

DATE IN 2-16-05	SUSPENSE	ENGINEER Jones	LOGGED 2-17-05	TYPE DHC-3407
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ABOVE THIS LINE FOR DIVISION USE ONLY

BEM0504844558

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [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 - Directional Drilling
NSL NSP DD SD

Check One Only for [B] and [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

2005 FEB 16 PM 3 31

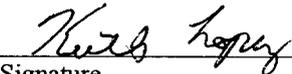
[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [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] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Keith Lopez		Petro. Engineer	1/8/05
Print or Type Name	Signature	Title	Date

**Mid Continent Business Unit
North America Upstream**

15 Smith Road
Midland, Texas 79705
Tel (432) 687 7120
LOPK@chevrontexaco.com

February 9, 2005

ChevronTexaco

State of New Mexico
Energy, Minerals, & Natural Resources Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request to DHC the HT Orcutt E #4

Attn: Oil & Gas Regulatory Department

Chevron U.S.A respectfully requests administrative approval to Downhole Commingle the Skaggs Glorieta NW and the Weir Blinebry in the HT Orcutt E #4, API #30-025-36753. The #4 is located 330' FNL 330' FWL, Unit D, Section 2, T-20S, R-37E, Lea County, NM.

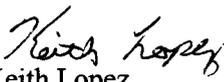
The HT Orcutt E #4 was drilled in November 04'. Both the Skaggs Glorieta NW and the Weir Blinebry were completed in December 04'. After production tests, ChevronTexaco proposes to downhole commingle and produce both zones in the #4. The HT Orcutt E #4 well production is gathered in the HT Orcutt NCT E Tank Battery, (COMMINGLING ORDER PLC-256), located in Lot 4 of Section 2, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

Attached in support of this request is a table showing oil production volumes for each of the pools proposed for commingling. Also, included is a proposed well schematic diagram for the HT Orcutt E #4, well tests, C107A, a C102 for each zone, and a lease plat. As can be seen on the table, the value of the production will not be significantly impacted by the proposed action.

ChevronTexaco is the operator of these wells with 100% working interest, and the Royalty Interest Owners are the same on each lease. The HT Orcutt E facility will test monthly for allocation of production to the well.

If you have any questions concerning this application, please contact Keith Lopez at (432)-687-7120 or by email at LOPK@CHEVRONTEXACO.COM.

Sincerely,


Keith Lopez
Petroleum Engineer

Attachments

cc: NMOCD District 1 – Hobbs, NM
Keith Lopez
Well File
Nathan Mouser
Vicki Duncan/Denise Pinkerton

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

Oil Conservation Division

APPLICATION TYPE

District III
1000 Rio Brazos Road, Aztec, NM 87410

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes No

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

DAC-3407

Chevron U.S.A. INC 15 Smith Road, Midland TX 79705
Operator Address

HT Orcutt E #4 D-2-20S-37E United States
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 4323 Property Code 22114 API No. 30-025-36753 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	UNDES Skaggs Glorieta NW		Weir Blinebry
Pool Code	97203 ✓		63780 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5320'-5382'		5770'-5885'
Method of Production (Flowing or Artificial Lift)	Artificial Lift, pending OCD approval		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)	1526 PSI, Build-Up Test		1500 estimated from fluid levels
Oil Gravity or Gas BTU (Degree API or Gas BTU)	42.1°		39.8°
Producing, Shut-In or New Zone	Shut-In		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 12/21/2004 Rates: 72/128/36 Gas estimated using GOR	Date: Rates:	Date: 2/02/2005 Rates: 43/69/65 Gas estimated using GOR
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 62.6% Gas 35.6%	Oil % Gas %	Oil 37.4% Gas 64.4%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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 X No

Will commingling decrease the value of production? Yes No X

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 X 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.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Keith Lopez TITLE Petroleum Engineer DATE 2/8/2005

TYPE OR PRINT NAME Keith Lopez TELEPHONE NO. (432) 687-7120

E-MAIL ADDRESS lopk@chevrontexaco.com

REQUEST FOR EXCEPTION 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

HT Orcutt E #4
330' FNL & 330' FWL, Lot 4
Section 2, T20S, R37E
Lea County, New Mexico

Division Order

Pre-approved pools or area established by Division Order No. R-11363.

