

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

HOBBS OCD

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1101 W. Grand Avenue, Artesia, NM 88210

JAN 27 2012

Oil Conservation Division
1220 South St. Francis Dr

APPLICATION TYPE
 Single

District III
Well
1041 Rio Grande Road, Aztec, NM 87410

RECEIVED

Santa Fe, New Mexico 87505

Establish Pre-Approved Pools
EXISTING WELLBORE

District IV
1220 S. St. Francis Dr. Santa Fe, NM 87504

APPLICATION FOR DOWNHOLE COMMINGLING

Yes No

Chevron
Operator
15 Smith Road, Midland, TX 79705
Address

New Mexico O State NCT-1 #39 G-36-17S-34E Lea
Lease Well No Unit Letter-Section-Township-Range County

OGRID No 4323 Property Code _____ API No. 30-25-33569 Lease Type. Federal State
Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	North Vacuum Abo	Vacuum Wolfcamp	Vacuum Upper Penn
Pool Code	61760	62340	62320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9090'-9256'	9303'-10048'	10102'-10230'
Method of Production (Flowing or Artificial Lift)	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)	NA	NA	NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NA	NA	NA
Producing, Shut-In or New Zone	New Zone	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production. Production volume allocation is based on the State BA #15 (API: 30-025-34945). The State BA #15 is an offset well producing from the Abo, Wolfcamp, and Upper Penn. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	NA	NA	NA
Fixed Allocation Percentage Production volume allocation is based on the State BA #15 (API: 30-025-34945). The State BA #15 is an offset well producing from the Abo, Wolfcamp, and Upper Penn. (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 47 % Gas 41 %	Oil 36 % Gas 40 %	Oil 17 % Gas 19 %

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 _____

NMOCD 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.

JAN-31 2012

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 1-26-12
TYPE OR PRINT NAME EDGAR ACERO TELEPHONE NO. (432) 687-7343
E-MAIL ADDRESS EADX@CHEVRON.COM

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

New Mexico O State NCT-1 #39
API #30-025-33569
2075' FNL & 2110' FEL, Unit Letter G
Section 36, T17S, R34E
Lea County, New Mexico

Division Order

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

Pools To Be Commingled In New Mexico O State NCT-1 #39

(61760) North Vacuum Abo
(62340) Vacuum Wolfcamp
(62320) Vacuum Upper Penn

Perforated Intervals

Abo perms: 9090'-9256' (to be added)
Wolfcamp perms 9303'-10048'
Upper Penn perms: 10102'-10230

Location Plat

Attached

Well Test Report & Production Plots

Attached.

Product Characteristics And Value

Previous commingling of these zones by Chevron 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>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
(61760) North Vacuum Abo	47	12	41	Production volume allocation is based on the State BA #15 (API: 30-025-34945) The State BA #15 is an offset well producing from the Abo, Wolfcamp, and Upper Penn
(62340) Vacuum Wolfcamp	36	35	40	
(62320) Vacuum Upper Penn	17	53	19	
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 State lease

WELL TEST REPORT

LEASE: NEW MEXICO O STATE NCT-1

WELL NUMBER: 39

TOWNSHIP/RANGE: 17S/34E

SECTION: 36

API NO.: 30-025-33569

DATE	BOPD	BWPD	MCFD
11/17/2011	38	100	12
11/16/2011	39	110	12
11/15/2011	36	100	12
10/5/2011	39	105	12
9/25/2011	39	100	11
9/24/2011	38	99	12
9/23/2011	39	100	12
7/6/2011	26	44	33
6/21/2011	24	48	31
6/20/2011	22	50	32
6/19/2011	21	46	30
5/10/2011	21	44	26
5/9/2011	22	43	30
5/8/2011	21	39	28
4/2/2011	21	43	22
4/1/2011	19	44	38
3/31/2011	20	40	40
3/6/2011	18	38	40
3/5/2011	17	43	40
3/4/2011	18	50	40
1/15/2011	42	108	61
1/14/2011	40	110	64
12/1/2010	39	106	64
11/14/2010	49	101	30
11/13/2010	55	110	33
11/12/2010	50	105	31
10/3/2010	44	106	0
10/2/2010	51	119	0
10/1/2010	54	108	0
9/30/2010	59	118	0
5/13/2010	29	36	33
5/12/2010	20	31	32
5/11/2010	22	38	33
4/18/2010	23	37	30
4/17/2010	23	35	31
4/16/2010	24	36	30
3/17/2010	23	37	32
3/16/2010	23	39	29
3/15/2010	22	37	31

