

DATE IN 18. Apr. 07	SUSPENSE	ENGINEER W. Jones	LOGGED 19. April. 07	TYPE PCLD0710932532
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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

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]

2007 APR 18 AM 11 41

[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

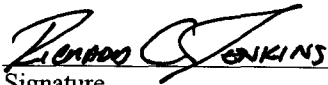
[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☒ Does Not Apply

- [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.

Richard Jenkins		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' FNL 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 rjdg@chevron.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Jenkins", written over a horizontal line.

Richard A Jenkins
Petroleum Engineer

Enclosure

cc: NMOCD – Hobbs
Well File
Mike Howell
Danny Lovell
Denise Pinkerton

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-025-38374

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Orcutt NCT-E

8. Well Number **5**

9. OGRID Number

4323

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

10. Pool name or Wildcat

Monument Tubb

4. Well Location

Unit Letter **F** : **1980** feet from the **North** line and **1980** feet from the **West** line
Section **35** Township **20S** Range **37E** NMPM County **LEA**

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

3602' 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 ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: **DHC Monument Tubb/Weir Blinebry East/Skaggs
Drinkard** ☒

SUBSEQUENT REPORT OF:

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

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 PROVISIONS OF RULE 303 C (5), IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS, WEIR BLINEBRY EAST (PERFS 5790'-6430'), MONUMENT TUBB (PERFS 6430'-6700'), AND SKAGGS DRINKARD (6700'-7000') IN THE CAPTIONED WELL. THIS WILL BE A NEW WELL DRILLED IN 2007. PRODUCTION WILL BE ALLOCATED BACK TO THE THREE POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE **RICHARD A. ENKINS**

TITLE **PETR. ENGINEER**

DATE **04/12/2007**

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

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

<u>Pool Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	51.00		7.00	Calculated using offset average cum's (see atts
Tubb	13.00		55.00	Calculated using offset average cum's (see atts
Drinkard	36.00		38.00	Calculated using offset average cum's (see atts
Totals	100.00		100.00	

<u>Expeced IP%</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	102.00		63.00	Calculated using offset average cum's (see atts
Tubb	26.00		495.00	Calculated using offset average cum's (see atts
Drinkard	72.00		342.00	Calculated using offset average cum's (see atts
Totals	200.00		900.00	

Ownership

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

State / Federal Land Notification

Well is on a state lease

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

Blinebry Cum's

Well	Cum To Date		Cum Remaining		Ultimate Recovery	
	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

Well	Cum To Date		Cum Remaining		Ultimate Recovery	
	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	-	1,575,743
Total					231,148	6,495,032
Average					28,894	811,879

