

p NRM 0629641078

C-103 Received 8-21-2006

DHC No. Assigned 9-14-2006

Order Number

HOB-0166

API Number

30-025-30623

Operator

Chevron USA Inc

County

Lea

Order Date

Well Name

LR Kershaw

Number

013

Location

0

UL

13

Sec

20s

T (+Dir)

37e

R (+Dir)

Pool 1

47090

Monament Tubb

Oil %

0%

Gas %

62%

Pool 2

57000

Skaggs Drinkard

100%

38%

Pool 3

Pool 4

Comments:

Work completed effective _____
Work cancelled effective _____
Supplement _____

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-30623

OPERATOR: Chevron USA Inc

HOB-0166

PROPERTY NAME: LR Kershaw

WNULSTR: #13-D, 13-20s-37e

47090

SECTION I:
POOL NO. 1 Monument Tubb (80 Acres) ALLOWABLE AMOUNT 222 2220 MCF 10000

57000

POOL NO. 2 Skaggs Drinkard 142 1420 MCF 10000

POOL NO. 3 _____ MCF

POOL NO. 4 _____ MCF

POOL TOTALS 364 3640

SECTION II:
POOL NO. 1 Monument Tubb

Oil

Gas

POOL NO. 2 Skaggs Drinkard

0%

62%

100% x 364 = 364

38%

POOL NO. 3 _____

POOL NO. 4 _____

OIL

GAS

SECTION III:
142 ÷ 100% = 142

SECTION IV:
142 x 0% = 0
142 x 100% = 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

Form C-103
 May 27, 2004

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

WELL API NO. 30-025-30623
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 LR Kershaw
8. Well Number 13
9. OGRID Number 4323
10. Pool name or Wildcat Monument Tubb
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3553' GL
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
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 _____

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
15 Smith Road Midland, TX 79705

4. Well Location
 Unit Letter **D** : **330** feet from the **North** line and **330** feet from the **West** line
 Section **13** Township **20S** Range **37E** NMPM County **LEA**

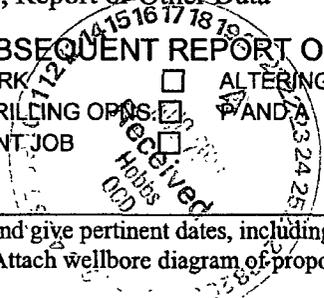
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPS. <input checked="" type="checkbox"/>	WAND <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: DHC Monument Tubb & Skaggs Drinkard <input checked="" type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

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, MONUMENT TUBB (PERFS 6311'-6525'), AND SKAGGS DRINKARD (6618'-6860') IN THE CAPTIONED WELL. CURRENTLY, THE WELL IS PRODUCING FROM THE DRINKARD. ADDING THE TUBB WILL SIGNIFICANTLY INCREASE PRODUCTION RATES. PRODUCTION WILL BE ALLOCATED BACK TO THE TWO POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

DHC-HOB-0166



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 Lopez* TITLE PETR. ENGINEER DATE 08/15/2006

Type or print name KEITH LOPEZ E-mail address: L0PK@CHEVRON.COM Telephone No. 432-631-3281
 For State Use Only

APPROVED BY: *Chris Williams* TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE SEP 14 2006
 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

LR Kershaw #13
 330' FNL & 330' FWL, Unit Letter D
 Section 13, T20S, R37E
 Lea County, New Mexico

Division Order

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

Pools To Be Commingled In Kershaw #13

(47090) Monument Tubb (Gas) ✱
 (57000) Skaggs Drinkard (Oil)

Perforated Intervals (Wellbore diagrams attached)

Tubb (6311'-6525')
 Drinkard (6618'-6860')

Location Plat

Attached

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>
Tubb	0	1	354	CH Weir A #7 current (offset)
Drinkard	3	1	220	Current Well Test 7/8/06
Totals	3	2	574	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Tubb	0.00	50.00	62.00	Calculated using above production volumes.
Drinkard	100.00	50.00	38.00	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.

Federal Land Notification

Well is on a fee lease.

