

DATE IN <u>1.26.11</u>	SUSPENSE	ENGINEER <u>RE.</u>	LOGGED IN <u>1.26.11</u>	TYPE <u>PLC</u>	APP NO. <u>1102657566</u>
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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



Chevron
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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]

Fed

- [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

*Amend
 PLC-59-B*

- [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.

Carolyn Haynie Carolyn Haynie Petroleum Engineering TA 1-20-11
 Print or Type Name Signature Title Date

chay@chevron.com
 e-mail Address

~~PLC-59-B~~ *PLC-59-C*



Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

January 24, 2011

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

RE: Application to Amend PLC-59-B
Oil and Gas Department

Chevron U.S.A., Inc. respectfully requests administrative approval to amend PLC-59-B to allow for the surface commingling of oil and water production from the L.E. Grizzell Lease and the C.P. Falby A & B Federal leases in the existing Falby A & B Commingled Battery. PLC-59-B granted authority to commingle production from the C. P. Falby A & B Federal leases, which consists of Penrose Skelly (Grayburg) (Oil – 50350) Pool, Eunice San Andres; SW (Oil – 24180) Pool, and Cary San Andres Gas (Gas – 96801) Pool production. The surface commingling of the L. E. Grizzell lease will add production from the Drinkard (Oil – 19190) and Paddock (Oil – 49210) Pools. The proposed new C. P. Falby wells, to be drilled later in 2011, will add Blinebry Oil & Gas (Oil – 6660) Pool production. Administrative approval is also requested to amend PLC-59-B to grant authority for the surface commingling of these additional pools into the existing C. P. Falby A & B Commingled Battery.

Chevron is the operator with 100% working interest, in all three leases. The royalty interest owners are different, therefore notification was sent to the royalty owners, (list included with the attachments). Also included in the attachments is a copy of the notification letter; a table showing oil production volumes, gravities, and monetary values for each of the wells, and a proposed schematic diagram and a lease plat.

Current plans are to produce the Grizzell wells into a 3-phase separator with meters for oil, water, and gas, in accordance with applicable provisions of the NMOCD's "Manual for the installation and Operation of Commingling Facilities, located on the L. E. Grizzell lease. The Grizzell gas will also be sold at this site. The Grizzell oil and water will be measured and then pumped to the C. P. Falby A & B Commingled Battery for processing. This commingling is necessary because the existing L. E. Grizzell Battery is in poor condition and the wells are too marginal to justify a battery upgrade. The nearby C. P. Falby A & B Commingled Battery can easily handle the fluid production from the L. E. Grizzell lease. The fluids to be commingled are compatible, and as shown on the attached table, the sales value of the crude oil will not be significantly affected.

For your convenience, I have enclosed an envelope with my return address, so the decision for this application can be sent directly to me. If you require additional information, please contact me by telephone at 432-687-7261, or by email at chay@chevron.com.

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

NM OCD District 1, Hobbs

Mike Howell

Danny Lovell

Central Files

Current Well Test						
C.P. Falby A. Fed & C.P. Falby B.Fed; and the L.E. Grizzell Wells						
Section 8, T22S, R37E. NMPM,						
Lea County, New Mexico						
Well Test						
Pool	Well	Test Date	BOPD	BWPD	MCFPD	
Penrose Skelly Grayburg	C.P. Falby A Fed #1	11/4/2010	8	365.0	96	
		7/8/2010	9	360.0	260	
		6/14/2010	13	384.0	277	
		1/5/2010	15	417.0	289	
Penrose Skelly Grayburg	C.P. Falby A Fed #3	11/7/2010	6	80.0	73	
		7/9/2010	7	75.0	136	
		6/15/2010	7	77.0	137	
		1/6/2010	9	80.0	130	
Eunice San Andres, Southwest	C.P. Falby A Fed #4	11/10/2010	0.5	20	45	
		8/11/2010	0.5	19	98	
		7/11/2010	1.0	36	102	
		6/26/2010	0.8	38	99	
Penrose Skelly Grayburg	C.P. Falby A Fed #6	11/13/2010	6.0	210	86	
		7/10/2010	7.0	200	157	
		6/28/2010	8.0	206	157	
		1/8/2010	9.0	200	150	
Penrose Skelly Grayburg	C.P. Falby A Fed #7	11/16/2010	1.0	501	57	

		7/12/2010	1.0	498	112	
		6/27/2010	1.0	501	118	
		1/11/2010	1.0	493	113	
Penrose Skelly Grayburg	C.P. Falby B Fed #4	11/19/2010	0.5	5	20	
		7/22/2010	0.2	1	19	
		6/24/2010	0.4	2	18	
		1/13/2010	0.0	129	29	
Penrose Skelly Grayburg	C.P. Falby B Fed #5	11/23/2010	3.0	75	76	
		7/25/2010	4.0	69	118	
		6/16/2010	4.0	68	118	
		1/14/2010	6.0	90	124	
Proposed - Blinebry & DRK	C.P. Falby Fed A # 9		NA			New Well
Proposed - Blinebry & DRK	C.P. Falby Fed B # 6		NA			New Well
Proposed - Blinebry & DRK	C.P. Falby Fed B # 7		NA			New Well
Penrose Skelly Grayburg	L. E. Grizzell #1	8/1/2010	1.0	1.0	4.00	
Paddock	L. E. Grizzell #2	8/1/2010	2.0	2.4	8.00	
Drinkard	L. E. Grizzell #3	8/1/2010	0.0	0.0	26.00	
Drinkard	L. E. Grizzell #4	8/1/2010	1.0	1.7	5.00	
Totals			132.9		3257	