Pools To Be Commingled In HT Orcutt E #4

(97203) Skaggs; Glorieta, NW
(63780) Weir Blinebry

Perforated Intervals

Skaggs; Glorieta NW (5320'-5382') (Wellbore diagrams attached)
Weir Blinebry (5770'-5885')

Location Plat

Attached

Well Test Report & Production Plots

Attached.

Product Characteristics And Value

Analysis of the produced fluids by Chevron shows that the 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>Estimation Method</u>
Skaggs; Glorieta NW	72	128	36	12/21/04 Well Test (gas estimated using 500 GOR)
Weir Blinebry	43	69	65	2/2/05 Well Test (gas estimated using 1500 GOR)
Totals	115	197	101	

****Gas estimated using similar reservoir GOR's. Facility issues prevented gas measurements.**

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Skaggs; Glorieta NW	62.60	65.00	35.60	Calculated using above production volumes.
Weir Blinebry	37.40	35.00	64.40	Calculated using above production volumes.
Totals	100.00	100.00	100.00	

Ownership

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

State / Federal Land Notification

Well is on a state lease.

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

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-36753	² Pool Code 63780	³ Pool Name Weir Blineby
⁴ Property Code 22114	⁵ Property Name H.T. Orcutt NCT 'E'	
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁶ Well Number 4
⁹ Elevation 3602'		

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
4	2	20S	37E		330'	North	330'	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

				<p>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 align="right"><i>Keith Lopez</i></p> <hr/> <p>Signature</p> <p align="right">Keith Lopez</p> <hr/> <p>Printed Name</p> <p align="right">Petr. Engineer</p> <hr/> <p>Title</p> <p align="right">February 3, 2005</p>
			Certificate Number	

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

District II
811 South First, Artesia, NM 88210

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

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2040 South Pacheco, Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code 22114	⁵ Property Name H.T. Orcutt NCT 'E'	
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁶ Well Number 4
⁹ Elevation 3602'		

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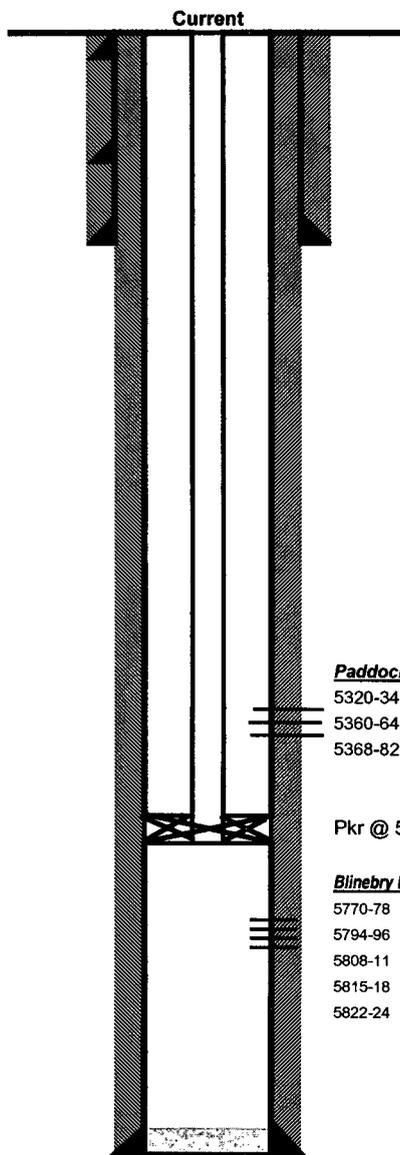
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	Lot 3	Lot 2	Lot 1	<p 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 align="right"><i>Keith Lopez</i></p> <hr/> <p>Signature</p> <p align="center">Keith Lopez</p> <hr/> <p>Printed Name</p> <p align="center">Petr. Engineer</p> <hr/> <p>Title</p> <p align="center">February 3, 2005</p> <hr/> <p>18</p> <p 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> <hr/> <p align="right">Certificate Number</p>
	2			

