pNRM0501429981

C-103 Received 1-6-05

DHC No. Assigned 1-14-05

Order Number	API Number	Operator	County
HOB-0103	30-025-10049	Chevron USA Inc.	Lea

Order Date	Well Name	Number	Location			
	Mark	005	A (UL)	3 (Sec)	22S (T (+Dir))	37E (R (+Dir))

			Oil %	Gas %
Pool 1	60240	Tubb Oil & Gas (Oil)	50%	39%
Pool 2	19190	Drinkard	50%	61%
Pool 3				
Pool 4				

Comments:
Work completed effective _____
Work cancelled effective _____
Supplement _____ _____

1-14-2005
Posted to
KBOMS

30-025-10049
HOB-0103

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Chevron USA Inc.

PROPERTY NAME: Mark

WNULSTR: 5-A, 3-22-37

SECTION I:

		ALLOWABLE AMOUNT		
60240 **POOL NO. 1**	Tubb Oil & Gas (Oil)	142	284 MCF	2000
19190 **POOL NO. 2**	Drinkard	142	852 MCF	6000
POOL NO. 3			MCF	
POOL NO. 4			MCF	
POOL TOTALS		284	1136	

SECTION II:

	Oil	Gas
POOL NO. 1 Tubb Oil & Gas (Oil)	50%	39%
POOL NO. 2 Drinkard	50% X 284 = 142	61%
POOL NO. 3		
POOL NO. 4		

SECTION III:

OIL	GAS
142 ÷ 50% = 284	

SECTION IV:

OIL	GAS
284 X 50% = 142	
284 X 50% = 142	

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
1000 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

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

Form C-103
May 27, 2004

WELL API NO. **30-025-10049**

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No. 2678

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.)

7. Lease Name or Unit Agreement Name: **Mark**

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number **5**

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

9. OGRID Number **4323**

3. Address of Operator: **15 Smith Road Midland, TX 79705**

10. Pool name or Wildcat: **Tubb Oil & Gas/Drinkard**

4. Well Location
Unit Letter **A** : **660** feet from the **North** line and **660** feet from the **East** line
Section **3** Township **22S** Range **37E** NMPM County **LEA**

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* **3392' GL**

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type_____ Depth to Groundwater_____ Distance from nearest fresh water well_____ Distance from nearest surface water_____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 ☐	
OTHER: **DHC Tubb Oil & Gas w/ Drinkard** ☒		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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

UNDER THE PROVISIONS OF RULE 303 C (5), IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS, TUBB OIL & GAS (PERFS 5870'-6060') AND DRINKARD (PERFS 6259'-6416') IN THE CAPTIONED WELL. CURRENTLY, PRODUCTION FROM BOTH ZONES IS OFF THE EXPECTED DECLINE DUE TO IRON & PARAFFIN PROBLEMS. A DHC WILL INCREASE PRODUCTION RATES DUE TO BETTER DRAWDOWN AND REDUCE OPERATIONS COSTS & DOWNTIME. PRODUCTION WILL BE ALLOCATED BACK TO THE TWO POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

JAN 2005 RECEIVED 1-6-05 Hobbs OCD

DHC Order No. HOB-0103

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.**

SIGNATURE Keith Toph TITLE PETR. ENGINEER DATE 01/04/2005

Type or print name E-mail address: Telephone No.

For State Use Only

APPROVED BY: _____ TITLE PETROLEUM ENGINEER DATE JAN 14 2005

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.
15 Smith Road
Midland, TX 79705

Lease Name and Well Number

Mark #5
660' FNL & 660' FEL, Unit Letter A
Section 3, 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 Mark #5

(60240) Tubb Oil & Gas (Oil)
(19190) Drinkard (Gas)

Perforated Intervals

Tubb (5870'-6060') (Wellbore diagrams attached)
Drinkard (6259'-6416')

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

Pool	BOPD	BWPD	MCFPD	Estimation Method
Tubb	0.5	0.5	70	PI production report 1/2005
Drinkard	0.5	0.5	108	PI production report 1/2005
Totals	**1**	**0**	**178**	

Allocated %	Oil %	Water %	Gas %	Remarks
Tubb	50.00	50.00	39.00	Calculated using above production volumes.
Drinkard	50.00	50.00	61.00	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.

