

p NRM 0401627128

Date approved  
10-11-2001

C-103 Received 11-7-2003  
DHC No. Assigned 1-21-2004

Order Number	API Number	Operator	County				
HOB-0070	30-025-10261	Chevron USA Inc.	Lea				
Order Date	Well Name	Number	Location				
	Hugh	005	F UL	14 Sec	225 T (+Dir)	37E R (+Dir)	
		Oil %	Gas %				
Pool 1	72480	Blinebry Oil+Gas (Pro Gas)	0%	50%			
Pool 2	62700	Wantz Abo	86%	50%			
Pool 3	62730	Wantz Granite Wash	14%	0%			
Pool 4							
Comments: Work completed effective _____ Work cancelled effective _____ Supplement _____							

1-21-2004  
Posted  
RBDMA 

Formerly DHC-2175

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-10261  
HOB-0070

OPERATOR: Chevron USA Inc.

PROPERTY NAME: Hugh

WNULSTR: 5-F, 14-22-37

	SECTION I:	ALLOWABLE AMOUNT	
72480	POOL NO. 1 <u>Blinebry Oil + Gas (ProGas)</u>	<u>999</u>	<u>9999</u> MCF <u>99999</u>
62700	POOL NO. 2 <u>Wantz Abo</u>	<u>187</u>	<u>1122</u> MCF <u>6000</u>
62730	POOL NO. 3 <u>Wantz Granite Wash</u>	<u>187</u>	<u>374</u> MCF <u>2000</u>
	POOL NO. 4 _____		
	POOL TOTALS	<u>374</u>	<u>1496</u> MCF

	SECTION II:	Oil	Gas
GBLI 40000	POOL NO. 1 <u>Blinebry Oil + Gas (ProGas)</u>	0%	50%
AWAN 40000	POOL NO. 2 <u>Wantz Abo</u>	86% X 374 = 321.64	50%
AWAN 60000 AWAN 60000	POOL NO. 3 <u>Wantz Granite Wash</u>	14%	0%
	POOL NO. 4 _____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:	$187 \div 86\% = 217.45 (218)$	_____
SECTION IV:	$218 \times 0\% = 0$	_____
	$218 \times 86\% = 187.48 (187)$	_____
	$218 \times 14\% = 30.52 (31)$	_____

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  
 600 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  
 Revised March 25, 1999

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

WELL API NO. 30-025-10261
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. 2641

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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 <input checked="" type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other (DHC Blinebry Gas & Wantz Abo Oil)		7. Lease Name or Unit Agreement Name:  Hugh
2. Name of Operator Chevron U.S.A., Inc.	8. Well No. 5	
3. Address of Operator P. O. Box 1150 Midland, TX 79702	9. Pool name or Wildcat Blinebry Gas/Wantz Abo/Wantz Granite Wash	
4. Well Location  Unit Letter <u>F</u> : <u>1980</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>West</u> line  Section <u>14</u> Township <u>22S</u> Range <u>37E</u> NMPM County <u>Lea</u>		
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3352' GR		

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

NOTICE OF INTENTION TO:

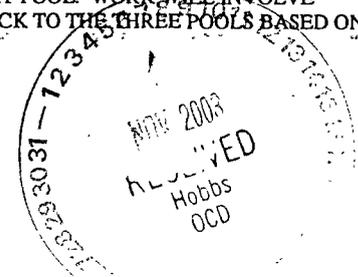
- PERFORM REMEDIAL WORK  PLUG AND ABANDON   
 TEMPORARILY ABANDON  CHANGE PLANS   
 PULL OR ALTER CASING  MULTIPLE COMPLETION   
 OTHER: DHC Blinebry Gas/ Wantz Abo/ Wantz Granite Wash

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 5388-5794'), WANTZ ABO (PERFS 6602-7041'), AND WANTZ GRANITE WASH (PERFS 7174-7294') IN THE CAPTIONED WELL. CURRENTLY THE WELL IS PRODUCING FROM THE DOWNHOLE COMMINGLED BLINEBRY OIL & GAS (PERFS 5388-5794') AND WANTZ ABO (PERFS 6602-7041') UNDER ADMINISTRATIVE ORDER NO. DHC-2175. IT IS PROPOSED TO RETURN THE PREVIOUSLY TESTED WANTZ GRANITE WASH INTERVAL (PERFS 7174-7294') TO PRODUCING STATUS TO RECOVER REMAINING RESERVES FROM THAT POOL. WORK WILL INVOLVE REMOVING A PLUG CURRENTLY COVERING THAT INTERVAL. PRODUCTION WILL BE ALLOCATED BACK TO THE THREE POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.



DHC Order No. HOB-0070

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 9/27/2001

Type or print name J. K. Ripley Telephone No. (915) 687-148

(This space for State use)

APPROVED BY \_\_\_\_\_ TITLE PAUL F. KAUTZ DATE OCT 11 2001  
PETROLEUM ENGINEER

Conditions of approval, if any:

1-16-2004

**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**

Hugh # 5  
1980' FNL & 1980' FWL, Unit Letter F  
Section 14, T22S, R37E  
Lea County, New Mexico

**Division Order**

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

**Pools To Be Commingled In Hugh # 5**

(72480) Blinebry Oil & Gas Pool (Gas)  
(62700) Wantz-Abo  
(62730) Wantz-Granite Wash

**Perforated Intervals**

Blinebry (5388-5794') (Wellbore diagrams attached)  
Wantz-Abo (6216-6370')  
Wantz-Granite Wash (7174-7294')

**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)	0	0	96	DSS production report 7/2001.
Wantz-Abo	6	1	96	DSS production report 7/2001.
Wantz-Granite Wash	1	1	0	Last test during zone testing 4/25/81.
<b>Totals</b>	<b>7</b>	<b>2</b>	<b>192</b>	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry Oil & Gas (Gas)	0.00	0.00	50.00	Calculated using above production volumes.
Wantz-Abo	<del>85.71</del> 86	50.00	50.00	Calculated using above production volumes.
Wantz-Granite Wash	<del>14.29</del> 14	50.00	0.00	Calculated using above production volumes.
<b>Totals</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	

N-M

**Ownership**

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

**State / Federal Land Notification**

Well is on a fee lease.