

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 27 2012

FORM APPROVED
OMB No 1004-0137
Expires October 31, 2014**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

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

1 Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

8 Well Name and No

A.H. BLINEBRY FEDERAL NCT-1 # 2 & #5

2 Name of Operator
CHEVRON U.S.A. INC

9 API Well No

30-025-12153, 30-025-12154

30-025-12155

3a Address
15 SMITH ROAD
MIDLAND, TEXAS 79705

3b Phone No (include area code)

432-687-7375

10 Field and Pool or Exploratory Area

BRUNSON; DRK-ABO, SOUTH

4 Location of Well (Footage, Sec, T, R, M, or Survey Description)
VARIOUS SEE BELOW

11 County 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 PLC-272
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 testing 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)

THIS INTENT IS TO SATISFY THE NOTICE OF INCIDENT OF NONCOMPLIANCE SENT TO CHEVRON BY PAUL FLOWERS, BLM, HOBBS.

TWO FEE WELLS, EVELYN LINEBERRY #2 (30-025-12149) AND EVELYN LINEBERRY #3 (30-025-25413) ARE BEING COMMINGLED THROUGH METER #213200, ALONG WITH A.H. BLINEBRY FEDERAL NCT-2 #2 (30-025-12153) AND A.H. BLINEBRY FEDERAL NCT-2 #5 (30-025-12155) WITHOUT BLM APPROVAL.

PLEASE FIND ATTACHMENTS REQUIRED FOR SURFACE COMMINGLE ORDER #PLC-272, APPROVED THROUGH THE NMOC IN 2005

ALL INTEREST OWNERS WERE NOTIFIED, AND FEDERAL ROYALTIES WILL NOT BE REDUCED THROUGH APPROVAL OF THE APPLICATION, AND THE PROPOSED COMMINGLING OF PRODUCTION IS IN THE INTEREST OF CONSERVATION AND WILL NOT RESULT IN IMPROPER MEASUREMENT OF PRODUCTION.

APPROVAL IS NECESSARY TO EXTEND THE ECONOMIC LIFE OF THE FEDERAL LEASE.

A.H. BLINEBRY FEDERAL NCT-2 #2 UL:N, SECTION 29, T-22S, R-38E, 660' FSL & 1980' FWL

A.H. BLINEBRY FEDERAL NCT-2 #5 UL:M, SECTION 29, T-22S, R-38E, 660' FSL & 660' FWL

CAN NOT COMMINGLE FEE FEE WELLS : ATT Guidelines

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)
DENISE PINKERTON

Title REGULATORY SPECIALIST

Signature

Date 06/27/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DENIED

/s/ JD Whitlock Jr

Title

LPE7

Date

7/25/12

Conditions 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

CFO

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)

JUL 30 2012

OPERATOR COPY

Number PF-0067-12

Page 1 of 6

☒ Certified Mail - Return Receipt Requested
700908200601 14th 1846

☐ Hand Delivered Received by

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification

ID

Lease NMLC032104

CA

Unit

PA

Bureau of Land Management Office HOBBS INSPECTION OFFICE				Operator CHEVRON USA INCORPORATED			
Address 414 WEST TAYLOR HOBBS NM 88240				Address 15 SMITH ROAD MIDLAND TX 79705			
Telephone 575.393.3612				Attention DANNY LOVELL			
Inspector FLOWERS				Attn Addr PO BOX 1949 EUNICE NM 88231			
Site Name NCT-2 BATTERY	Well or Facility D	1/4 1/4 Section SESW 29	Township 22S	Range 38E	Meridian NMP	County LEA	State NM
Site Name (FACILITY)	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
04/25/2012	14:00	OOGO#5.III C 22	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
07/19/2012			43 CFR 3163.10)

Remarks

Lineberry Evelyn wells (API # 3002512149 and # 3002525413) are being commingled through meter # 213200 without BLM approval .submit a sundry notice along with all the required information on the guidelines for off-lease measurement,storage and surface commingling approvals.Submit 1 original and 5 copies to this office.

When violation is corrected, sign this notice and return to above address

Company Representative Title Regulatory Specialist Signature [Signature] Date 06-27-2012

Company Comments

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <u>Paul Flowers</u>				Date <u>6/8/12</u>	Time <u>1400</u>
FOR OFFICE USE ONLY					
Number 24	Date	Assessment	Penalty	Termination	
Type of Inspection PI					



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prusop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COMMINGLING ORDER PLC-272

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Attention: Ms. Denise Pinkerton

The above-named company is hereby authorized to surface commingle Blinebry Oil & Gas (Oil - 06660), Tubb Oil & Gas (Oil - 60240), and South Brunson Drinkard-Abo (Oil - 07900) Pool production from the following-described Federal and fee leases located in Lea County, New Mexico:

Lease: Evelyn Lineberry Lease

Description: NW/4 SW/4 of Section 29, Township 22 South, Range 38 East, NMPM;

Wells: Evelyn Lineberry Well No. 2 (API No. 30-025-12149) Unit L,
Blinebry Oil & Gas Pool
Evelyn Lineberry Well No. 3 (API No. 30-025-25413) Unit L,
South Brunson Drinkard-Abo Pool

Lease: A.H. Blinebry Federal NCT-2 Lease

Description: S/2 SW/4 of Section 29, Township 22 South, Range 38 East, NMPM;

Wells: A.H. Blinebry Federal NCT-2 Well No. 2 (API No. 30-025-12153) Unit N,
Blinebry Oil & Gas/South Brunson Drinkard-Abo Pools
A.H. Blinebry Federal NCT-2 Well No. 5 (API No. 30-025-12155) Unit M,
Blinebry Oil & Gas/Tubb Oil & Gas/South Brunson Drinkard-Abo Pools

Production shall be allocated to each well/lease by separately measuring the production from each lease prior to commingling.

