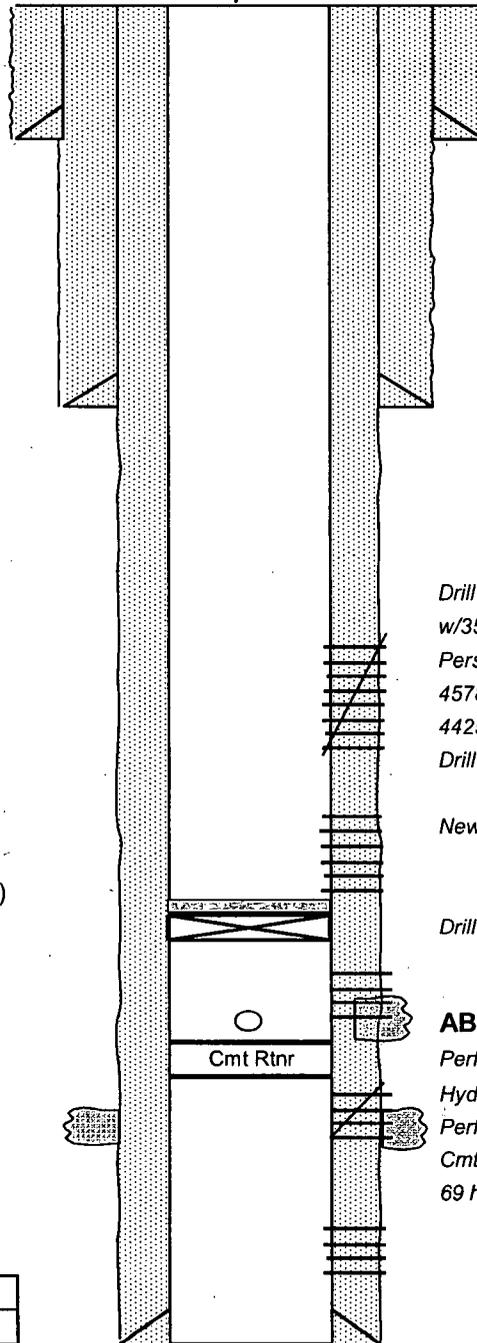
KB: 3996'
 DF:
 GL: 3984'
 Ini. Spud: 03/17/78
 Ini. Comp.: 04/28/78

History:
 Check More History tab Below

Drill out CIBP @ 4370'
 w/35' cmt on top
 Pers: 4642-46, 4660-70, 4615-21, 4554-58,
 4578-82, 4494-98, 4534-38, 2261-72, 4484-88,
 4425-29, 4436-40'
 Drill out CIBP @ 5050'
 New Perfs: 7990' - 8730'
 Drill out to 8730'

ABO PERFORATIONS

Perf 8856-92, 8896-8925, 8930-68, 2 spf (7/1962)
 Hydromite perfs 8931-8881 (1/1969)
 Perf 8850-81, 31 holes (12/1982)
 Cmt Sq 8850-80 w/ 50 sxs, Perf 8800-8834,
 69 holes (Couldn't breakdown) (1/1983)



Formation Tops	
T/Salt	
B/Salt	
T/Yates	2990'
T/Queen	4080'
T/Grayburg	4440'
T/San Andres	4790'

PBTD:
 TD: 9025'