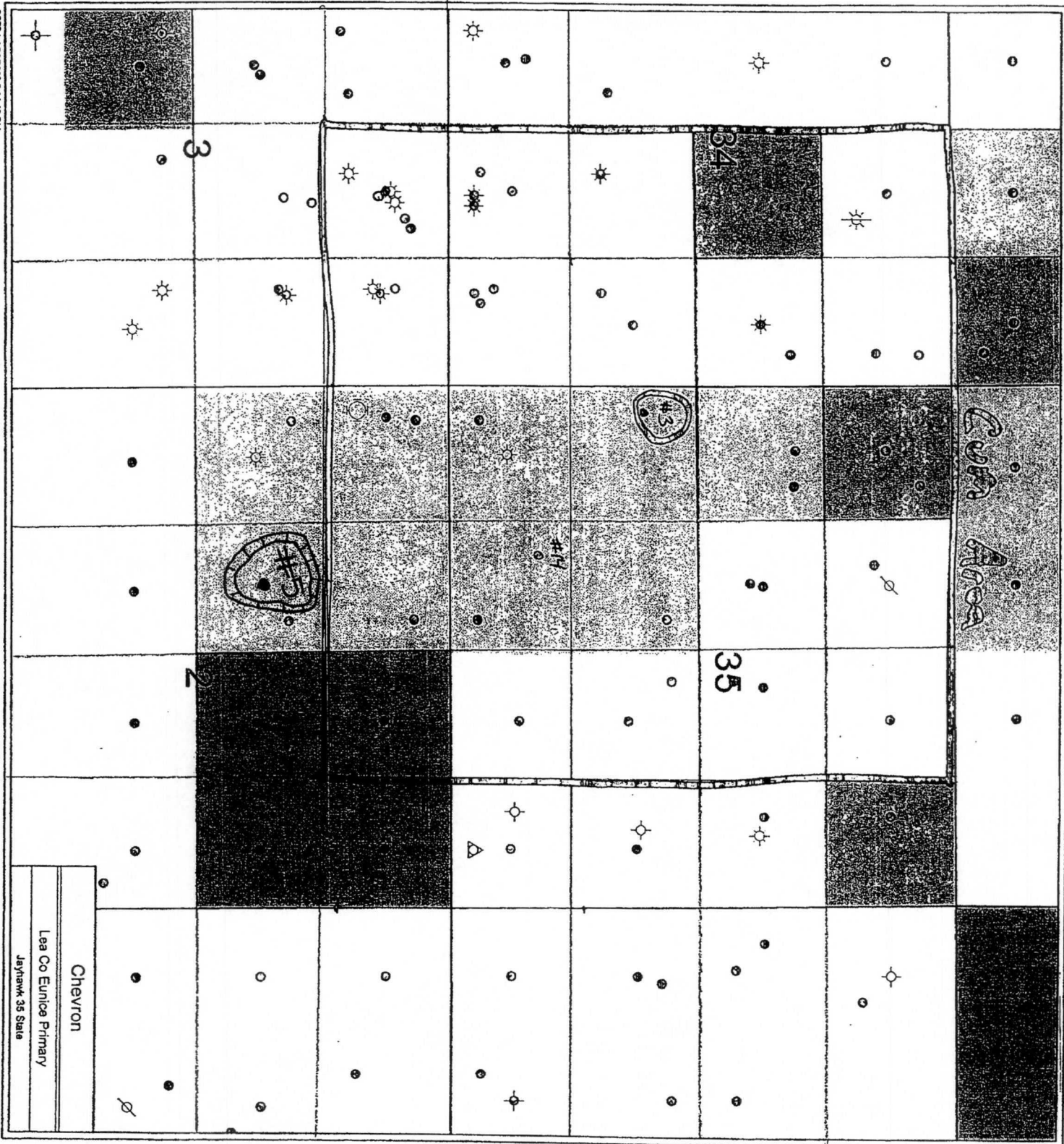
Drinkard Cum's

Well	Cum To Date		Cum Remaining		Ultimate Recovery	
	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)
JH Williams #2	59242	263294	4337	62137	63,579	325,431
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	232,035
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 (%)
Blignebry	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

20S 37E

19S 37E



H.T. Orcutt NCT-E #5

Location:

1980' FNL 1980' FWL, Sec2, T-20S, R-37E
Unit Letter: F
Field: Weir East/Monument/Skaggs
County: Lea
State: NM
Area: Hobbs

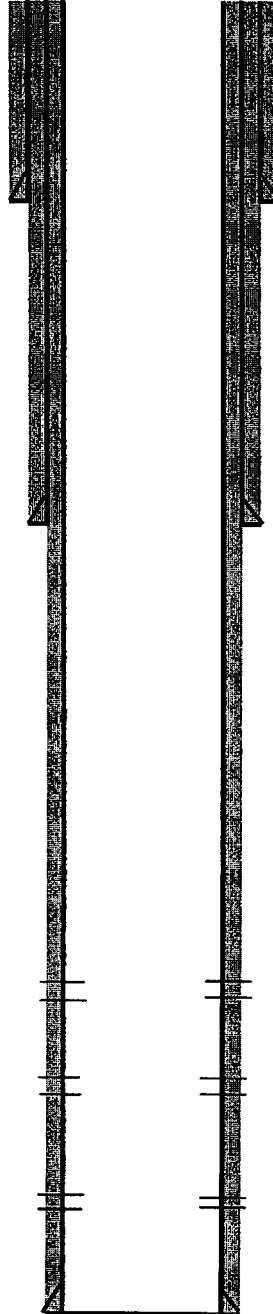
Well Info:

Spud Date:
Comp. Date:
API: New API
RefNO:
Status:
Lease: State

Proposed Wellbore Diagram

Elevations

DF:
KB:
GL: 3602'



Surface Casing

Size: 11 3/4"
Set @ 500'
With: 310sx
Hole Size: 14-3/4"
Circ: yes
TOC @ Surface
Wt: 42#

Intermediate Casing

Size: 8 5/8"
Set @ 2800'
With: 875sx
Hole Size: 11"
TOC: surface
Wt: 32#

Production Casing

Size: 5 1/2"
Set @ 7100'
With: 1050sx
Hole Size: 7 7/8"
TOC: surface
Wt: 17#

Formation tops

Glorieta
Blinebry 5760'
Tubb 6420'
Drinkard 6690'
Abo

Perfs:

Blinebry 5790'-6430'

Perfs:

Tubb 6430'-6700'

Perfs:

Drinkard 6700'-7000'

Updated: 19-Feb-06
By: rjdg

PBTD: 7040'
TD: 7100'

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 30-025-38374	² Pool Code 63800	³ Pool Name Weir Blinebry East
⁴ Property Code	⁵ Property Name Orcutt NCT-E	⁶ Well Number 5
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3602'