Production shall be commingled and stored at the A.H. Blinebry Federal NCT-2 Tank Battery located in Unit N of Section 29, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

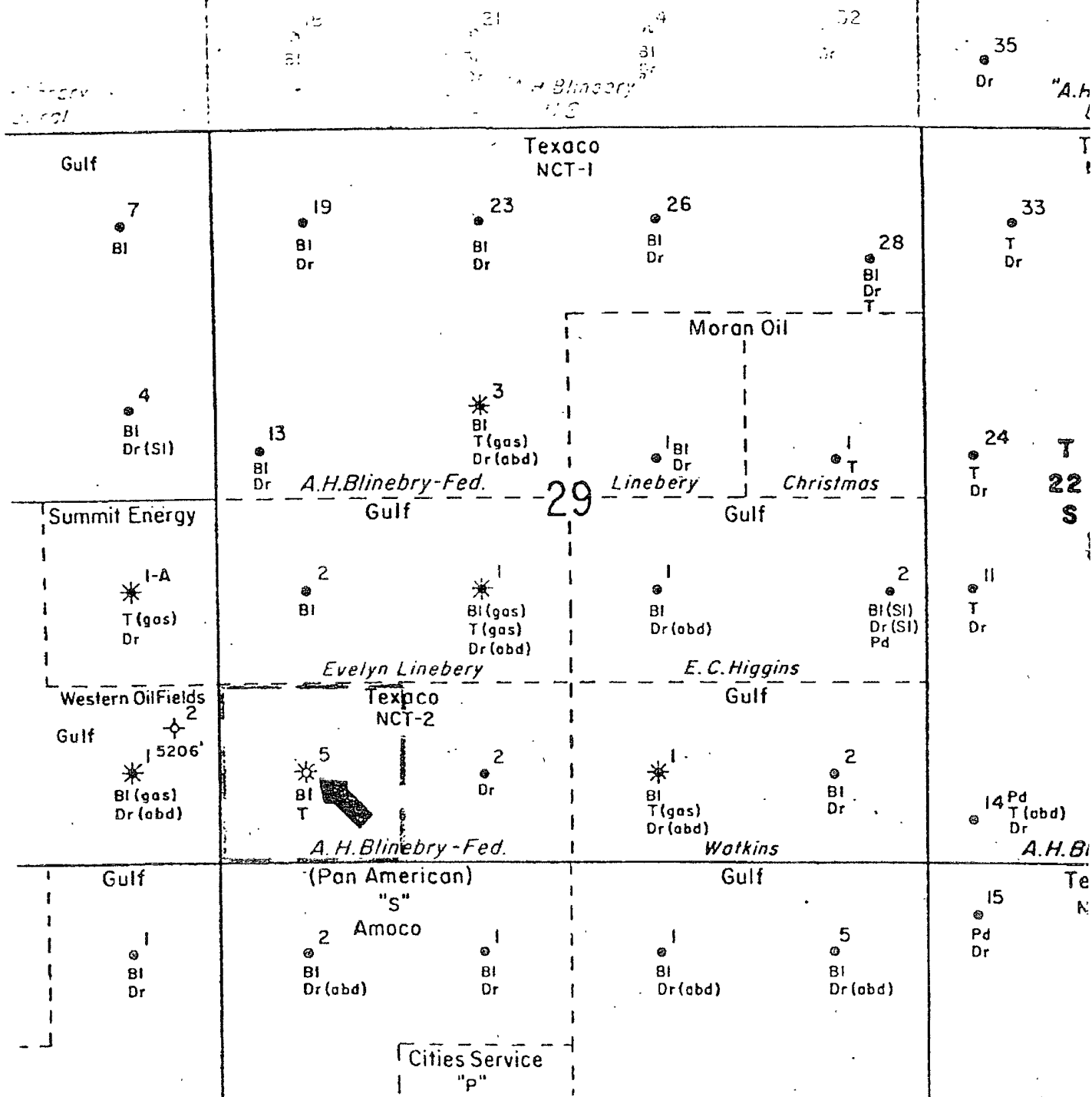
It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Hobbs District Office of the Division upon commencement of commingling operations.