ABO Reef Consolidated Battery												
Section 7, & 8; T18S, R35E; Lea County, NM												
Well	API	Status	Lease	Pool	Pool #	Unit Letter	Sec	Location	Twnshp	Rng	Co	TD
State AN 6 - Recompletion Well	30-025-03106	W/O Pending	State AN	Vacuum Bone Spring	61900	O	7	990' FSL & 2310' FEL	18S	35E	LEA	9025'
Hobbs N State # 1	30-025-03108	Active Oil	Hobbs N State	Vacuum Blinebry	61850	D	8	330' FNL & 358' FWL	18S	35E	LEA	9050'
Hobbs N State # 2	30-025-03109	Active Oil	Hobbs N State	Vacuum Blinebry	61850	C	8	330' FNL & 1650' FWL	18S	35E	LEA	8970'
Hobbs N State # 5	30-025-26604	Active-Gas	Hobbs N State	Vacuum Abo Reef	61780	H	8	1980' FNL & 330' FEL	18S	35E	LEA	9208'
NEW MEXICO "R" NCT-4 # 3	30-025-40060	Active Oil	NM "R" State NCT-4	Vacuum; Blinebry	61850	C	7	990' FNL & 2225' FWL	18S	35E	LEA	6489
NEW MEXICO "R" NCT-4 # 4	30-025-40061	Active Oil	NM "R" State NCT-4	Vacuum; Blinebry	61850	D	7	990' FNL & 1200' FWL	18S	35E	LEA	Proposed TD 6500'
NEW MEXICO "R" NCT-4 # 5	30-025-40062	Active Oil	NM "R" State NCT-4	Vacuum; Blinebry	61850	C	7	330' FNL & 1835' FWL	18S	35E	LEA	6220'
NEW MEXICO "R" NCT-4 # 6	30-025-40063	Active Oil	NM "R" State NCT-4	Vacuum; Bone Spring	61850	D	7	350' FNL & 470' FWL	18S	35E	LEA	Proposed TD 6500'
NEW MEXICO "R" NCT-4 # 7	30-025-40122	Active Oil	NM "R" State NCT-4	Vacuum; Blinebry	61850	D	7	990' FNL & 490' FWL	18S	35E	LEA	6500'
NM "AN" State # 2H	30-025-03102	Active Oil	State 'AN' COM	Vacuum Abo Reef	61780	B	7	330' FNL & 2100' FEL	18S	35E	LEA	11064'
NM AB State # 2	30-025-03085	Active Oil	New Mexico AB State	Vacuum Abo Reef	61780	P	6	660' FSL & 560' FEL	18S	35E	LEA	9050'
NM AB State # 4	30-025-03087	Active Oil	New Mexico AB State	Grayburg San Andres	61780	I	6	1650' FSL & 660' FEL	18S	35E	LEA	9097'
NM AB State # 9	30-025-30139	Active Oil	New Mexico AB State	Vacuum Abo Reef	61780	P	6	538' FSL & 818' FEL	18S	35E	LEA	10,413'
State AN # 1	30-025-03101	Active Oil	State AN	Vacuum; Blinebry	61850	A	7	330' FNL & 990' FEL	18S	35E	LEA	8945'
STATE AN # 13	30-025-40059	Active Oil	State 'AN'	Vacuum; Blinebry	61850	D	7	990' FNL & 2310' FEL	18S	35E	LEA	6500'
State AN 11B	30-025-34097	Active Oil	State AN	Vacuum Blinebry	61850	B	7	900' FNL & 1440' FEL	18S	35E	LEA	11681'
State AN 3 BLN	30-025-03103	Active Oil	State AN	Vacuum Blinebry	61850	G	7	1650' FNL & 2310' FEL	18S	35E	LEA	8993'
State AN 4	30-025-03104	Active Oil	State AN	Vacuum Blinebry	61850	H	7	1650' FNL & 990' FEL	18S	35E	LEA	9031'
State AN 5 H	30-025-03105	Active Oil	State AN	Vacuum Abo Reef	61780	J	7	2310' FSL & 2310' FEL	18S	35E	LEA	9882'



Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

February 18, 2013

**Re: Commingling Order PLC-103-E
Abo Reef Consolidated Tank Battery
Section 7, T18S, R35E,
Lea County, New Mexico**

**State Of New Mexico
Commissioner of Public Lands
Royalty Interest Owner,**

Chevron U.S.A. Inc. respectfully gives notice of intend to amend the Commingle Order PLC-103-E, by adding the State AN # 6 to the Abo Reef Consolidated commingled battery, located in section 7, township 18 south and range 35 east. The Vacuum Blinebry Oil pool, (61850) is currently approved for the battery, and this will add the Vacuum Bone Spring, (46195) formation.

State AN # 6, API # 30-025-03106, is currently TA'd and Chevron plans to recomplete the well in the Bone Spring Sands. Chevron has 100% working interest in all the wells in the battery.