Well: Mark #5 Field: Tubb/Drinkard Reservoir: Tubb/Drinkard

Location:
660' FNL & 660' FEL
Section: 3 (NE/4 NE/4)
Township. 22S
Range: 37E Unit A
County. Lea State· NM

Elevations:
GL: 3392'
KB: 3405'
DF·

Log Formation Tops	
Queen	3308
Penrose	3432
Grayburg	3664
san Andres	3860
Glorieta	5016
Blinebry	5477
Tubb	5923
Drinkard	6257

TUBING DETAIL - 9/1/82

1 Baker model D pkr @ 6200'
Baker model C-1 receptcle
Baker anchor seal assembly
3jts 2 3/8" tbg
1 SN
1jt 2 3/8" tbg
1 circ valve
1jt 2 3/8" tbg
1 bull plug

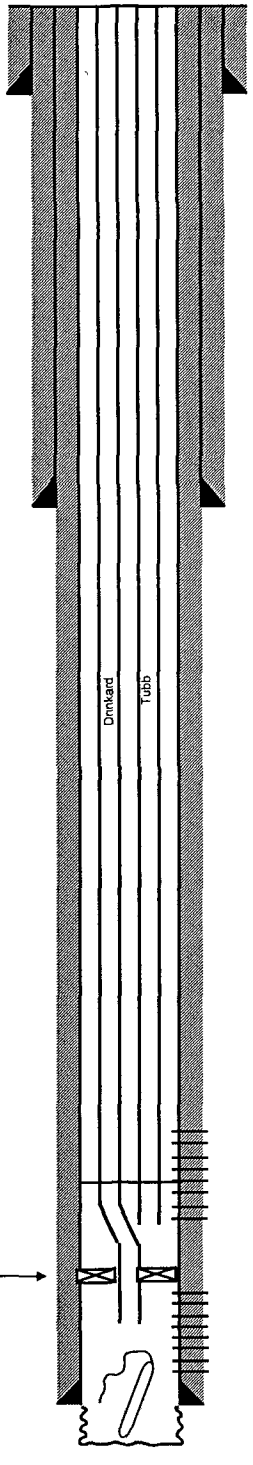
Baker Model D pkr @ 6200'

Sand pump w/ 15' of line @ 6409'

COTD: 6521'
PBTD: 6521'
TD: 6521'

Updated: 9-28-04 by WAYN

Current Wellbore Diagram



By W P. Johnson

Well ID Info:
Chevno FB1059
API No: 30-025-10049
L5/L6. U41 / 0600 , U47 / 0400
Spud Date· 5/30/47
Rig Released· 7/27/47
Compl Date. 7/27/47

Surface Csg: 13 3/8" 48# H-40
Set: @ 300' w/ 300 sx Neat cmt
Hole Size: 17 1/4"
Circ: Yes **TOC:** Surface
TOC By: Circulation

Initial Completion:
7/27/47 Drinkard OH6455-6521 ; A/500 gal 15% HCL

Subsequent Work
2/16/52 A/2000 gal 15% NE (Drinkard)
5/17/56 F/10000 gal & 10000# sd (Drinkard)
Perf (Tubb) 5870-80, 5900-20, 5930-65, 5993-6003, 6025-60
A/4000 gal 15% NE , ReA/8000 gal 15% NE , Dual Completion
12/16/64 Blinebry & Tubb condensate commingled (R-1670)
6/74 Pushed pkr to TD (6521) ; Perf6259-61, 6290-92, 6340-42,
6364-66, 6414-16 , F/35000 gal & 70000# 20/40 sd ; Line parted
left sd pmp & 15' of sd line in hole (4 1/2" x 28' sd pmp @ 6409')