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

District II
11 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

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

District
000 R... azos Rd., Aztec, NM 87410

2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

District
040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-30623		² Pool Code 47090		³ Pool Name Monument Tubb	
⁴ Property Code		⁵ Property Name Kershaw, LR			⁶ Well Number 13
⁷ OGRID No. 4323		⁸ Operator Name Chevron Corporation			⁹ Elevation 3553' GL

¹⁰ Surface Location

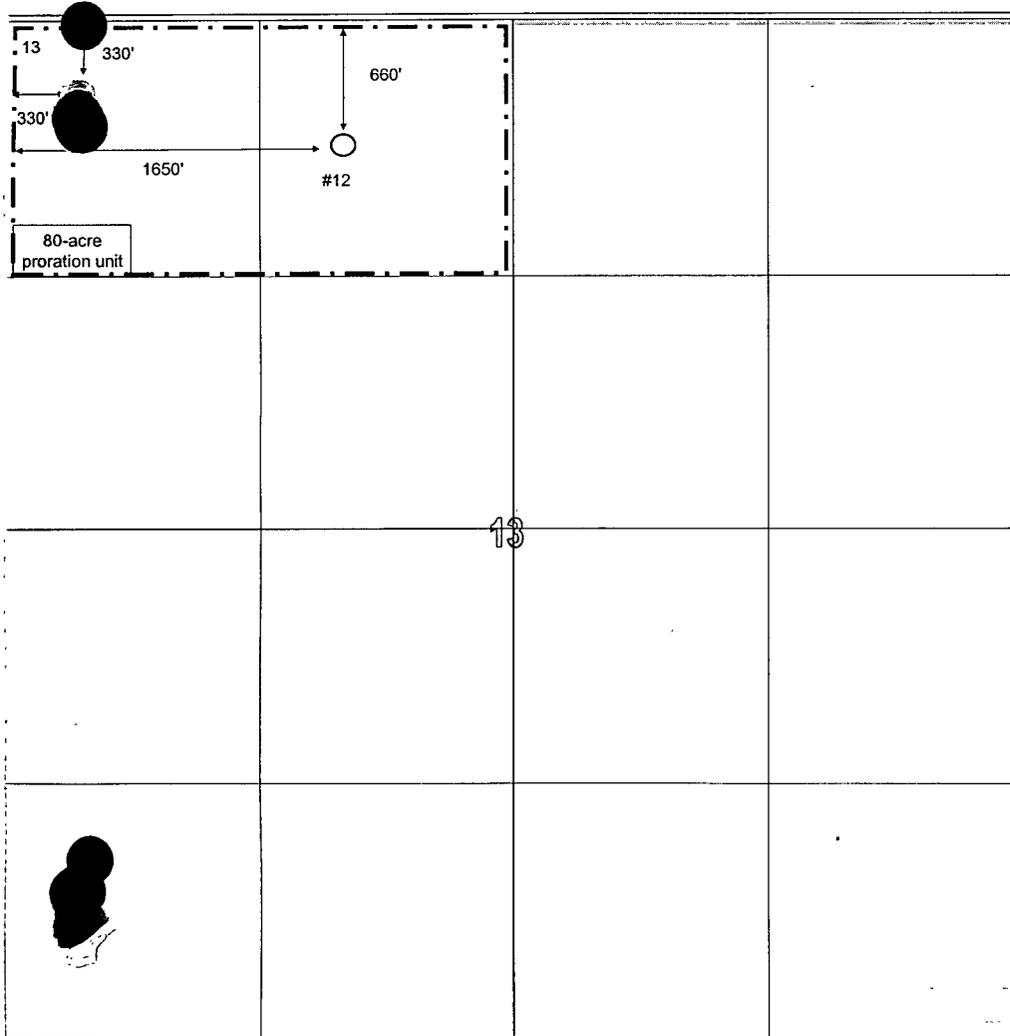
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	13	20S	37E		330'	North	330'	West	Lea

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 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No
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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.

Keith Lopez
Signature
Keith Lopez
Printed Name
Petr. Engineer
Title
August 15, 2006

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
625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

District II
11 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office
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District
1000 R. Azos Rd., Aztec, NM 87410

2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

District
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-30623		² Pool Code 57000		³ Pool Name Skaggs Drinkard			
⁴ Property Code		⁵ Property Name Kershaw, LR				⁶ Well Number 13	
⁷ OGRID No 4323		⁸ Operator Name Chevron Corporation				⁹ Elevation 3553' GL	