3/14/2010	20	33	31
2/21/2010	28	36	40
2/20/2010	25	37	38
2/19/2010	25	38	38
1/27/2010	27	49	46
1/26/2010	32	39	44
1/15/2010	23	41	36
1/14/2010	35	41	37
1/10/2010	18	60	14
12/27/2009	24	56	23
10/8/2009	4	0	45
9/25/2009	33	34	82
9/24/2009	32	32	81
9/14/2009	12	11	58
8/23/2009	16	19	66
8/17/2009	15	27	75
8/16/2009	19	27	12
8/15/2009	16	22	80
8/9/2009	17	27	90
7/28/2009	19	26	109
7/21/2009	31	0	95
7/20/2009	17	26	92
7/9/2009	46	29	99
7/8/2009	17	25	98
7/7/2009	19	29	84
7/6/2009	12	2	52
6/25/2009	20	36	123
6/24/2009	22	41	106
6/23/2009	18	27	111
6/22/2009	20	35	121
6/18/2009	21	60	126
6/17/2009	19	35	39
6/16/2009	16	33	95
5/22/2009	39	87	97
5/21/2009	19	28	105
5/20/2009	19	36	113
4/13/2009	19	15	60
4/12/2009	17	17	57
4/11/2009	17	14	62
3/26/2009	23	31	69
3/25/2009	20	37	76
3/24/2009	20	33	80
3/14/2009	25	34	65
3/13/2009	18	29	79
3/12/2009	25	27	65
2/10/2009	38	71	71
2/9/2009	21	39	71

1/28/2009	9	16	57
1/19/2009	26	41	93
1/18/2009	25	41	91
12/14/2008	25	41	80
12/13/2008	22	34	78
12/12/2008	27	41	77
11/24/2008	29	45	93
11/23/2008	43	82	83
11/22/2008	25	44	79
11/13/2008	23	32	86
11/12/2008	25	40	81
10/16/2008	40	95	95
10/15/2008	26	41	82
10/14/2008	29	44	95
9/10/2008	26	16	111
9/9/2008	23	22	121
9/8/2008	27	26	120
8/13/2008	33	45	124
8/12/2008	34	48	132
8/11/2008	33	42	135
7/4/2008	14	10	116
7/3/2008	31	28	125
7/2/2008	32	45	133
6/21/2008	31	51	128
6/20/2008	37	61	144
6/19/2008	40	61	135
5/16/2008	22	38	53
5/15/2008	21	37	55
5/14/2008	33	29	91
4/20/2008	25	38	50
4/19/2008	24	31	50
4/18/2008	30	38	62
3/19/2008	19	30	60
3/18/2008	22	30	62
3/17/2008	25	35	63
1/16/2008	34	38	113
11/14/2007	36	44	127
9/14/2007	22	33	58
8/16/2007	22	35	103
7/16/2007	33	44	103
6/9/2007	30	43	94
5/16/2007	32	40	110
4/24/2007	31	40	105
2/16/2007	42	41	111
1/2/2007	56	87	143
11/18/2006	36	42	100
10/26/2006	49	48	134

9/8/2006	41	43	113
8/18/2006	37	40	111
7/23/2006	39	44	126
6/16/2006	36	39	130
5/7/2006	45	45	126
4/14/2006	41	44	104
2/16/2006	45	62	107
1/7/2006	45	44	108
12/13/2005	48	35	103
11/4/2005	44	44	110
10/7/2005	53	49	61
9/14/2005	43	43	112
9/13/2005	43	45	115
9/12/2005	37	37	108
8/19/2005	41	40	111
6/13/2005	46	40	112
5/13/2005	51	41	111
4/23/2005	53	39	101
4/22/2005	50	41	102
3/21/2005	47	37	94
2/20/2005	48	35	89
2/19/2005	47	37	81
2/18/2005	46	35	81
1/7/2005	46	31	85
1/6/2005	42	29	78
12/22/2004	53	36	80
12/21/2004	50	32	80
12/20/2004	46	30	74
11/15/2004	55	38	96
11/14/2004	45	31	91
10/20/2004	50	36	99
10/18/2004	47	34	100
9/20/2004	52	38	106
9/19/2004	52	144	112
9/17/2004	46	30	103
8/6/2004	44	36	110
8/5/2004	41	31	108
7/24/2004	45	35	108
7/23/2004	42	35	109
7/22/2004	42	29	102
6/7/2004	51	37	111
5/8/2004	55	38	119
4/7/2004	54	34	102
3/16/2004	56	40	100
2/6/2004	61	30	98
1/26/2004	57	39	102
12/7/2003	64	38	101

11/20/2003	64	42	103
10/21/2003	65	43	136
9/19/2003	60	39	118
8/5/2003	69	47	140
7/29/2003	74	57	150
6/12/2003	92	64	94
5/29/2003	34	20	72
3/16/2003	62	41	122
2/15/2003	64	57	123
1/27/2003	69	77	97
11/23/2002	62	46	124
1/20/2002	7.68	22	60.76
1/19/2002	9.76	18.5	58.31
1/16/2002	10.88	22.5	62.23