Intermediate Csg: 9 5/8" 36#
Set: @ 2900' w/ 1300 sx (1200 sx 2% & 100 sx neat)
Hole Size: 12 1/4"
Circ: No **TOC: 1435'**
TOC By: *Temperature survey*

Prod. Csg: 7" 23# N-80 (830' bttm) & J-55 (5637' top)
Set: @ 6455' w/700 sx (575 sx 2% & 125 sx neat) cmt
Hole Size: 8 3/4"
Circ: No **TOC:** 2945'
TOC By: Temperature survey

Perfs	Status
5870-80	Tubb - open
5900-20	Tubb - open
5930-65	Tubb - open
5993-6003	Tubb - open
6025-60	Tubb - open
6259-61	Drinkard - open
6290-92	Drinkard - open
6340-42	Drinkard - open
6364-66	Drinkard - open
6414-16	Drinkard - open
OH6455-6521	Drinkard - 20/40 frac sd to 6435'

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-10049	60240	Tubb Oil

[4] Property Code	[5] Property Name	[6] Well Number
2678	Mark	5

[7] OGRID No	[8] Operator Name	[9] Elevation
4323	Chevron U.S.A., Inc.	3392'

[10] Surface Location

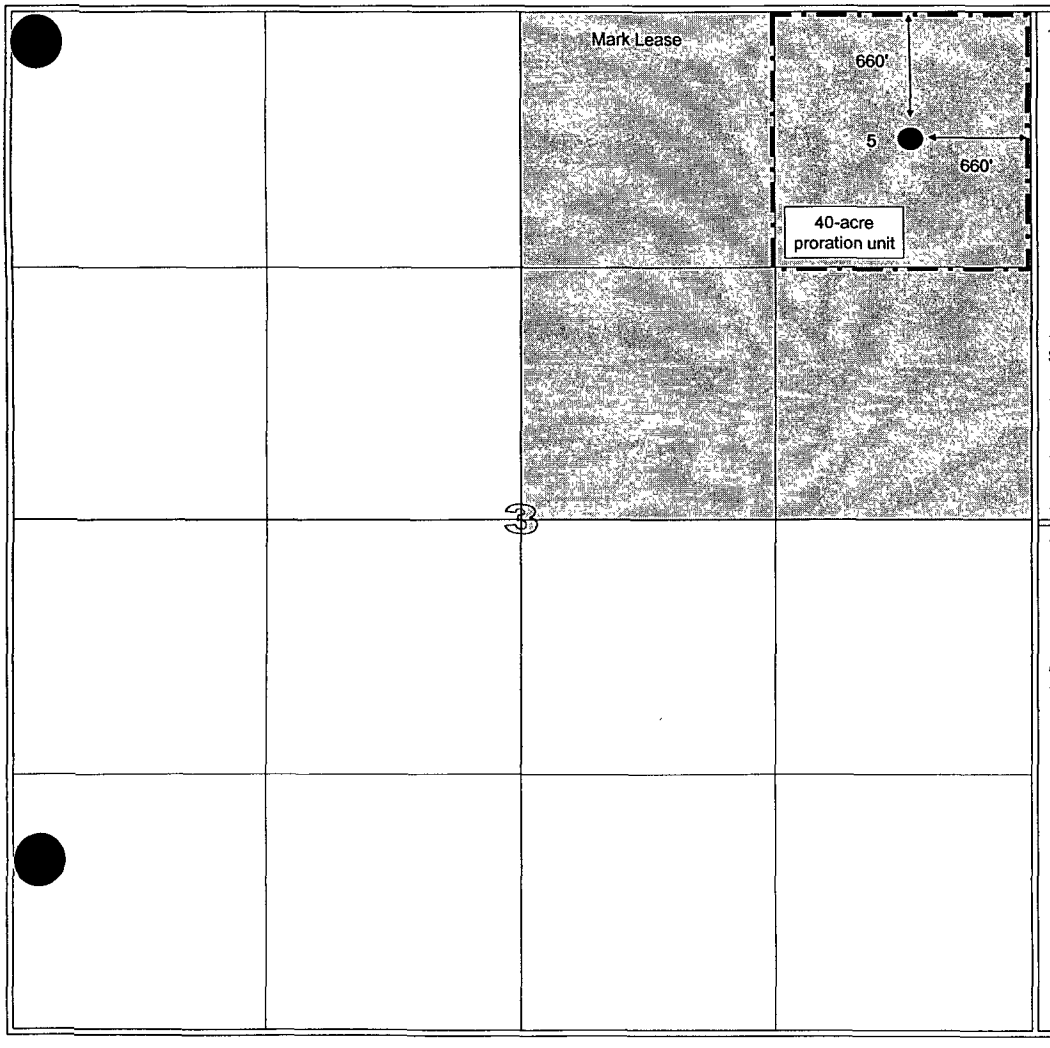
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	3	22S	37E		660	North	660	East	Lea