CURRENT WELL DATA SHEET

Field: Weir East **Well Name:** H. T. Orcutt (NCT-E) #4 **Lease Type:** State
Location: 330' FNL & 330' FWL **Sec:** 2 **Township:** 20S **Range:** 37E
County: Lea **State:** New Mexico **Refno:** HP 7569 **API:** 30-025-36753 **Cost Center:** UCU935700
Current Status: PR **Well Bore:** 603340
Current Producing Formation(s): New Completion in Blinebry
Initial Producing Formation(s): _____

167 Surface Csg.
 335 **Size:** 9 5/8"
 502 **Wt.:** _____
 670 **Set @:** 1450'
 837 **Sxs cmt:** 735 sxs
 1005 **Circ:** Yes
 1172 **TOC:** Surface
 1340 **Hole Size:** 12.25"
 1507 _____
 1674 _____
 1842 Production Csg.
 2009 **Size:** 7"
 2177 **Wt.:** 23#
 2344 **Set @:** 5998'
 2512 **Sxs Cmt:** 1865
 2679 **Circ:** Yes
 2847 **TOC:** 140'
 3014 **Hole Size:** 8-3/4"
 3181 _____
 3349 _____
 3516 _____
 3684 _____
 3851 _____
 4019 _____
 4186 _____
 4353 _____
 4521 _____
 4688 _____
 4856 _____
 5023 _____
 5191 _____
 5358 _____
 5526 _____
 5693 _____
 5860 _____
 6028 _____
 6195 _____
 6363 _____
 6530 _____
 6698 _____
 6865 _____
 7033 **PBTD:** 5955'
 7208 **TD:** 5998'



KB: 6'
DF: _____
GL: _____
Spud Date: 9/20/2004
Released Rig: 11/15/2004
Compl. Date: 11/15/2004

ROD INFO

Paddock Perfs

5320-34
 5360-64
 5368-82

Pkr @ 5760'

Blinebry Perfs

5770-78 5828-32
 5794-96 5836-40
 5808-11 5844-46
 5815-18 5866-68
 5822-24 5882-85

Remarks: See the well history attached

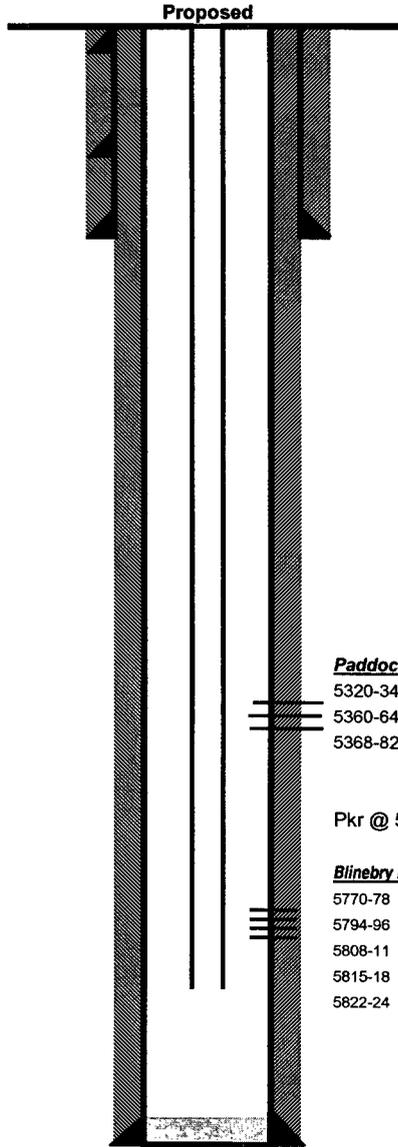
Prepared by: Keith Lopez
Date: 10/14/2004