C.P. Falby A & B Pool Lease Commingled Battery					Commingling Order PLC-59-B						
Section 8, T22S, R37E, Lea County, NM											
Well	API	Status	Lease	Pool	Pool #	Unit Letter	Sec	Location	Twship	Rng	Co
L. E. Grizzell #1	30-025-10099	PR	L.E. Grizzell	Penrose Skelly Grayburg	50350	B	8	600' FNL & 1980' FEL	22S	37E	Lea
L. E. Grizzell #2	30-025-10102	PR	L.E. Grizzell	Paddock	49210	A	8	600' FNL & 660' FEL	22S	37E	Lea
L. E. Grizzell #3	30-025-10100	PR	L.E. Grizzell	Drinkard	19190	A	8	750' FNL & 760' FEL	22S	37E	Lea
L. E. Grizzell #4	30-025-26765	PR	L.E. Grizzell	Drinkard	19190	A	8	810' FNL & 410' FEL	22S	37E	Lea
C.P. Falby A Fed #1	30-025-10117	PR	Falby, C.P. -A- Federal	Penrose Skelly Grayburg	50350	C	8	660' FNL & 1980' FWL	22S	37E	Lea
C.P. Falby A Fed #3	30-025-10118	PR	Falby, C.P. -A- Federal	Penrose Skelly Grayburg	50350	F	8	1980' FNL & 1980' FWL	22S	37E	Lea
			DHC # 3441	Eunice San Andres, Southwest							
C.P. Falby A Fed #4	30-025-10120	PR	Falby, C.P. -A- Federal	Eunice San Andres, Southwest	24180	E	8	1980' FSL & 660' FWL	22S	37E	Lea
C.P. Falby A Fed #6	30-025-38372	PR	Falby, C.P. -A- Federal	Penrose Skelly Grayburg	50350	D	8	1310' FNL & 1100' FWL	22S	37E	Lea
C.P. Falby A Fed #7	30-025-39048	PR	Falby, C.P. -A- Federal	Penrose Skelly Grayburg	50350	D	8	330' FNL & 1307' FWL	22S	37E	Lea
C.P. Falby B Fed #4	30-025-10106	PR	Falby, C.P. -B- Federal	Penrose Skelly Graybug	50350	L	8	1980' FSL & 660' FWL	22S	37E	Lea
			DHC # 3594	Cary San Andres							
C.P. Falby B Fed #5	30-025-37938	PR	Falby, C.P. -B- Federal	Penrose Skelly Grayburg	50350	K	8	2310' FSL & 2310' FWL	22S	37E	Lea
New Wells to be added in the 4th qtr of 2011											
C.P. Falby Fed A # 9	not available	New Drill	Falby, C.P. -A- Federal	Depths Blinebry depth: 5553'; DRK depth: 6370'	Proposed Formation Blinebry & DRK	D	8	760' FNL & 660' FWL	22S	37E	Lea
C.P. Falby Fed B # 6	not available	New Drill	Falby, C.P. -B- Federal	Blinebry depth: 5540'; DRK depth: 6358'	Blinebry & DRK	N	8	600' FSL & 1880' FWL	22S	37E	Lea
C.P. Falby Fed B # 7	not available	New Drill	Falby, C.P. -B- Federal	Blinebry depth: 5557'; DRK depth: 6372'	Blinebry & DRK	M	8	660' FSL & 560' FWL	22S	37E	Lea

