

PNRM 0629738638

C-103 Received 9-27-2006

DHC No. Assigned 10-23-2006

Order Number HOB-0168		API Number 30-025-37936		Operator Chevron USA Inc.		County Lea	
Order Date 		Well Name Jayhawk 35 State		Number 003		Location	
						2 UL	35 Sec
						19S T (+Dir)	37E R (+Dir)
Pool 1	63800	Weir Blinebry, East	59%	Oil %	10%	Gas %	
Pool 2	47090	Monument Tubb	16%		56%		
Pool 3	57000	Skaggs Drinkard	25%		34%		
Pool 4							
Comments: Work completed effective _____ Work cancelled effective _____ Supplement _____							

Posted to
RBYM 2
10-23-2006



Keith Lopez
432-1131-3881
OK - CW -

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-37936

OPERATOR: Chevron USA Inc.

HOB-0168

PROPERTY NAME: Jayhawk 35 State

WNULSTR: 3-L, 35-19-37

	SECTION I:	ALLOWABLE AMOUNT	
63800	POOL NO. 1 <u>Weir Blinebry, East</u>	<u>107</u>	<u>1070</u> MCF 10000
47090	POOL NO. 2 <u>Monument Tubb</u>	<u>222</u>	<u>2220</u> MCF 10000
57000	POOL NO. 3 <u>Skaggs Drinkard</u>	<u>142</u>	<u>1420</u> MCF 10000
	POOL NO. 4 _____		
		<u>471</u>	<u>4710</u> MCF

SECTION II:	OIL	Gas
POOL NO. 1 <u>Weir Blinebry, East</u>	59% X 471 = 277.89	10%
POOL NO. 2 <u>Monument Tubb</u>	16%	56%
POOL NO. 3 <u>Skaggs Drinkard</u>	25%	34%
POOL NO. 4 _____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:	$107 \div 59\% = 181.355 (182)$	
SECTION IV:	$182 \times 59\% = 107.38 (107)$	
	$182 \times 16\% = 29.12 (29)$	
	$182 \times 25\% = 45.50 (46)$	

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
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. **30-025-37936**

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
Jayhawk 35 State

8. Well Number **3**

9. OGRID Number
4323

10. Pool name or Wildcat
Monument Tubb

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 **L** : **2110** feet from the **South** line and **330** feet from the **West** line
Section **35** Township **19S** Range **37E** NMPM County **LEA**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3595' 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 <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 OPNS. <input type="checkbox"/>	P AND A <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/Weir Blinebry East/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, WEIR BLINEBRY EAST (PERFS 5753'-6420'), MONUMENT TUBB (PERFS 6420'-6690'), AND SKAGGS DRINKARD (6690'-7000') IN THE CAPTIONED WELL. THIS WILL BE A NEW WELL DRILLED IN 2007. PRODUCTION WILL BE ALLOCATED BACK TO THE THREE POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

DHC Order No. HOB-0168

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 NMOCDC guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE *Kelley Lopez* TITLE PETR. ENGINEER DATE 09/22/2006

Type or print name For State Use Only E-mail address: _____ Telephone No. _____

APPROVED BY: *Chris Williams* TITLE DISTRICT SUPERVISOR/GENERAL MANAGER DATE OCT 24 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

Jayhawk 35 State #3
2110' FSL & 330' FWL, Unit Letter L
Section 35, T19S, R37E
Lea County, New Mexico

Division Order

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

Pools To Be Commingled In Jayhawk 35 #3

(63800) East Weir Blinebry (Oil)
(47090) Monument Tubb (Gas)
(57000) Skaggs Drinkard (Oil)

Perforated Intervals (Wellbore diagrams attached)

Blinebry (5753'-6420')
Tubb (6420'-6690')
Drinkard (6690'-7000')

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 Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	59.00		10.00	Calculated using offset average cum's (see attached)
Tubb	16.00		56.00	Calculated using offset average cum's (see attached)
Drinkard	25.00		34.00	Calculated using offset average cum's (see attached)
Totals	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 state lease.

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

District II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

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

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

2040 South Pacheco
Santa Fe, NM 87505

District IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-37936		² Pool Code 63800		³ Pool Name Weir Blinebry East			
⁴ Property Code 29420		⁵ Property Name Jayhawk 35 State				⁶ Well Number 3	
⁷ OGRID No. 4323		⁸ Operator Name Chevron U.S.A., Inc.				⁹ Elevation 3595'	

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
L	35	19S	37E		2110	South	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.			

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

	<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Keith Lopez</i></p> <p>Signature Keith Lopez</p> <p>Printed Name Petr. Engineer</p> <p>Title 9/22/2006</p>

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-37936		² Pool Code 47090		³ Pool Name Monument Tubb	
⁴ Property Code 29420		⁵ Property Name Jayhawk 35 State			⁶ Well Number 3
⁷ OGRID No. 4323		⁸ Operator Name Chevron U.S.A., Inc.			⁹ Elevation 3595'

¹⁰ Surface Location

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L	35	19S	37E		2110	South	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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<div data-bbox="24 1010 1047 1521"> <p>35</p> </div>	<div data-bbox="1055 1010 1550 1521"> <p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Keith Lopez</i></p> <p>Signature Keith Lopez</p> <p>Printed Name Petr. Engineer</p> <p>Title 9/22/2006</p> </div>
	<div data-bbox="24 1521 1047 2032"> </div>

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Santa Fe, NM 87505

AMENDED REPORT

Dis
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-37936		² Pool Code 57000		³ Pool Name Skaggs Drinkard	
⁴ Property Code 29420		⁵ Property Name Jayhawk 35 State			⁶ Well Number 3
⁷ OGRID No. 4323		⁸ Operator Name Chevron U.S.A., Inc.			⁹ Elevation 3595'

¹⁰ Surface Location

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<p>35</p>	<p>17</p> <p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Keith Lopez</i></p> <p>Signature Keith Lopez</p> <p>Printed Name Petr. Engineer</p> <p>Title 9/22/2006</p>

Jayhawk 35 #3 Blinebry/Tubb/Drinkard Cum's

Blinebry Cum's

Well	Cum To Date		Cum Remaining		Ultimate Recovery	
	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)
HT Orcutt E #4	8595	8565	12763	12115	21,358	20,680
Williams 34 #6	92214	54976	118483	47381	210,697	102,357
JW Cooper #5	153662	365683	110981	103183	264,643	468,866
Total					496,698	591,903
Average					165,566	197,301

Tubb Cum's

Well	Cum To Date		Cum Remaining		Ultimate Recovery	
	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)
JH Williams #1	43594	738398	17139	129554	60,733	867,952
JH Williams #2	14643	399270	1153	193634	15,796	592,904
HT Orcutt E #2	58346	954617	6044	172473	64,390	1,127,090
Jayhawk #1	116134	926733	12466	122382	128,600	1,049,115
Cooper #1	2591	1745439	0	0	2,591	1,745,439
State A #1	0	1472625	0	103118		1,575,743
Total					272,110	6,958,243
Average					45,352	1,159,707

Drinkard Cum's

Well	Cum To Date		Cum Remaining		Ultimate Recovery	
	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)
JH Williams #2	59242	263294	4337	62137	63,579	325,431
Williams 34 #3	6565	37676	0	0	6,565	37,676
Jayhawk 35 #2	18003	493989	7795	283595	25,798	777,584
Shelley 35 #1	47001	522451	21932	451218	68,933	973,669
Shelley 35 #2	50704	47474	93432	90660	144,136	138,134
Shelley 35 #8	3771	26550	0	0	3,771	26,550
J Cooper #1	102457	1292649	18768	237424	121,225	1,530,073
State H #2	106794	1492575	30008	413276	136,802	1,905,851
Total					570,809	5,714,968
Average					71,351	714,371

Average Cum's	Oil (BBL)	Gas (MCF)	Oil (%)	Gas (%)
Blinebry	165,566	197,301	58.66	9.53
Tubb	45,352	1,159,707	16.07	55.99
Drinkard	71,351	714,371	25.28	34.49