R-38-E

Texaco

Texaco

NCT-1



SUBJECT WELL

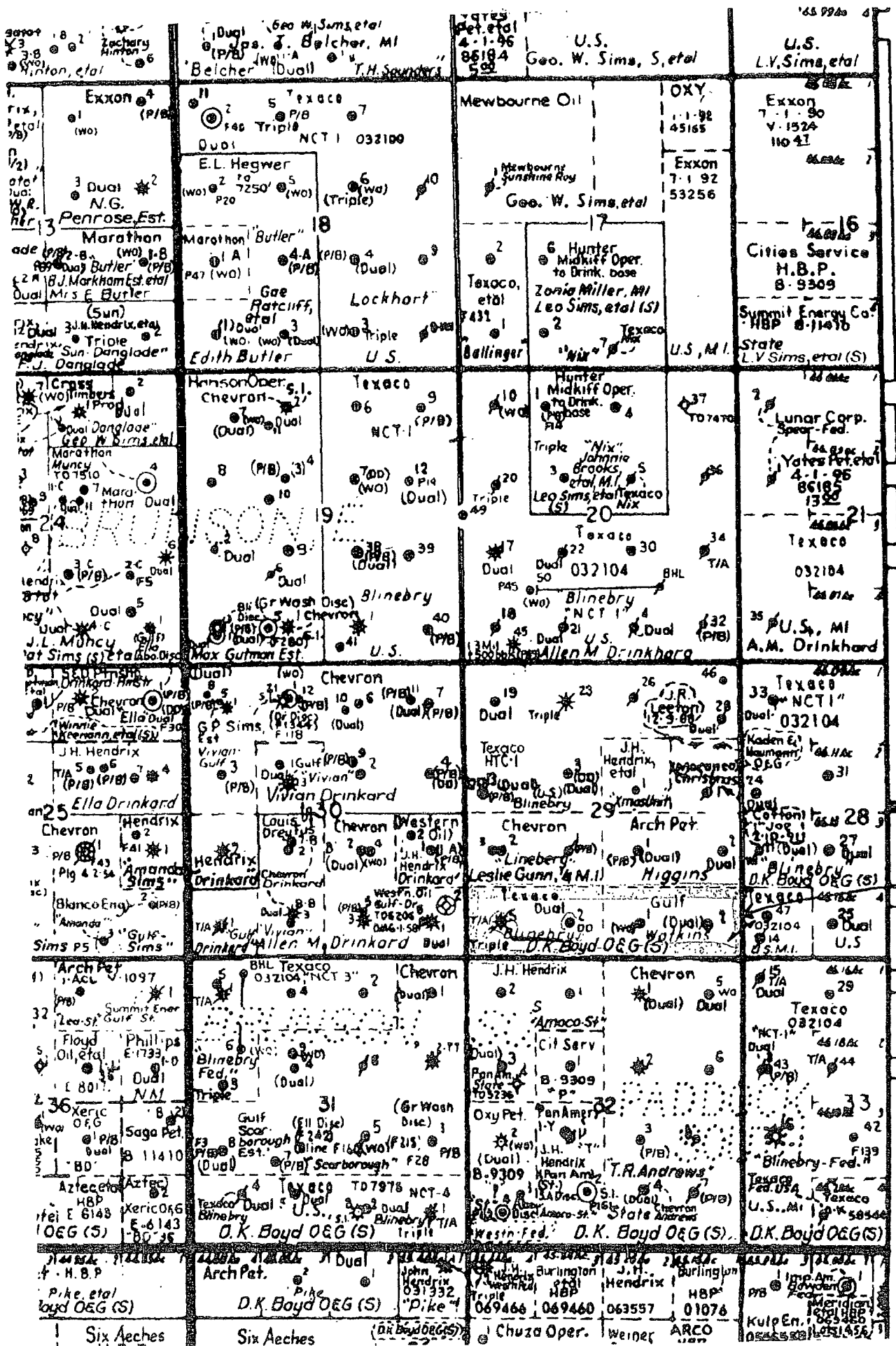


BLINEBRY, TUBB, DRINKARD - 40 Acres

TEXACO Inc.

