18. Apr. 1.07

W. Jones

PCLP0710932532

ABOVE THIS LINE FOR DIVISION USE ONLY

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

Applic		NSP-Non-S DD-D Inhole Commin IOOI Commingli WFX-Waterfi SWD-Sa	lood Expansi alt Water Dis _l	illing] [SD- B-Lease Con Off-Lease St on] [PMX-P posal] [IPI-	Simultaneo nmingling] orage] [C ressure Ma Injection Pr	iintenance E essure Incr	on] /Lease Commin se Measuremen expansion]	00 10000
[1]	TYPE OF AI				~ ~ *			AM 11
	[A]	NSL	Spacing Oni NSP	t - Direction DD	sai Drilling	3		占
	Check [B]	One Only for Commingli		C] e - Measurer PLC	nent PC	OLS	OLM	
	[C]	Injection - I WFX	Disposal - P PMX	ressure Incr SWD	ease - Enh IPI	anced Oil I EOR	Recovery PPR	•
[2]	NOTIFICAT [A]			- Check Th Overriding			☑ Does Not . ers	Apply
	[B]	Offset O	perators, Le	aseholders o	or Surface	Owner		
	[C]	Applicati	ion is One V	Vhich Requi	res Publis	hed Legal I	Notice	
	[D]			Concurrent , ement - Commission		•		
	[E]	For all of	f the above,	Proof of No	tification o	or Publicati	on is Attached	l, and/or,
	[F]	Waivers	are Attached	đ				
[3]	INFORMAT	ION / DATA	A SUBMIT	TED IS CO	MPLETI	E - Stateme	nt of Understa	nding

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.

Richard Jenkins	Zeroo	CONKINS	Petro. Engineer	4/12/2007
Print or Type Name	Signature		Title	Date



Richard A. Jenkins Petroleum Engineer New Mexico Team Permian Business Unit Chevron U.S.A. Inc. 15 Smith Road Midland, TX 79705 Tel 432-631-3281 Fax 432-687-7871 rjdg@chevron.com

April 12, 2007

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

Request to DHC the H.T. Orcutt NCT-E #5 (30-025-38374)

Attention: Oil and Gas Regulatory Department

Chevron U.S.A. Inc. respectfully requests administrative approval for an amendment to Downhole Commingle the East Weir Blinebry (63800), Monument Tubb (47090), and the Skaggs Drinkard (57000) in the H.T. Orcutt NCT-E #5. The well does not have an API number assigned to it yet, as it is a proposed new drill well. The #5 is located 1980' FWL, Unit F, Section 2, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

The proposed allocation percentages were calculated using offset average cumulative production data. Attached in support of this request is a table showing production volumes for each of the pools proposed for commingling. Also, included is a proposed well schematic diagram for the H.T. Orcutt NCT-E #5, C107, and a C102 form for each pool.

Chevron is the operator, with 100% working interest in the lease and the Commissioner of Public Lands; State of New Mexico holds the royalty ownership.

If you require additional information or have any questions, please contact me by telephone at 432-631-3281, or by email at <u>ridg@chevron.com</u>.

