

Order Number

HOB
0294

API Number

30-025-39214

Operator

Chevron USA Inc

County

Lea

Order Date

2/3/09

Well Name

AH Blinebry Federal NCT-1

Number

57

Location

0

UL

29

Sec

225

T (+Dir)

38e

R (+Dir)

Pool 1

06660

Blinebry O+G <Oil>

Oil %

41%

Gas %

39%

Pool 2

60240

Tubb O+G <Oil>

21%

43%

Pool 3

7900

Brunson Drinkard Abs

38%

18%

Pool 4

Comments:

Posted RBDMs 2/3/09 dm

30-025-39214
HOB-0294

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Chevron USA Inc

PROPERTY NAME: AH Blinberry Federal NCT-1

WNULSTR: 51-D-29-225-38e

	SECTION I:	ALLOWABLE AMOUNT	
05660	POOL NO. 1 <u>Blinberry O+G <Oil></u>	<u>107</u>	<u>428</u> MCF 4000
60240	POOL NO. 2 <u>Tubb O+G <Oil></u>	<u>142</u>	<u>284</u> MCF 2000
7900	POOL NO. 3 <u>Brunson Drinkard Abs S</u>	<u>142</u>	<u>852</u> MCF 6000
	POOL NO. 4 _____		_____ MCF
		<u>391</u>	<u>1564</u>

POOL TOTALS

SECTION II:

POOL NO. 1	<u>Blinberry O+Gas <Oil></u>	<u>41%</u>
POOL NO. 2	<u>Tubb O+G <Oil></u>	<u>21%</u>
POOL NO. 3	<u>Brunson Drinkard Abs S</u>	<u>38%</u>
POOL NO. 4	_____	

8.1
 $391 \div 261 = 160.31$ GAS 39%
 43%

SECTION III: OIL GAS
 $107 \div 41\% = 260.975 <261>$

SECTION IV:
 $261 \times 41\% = 107.01 <107>$
 $261 \times 21\% = 54.81 <55>$
 $261 \times 38\% = 99.18 <99>$

District I

RECEIVED

Minerals and Natural Resources

May 27, 2004

1625 N French Dr, Hobbs, NM 88240

District II 1201 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

JAN 28 2004 CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-025-39214
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name A.H. Blinebry Federal NCT-1
8. Well Number 51
9. OGRID Number 4323
10. Pool name or Wildcat Blinebry/Tubb/Drinkard

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** : **760** feet from the **North** line and **660** feet from the **West** line
Section **29** Township **22S** Range **38E** NMPM County **LEA**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3392 (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:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- ALTERING CASING
- P AND A

OTHER: **DHC Blinebry/Tubb/Brunson; Drinkard-Abo, South**

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.

UNDER THE PROVISION OF RULE 303C (5) IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS, BLINEBRY OIL & GAS (6660) (5532-6086'), TUBB OIL & GAS (60240) (6086-6362'), & BRUNSON; DRINKARDABO, SOUTH (7900) (6362-7072') IN THE CAPTIONED WELL. PRODUCTION WILL BE ALLOCATED BACK TO THE THREE POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

DHC - HOB - 0294

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 [Signature] TITLE PETR. ENGINEER DATE 1/26/2009

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

APPROVED BY: [Signature] TITLE _____ DATE **FEB 03 2009**
Conditions of Approval (if any): _____



Lonnie Grohman
Petroleum Engineer
New Mexico Team

Permian Business Unit
Chevron U.S.A. Inc.
15 Smith Road
Midland, TX 79705
Tel 432-687-7420
Fax 432-687-7558
lgek@chevron.com

January 26, 2009

State of New Mexico
Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

Request DHC A.H. Blinebry Federal NCT-1 #51 (30-025-39214)

Attention: Oil and Gas Regulatory Department

Chevron U.S.A. Inc. respectfully requests administrative approval for an amendment to Downhole Commingle the Blinebry Oil & Gas (6660), Tubb Oil & Gas (60240), Brunson; Drinkard-Abo, South (7900) in the A.H. Blinebry Federal NCT-1 #51, API number 30-025-39214. The A.H. Blinebry Federal NCT-1 #51 is located 760' FNL & 660' FWL, Unit D, Section 29, Township 22 South, Range 38 East, Lea County, New Mexico.

