

PNRMO828245678

C-103 Received 9-24-2008  
DHC No. Assigned 10-8-2008

Order Number  
HOB-0268

API Number  
30-025-39064

Operator  
Chevron USA Inc.

County  
Lea

Order Date

Well Name  
Scarborough Estate

Number  
010

K  
UL

31  
Sec

22  
T (+Dir)

38  
R (+Dir)

Pool 1  
06660

Blinebry Oil & Gas (Oil)

Oil %  
63%

Gas %  
10%

Pool 2  
60240

Tubb Oil & Gas (Oil)

Oil %  
11%

Gas %  
60%

Pool 3  
07900

Branson Drinkard Abo, South

Oil %  
26%

Gas %  
30%

Pool 4

Comments:

Pasted to  
KBDML  
10-8-2008

30-025-39064  
HOB-0268

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Chevron USA Inc.

PROPERTY NAME: Scarborough Estate

WNULSTR: 10-K, 31-22-38

06660

SECTION I:  
POOL NO. 1 Blinebry Oil + Gas (Oil) ALLOWABLE AMOUNT  
107 428 MCF 4000

60240

POOL NO. 2 Tubb Oil + Gas (Oil) 142 284 MCF 2000

07900

POOL NO. 3 Branson Drinkard Abo, South 142 852 MCF 6000

POOL NO. 4 \_\_\_\_\_ MCF

POOL TOTALS 391 1564

SECTION II:

POOL NO. 1 Blinebry Oil + Gas (Oil) Oil Gas  
63% X 391 = 246.33 10%

POOL NO. 2 Tubb Oil + Gas (Oil) 11% 60%

POOL NO. 3 Branson Drinkard Abo, South 26% 30%

POOL NO. 4 \_\_\_\_\_

OIL

GAS

SECTION III:

107 ÷ 63% = 169.842 (170) \_\_\_\_\_

SECTION IV:

170 X 63% = 107.1 (107)

170 X 11% = 18.7 (19)

170 X 26% = 44.2 (44)

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  
220 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

RECEIVED

SEP 24 2008

HOBBS (11)

WELL API NO. <b>39064</b> <b>30-025-39604</b>
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 <b>Scarborough Estate</b> ✓
8. Well Number <b>10</b> ✓
9. OGRID Number <b>4323</b>
10. Pool name or Wildcat <b>Blinebry/Tubb/Drinkard</b>

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 **K** : **2310** feet from the **South** line and **2310** feet from the **West** line  
Section **31** Township **22S** Range **38E** NMPM County **LEA**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
**3343.5' (KB)**

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

<p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <b>DHC Blinebry/Tubb/Brunson; Drinkard-Abo, South</b> <input checked="" type="checkbox"/></p>	<p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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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 PROVISION OF RULE 303C (5) IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS, BLINEBRY OIL & GAS (6660) (5491-6044'), TUBB OIL & GAS (60240) (6044-6306'), & BRUNSON; DRINKARDABO, SOUTH (7900) (6306-7073') IN THE CAPTIONED WELL. PRODUCTION WILL BE ALLOCATED BACK TO THE THREE POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

DHC Order No. HOB-0268

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 Donnie Hutchinson II TITLE PETR. ENGINEER DATE 9/18/2008

Type or print name \_\_\_\_\_ E-mail address: \_\_\_\_\_ Telephone No. (432) 687-742  
Cell: (432) 238-9233

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE OCT 08 2008

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**

Scarborough Estate #10  
 30-025-39064  
 2310' FSL & 2310' FWL, Unit Letter K  
 Section 31, T22S, R38E  
 Lea County, New Mexico

**Division Order**

Pre-approved Pools or Areas established by division order #R-11363

**Pools To Be Commingled In H.P. Saunders #1**

(6660) Blinebry Oil & Gas (OIL)  
 (60240) Tubb Oil & Gas (OIL)  
 (7900) Brunson; Drinkard-Abo, South (OIL)

**Perforated Intervals**

Blinebry Oil & Gas (5491-6044')  
 Tubb Oil & Gas (6044-6306')  
 Brunson; Drinkard-Abo, South (6306-7073')

**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	60	250	100	Calculated From Allocations %
Tubb	10	50	600	Calculated From Allocations %
Brunson; Drinkard Abo, South	25	250	300	Calculated From Allocations %
<b>Totals</b>	<b>95</b>	<b>550</b>	<b>1000</b>	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	63	45	10	From offset EUR
Tubb	11	9 10	60	From offset EUR
Brunson; Drinkard Abo, South	26	45	30	From offset EUR
<b>Totals</b>	<b>100</b>	<b>100</b>	<b>100</b>	