A.H. BLINEBRY FED NCT-2 WELL NO. 5
BLINEBRY, DRINKARD & TUBB FIELDS
LEA COUNTY, NEW MEXICO

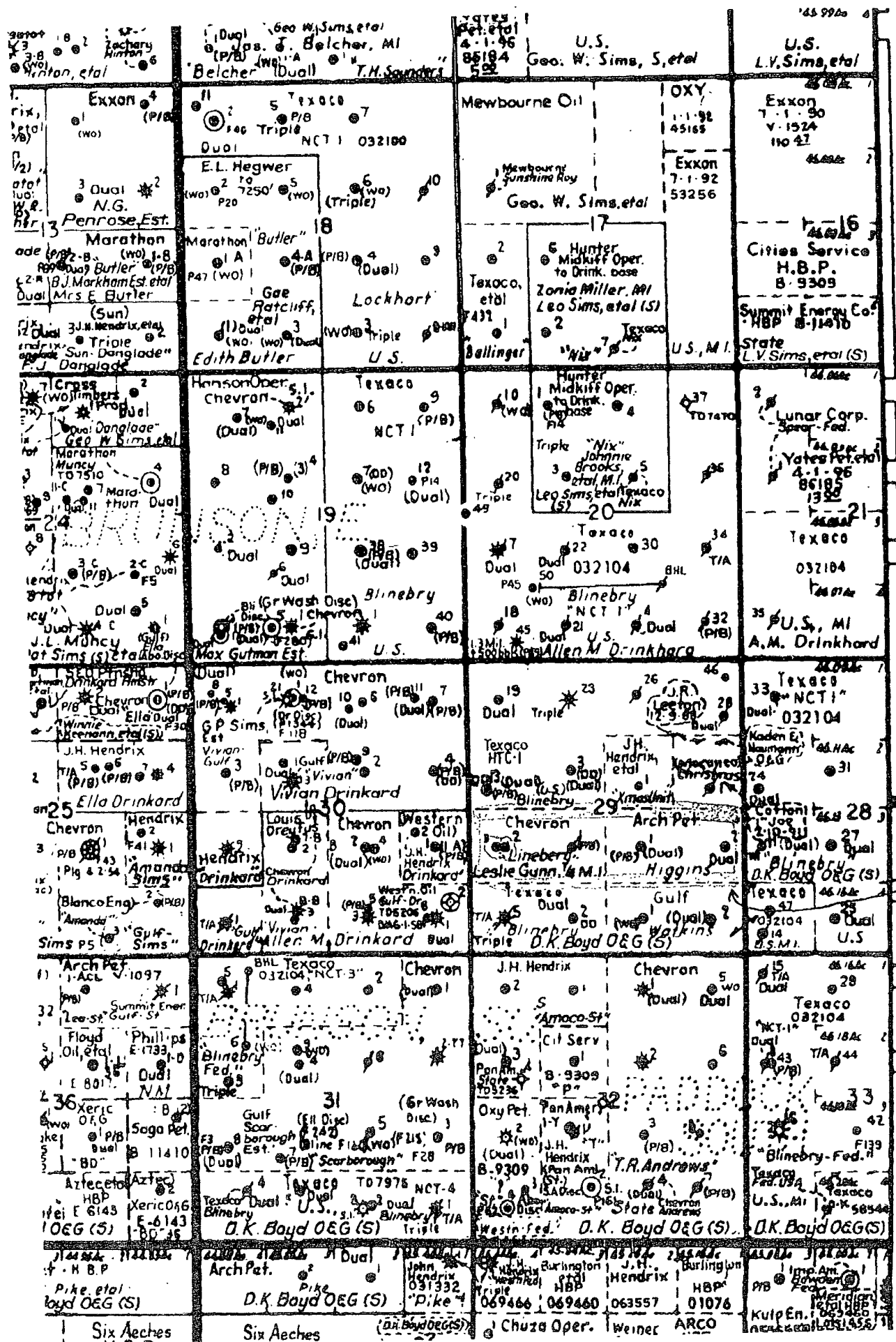
Lease # NMLC 032104

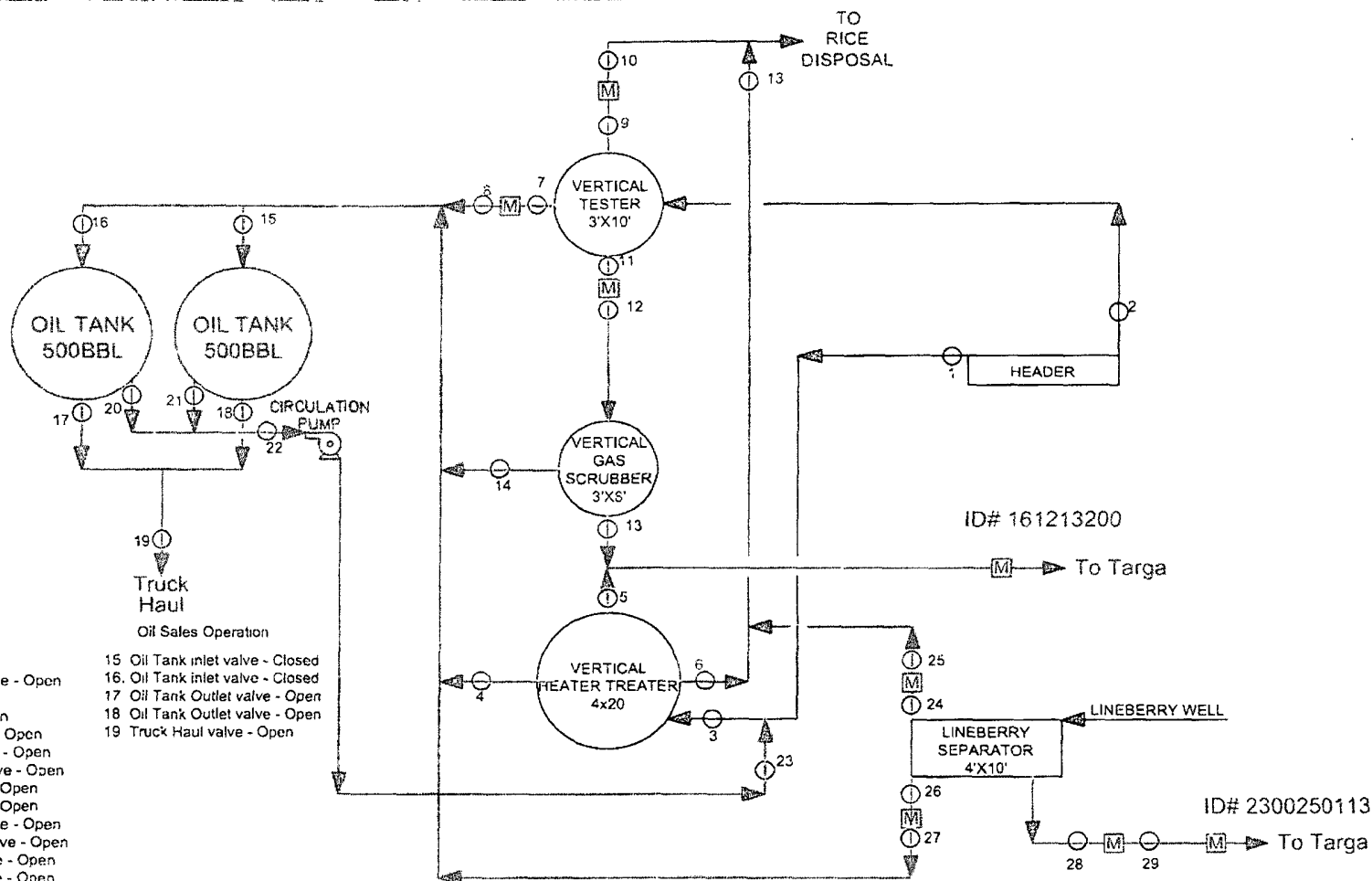


X

2

Blinebry
Fed NCT
2





Battery Operation

1. Production Header Valve - Open
2. Tester Header - Open
3. Heater inlet valve - Open
4. Heater Oil outlet valve - Open
5. Heater Gas outlet valve - Open
6. Heater Water outlet valve - Open
7. Tester Oil outlet valve - Open
8. Tester Oil outlet valve - Open
9. Tester Water outlet valve - Open
10. Tester Water outlet valve - Open
11. Tester Gas outlet valve - Open
12. Tester Gas outlet valve - Open
13. Gas Scrubber Gas outlet valve - Open
14. Gas Scrubber Oil outlet valve - Open
15. Oil Tank inlet valve - Open
16. Oil Tank inlet valve - Open
17. Oil Tank Outlet valve - Closed
18. Oil Tank Outlet valve - Closed
19. Truck Haul valve - Closed
20. Oil circulating valve - Closed
21. Oil circulating valve - Closed
22. Oil circulating pump valve - Closed
23. Oil circulating inlet valve - Closed
24. Lineberry Separator water outlet valve - Open
25. Lineberry Separator water outlet valve - Open
26. Lineberry Separator oil outlet valve - Open
27. Lineberry Separator oil outlet valve - Open
28. Lineberry Separator gas outlet valve - Open
29. Lineberry Separator gas outlet valve - Open

15. Oil Tank inlet valve - Closed
16. Oil Tank inlet valve - Closed
17. Oil Tank Outlet valve - Open
18. Oil Tank Outlet valve - Open
19. Truck Haul valve - Open

- GAS SOLD TO TARGA
- TURBINE METERS ON TEST SEPARATOR OIL, WATER AND GAS DUMPS
- OIL SOLD VIA TRUCK HAUL
- WATER DISPOSED VIA RICE SWD



Chevron
Midcontinent Business Unit

AH Blinberry FED NCT-2
SE/4 SW/4 Sec 29 T22S R38E
Lea County, NM

ENGINEERING :	ENG :	DATE :	SCALE :
OPERATIONS :	DRAWN :	SHEET :	OF :
FILE :	OF BY :	DWG NO :	REV :



PETROLEUM PRODUCTS

August 20, 1974

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: WELLBORE COMMINGLING
A. H. Blinebry Federal (NCT-2) Well No. 2
Blinebry and Drinkard Pools
