

PNRM0224035354

C-103 8-28-01

DHC No. Assigned 8-28-01

Order Number

DI 0017

API Number

30-025-28591

Operator

Chevron USA Inc.

County

Lea

Order Date

9-19-01

Well Name

Drinkard NCT-B

Number

008

Location

N

UL

30

Sec

22S

T (+Dir)

38E

R (+Dir)

Pool 1

06660

Blinebry Oil+Gas (Oil)

Oil %

50%

Gas %

25%

Pool 2

86440

Tubb Oil+Gas (Pro Gas)

50%

75%

Pool 3

Pool 4

Comments:

Work completed effective
Work cancelled effective
Supplement-3-7-03
(C-104 dated 8-22-02)

9-19-01

1534N

1535N

1536N

9-19-01

1-1-02

7-1-02

8-28-02
Posted to
R-BDM &
B

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-28594

OPERATOR: Chevron USA Inc.

DI - 0017

PROPERTY NAME: Drinkard NCT-B

HOB-0017

WNULSTR: 8-N, 30-22-38

SECTION I:

ALLOWABLE AMOUNT

ABLI 40000

POOL NO. 1 B Linebry Oil + Gas (Oil)

107 428 MCF 4000

GTUB 50000

POOL NO. 2 Tubb Oil + Gas (Pro Gas)

142 284 MCF 2000

POOL NO. 3 _____

_____ MCF

POOL NO. 4 _____

_____ MCF

POOL TOTALS 249 712

SECTION II:

06660

POOL NO. 1 B Linebry Oil + Gas (Oil)

50% X 249 = 124.50 (125) ^{Gas} 25%

86440

POOL NO. 2 Tubb Oil + Gas (Pro Gas)

50% 75%

POOL NO. 3 _____

POOL NO. 4 _____

OIL

GAS

SECTION III:

107 ÷ 50% = 214.00

SECTION IV:

214 X 50% = 107

214 X 50% = 107

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 811 South First, Artesia, NM 87210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO. 30-025-28594
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: DRINKARD (NCT-B)
8. Well No. 8
9. Pool name or Wildcat BLINEBRY OIL/TUBB GAS

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
 Chevron U.S.A. Inc.

3. Address of Operator
 P.O. Box 1150 Midland, TX 79702

4. Well Location
 Unit Letter N : 810 feet from the SOUTH line and 1980 feet from the WEST line
 Section 30 Township 22S Range 38E NMPM County LEA

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3334'

11. 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 COMPLETION
 OTHER: DOWNHOLE COMMINGLE TUBB/BLINEBRY

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
 CASING TEST AND CEMENT JOB
 OTHER:

12. 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 recompilation.

UNDER THE PROVISIONS OF RULE 303 C(5), IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS BLINEBRY OIL & GAS (PERFS 5623'-5771') AND TUBB OIL & GAS (PERFS 5886'-6274') IN THE CAPTIONED WELL. CURRENTLY THE WELL IS A DUAL PRODUCER FROM THE BLINEBRY & TUBB OIL & GAS POOLS, RESPECTIVELY. MAINTAINING THE WELL AS A DUAL HAS BECOME COST PROHIBITIVE. WORK WILL INVOLVE REMOVING THE DUAL EQUIPMENT AND PUTTING THE WELL ON ROD PUMP WITH BOTH THE BLINEBRY AND TUBB PERFS OPEN. PRODUCTION WILL BE ALLOCATED BACK TO THE TWO POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

DI DHC Order No. 0017

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

SIGNATURE J. K. Ripley TITLE REGULATORY O.A. DATE 8/22/01

or print name J. K. RIPLEY Telephone No. (915)687-7148
 (This space for State use)

APPROVED BY Paul J. [Signature] TITLE Geologist DATE AUG 28 2001

Conditions of approval, if any:

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

Operator

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, TX 79702

Lease Name and Well Number

Drinkard (NCT-B) # 8
810' FSL & 1980' FWL, Unit Letter N
Section 30, T22S, R38E
Lea County, New Mexico

Division Order

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

Pools To Be Commingled In Drinkard (NCT-B) # 8

(6660) Blinebry Oil & Gas Pool (Oil)
(86440) Tubb Oil & Gas Pool (Gas)

Perforated Intervals

Blinebry (5623-5771') (Wellbore diagrams attached)
Tubb O&G (5886-6274')

Location Plat

Attached

Well Test Report & Production Plots

Attached.

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>Estimation Method</u>
Blinebry Oil & Gas (Gas)	1	4	96	Last test prior to shut-in 5/01.
Tubb Oil & Gas (Gas)	1	3	291	Last test prior to shut-in 5/01.
Totals	2	7	387	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry Oil & Gas (Oil)	50.00	57.14	24.81	Calculated using above production volumes.
Tubb Oil & Gas (Gas)	50.00	42.86	75.19	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

Well is on a fee lease.

Submit 3 Copies To Appropriate District Office
 District I
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 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

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6. State Oil & Gas Lease No.

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	8. Well No. 8
	9. Pool name or Wildcat BLINEERY OIL/TUBS GAS
	10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3334'

2. Name of Operator
Chevron U.S.A. Inc.

3. Address of Operator
P.O. Box 1150 Midland, TX 79702

4. Well Location
 Unit Letter N : 810 feet from the SOUTH line and 1980 feet from the WEST line
 Section 30 Township 22S Range 38E NMPM County LEA

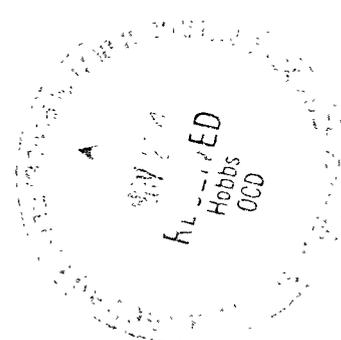
11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: DHC - ORDER #0017 <input checked="" type="checkbox"/>	

12. 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 recompilation.

REMOVED THE DUAL EQUIPMENT. RIH W/TBG, PUMP & RODS.

DHC 9/19/01



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

SIGNATURE J.K. Ripley TITLE REGULATORY O.A. DATE 8/22/01

Type or print name 11/8/01 Telephone No. (915)687-7148

(This space for State use)
 APPROVED BY _____ TITLE ORIGINAL SIGNED BY PAUL F. KAUTZ DATE AUG 22 2002
 Conditions of approval, if any: _____ TITLE PETROLEUM ENGINEER

N.C.S.