Updated by: LPW
Date: 11-15-04

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Current Status: PR **Well Bore:** 603340
Current Producing Formation(s): DHC Blinebry/Paddock
Initial Producing Formation(s): _____

167 Surface Csg.
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DF: _____
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Pkr @ 5760'

Blinebry Perfs

5770-78 5828-32
 5794-96 5836-40
 5808-11 5844-46
 5815-18 5866-68
 5822-24 5882-85

Remarks: See the well history attached

Prepared by: Keith Lopez
Date: 10/14/2004

Updated by: LPW
Date: 11-15-04

- GB 4146 - NM-DOBBS/BURT/LA
- GB 494013 - NM-COY/WEBSTEF
- GB 494054 - NM-PARKER/HENN
- GB 494096 - NM-GARCIA/GOMB
- GB 633552 - NM-PEARCE/LOCK
- GB 724138 - NM-CANO/MCWILL
- GB 1825975 - NM-BAEZA/MART
- Diary
- CH WEIR A
- CH WEIR B
- EHB PHILLIPS B
- EHB PHILLIPS C
- HT MATTERN C 131
- HT MATTERN C 376
- HT ORCUTT E 2
- HT ORCUTT E 4
- Wells
- ORCUTTHNCTE4B**
- KEENUM NAOMI
- LEONARD NCT-E #1
- LEONARD NCT-E GA
- LEONARD NCT-F #2
- LR KERSHAW
- MATTERN NCT-C #5
- MATTERN NCT-C #9
- MB WEIR B
- SARKEY S J
- Daily Production
- Wells
- SARKEY1-
- Gas Meters
- Facilities
- SJ SARKEY 26
- SKAGGS POOL 5 SW
- STATE S
- STATE S #10

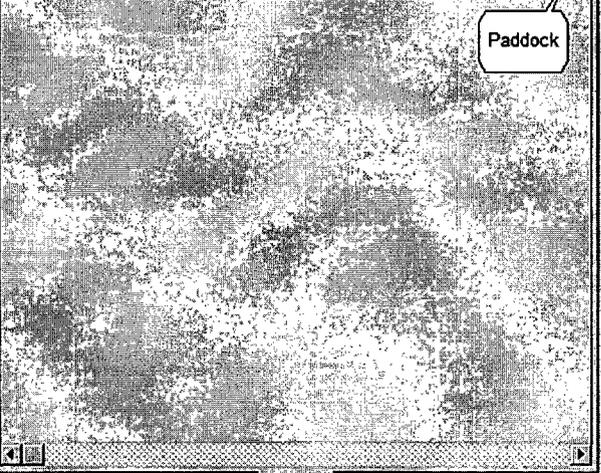
Well Search Key:
ORCUTTHNCTE4B

Daily Prod/Well Data Downtime Dynamic

Well Test History			
Test Date	Oil Rate	Water Rate	Net Gas Rate
02/02/2005	43	69	1
02/01/2005	41	63	4.4
01/31/2005	38	56	1.9
01/29/2005	33	47	11
01/27/2005	43	60	0.2
01/26/2005	39	48	1
01/25/2005	43	36	3
01/24/2005	83	75	1
01/23/2005	81	98	5
01/22/2005	80	71	47
12/21/2004	72	128	0
12/19/2004	75	132	0
12/18/2004	75	118	0
12/17/2004	73	120	0