Lea County, New Mexico

ATTENTION: MR. A. L. PORTER, JR.

Gentlemen:

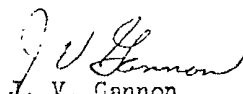
TEXACO INC. requests administrative approval to commingle in the wellbore oil production from the Blinebry and Drinkard pools in Well No. 2 on the A. H. Blinebry Federal (NCT-2) lease located in Section 29, Township 22 South, Range 38 East, Lea County, New Mexico.

The subject well is presently flowing oil from the Drinkard zone. Upon approval of this application an attempt will be made to complete in the Blinebry zone and commingle downhole with the Drinkard zone. Both zones will be classified as oil zones. The Blinebry zone will require artificial lift; therefore, production after commingling will be by artificial lift. The fluids from these two reservoirs are known to be compatible. Ownership of the minerals in both zones is common, and the value of the commingled fluids is not less than the total value of the fluids if they were marketed separately. Secondary operations will not be jeopardized by approval of this application.

A data sheet is attached listing all required data for the Drinkard and proposed Blinebry zones. Also attached is a production decline curve for the Drinkard zone, diagrammatic sketches of the wellbore showing the present completion and proposed completion, and a bottom hole pressure survey. A well test is included as submitted on Form C-116.

Copies of this application are being mailed to each of the offset operators shown on the attached list.

Yours very truly,


J. V. Cannon
District Superintendent

JBS:ls
MAS, JR.
NMOCC - Hobbs
OFFSET OPERATORS

TO	2
FROM	
SUBJECT	
DATE	6-24
TIME	6-25
BY	
FOR	
THRU	6/28 3
FILE	
CODE	
CLASS	7-2
AN	
PI	
TH	

DATA SHEET FOR WELLBORE COMMINGLING

Operator: TEYACO INC.

Address: P.O. Box 728 - Hobbs, New Mexico 88240

Lease and Well No: A.F. Elinebry Federal (HCT-2) No. 2

Location: Unit N; 660 Feet from the South Line and
1980 Feet from West Line of Section 29;
Township 22-S, Range 38-E; Lea County.