[11] Bottom Hole Location If Different From Surface

UL or Lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			

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



17

OPERATOR CERTIFICATION

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

Signature

Keith Lopez

Printed Name

Petr. Engineer

Title

January 4, 2005

18

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 belief.

Signature and Seal of Professional Surveyor.

Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-10049	19190	Drinkard

[4] Property Code	[5] Property Name	[6] Well Number
2678	Mark	5

[7] OGRID No	[8] Operator Name	[9] Elevation
4323	Chevron U.S.A., Inc.	3392'

[10] Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	3	22S	37E		660	North	660	East	Lea

[11] Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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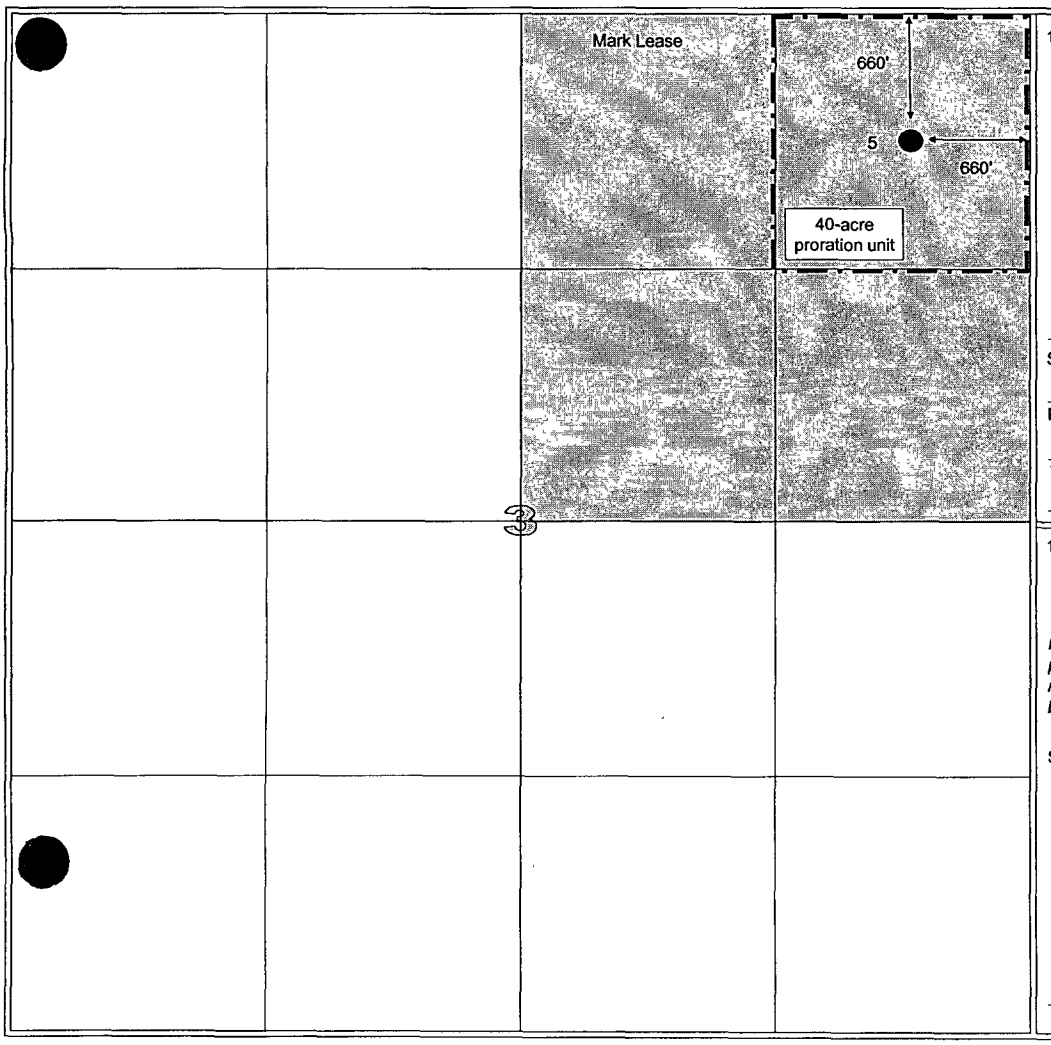