The A.H. Blinebry Federal NCT-3 #7 is a new drill in the Brunson South area. It was spudded on January 6, 2009 targeting a total depth of 7100'. The proposed completion of the well would commingle production from the Blinebry, Tubb, and Drinkard-Abo formations.

The proposed allocation percentages were calculated using offset EUR data, as well as production test from offset wells. Attached in support of this request is a well test report, a proposed well schematic diagram for the A.H. Blinebry Federal NCT-1 #51, a C107, a C102 form for each pool, and a lease plat.

Chevron is the operator, with 100% working interest in the lease.

If you require additional information or have any questions, please contact me by telephone at 432-687-7420, or by email at lgek@chevron.com.

Sincerely,

Lonnie Grohman
Petroleum Engineer

Enclosure

cc: Denise Pinkerton
Denise Beckham

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-1 #51
30-025-39214
760' FNL & 660' FWL, Unit Letter D
Section 29, 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 (5532-6086')
Tubb Oil & Gas (6086-6362')
Brunson; Drinkard-Abo, South (6362-7072')

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	17	113	187	Calculated From Allocations %
Tubb	9	25	206	Calculated From Allocations %
Brunson; Drinkard Abo, South	16	113	86	Calculated From Allocations %
Totals	42	250	480	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	41	45	39	From offset EUR
Tubb	21	10	43	From offset EUR
Brunson, Drinkard Abo, South	38	45	18	From offset EUR
Totals	100	100	100	

Ownership

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

State / Federal Land Notification

This is a Federal lease

A.H. Blinebry Federal NCT-1 #51 - Supporting Production Data

Blinebry		
Well	Oil	Gas
Blinebry NCT-1 #18	101,607.00	1,288,178.00
Blinebry NCT-1 #20	21,484.00	126,839.00
Blinebry NCT-1 #21	15,232.00	67,746.00
Blinebry NCT-1 #22	36,100.00	214,499.00
Blinebry NCT-1 #32	13,125.00	24,716.00
Blinebry NCT-1 #17	78,140.00	953,149.00
	44,281.33	445,854.50

Drinkard-Abo (Brunsons South)		
Well	Oil	Gas
Blinebry NCT-1 #34	42,051.00	151,813.00
Blinebry NCT-1 #36	16,179.00	86,802.00
Blinebry NCT-1 #4	19,701.00	95,126.00
Blinebry NCT-1 #45	4,118.00	23,504.00
Blinebry NCT-1 #49	6,296.00	259,500.00
Blinebry NCT-1 #50	40,668.00	265,680.00
WL Nix #3	38,395.00	150,933.00
WL NIX #4	55,150.00	231,093.00
WL NIX #1	81,537.00	207,661.00
Blinebry NCT-1 #20	74,686.00	405,226.00
Blinebry NCT-1 #21	22,822.00	161,372.00
Blinebry NCT-1 #22	60,323.00	210,370.00
Blinebry NCT-1 #30	74,481.00	285,051.00
	41,262.08	194,933.15

** From PI Dewights CD

Tubb		
Well	Oil	Gas
Blinebry NCT-1 #45	53,884.00	979,782.00
Blinebry NCT-1 #20	15,359.00	174,654.00
Blinebry NCT-1 #32	7,524.00	35,159.00
Blinebry NCT-1 #3	16,117.00	777,793.00
	23,221.00	491,847.00

Total	108,764.41	1,132,634.65
	% oil	% Gas
Blinebry	0.41	0.39
Tubb	0.21	0.43
Drinkard-Abo	0.38	0.17

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

RECEIVED

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

JAN 28 2009

2040 South Pacheco
Santa Fe, NM 87505

District IV
2040 South Pacheco, Santa Fe, NM 87505

HOBBSOCD

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-39214		² Pool Code 6660		³ Pool Name Blinebry Oil & Gas	
⁴ Property Code 29903		⁵ Property Name A.H. Blinebry NCT-1			⁶ Well Number 51
⁷ OGRID No 4323		⁸ Operator Name Chevron U.S.A., Inc.			⁹ Elevation 3392' (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	29	22S	38E		760	North	660	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