WELL DATA

	<u>Upper Pool</u>	<u>Lower Pool</u>
Name of Pool	<u>Elinebry (Proposed)</u>	<u>Drinkard</u>
Producing Method	<u>Pump</u>	<u>Flow</u>
BHP	<u>400 Est.</u>	<u>619</u>
Type Crude	<u>Sweet</u>	<u>Sweet</u>
Gravity	<u>38.0</u>	<u>38.6</u>
GOR Limit	<u>4,000</u>	<u>6,000</u>
Completion Interval	<u>5700'-5800' Est.</u>	<u>6745'-7368'</u>
Current Test Date	<u>- -</u>	<u>7-28-74</u>
Oil	<u>7 Est.</u>	<u>4</u>
Water	<u>0 Est.</u>	<u>0</u>
GOR	<u>6000 Est.</u>	<u>29,000</u>
Selling Price of Crude-\$/BBL.	<u>5.27</u>	<u>5.27</u>
Daily Income - \$/Day	<u>- -</u>	<u>21.08</u>

COMMINGLED DATA:

Gravity of Commingled Crude 38.4
Selling Price of Commingled Crude - \$/BBL. 5.27
Daily Income - \$/Day 57.97

Net (Gain) (XXXX) From Wellbore Commingling - \$/Day 52.70 (Production Increase of
based on current producing rates. 10 BOPD)

Pool Lease Commingled Wells

Lease	Well	API	Pool	Pool #	Status	Unit Letter	Section	Township	Range	Location	Co	TD	WI
Evelyn Lineberry	2	30-025-12149	Blinebry Oil & Gas (Pro Gas)	72480	Oil- Active	L	29	22S	38E	1980' FSL & 660' FWL	Lea	5900'	100%
Evelyn Lineberry	3	30-025-25413	Brunson; DRK-Abo, South	07900	Oil- Active	L	29	22S	38E	1980' FSL & 510' FWL	Lea	7730'	100%
A.H. Blinebry Federal NCT-2 (DHC)	2	30-025-12153	Brunson; DRK-Abo, South	07900	Oil- Active	N	29	22S	38E	660' FSL & 1980' FWL	Lea	7368'	100%
A.H. Blinebry Federal NCT-2 (DHC)	5	30-025-12155	Brunson; DRK-Abo, South	07900	Oil- Active	M	29	22S	38E	660' FSL & 660' FWL	Lea	7120'	100%

10-12-05 DATE IN	11/1/05 SUBPENSE	Catman ENGINEER	10-12-05 LOGGED IN	PIC TYPE	PSEM0528548740 APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
 Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
 [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Denise Pinkerton
Print or Type Name

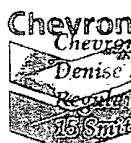
Signature

Regulatory Specialist
Title

8-02-2005
Date

leakejd@chevrontexaco.com
e-mail Address

2005 OCT 12 PM 1 22

 **Chevron** U.S.A. Inc.
Denise Pinkerton
Regulatory Specialist
16 Smith Road
Midland, TX 79705

August 2, 2005

Amendment of Pool Lease Commingling Order PC-5
Add Production from Evelyn Lineberry Well #2 & #3
To Existing Production from A.H. Blinebry Federal NCT-2 #2, & #5
Lea County, New Mexico

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Dear Sirs:

Chevron U.S.A. Inc. is requesting administrative approval from the New Mexico Oil Conservation Division for an amendment to Pool Commingling order PC-5 (attached) to commingle production from the Evelyn Lineberry Well #2, & #3 to the already existing production from A.H. Blinebry Federal NCT-2 #2 & #5. The production from each well/lease will be separately metered prior to commingling. For further clarification, a well list with locations, and API numbers, is included with the attachments.

Commingling Order PC-5 (copy attached) currently provides for the surface commingling of production from the Blinebry Oil Pool, Tubb Pool, & the Drinkard Pool for the A.H. Blinebry NCT-2 Wells in the A.H. Blinebry lease. The requested amendment is to allow for the additional commingling of production from the Blinebry & Drinkard/Abo pools in the Evelyn Lineberry Lease Well Nos. 2 & 3.

Attached in support of this request is a table showing oil production volumes, API gravities, sulfur analyses, and monetary values for each of the wells/pools proposed for commingling, a proposed schematic diagram for the subject facility, and a lease plat. Commingling will not reduce the actual commercial value of oil or condensate sold from each pool.

A list of royalty interest owners, working interest owners, & overriding royalty interest owners is attached, and these owners were notified by certified mail on 8-02-05.

The wells will be equipped with a metering test separator for each lease, as shown in the attached process flow diagram, and in accordance with applicable provisions of the NMOCD's "Manual for the Installation and Operations of Commingling Facilities". If you have any questions concerning this application, or need additional information, please contact me at (432) 687-7375.

Sincerely,



Denise Pinkerton
Regulatory Specialist
Chevron U.S.A. Inc.