**Ownership**

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

● **Lease / Federal Land Notification**

This is a FEE lease

# Scarborough Estate #10

**Location:**

2310' FSL & 2310' FWL T-22S R-38E Sec 31  
**Unit Letter:** K  
**Field:** Brunson South  
**County:** Lea  
**State:** NM

**Well Info:**

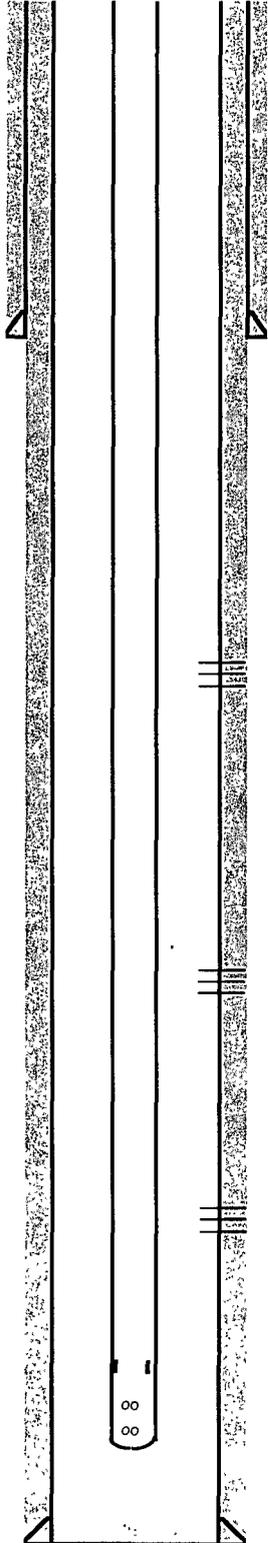
**Spud Date:** 8/23/2008  
**API:** 30-025-39064  
**Cost Center:**  
**WBS#:**  
**RefNO:** LB5035  
**Lease:** FEE

## Current Wellbore Diagram

**Elevations:**

**KB: (22.5')** 3343.5'  
**DF:** 3342.5'  
**GL:** 3321'

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss with WVED Engineers, NO Rep. OS, A.S. & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.



**Surface Casing**

**Size:** 8-5/8" 24# J-55  
**Set @:** 1225'  
**With:** 820 sks Halcem  
**Hole Size:** 12-1/4"  
**TOC @:** Surface  
**By:** Circulation

**Perfs:** 5491-6044'      **Zone:** Blinebry      **Status:** Proposed

**Perfs:** 6044-6306'      **Zone:** Tubb      **Status:** Proposed

**Perfs:** 6306-7073'      **Zone:** Drinkard      **Status:** Proposed

**Production Casing**

**Size:** 5-1/2" 17# L-80  
**Set @:** 7078'  
**With:** 2000 sks Versachem  
**Hole Size:** 7-7/8"  
**TOC:** Surface  
**By:** Circulation

**Updated:**  
**By:** LGEK  
**PBTD:** 7073'  
**TD:** 7078'

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  
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-39064	<sup>2</sup> Pool Code 6660	<sup>3</sup> Pool Name Blinebry Oil & Gas
<sup>4</sup> Property Code 2719	<sup>5</sup> Property Name Scarborough Estate	
<sup>7</sup> OGRID No 4323	<sup>8</sup> Operator Name Chevron U.S.A., Inc.	
		<sup>6</sup> Well Number 10
		<sup>9</sup> Elevation 3343.5'

<sup>10</sup> Surface Location

UL or Lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	31	22S	38E		2310	South	2310	West	Lea

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><sup>1</sup> 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>Lonnie Grohman</i> Signature Printed Name <b>Lonnie Grohman</b> Petr. Engineer Date <b>9/18/2008</b></p>
	<p><sup>1</sup> 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>

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<sup>4</sup> Property Code 2719		<sup>5</sup> Property Name Scarborough Estate			<sup>6</sup> Well Number 10
<sup>7</sup> OGRID No 4323		<sup>8</sup> Operator Name Chevron U.S.A., Inc.			<sup>9</sup> Elevation 3343.5'

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Santa Fe, NM 87505

AMENDED REPORT

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40 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-39064	<sup>2</sup> Pool Code 7900	<sup>3</sup> Pool Name Brunson, Drinkard Abo, South
<sup>4</sup> Property Code 2719	<sup>5</sup> Property Name Scarborough Estate	
<sup>7</sup> OGRID No 4323	<sup>8</sup> Operator Name Chevron U.S.A., Inc.	<sup>6</sup> Well Number 10
<sup>9</sup> Elevation 3343.5'		

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