

Order Number

HOB
0296

API Number

30-025-39215

Operator

Chevron USA Inc

County

LEE

Order Date

2/24/09

Well Name

AH Blinebry Fed NCT-3

Number

007

Location

B

UL

35

Sec

225

T (+Dir)

382

R (+Dir)

Pool 1

06660

Blinebry D&G (0:1)

Oil %

44%

Gas %

28%

Pool 2

60240

Tabb D&G (0:1)

20%

51%

Pool 3

1900

Brunson Drinkard Abo's

36%

21%

Pool 4

Comments

Posted 03/24/09 RBDMS dm

30-025-39215

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Chevron Corp

PROPERTY NAME: At Blinebry Fed Net-3

WNULSTR: 7-B, 31-225-380

SECTION I: <6660>	ALLOWABLE AMOUNT	
POOL NO. 1 <u>Blinebry DAG <Oil></u> <60240>	107	428 MCF 4000
POOL NO. 2 <u>Tubb DAG <Oil></u> <2900>	142	284 MCF 2000
POOL NO. 3 <u>Brunson Drinkard Abs</u>	142	852 MCF 6000
POOL NO. 4 _____		_____ MCF
POOL TOTALS <u>391</u>		

SECTION II:	Oil		GAS
POOL NO. 1 <u>Blinebry DAG</u>	44%	$243 \times 44\% = 107.32$	29%
POOL NO. 2 <u>Tubb DAG</u>	20%		51%
POOL NO. 3 <u>Brunson Drinkard Abs</u>	36%		21%
POOL NO. 4 _____			

OIL GAS

SECTION III:
 $107 \div 44\% = 243.191$ <243>

SECTION IV:

$243 \times 44\% = 106.92$ <107>	_____
$243 \times 20\% = 48.6$ <49>	_____
$243 \times 36\% = 87.48$ <87>	_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5 Lease Serial No
NMLC032104

6 If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator
Chevron Corporation

3a. Address
15 Smith Rd, Midland TX 79705

3b. Phone No (include area code)
432-687-7420

7. If Unit of CA/Agreement, Name and/or No
N/A

8 Well Name and No
A.H. Blinebry Federal NCT-3 #7

9 API Well No
30-025-39215

10 Field and Pool or Exploratory Area
Brunson Drinkard-Abo South

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
760 FNL & 1980 FEL Section 31, T-22S, R-38E, Unit letter 8

11 Country or Parish, State
Lea County, New Mexico

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Down Hole</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Commingle Blinebry,</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Tubb, Drinkard-Abo</u>

13. Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once logging has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS, BLINEBRY OIL & GAS (6660) (5433-5778'), TUBB OIL & GAS (60240) (6110-6264') & BRUNSON; DRINKARD-ABO, SOUTH (7900) (6310-7827') IN THE CAPTIONED WELL. PRODUCTION WILL BE ALLOCATED BACK TO THE THREE POOLS BASED ON PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

DHC-HOB-0296

14 I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Lonnie Grohman

Title Petroleum Engineer

Signature *[Handwritten Signature]*

Date 01/15/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
<i>[Handwritten Signature]</i>	<i>[Handwritten Signature]</i>	
Consent of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	
	<i>[Handwritten Signature]</i>	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

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

A.H. Blinebry Federal NCT-3 #7
30-025-3939215
760' FNL & 1980' FEL, Unit Letter B
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 A.H. Blinebry Federal NCT-3 #7

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

Perforated Intervals

Blinebry Oil & Gas (5433-5778')
Tubb Oil & Gas (6110-6264')
Brunson; Drinkard-Abo, South (6310-7287')

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	18	113	138	Calculated From Allocations %
Tubb	8	25	242	Calculated From Allocations %
Brunson; Drinkard Abo, South	15	113	100	Calculated From Allocations %
Totals	42	250	480	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	44	45	29	From offset EUR
Tubb	20	10	51	From offset EUR
Brunson; Drinkard Abo, South	36	45	21	From offset EUR
Totals	100	100	101	

Ownership

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

State / Federal Land Notification

This is a Federal 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
00 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

¹ API Number 30-025-39215		² Pool Code 6660		³ Pool Name Blinebry Oil & Gas	
⁴ Property Code 29903		⁵ Property Name A.H. Blinebry NCT-3			⁶ Well Number 7
⁷ OGRID No 4323		⁸ Operator Name Chevron U.S.A., Inc.			⁹ Elevation 3344' (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
B	31	22S	38E		760	North	1980	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>31</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>Signature <u>Lonnie Grohman</u></p> <p>Printed Name Lonnie Grohman</p> <p>Petr. Engineer</p> <p>Date 9/29/2008</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>	

Certificate Number

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1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

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Santa Fe, NM 87505

AMENDED REPORT

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-39215		² Pool Code 60240		³ Pool Name Tubb Oil & Gas	
⁴ Property Code 29903		⁵ Property Name A.H. Blinebry NCT-3			⁶ Well Number 7
⁷ OGRID No 4323		⁸ Operator Name Chevron U.S.A., Inc.			⁹ Elevation 3344' (GL)

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Energy, Minerals & Natural Resources Department

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7000 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

¹ API Number 30-025-39215	² Pool Code 7900	³ Pool Name Brunson; Drinkard-Abo, South
⁴ Property Code 29903	⁵ Property Name A.H. Blinebry NCT-3	⁶ Well Number 7
⁷ OGRID No 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3344' (GL)

¹⁰ Surface Location

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