Proposed Amendment of Surface
 Commingle Order PC-5
 Evelyn Lineberry & AH Blinebry Fed NCT 2 Consolidated Commingled Battery
 Section 29, T22S, R38E
 Lea County, New Mexico

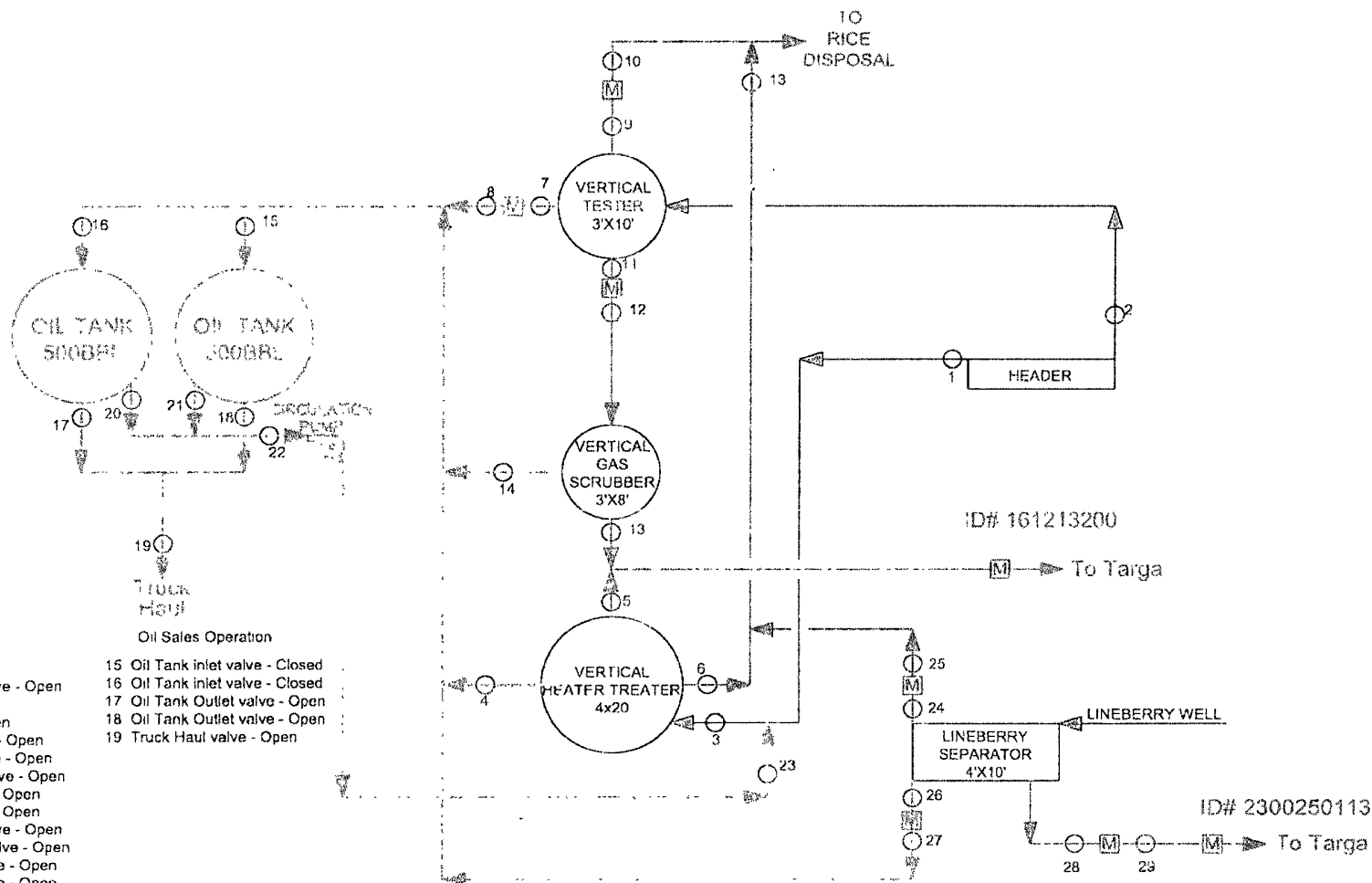
Evelyn Lineberry & AH Blinebry Fed NCT 2 Batteries Separated

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks
Blinebry/Drinkard	AH Blinebry NCT 2 #2	1	36.6	\$ 48.87	\$ 48.87	Gravity of AH Blinebry commingled battery
Blinebry/Tubb/Drinkard	AH Blinebry NCT 2 #5	1	36.6	\$ 48.87	\$ 48.87	Gravity of AH Blinebry commingled battery
Blinebry	Evelyn Lineberry #2	1	38.0	\$ 48.88	\$ 48.88	Gravity of Evelyn Lineberry commingled battery
Drinkard/Abo	Evelyn Lineberry #3	1	38.0	\$ 48.88	\$ 48.88	Gravity of Evelyn Lineberry commingled battery
					<u>\$ 195.50</u>	

Production From All Wells Commingled Into AH Blinebry Fed NCT 2 Consolidated Commingled Battery

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks
Blinebry/Drinkard	AH Blinebry NCT 2 #2	1	37.3	\$ 48.88	\$ 48.88	Calculated gravity of commingled oil
Blinebry/Tubb/Drinkard	AH Blinebry NCT 2 #5	1	37.3	\$ 48.88	\$ 48.88	Calculated gravity of commingled oil
Blinebry	Evelyn Lineberry #2	1	37.3	\$ 48.88	\$ 48.88	Calculated gravity of commingled oil
Drinkard/Abo	Evelyn Lineberry #3	1	37.3	\$ 48.88	\$ 48.88	Calculated gravity of commingled oil
					<u>\$ 195.50</u>	