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Petr. Engineer

Title

January 4, 2005

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Signature and Seal of Professional Surveyor

Certificate Number

Submit 3 copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-10049
5. Indicate Type of Lease STATE ☐ FEE ☑
6. State Oil / Gas Lease No 2678

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMI (FORM C-101) FOR SUCH PROPOSALS.

7. Lease Name or Unit Agreement Name: MARK

1 Type of Well: OIL WELL ☑ GAS WELL ☐ OTHER

2. Name of Operator: CHEVRON USA INC

8 Well No: 5

3. Address of Operator: 15 SMITH ROAD, MIDLAND, TX 79705

9. Pool Name or Wildcat: TUBB OIL & GAS/DRINKARD

4. Well Location

Unit Letter A : 660' Feet From The NORTH Line and 660' Feet From The EAST Line

Section 3 Township 22-S Range 37-E NMPM LEA COUNTY

10. Elevation (Show whether DF, RKB, RT,GR, etc.) 3392' GL

11. 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 OPERATION	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER: DHC TUBB OIL & GAS W/DRINKARD	☑			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.

CHEVRON U.S.A. INC. INTENDS TO DOWNHOLE COMMINGLE PRODUCTION FROM THE TUBB OIL & GAS POOL & THE DRINKARD POOL. THE DHC SHOULD PROVE TO INCREASE PRODUCTION AND WILL DO AWAY WITH THE CURRENT DUAL COMPLETION. A NEW TBG STRING & RODS WILL BE INSTALLED IN THE WELL.
ATTACHED IS THE FORM C-103 SENT IN ON 1-4-05 WITH DHC INFORMATION, AND THE CURRENT & PROPOSED WELL BORE DIAGRAMS.
THE INTENDED PROCEDURE IS AS FOLLOWS:
1) MIRU KEY. REL PKR.
2) TIH W/BIT ON 2 3/8" TBG TO 6409'. (TOP OF FISH)
3) TIH W/2 3/8" PROD TBG. TIH W/RODS & PUMP.
4) MIRU ACID TRUCK. PUMP 3000 GALS 15% NEFE HCL. RIG DOWN.

RECEIVED JAN 2005 Hobbs OCD

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

SIGNATURE Denise Leake TITLE Regulatory Specialist DATE 1/11/2005

TYPE OR PRINT NAME Denise Leake Telephone No. 915-687-7375

(This space for State Use)

APPROVED
CONDITIONS OF APPROVAL, IF ANY.

TITLE ORIGINAL SIGNED BY PAUL F. KAUTZ PETROLEUM ENGINEER DATE JAN 20 2005

DeSoto/Nichols 12-93 ver 1 0