

FD SM 092014448

Order Number

1108
0294-A

API Number

30-025-3921A

Operator

Chevron USA Inc

County

Lea / Fed

Order Date

7/7/09

Well Name

AH Blinco Federal NCT-1

Number

51

Location

D

UL

R

Sec

22S

T (+Dir)

38E

R (+Dir)

Oil %

35%

Gas %

54%

Pool 1

60240

Tubb D&B

CD: D

Pool 2

7900

Brunson Drinkard Abo S

64%

46%

Pool 3

Pool 4

Comments:

2/20/09 Posted dm

API # 30-025-39214
DHC-HOB-0294-A

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Chevron USA Inc

PROPERTY NAME: AH Blinberry Federal NCT-1

WNULSTR: # 51-D-29-225-380

SECTION I:		ALLOWABLE AMOUNT	
POOL NO. 1	<u>160240</u> <u>Tubb 846 (Oil)</u>	<u>142</u> <u>284</u> MCF	<u>2000</u>
POOL NO. 2	<u>17900</u> <u>Brunson Drinkard-Abo South</u>	<u>142</u> <u>852</u> MCF	<u>6000</u>
POOL NO. 3			
POOL NO. 4			
POOL TOTALS		<u>284</u> <u>636</u>	

SECTION II:			
POOL NO. 1	<u>Tubb 846 (Oil)</u>	<u>Oil</u> <u>368</u>	<u>- GAS</u> <u>54%</u>
POOL NO. 2	<u>Brunson Drinkard-Abo, S</u>	<u>64% x 284 = 181.76</u> <u>(182)</u>	<u>46%</u>
POOL NO. 3			
POOL NO. 4			

	<u>OIL</u>	<u>GAS</u>
SECTION III:	<u>$142 \div 64\% = 221.88$</u>	<u>(222)</u>
SECTION IV:	<u>$222 \times 36\% = 79.92$</u>	<u>(80)</u>
	<u>$222 \times 64\% = 142.08$</u>	<u>(142)</u>

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

RECEIVED

Energy, Minerals and Natural Resources

May 27, 2004

JUN 24 2009

OIL CONSERVATION DIVISION

HOBBSOCD

1220 South St. Francis Dr.

Santa Fe, NM 87505

Amended Report

WELL API NO.

30-025-39214

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

A.H. Blinebry Federal NCT-18. Well Number **51**

9. OGRID Number

4323

10. Pool name or Wildcat

Tubb/Drinkard-Abo**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

4. Well Location

Unit Letter D : 760 feet from the North line and 660 feet from the West lineSection 29 Township 22S Range 38E NMPM County LEA

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

3392 (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 ☐REPAIR OR ALTER CASING ☐ MULTIPLE COMPL ☐OTHER: **DHC Tubb/Brunson; Drinkard-Abo, South** ☒**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 PROVISION OF RULE 303C (5) IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLSTUBB OIL & GAS (60240) (6086-6362') & BRUNSON; DRINKARDABO, SOUTH (7900) (6362-7072') IN THE CAPTIONED WELL. PRODUCTION WILL BE ALLOCATED BACK TO THE TWO POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

*I Amend DHC-HOB 0294**DHC-HOB-0294A*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 NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.SIGNATURE *Lennie Graham* TITLE PETR. ENGINEER DATE 6/24/2009

Type or print name

For State Use Only

E-mail address:

Telephone No.

APPROVED BY: *[Signature]*TITLE **PETROLEUM ENGINEER**DATE **JUL 07 2009**

Conditions of Approval (if any):

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

A.H. Blinebry Federal NCT-1 #51
30-025-39214
760' FNL & 660' FWL, Unit Letter D
Section 29, T22S, R38E
Lea County, New Mexico

Division Order

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

Pools To Be Commingled In A.H. Blinebry Federal NCT-3 #7

(60240) Tubb Oil & Gas (OIL)
(7900) Brunson; Drinkard-Abo, South (OIL)

Perforated Intervals

Tubb Oil & Gas (6086-6362')
Brunson; Drinkard-Abo, South (6362-7072')

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</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPD</u>	<u>Remarks</u>
Tubb	9	5	72	Calculated From Allocations %
Brunson; Drinkard Abo, South	15	9	62	Calculated From Allocations %
Totals	24	14	134	Test from 6/16/2009

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Tubb	36	35	54	From offset EUR
Brunson; Drinkard Abo, South	64	65	46	From offset EUR
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 Federal lease

District I
1625 N French Drive Hobbs NM 88240

District II
1301 W Grand Avenue Artesia NM 88210

District III
1000 Rio Brazos Road Aztec, NM 87410

Pools
District IV
1220 S St Francis Dr Santa Fe NM 87505

RECEIVED

JUN 24 2009

HOBBSD

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
Amended Report
APPLICATION FOR DOWNHOLE COMMINGLING

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
☒ Single Well
☒ Establish Pre-Approved

EXISTING WELLBORE
☐ Yes ☒ No

Chevron Corporation 15 Smith Road, Midland TX 79705
Operator Address

A.H. Blinberry Federal NCT-1 #51 D-29-22S-38E Lea
Lease Well No Unit Letter-Section-Township-Range County

OGRID No. 4323 Property Code 29903 API No. 30-025-39214 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Tubb Oil & Gas		Brunson, Drinkard-Abo, South
Pool Code	60240		7900
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6086-6362' Perforated		6362-7072' Perforated/Open Hole
Method of Production (Flowing or 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)	n/a		n/a
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36°		36°
Producing, Shut-In or New Zone	New Zone		New Zone
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: Estimated Oil Gas 9 bbl 72 MCF		Date: Estimated Oil Gas 15 BBL 62MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 36% 54%		Oil Gas 64% 46%

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.

To Amend
DHC HOB-0294

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 Lonnie Grohman TITLE Petroleum Engineer DATE 6/24/2009

TYPE OR PRINT NAME Lonnie Grohman TELEPHONE NO. (432) 687-7420

E-MAIL ADDRESS lgek@chevron.com