Sincerely,

CAMPO

Richard A Jenkins Petroleum Engineer

Enclosure

cc: NMOCD - Hobbs

Well File Mike Howell Danny Lovell Denise Pinkerton

Submit 3 Copies To Appropriate District	State of New Mexico	Form C-103
Office <u>District I</u>	Energy, Minerals and Natural Res	Sources May 27, 2004 WELL API NO.
1625 N. French Dr., Hobbs, NM 88240		20.025.20254
District II 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION DIVI	1: CY
District III 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Francis Dr	7. 5. Indicate Type of Lease STATE FEE
District IV	Santa Fe, NM 87505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM 87505		
SUNDRY NOT	TICES AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPERTY DESERVOIR LISE "APPL	DSALS TO DRILL OR TO DEEPEN OR PLUG BAC ICATION FOR PERMIT" (FORM C-101) FOR SUCH	r
PROPOSALS.)		Orcutt NCT-E
1. Type of Well: Oil Well	Gas Well Other	8. Well Number 5
2. Name of Operator		9. OGRID Number
Ch	evron U.S.A. Inc.	4323
3. Address of Operator		10. Pool name or Wildcat
15 Smith R	oad Midland, TX 79705	Monument Tubb
4. Well Location		
		te andfeet from theWestline
Section 35	Township 20S Range	37E NMPM County LEA
	11. Elevation (Show whether DR, RKB,	RT, GR, etc.)
Pit or Below-grade Tank Application	ar Closure	
	waterDistance from nearest fresh water wel	Distance from negreet surface water
Pit Liner Thickness: mi		bbls; Construction Material
12. Cneck	Appropriate Box to Indicate Nature	of Notice, Report or Other Data
NOTICE OF II	NTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK	=	EDIAL WORK ALTERING CASING
		MENCE DRILLING OPNS. P AND A
PULL OR ALTER CASING	MULTIPLE COMPL CASI	NG/CEMENT JOB
OTHER: DHC Monument Tubb/	Weir Blinebry East/Skaggs OTHI	ER: □
Drinkard ⊠		-
13. Describe proposed or com	pleted operations. (Clearly state all pertiner	nt details, and give pertinent dates, including estimated date pletions: Attach wellbore diagram of proposed completion
or recompletion.	ork). SEE ROEE 1103. For Multiple Com	pictions. Attach wemoore diagram of proposed completion
•		
UNDER THE PR	OVISIONS OF RULE 303 C (5), IT IS PR	OPOSED TO DOWNHOLE COMMINGLE PRE-
APPROVED PO	JLS, WEIK BLINEBRY EAST (PERFS 5)	'90'-6430'), MONUMENT TUBB (PERFS 6430'- CCAPTIONED WELL. THIS WILL BE A NEW
WELL DRILLEI	O IN 2007. PRODUCTION WILL BE ALI	OCATED BACK TO THE THREE POOLS
BASED ON THE	E PERCENTAGES SHOWN IN THE ATTA	ACHED SUPPORT DATA.
I hereby certify that the information	above is true and complete to the best of n	ny knowledge and belief. I further certify that any pit or below-
grade tank has been/will be constructed o	r closed according to NMOCD guidelines , a gen-	eral permit or an (attached) alternative OCD-approved plan .
SIGNATURE KICHARO	FNAMS TITLE P	
<u> </u>		FTR FNGINEER DATE 04/12/2007
	IIILE F	ETR. ENGINEER DATE 04/12/2007
Type or print name	E-mail address:	ETR. ENGINEER DATE 04/12/2007 Telephone No.
Type or print name For State Use Only		

REQUEST FOR EXCEPTION TO RULE 303-A FOR WELLS LOCATED IN PRE-APPROVED POOLS OR AREAS

Operator

Chevron U.S.A., Inc. P. O. Box 1150 Midland, TX 79702

Lease Name and Well Number

H.T. Orcutt NCT-E #5 1980' FNL & 1980' FWL, Unit Letter F 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 Orcutt E #5

(63800) East Weir Blinebry (Oil) (47090) Monument Tubb (Gas) (57000) Skaggs Drinkard (Oil)

Perforated Intervals

Blinebry (5790'-6430') Tubb (6430'-6700") Drinkard (6700'-7000')

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

Pool Allocated %	<u>Oil %</u>	Water %	Gas %	Remarks
Blinebry	51.00		7.00	Calculated using offset average cum's (see atta
Tubb	13.00		55.00	Calculated using offset average cum's (see atta
Drinkard	36.00		38.00	Calculated using offset average cum's (see atta
Totals	100.00		100.00	_ ,
Expeced IP%	<u>Oil %</u>	Water %	Gas %	Remarks
Expeced IP% Blinebry	<u>Oil %</u> 102.00	Water %	<u>Gas %</u> 63.00	Remarks Calculated using offset average cum's (see atta
		Water %		
Blinebry	102.00	<u>Water %</u>	63.00	Calculated using offset average cum's (see atta

Ownership

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

State / Federal Land Notification

Well is on a state lease

Orcutt NCT-E #5 Blinebry/Tubb/Drinkard Cum's

Blinebry Cum's

	Cum	Cum To Date		emaining	Ultimate Recovery	
Well	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)
HT Orcutt E #4	8595	8565	12763	12115	21,358	20,680
Williams 34 #6	92214	54976	118483	47381	210,697	102,357
HT Orcutt E #3	68450	160868	34931	44145	103,381	205,013
				Total	335,436	328,050
				Average	111,812	109,350