LEASE	WELL	API	POOL	UNIT	SEC	TNSP	RGE	LOCATION	COUNTY	FORMATION	STATUS	MD	WI
Evelyn Lineberry	2	30-025-12149	Blinebry	L	29	22-S	38E	1980'S,660'W	LEA	BLINEBRY	PROD	5900'	100%
Evelyn Lineberry	3	30-025-25413	Drinkard/Abo	L	29	22-S	38E	1980'S,510'W	LEA	DRNK/ABO	PROD	7730'	100%
A.H. Blinebry NCT-2	2	30-025-12153	Blinebry/Drnk	N	29	22-S	38E	660'S, 1980'W	LEA	BLNBR/DRNK	PROD	7368'	100%
A.H. Blinebry NCT-2	5	30-025-12155	Blnbry/Tubb/Drnk	M	29	22-S	38E	660'S, 660'W	LEA	BLNB/TB/DRN	PROD	7120'	100%



Battery Operation

1. Production Header Valve - Open
2. Tester Header - Open
3. Heater inlet valve - Open
4. Heater Oil outlet valve - Open
5. Heater Gas outlet valve - Open
6. Heater Water outlet valve - Open
7. Tester Oil outlet valve - Open
8. Tester Oil outlet valve - Open
9. Tester Water outlet valve - Open
10. Tester Water outlet valve - Open
11. Tester Gas outlet valve - Open
12. Tester Gas outlet valve - Open
13. Gas Scrubber Gas outlet valve - Open
14. Gas Scrubber Oil outlet valve
15. Oil Tank inlet valve - Open
16. Oil Tank inlet valve - Open
17. Oil Tank Outlet valve - Closed
18. Oil Tank Outlet valve - Closed
19. Truck Haul valve - Closed
20. Oil circulating valve - Closed
21. Oil circulating valve - Closed
22. Oil circulating pump valve - Closed
23. Oil circulating inlet valve - Closed
24. Lineberry Separator water outlet valve - Open
25. Lineberry Separator water outlet valve - Open
26. Lineberry Separator oil outlet valve - Open
27. Lineberry Separator oil outlet valve - Open
28. Lineberry Separator gas outlet valve - Open
29. Lineberry Separator gas outlet valve - Open

Oil Sales Operation

15. Oil Tank inlet valve - Closed
16. Oil Tank inlet valve - Closed
17. Oil Tank Outlet valve - Open
18. Oil Tank Outlet valve - Open
19. Truck Haul valve - Open

- GAS SOLD TO TARGA
- TURBINE METERS ON TEST SEPARATOR OIL, WATER AND GAS DUMPS
- OIL SOLD VIA TRUCK HAUL
- WATER DISPOSED VIA RICE SWD



Chevron
Midcontinent Business Unit

AH Blinberry FED NCT-2
SE/4 SW/4 Sec 29 T22S R38E
Lea County, NM

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Guidelines for Off-Lease Measurement,
Storage and Surface Commingling Approvals**

At a minimum the following information must be included with any application to combine, store or measure production off-lease:

1. A formal request (Sundry Notice Form 3160-5 or letter) for approval to combine, store, or measure production off-lease with an appropriate explanation and diagram(s) describing the proposed operation in detail.
2. A map showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling, off-lease measurement, and/or storage facility. All lease numbers, unitized or communitized areas, producing zones or pools must be clearly illustrated or detailed by suitable means. Any wells or leases proposed to be added to an approved commingling and off-lease storage and or measurement facility must be approved by the Authorized Officer prior to their being included in the facility.
3. An updated facility diagram which clearly identifies and places all equipment that will be utilized. A diagram which identifies all flow lines, sales points and give location of gas sales (transfer point) meter if it is not at this facility. Include gas sales and/or allocation meter station name and number and location of meter to include $\frac{1}{4}$ $\frac{1}{4}$, Section, Township and Range.
4. Estimated monthly production from each contributing well, including type of product, gravity, and/or BTU content.
5. Details of the proposed method for measuring and allocating production for each lease involved. Include calculated "beneficial use" volumes both on and off-lease.
6. A statement that all interest owners have been notified of the proposal.
7. Evidence that Federal or Indian royalties will not be reduced through approval of the application, and the proposed commingling of production is in the interest of conservation and will not result in improper measurement of production.
8. Detailed economic justification, when the application to combine production is based on economic necessity, i.e., that approval is necessary to extend the economic life of the Federal or Indian Lease(s). Commingling with State or Fee wells will be on a very limited basis and will have to prove this is the only economical way to keep that well/lease from being plugged.

Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.

_____ (Operator's Name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s):

Federal Lease No. _____

<u>Well Name</u>	<u>API No.</u>	<u>Loc: ¼ ¼ Sec.Twp.Rng.</u>	<u>Formation</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
4-Deep Pockets 16 Federal	30015xxxxx	SWSW,Sec.15,T16S,R30E	Delaware	12	45.2/@60°	102	1315

With hydrocarbon production from:

Federal Lease No. _____

<u>Well Name</u>	<u>API No.</u>	<u>Loc: ¼ ¼ Sec.Twp.Rng.</u>	<u>Formation</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
4-Deep Pockets 16 Federal	30015xxxxx	SWSW,Sec.15,T16S,R30E	Delaware	12	45.2/@60°	102	1315

The storage and measuring facility is located at _____ ¼, Sec. _____, T _____ S, R _____ E, on Lease No. _____, Lea/Eddy (circle one), New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources are as follows: