

PNRM0727538923

C-103 Received 9-26-2007

DHC No. Assigned 10-2-2007

Order Number		API Number		Operator		County	
HOB-0219		30-025-35694		Cherron USA Inc.		Lea	
Order Date		Well Name		Number		Location	
		Love 32		003		0 32 195 37E	
						UL Sec T (+Dir) R (+Dir)	
				Oil %		Gas %	
Pool 1	46990	Monument Blinebry		89%		93%	
Pool 2	47090	Monument Tubb		11%		7%	
Pool 3							
Pool 4							
Comments: Work completed effective _____ Work cancelled effect _____							

Posted to
RBBmd
10-2-2007

(14)

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-35694

OPERATOR: Chevron USA Inc.

HOB-0219

PROPERTY NAME: Love 32

WNULSTR: 3-0, 32-19-37

SECTION I:

ALLOWABLE AMOUNT

46990

POOL NO. 1 Monument Blinebry

107

214

MCF 2000

47090

POOL NO. 2 Monument Tubb

222

2220

MCF 10000

POOL NO. 3 _____

MCF

POOL NO. 4 _____

MCF

POOL TOTALS _____

Oil

Gas

SECTION II:

POOL NO. 1 Monument Blinebry

89%

93%

POOL NO. 2 Monument Tubb

11%

7%

POOL NO. 3 _____

POOL NO. 4 _____

OIL

GAS

SECTION III:

SECTION IV:

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
 100 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

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: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		WELL API NO. 30-025-35694
2. Name of Operator Chevron U.S.A. Inc.		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
3. Address of Operator 15 Smith Road Midland, TX 79705		6. State Oil & Gas Lease No.
4. Well Location Unit Letter O : 330' feet from the South line and 2310' feet from the East line Section 32 Township 19S Range 37E NMPM County LEA		7. Lease Name or Unit Agreement Name LOVE 32
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3559' GR		8. Well Number 3
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 _____		9. OGRID Number 4323
		10. Pool name or Wildcat Monument; Blinebry & Monument; Tubb

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

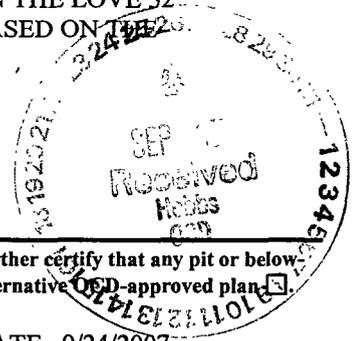
NOTICE OF INTENTION TO:
 PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 DRILL OR ALTER CASING MULTIPLE COMPL
 OTHER: **DHC Blinebry and Tubb**

SUBSEQUENT REPORT OF:
 REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB
 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.

IT IS PROPOSED TO DOWNHOLE COMMINGLE POOLS, MONUMENT; BLINEBRY, (Pool 46990) PERFS 5694'-5781', AND MONUMENT; TUBB (Pool # 47090) PERFS 6494'-6583', IN THE LOVE 32 WELL # 3. PRODUCTION WILL BE ALLOCATED BACK TO THE TWO POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

DHC Order No. HOB-0219



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 OFD-approved plan .

SIGNATURE [Signature] TITLE PETR. ENGINEER DATE 9/24/2007

Type or print name Richard A. Jenkins E-mail address: RJDG@Chevron.com Telephone No. 432-687-7120
 For State Use Only

APPROVED BY: Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE OCT 01 2007
 Conditions of Approval (if any):

REQUEST FOR EXEMPTION 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

Love 32 # 3
 330' FSL & 2310' FEL, Unit Letter O
 Section 32, T19S, R37E
 Lea County, New Mexico

Division Order

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

Pools To Be Commingled In Love 32 # 3

(46990) Monument; Blinebry
 (47090) Monument; Tubb

Perforated Intervals

Monument; Blinebry (5694' - 5781')
 Monument; Tubb (6494' - 6583')

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>Remarks</u>
Blinebry	67	58	168	Orcutt E # 3 - Well Test Report 8/9/2005
Tubb	8	5	13	Love 32 # 3 - Well Test Report 4/3/2007
Totals	75	63	181	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	89.33 89% ^{89%}	92.06	92.82 93% ^{93%}	Calculated using above production volumes
Tubb	10.67 11% ^{11%}	7.94	7.18 7% ^{7%}	Calculated using above production volumes
Totals	100.00	100.00	100.00	<i>YMN</i>

Ownership

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

State / Federal Land Notification

The well is on a Fee lease

District I
1625 N French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W Grand Avenue, Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1500 Brazos Road, Aztec, NM 87410

District IV
1220 S St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

CHEVRON U.S.A INC. 15 SMITH ROAD, MIDLAND, TX 79705
Operator Address

LOVE 32 #3 O-32-19S-37E LEA
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 4323 Property Code 28829 API No. 30-025-35694 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	MONUMENT; BLINEBRY	-	MONUMENT; TUBB
Pool Code	46990	-	47090
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5694' - 5781'	-	6494' - 6583'
Method of Production (Flowing or Artificial Lift)	ARTIFICIAL LIFT	-	ARTIFICIAL LIFT
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	-	-	-
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36	-	36
Producing, Shut-In or New Zone	NEW ZONE	-	PRODUCING
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	H.T. Orcutt NCT E #3 - Offset Date: 7/10/06 Rates: Oil Gas 67 BOPD 168 MCFPD	-	Date: 4/3/07 Rates: Oil GAS 8 BOPD 12 MCFPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 89.33 % 92.82 %	-	Oil Gas 10.67 % 7.18 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOC Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE  TITLE Petroleum Engineer DATE 9-24-07

TYPE OR PRINT NAME Richard A. Jenkins TELEPHONE NO. (432)687-7120

E-MAIL ADDRESS jrdg@chevron.com

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
200 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

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

2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-35694		² Pool Code 46990		³ Pool Name Monument; Blineby	
⁴ Property Code 28829		⁵ Property Name Love 32			⁶ Well Number 3
⁷ OGRID No 4323		⁸ Operator Name Chevron U.S.A., Inc.			⁹ Elevation 3559'

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
O	32	19S	37E		330'	South	2310'	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 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

<p>¹⁶</p> <p style="font-size: 2em; font-weight: bold;">32</p> <p>40-acre proration unit</p> <p>2310'</p> <p>330'</p>	<p>¹ 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 style="text-align: right;">  Signature . . . Richard A. Jenkins Printed Name NM Petroleum Engineer Title 9/24/2007 </p>
	<p>¹ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Signature and Seal of Professional Surveyor</p>
	<p>Certificate Number</p>

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

AMENDED REPORT

District IV
South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-35694		² Pool Code 47090	³ Pool Name Monument; Tubb
⁴ Property Code 28829	⁵ Property Name Love 32		⁶ Well Number 3
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.		⁹ Elevation 3559'

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
O	32	19S	37E		330'	South	2310'	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: 80 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

16	32				<p>1 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 style="text-align: right;"> Signature</p> <p style="text-align: right;">Richard A. Jenkins Printed Name NM Petroleum Engineer Title 9/24/2007</p>				
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					Certificate Number				