Tubb Cum's

	Cum	Cum To Date		emaining	Ultimate Recovery	
Well	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)
JH Williams #2	14643	399270	1153	193634	15,796	592,904
HT Orcutt E #2	58346	954617	6044	172473	64,390	1,127,090
HT Orcutt E #3	5961	102650	0	0	5,961	102,650
Jayhawk #1	116134	926733	12466	122382	128,600	1,049,115
Shelley 34 State #2	2591	1745439	0	0	2,591	1,745,439
Shelley 34 State #3	7934	166071	4722	61028	12,656	227,099
Shelley 34 State #4	1154	74992	0	0	1,154	74,992
State A #1	0	1472625	0	103118	17.	1,575,743
				Total	231,148	6,495,032
				Average	28,894	811,879

Drinkard Cum's

	Cum	Cum To Date		Cum Remaining		Ultimate Recovery	
Well	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	
JH Williams #2	59242					The second name of the second na	
Jayhawk 35 #2	18003	493989	7795	283595	25,798	777,584	
Shelley 35 #2	50704	47474	93432	90660	144,136	138,134	
Shelley 35 #5	5402	41586	0	0	5,402	41,586	
State H #1	67319	197772	21295	34263	88,614	remarkable and the property of the deal side	
State H #2	106794	1492575	30008	413276	136,802	1,905,851	
				Total	464,331	3,420,621	
				Average	77,389	570,104	

Average Cum's	Oil (BBL)	Gas (MCF)	Oil (%)	Gas (%)
Blinebry	111,812	109,350	51.27	7.33
Tubb	28,894	811,879	13.25	54.44
Drinkard	77,389	570,104	35.48	38.23

District I

1625 N. French Drive, Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aziec, NM 87410

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107A Revised June 10, 2003

Oil Conservation Division

1220 South St. Francis Dr. Santa Fe, New Mexico 87505 APPLICATION TYPE _X_Single Well

__X_Establish Pre-Approved

Pools District IV

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE Yes _X__No

Chevron Corporation 15 Smith Road, Midland TX 79705 Operator Address						
H.T. Orcutt NCT-E	#5		F-2-20S-37E		يلل	nited States
Comparison Code Code Code Code Code Code Code Code	Well No. e API N		Section-Township-R	· ·		county
DATA ELEMENT	UPPER		INTERME	DIATE ZONE		ER ZONE
Pool Name	Weir Bline		Monur	nent Tubb		s Drinkard
Pool Code	6380	00	7090	5	7000	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5790'-6	6430'	6311	'-6525'	6618	8'-6860'
Method of Production (Flowing or Artificial Lift)	Artificia	al Lift	Artif	icial Lift	Artif	icial 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)						
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36.0 Battery Currently all zo	Commingled in	Battery Currently	6.0° y Commingled in all ones	Battery Currentl	36.0° y Commingled in all cones
Producing, Shut-In or New Zone	New Zone -	Producing	New Zone	e - Producing	New Zon	e - Producing
Date and Oil/Gas/Water Rates of Last Production.	Oil	Gas	Oil	Gas	Oil	Gas
(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)		63 MCFPD	26 BOPD	495 MCFPD	72 BOPD	342 MCFPD
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil	Gas	Oil	Gas	Oil	Gas
than current or past production, supporting data or explanation will be required.)	51%	7%	13%	55%	36%	38%
		ADDITION	NAL DATA			
Are all working, royalty and overriding If not, have all working, royalty and over				fied mail?	Yes_ Yes_	_X No No
Are all produced fluids from all commit	ngled zones compa	atible with each o	other?		Yes_	_X No
Will commingling decrease the value of	f production?				Yes	NoX_
If this well is on, or communitized with or the United States Bureau of Land Ma	, state or federal la anagement been no	nds, has either th tified in writing	ne Commissioner of this application	of Public Lands ?	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-APPRO	VED POOLS			
If application is	to establish Pre-Ap	oproved Pools, th	e following addit	ional information wil	ll be required:	
List of other orders approving downhole List of all operators within the proposed Proof that all operators within the proposed Bottomhole pressure data.	Pre-Approved Po	ols	• •			
I hereby certify that the information	above is true an	d complete to t	he best of my kr	nowledge and belie	ef.	
SIGNATURE Krimeo	MAN	TITLE	Petroleum Engi	neer DATE	4/12/07	
TYPE OR PRINT NAME Rich	ard A Jenkins	TELEPHO	NE NO. (<u>432</u>	687-7120		
E-MAIL ADDRESS ridg@che	vron.com_					

205 37E

195 37E

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The state of	0	⊙.⊕	•	• • • • • • • • • • • • • • • • • • •	•	o	