	31	<p>¹</p> <p style="text-align: center;">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;"><i>Lonnie Grohman</i></p> <p>Signature _____</p> <p style="text-align: right;">Lonnie Grohman</p> <p>Printed Name _____</p> <p style="text-align: right;">Petr. Engineer</p> <p>Date _____</p> <p style="text-align: right;">1/26/2009</p>
		<p>¹</p> <p style="text-align: center;">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 style="text-align: right;">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

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

JAN 28 2009

2040 South Pacheco
Santa Fe, NM 87505

District IV
2040 South Pacheco, Santa Fe, NM 87505

HOBBSOCD

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-39214		² Pool Code 60240		³ Pool Name Tubb Oil & Gas	
⁴ Property Code 29903		⁵ Property Name A.H. Blinebry NCT-1			⁶ Well Number 51
⁷ OGRID No 4323		⁸ Operator Name Chevron U.S.A., Inc.			⁹ Elevation 3392' (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	29	22S	38E		760	North	660	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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	<p style="text-align: center; font-size: 2em;">31</p>	<p>¹</p> <h3>OPERATOR CERTIFICATION</h3> <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>Date: 1/26/2009</p>
		<p>¹</p> <h3>SURVEYOR CERTIFICATION</h3> <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

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1000 Rio Brazos Rd., Aztec, NM 87410

JAN 28 2009

2040 South Pacheco
Santa Fe, NM 87505

District IV
2040 South Pacheco, Santa Fe, NM 87505

HOBBSOCD

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-39214	² Pool Code 7900	³ Pool Name Brunson; Drinkard-Abo, South
⁴ Property Code 29903	⁵ Property Name A.H. Blinebry NCT-1	
⁷ OGRID No 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁶ Well Number 51
⁹ Elevation 3392' (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	29	22S	38E		760	North	660	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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		<p>¹</p> <p>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>

A.H. Blinebry NCT-1 #51

Location:

760 FNL & 660 FWL T-22S R-38E Sec 29

Unit Letter: D

Field: Brunson South

County: Lea

State: NM

Well Info:

Spud Date: 1/6/2009

API: 30-025-39214

Cost Center:

WBS#:

RefNO: LK2645

Lease: Federal

Current Wellbore Diagram

Elevations:

KB: (22')

DF:

GL: 3,392

Surface Casing

Size: 8-5/8" 24# J-55

Set @: 1334'

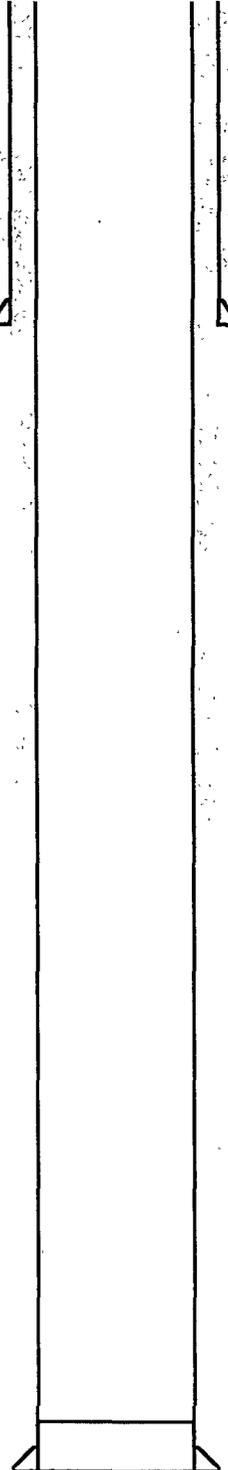
With: 920 sacks

Hole Size: 12-1/4"

TOC @ Surface

By: Circulation

This wellbore diagram is based on the most recent information and equipment wellbore 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 Eureka Field Office. Discuss w/ WEO Engineer, WEO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.