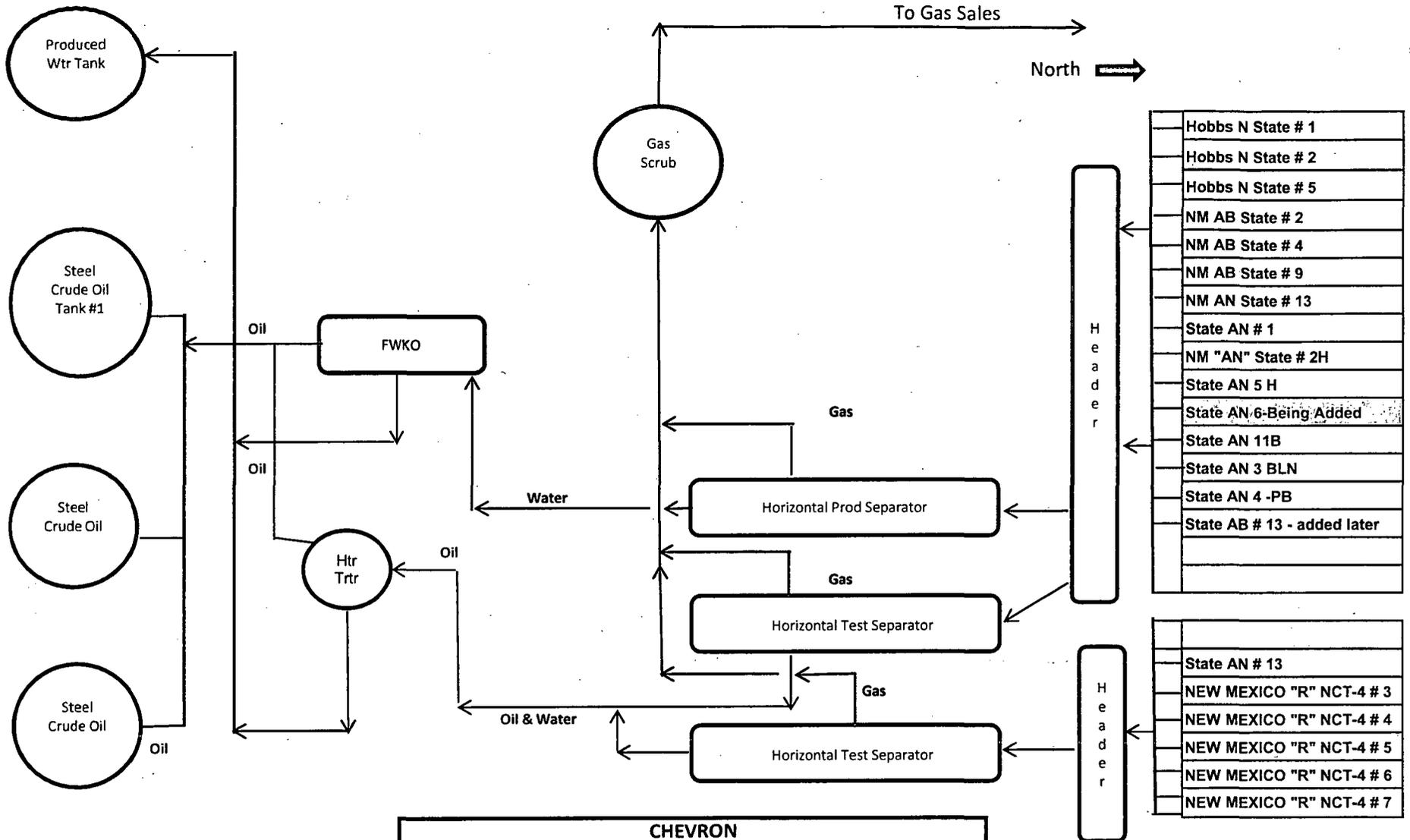
Any objections to this commingle must be sent to the New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504, within 20 days of receipt of this notification. If you require additional information, please contact me at 432-687-7261, or by email at: chay@chevron.com.

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
Ryan Warmke
Scott Ingram
Nick Moschetti
Denise Pinkerton



CHEVRON
 ABO REEF CONSOLIDATED COMMINGLED BATTERY
 PROCESS FLOW DIAGRAM
 Section 7, T18S, R35E, Lea County, New Mexico
 12-Feb-13
 Chay

Chevron U.S.A., Inc.

Abo Reef Consolidated Battery
Unit B, Section 7, T18S, R35E;
Lea County, New Mexico

State AN # 6
API: 30-025-03106

Adding: Vacuum Bone Spring Production

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