¹⁰ Surface Location

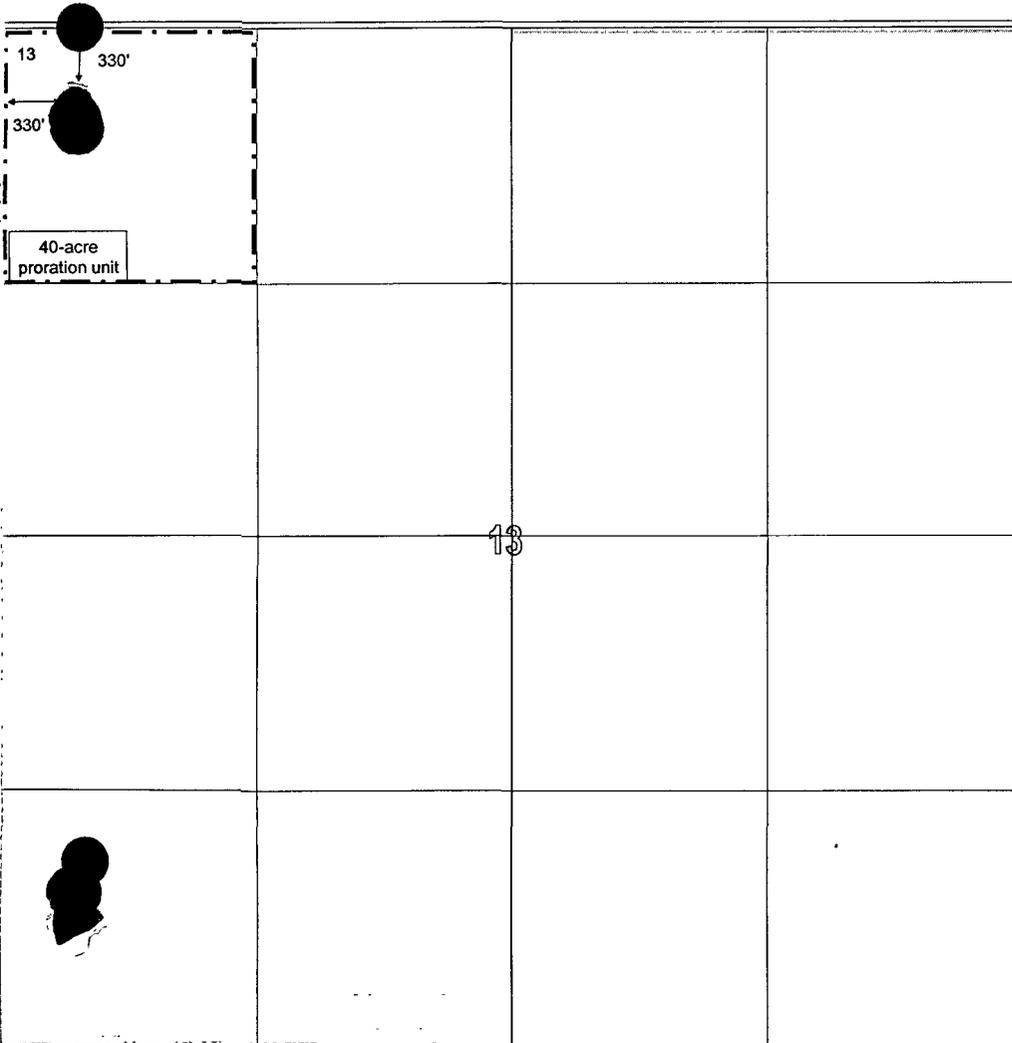
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	13	20S	37E		330'	North	330'	West	Lea

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 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

Keith Lopez

Signature
Keith Lopez

Printed Name
Petr. Engineer

Title
August 15, 2006

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

WELL TEST REPORT

Well: KERSHAW, L. R.