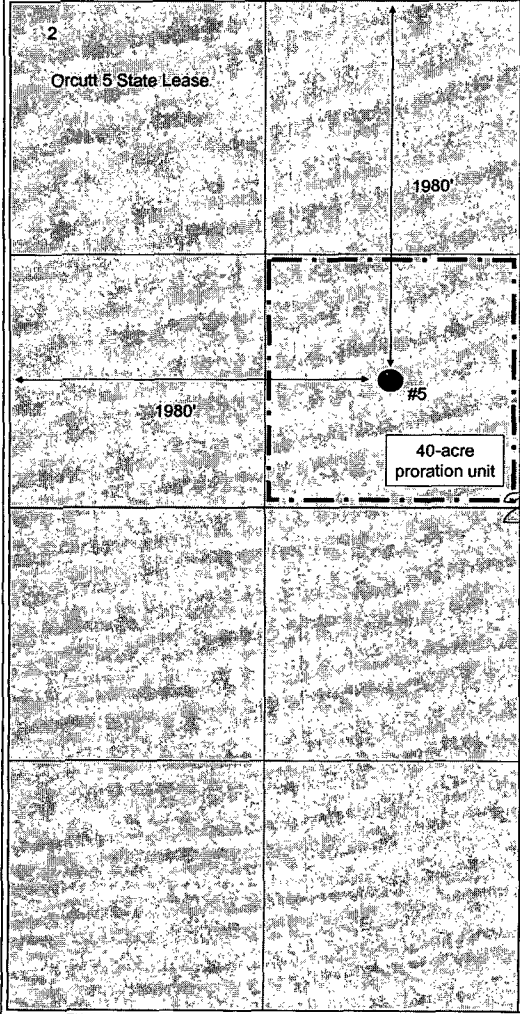

¹⁰ Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	20S	37E		1980	North	1980	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.						

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>17</p> <h3>OPERATOR CERTIFICATION</h3> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature _____ Richard A. Jenkins</p> <p>Printed Name _____ Petr. Engineer</p> <p>Title _____ 4/12/2007</p>
	<p>18</p> <h3>SURVEYOR CERTIFICATION</h3> <p>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.</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

OIL CONSERVATION DIVISION

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1000 Rio Brazos Rd., Aztec, NM 87410

2040 South Pacheco
Santa Fe, NM 87505

District IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-38374	² Pool Code 47090	³ Pool Name Monument Tubb
⁴ Property Code	⁵ Property Name Orcutt NCT-E	⁶ Well Number 5
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3602'

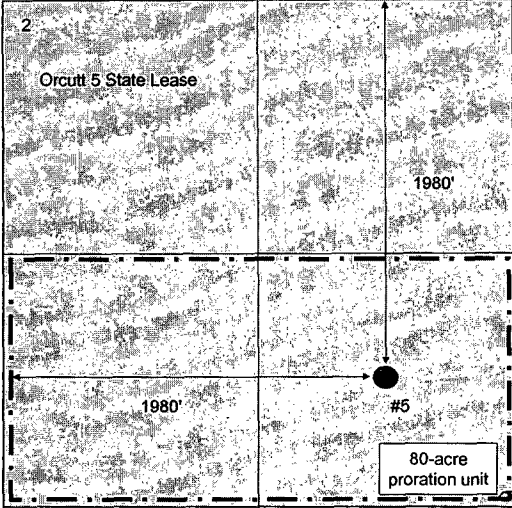

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¹¹ Bottom Hole Location If Different From Surface

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 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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

	<p>¹⁷</p> <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></p> <p>Signature _____ Richard A. Jenkins</p> <p>Printed Name _____ Petr. Engineer</p> <p>Title _____ 4/12/2007</p>
	<p>¹⁸</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>

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Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code	⁵ Property Name Orcutt NCT-E	⁶ Well Number 5
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3602'

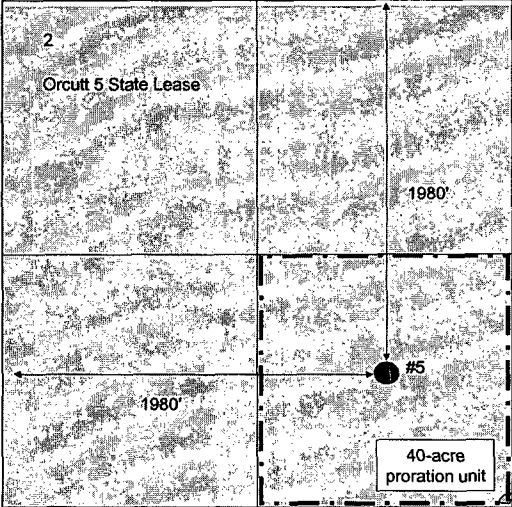
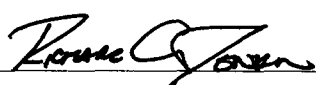
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