Blinebry

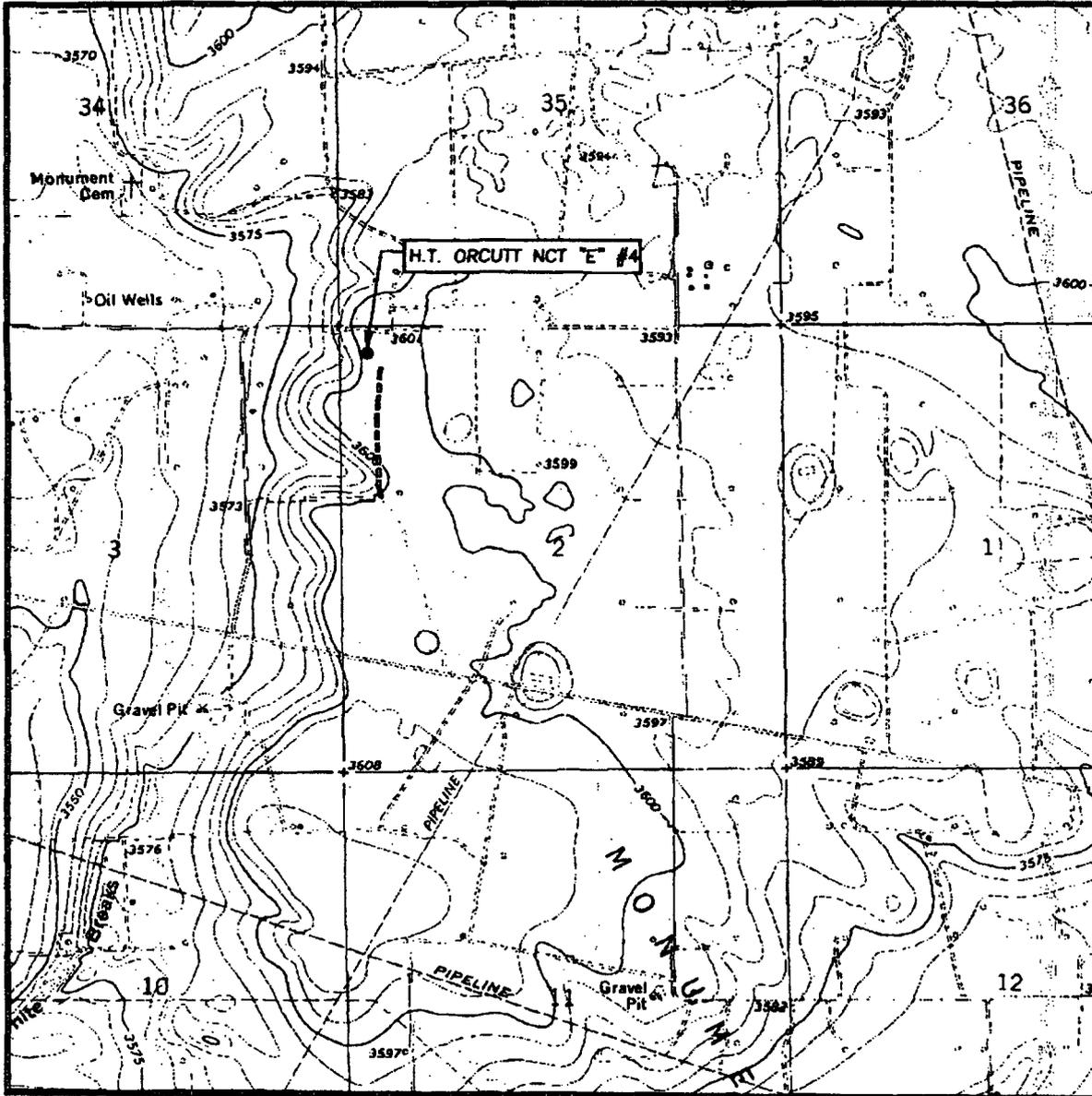
Paddock



Summary Oil/Water Gas History

Close

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
HOBBS SW, N.M. - 10'

SEC. 2 TWP. 20-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 330' FNL & 330' FWL

ELEVATION 3602'

OPERATOR CHEVRON, INC.

LEASE H.T. ORCUTT NCT "E"

U.S.G.S. TOPOGRAPHIC MAP
HOBBS SW, N.M.

PROVIDING SURVEYING SERVICES
SINCE 1948
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 383-3117