H.T. Orcutt NCT-E #5

	Location:			Well Info:	
	1980' FNL 1980'	FWL, Sec2, T-20S, R-37E		Spud Date:	
	Unit Letter:	F		Comp. Date:	
	Field:	Weir East/Monument/Skaggs		API:	New API
	1	Lea		RefNO:	NOW ALL
	-			i i	
					State
	Area:	HUUUS	Dranaga	Lease:	Siale
Formation to Glorieta Blinebry Tubb Drinkard Abo	County: State: Area: Elevations DF: KB: GL: 5760' 6420' 6690'	NM Hobbs	Proposed ellbore Diagram	Status: Lease: Surface Casin Size: Set: @ With: Hole Size: Circ: TOC @ Wt: Intermediate (Size: Set @: With: Hole Size: TOC: Wt: Production Ca Size: Set @: With: Hole Size: TOC: Wt: Production Ca Size: Set @: With: Hole Size: TOC: Wt: Production Ca Size: Set @: With: Hole Size: TOC: TOC: Wt: Perfs: Blinebry	11 3/4" 500' 310sx 14-3/4" yes Surface 42# Casing 8 5/8" 2800' 875sx 11" surface 32# csing 5 1/2" 7100' 1050sx
Updated:	19-Feb-06		PI	BTD: 7040'	

TD: 7100'

By: rjdg

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised March 17, 1999

<u>District II</u> 811 South First, Artesia, NM 88210

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

<u>District IV</u> 2040 South Pacheco, Santa Fe, NM 87505

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 30-025-3837			² Pool Code 63800		³ Pool Name Weir Blinebry East				
⁴ Property	operty Code 5 Property Name Orcutt NCT-E						⁶ Well Number 5			
⁷ OGRID 432 3			⁸ Operator Name Chevron U.S.A., Inc.						⁹ Elevation 3602'	
					¹⁰ Surface Lo	cation				
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
F	2	20\$	37E		1980	North	1980	West	Lea	
	<u> </u>		¹¹ Bo	tom Hole	Location If D	ifferent From Su	urface			
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
12 Dedicated Acre	es ¹³ Join	t or Infill 14 Co	onsolidation (Code 15 Ord	er No.	1	<u> </u>			
	NO ALLO	WABLE WI	ILL BE AS	SIGNED TO	THIS COMPLET	ION UNTIL ALL IN	TERESTS HAVE BI	EEN CONSOLID	ATED OR A	

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

Orcutt 5 State Lease	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
1980: 40-acre proration unit	Signature Richard A. Jenkins Printed Name Petr. Engineer Title 4/12/2007
	SURVEYOR CERTIFICATION 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. Signature and Seal of Professional Surveyor:
	Certificate Number

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

<u>District II</u> 811 South First, Artesia, NM 88210

District III

OIL CONSERVATION DIVISION

Santa Fe, NM 87505

2040 South Pacheco 1000 Rio Brazos Rd., Aztec, NM 87410

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

□ AMENDED REPORT

District IV 2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

⁶ Well Number 5 ⁹ Elevation 3602'
th line Feet from the East/West line County
1980 West Lea
rom Surface
th line Feet from the East/West line County
r

Orcutt 5 State Lease	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
1980' #5 80-acre proration unit	Signature Richard A. Jenkins Printed Name Petr. Engineer Title 4/12/2007
	SURVEYOR CERTIFICATION 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. Signature and Seal of Professional Surveyor:
	Certificate Number

<u>District I</u> 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

<u>District IV</u> 2040 South Pacheco, Santa Fe, NM 87505

1000 Rio Brazos Rd., Aztec, NM 87410

Energy, Minerals & Natural Resources Department

2040 South Pacheco Santa Fe, NM 87505

OIL CONSERVATION DIVISION

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

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	Pl Number - 025-3837 4			² Pool Code 57000		³ Pool Name Skaggs Drinkard				
⁴ Property Co	ode	de SProperty Name Orcutt NCT-E							⁶ Well Number 5	
⁷ OGRID No. 4323 B Operator Name Chevron U.S.A., Inc.							⁹ Elevation 3602'			
			11		¹⁰ Surface Lo	cation				
UL or Lot No. S	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
F	2	20\$	37E		1980	North	1980	West	Lea	
		L	¹¹ Bot	ttom Hole	Location If D	ifferent From Su	ırface	<u> </u>		
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
² Dedicated Acres 40	¹³ Join	t or Infill 14 Co	onsolidation (Code 15 Ord	er No.					

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