Field: SKAGGS

Reservoir: DRINKARD

Well: 13

Field Code: L21

Resv Code: 000005817

Unique Code: UCL211100

Battery: LR KERSHAW

Wellbore: 428668

API No: 300253062300

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fld Lvl Date	BTFPD
7/8/06	4	1	220		62857	87.5	01	PL			2/17/03	4
6/20/06	4	1	208		52000	88.9	01	PL			2/17/03	5
5/17/06	4	0	131		32750	100.0	01	PL			2/17/03	4
4/11/06	3	1	128		42667	75.0	01	PL			2/17/03	4
2/14/06	3	0	172		68800	100.0	01	PL			2/17/03	3
1/14/06	5	1	239		47800	83.3	01	PL			2/17/03	6
12/27/05	4	1	256		64000	80.0	01	PL			2/17/03	5
11/25/05	3	1	259		83548	75.6	01	PL			2/17/03	4
10/26/05	4	1	262		59545	81.5	01	PL			2/17/03	5
9/5/05	4	1	229		57250	80.0	01	PL			2/17/03	5
8/21/05	5	1	242		53778	81.8	01	PL			2/17/03	6
7/23/05	4	1	280		70000	80.0	01	PL			2/17/03	5
6/17/05	4	1	278		69500	80.0	01	PL			2/17/03	5
5/10/05	4	1	280		70000	80.0	01	PL			2/17/03	5
4/22/05	5	0	240		48000	100.0	01	PL			2/17/03	5
3/12/05	5	0	230		51111	100.0	01	PL			2/17/03	5
2/4/05	5	0	240		48000	100.0	01	PL			2/17/03	5
1/13/05	4	0	260		65000	100.0	01	PL			2/17/03	4
12/14/04	5	0	264		52800	100.0	01	PL			2/17/03	5
11/10/04	4	0	263		65750	100.0	01	PL			2/17/03	4
11/9/04	4	0	263		65750	100.0	01	PL			2/17/03	4
10/27/04	5	0	293		58600	100.0	01	PL			2/17/03	5
10/2/04	5	0	282		56400	100.0	01	PL			2/17/03	5
7/29/04	4	1	260		65000	88.9	01	PL			2/17/03	5
6/5/04	4	0	289		72250	100.0	01	PL			2/17/03	4
5/11/04	4	0	291		72750	100.0	01	PL			2/17/03	4
4/5/04	5	0	290		58000	100.0	01	PL			2/17/03	5
3/27/04	4	1	310		77500	80.0	01	PL			2/17/03	5
2/13/04	4	1	310		77500	80.0	01	PL			2/17/03	5
1/26/04	5	1	317		63400	83.3	01	PL			2/17/03	6
11/21/03	7	1	389		58939	86.8	01	PL			2/17/03	8
10/20/03	4	1	220		55000	80.0	01	PL			2/17/03	5
9/26/03	4	1	235		58750	80.0	01	PL			2/17/03	5
9/26/03	3	1	212		70667	75.0	01	PL			2/17/03	4
8/23/03	3	1	205		62121	86.8	01	PL			2/17/03	4
7/4/03	3	0	228		76000	100.0	01	PL			2/17/03	3
6/22/03	3	0	180		60000	100.0	01	PL			2/17/03	3
5/11/03	3	1	180		60000	75.0	01	PL			2/17/03	4
4/22/03	3	1	190		63333	75.0	01	PL			2/17/03	4
3/14/03	2	1	190		95000	66.7	01	PL			2/17/03	3
2/5/03	3	1	188		62667	75.0	01	PL				4
1/4/03	3	1	186		62000	75.0	01	PL				4
12/8/02	3	0	178		59333	100.0	01	PL				3
11/22/02	3	0	168		50909	100.0	01	PL				3
11/22/02	3	0	168		50909	100.0	01	PL				3

WELL TEST REPORT

Lease: WEIR, C. H. -A-	Field: MONUMENT	Reservoir: TUBB
Well: 7	Field Code: U93	Resv Code: 000009303
	Unique Code: UCU939600	Battery: WEIR- CH A BAT
	Wellbore: 427860	API No: 300250607300

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fid Lvl Date	BTFPD
5/19/06	0	1	354	160	#DIV/0!	0.0	03	FL			1/28/06	1
4/3/06	0	4	330	160	#DIV/0!	0.0	03	FL			1/28/06	4
3/7/06	0	3	325	160	#DIV/0!	0.0	03	FL			1/28/06	3
3/7/06	0	3	325	160	#DIV/0!	0.0	03	FL			1/28/06	3
2/14/06	0	3	343	160	#DIV/0!	0.0	03	FL			1/28/06	3
2/13/06	0	3	345	165	#DIV/0!	0.0	03	FL			1/28/06	3
2/11/06	0	3	340	165	#DIV/0!	0.0	03	FL			1/28/06	3
1/28/06	0	0	389	195	#DIV/0!	#####	03	FL			1/28/06	0
1/27/06	0	0	398		#DIV/0!	#####	03	FL				0