Updated: 1/26/2009

By: LGEK

PBTD: 6984'

TD: 7072'

Production Casing

Size: 5-1/2" 17# L-80

Set @: 7072'

With: 1500 sacks

Hole Size: 7-7/8"

TOC: Surface

By: Circulation

A.H. Blinebry NCT-1 #51

Location:

760 FNL & 660 FWL T-22S R-38E Sec 29
Unit Letter: D
Field: Brunson South
County: Lea
State: NM

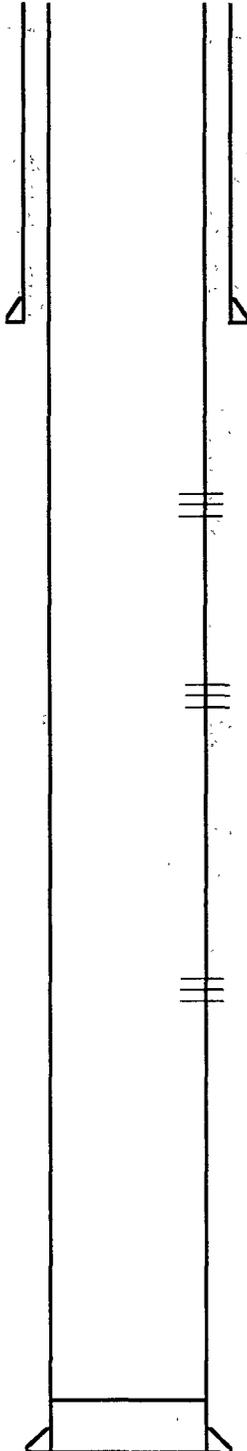
Well Info:

Spud Date: 1/6/2009
API: 30-025-39214
Cost Center:
WBS#:
RefNO: LK2645
Lease: Federal

Proposed Wellbore Diagram

Elevations:

KB: (22')
DF:
GL: 3,392



Surface Casing

Size: 8-5/8" 24# J-55
Set @: 1334'
With: 920 sacks
Hole Size: 12-1/4"
TOC @: Surface
By: Circulation

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 Cuervo Field Office. Discuss with WREG Engineer WJ (P&G, OS, ALS, & FS) prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

Perfs	Zone	Status
5603-13'	Blinebry	Proposed
5616-22'	Blinebry	Proposed
5626-34'	Blinebry	Proposed
Perfs	Zone	Status
6098-06'	Tubb	Proposed
6194-6204'	Tubb	Proposed
6217-25'	Tubb	Proposed
6231-36'	Tubb	Proposed
6252-60'	Tubb	Proposed
6280-86'	Tubb	Proposed
6289-97'	Tubb	Proposed
6300-10'	Tubb	Proposed
Perfs	Zone	Status
6390-96'	Drnkard-Abo	Proposed
6425-32'	Drnkard-Abo	Proposed
6452-60'	Drnkard-Abo	Proposed
6464-74'	Drnkard-Abo	Proposed
6493-00'	Drnkard-Abo	Proposed
6527-37'	Drnkard-Abo	Proposed
6642-47'	Drnkard-Abo	Proposed
6670-80'	Drnkard-Abo	Proposed
6715-22'	Drnkard-Abo	Proposed
6740-47'	Drnkard-Abo	Proposed
6760-70'	Drnkard-Abo	Proposed
6783-92'	Drnkard-Abo	Proposed
6841-47'	Drnkard-Abo	Proposed
6864-69'	Drnkard-Abo	Proposed
6888-98'	Drnkard-Abo	Proposed
6906-16'	Drnkard-Abo	Proposed
6925-35'	Drnkard-Abo	Proposed
6940-48'	Drnkard-Abo	Proposed
6951-58'	Drnkard-Abo	Proposed
6983-91'	Drnkard-Abo	Proposed
6996-04'	Drnkard-Abo	Proposed
7021-28'	Drnkard-Abo	Proposed

Production Casing

Size: 5-1/2" 17# L-80
Set @: 7072'
With: 1500 sacks
Hole Size: 7-7/8"
TOC: Surface
By: Circulation

Updated: 1/27/2009
By: LGEK
PBTD: 6984'
TD: 7072'