Proposed Surface Commingling Order						
L. E. Grizzell And C. P. Falby A & B Federal Commingled Battery						
NE/4 of SW/4, Sec 8, T22S, R37E, NMPM,						
Lea County, New Mexico						
C.P. Falby A. Fed & C.P. Falby B. Fed; and the L.E. Grizzell Batteries (Current Status)						
Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Battery
Penrose Skelly Grayburg	C.P. Falby A Fed #1 ✓	8.0	31.5	75.14	601.12	C. P. Falby A & B Federal Commingled Battery
Penrose Skelly Grayburg	C.P. Falby A Fed #3 ✓	6.0	31.5	75.14	450.84	C. P. Falby A & B Federal Commingled Battery
Eunice San Andres, Southwest	C.P. Falby A Fed #4 ✓	1.0	31.5	75.14	75.14	C. P. Falby A & B Federal Commingled Battery
Penrose Skelly Grayburg	C.P. Falby A Fed #6 ✓	6.0	31.5	75.14	450.84	C. P. Falby A & B Federal Commingled Battery
Penrose Skelly Grayburg	C.P. Falby A Fed #7 ✓	1.0	31.5	75.14	75.14	C. P. Falby A & B Federal Commingled Battery
Penrose Skelly Grayburg	C.P. Falby B Fed #4 ✓	0.5	31.5	75.14	37.57	C. P. Falby A & B Federal Commingled Battery
Penrose Skelly Grayburg	C.P. Falby B Fed #5 ✓	3.0	31.5	75.14	225.42	C. P. Falby A & B Federal Commingled Battery
Proposed - Blinebry & DRK	C.P. Falby Fed A # 9		31.5	75.14	0.00	Proposed New Well
Proposed - Blinebry & DRK	C.P. Falby Fed B # 6		31.5	75.14	0.00	Proposed New Well
Proposed - Blinebry & DRK	C.P. Falby Fed B # 7		31.5	75.14	0.00	Proposed New Well
Penrose Skelly Grayburg	L. E. Grizzell #1	1.0	34.0	75.77	75.77	L. E. Grizzell Battery
Paddock	L. E. Grizzell #2	2.0	34.0	75.77	151.54	L. E. Grizzell Battery
Drinkard	L. E. Grizzell #3	0.0	34.0	75.77	0.00	L. E. Grizzell Battery
Drinkard	L. E. Grizzell #4	1.0	34.0	75.77	75.77	L. E. Grizzell Battery
Totals		29.5			\$2,219.15	

C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery (Proposed Status)									
Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks	Battery		
Penrose Skelly Grayburg	C.P. Falby A Fed #1	8.0	31.8	75.14	601.12	Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Penrose Skelly Grayburg	C.P. Falby A Fed #3	6.0	31.8	75.14	450.84	Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Eunice San Andres, Southwest	C.P. Falby A Fed #4	1.0	31.8	75.14	75.14	Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Penrose Skelly Grayburg	C.P. Falby A Fed #6	6.0	31.8	75.14	450.84	Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Penrose Skelly Grayburg	C.P. Falby A Fed #7	1.0	31.8	75.14	75.14	Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Penrose Skelly Grayburg	C.P. Falby B Fed #4	0.5	31.8	75.14	37.57	Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Penrose Skelly Grayburg	C.P. Falby B Fed #5	3.0	31.8	75.14	225.42	Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Proposed - Blinebry & DRK	C.P. Falby Fed A # 9	New Well	31.8	75.14		Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Proposed - Blinebry & DRK	C.P. Falby Fed B # 6	New Well	31.8	75.14		Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Proposed - Blinebry & DRK	C.P. Falby Fed B # 7	New Well	31.8	75.14		Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Penrose Skelly Grayburg	L. E. Grizzell #1	1.0	31.8	75.14	75.14	Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Paddock	L. E. Grizzell #2	2.0	31.8	75.14	150.28	Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Drinkard	L. E. Grizzell #3	0.0	31.8	75.14	0.00	Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Drinkard	L. E. Grizzell #4	1.0	31.8	75.14	75.14	Calculated API gravity of commingled oil	C. P. Falby A & B Federal And L. E. Grizzell Commingled Battery		
Totals		29.5			\$2,216.63				



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COMMINGLING ORDER PLC-59-B

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 Penrose-Skelly (Grayburg) (Oil – 50350), Southwest Eunice-San Andres (Oil – 24180) and Cary-San Andres Gas (Gas – 96801) Pool production from the following-described Federal leases and wells in Lea County, New Mexico:

Lease: C. P. Falby "A" Federal Lease (Lease No. LC-033706-A)
Description: NW/4 Section 8, Township 22 South, Range 37 East, NMPM,

Wells: C. P. Falby "A" Well No. 1 (API No. 30-025-10117)
Penrose-Skelly (Grayburg) Pool
C. P. Falby "A" Well No. 3 (API No. 30-025-10118)
Southwest Eunice-San Andres Pool
C. P. Falby "A" Well No. 4 (API No. 30-025-10120)
Southwest Eunice-San Andres Pool

Lease: C. P. Falby "B" Federal Lease (Lease No. LC-033706-B)
SW/4 Section 8, Township 22 South, Range 37 East, NMPM

Wells: C. P. Falby "B" Well No. 4 (API No. 30-025-10106)
Cary-San Andres Gas Pool

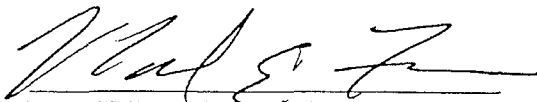
The production from each well/lease shall be determined by monthly well tests. This method of production allocation may be utilized as long as the interest ownership between the wells remains identical.

The commingled production shall be stored at a common tank battery located on the C. P. Falby "B" Lease in the NE/4 SW/4 of Section 8, Township 22 South, Range 37 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.

Chevron U.S.A. Inc.
Commingling Order PLC-59-B
April 27, 2005
Page 2

Done, at Santa Fe, New Mexico on this 27th day of April, 2005.


MARK E. FESMIRE, P.E.,
Division Director

MEF/drc

cc: Oil Conservation Division -- Hobbs
Bureau of Land Management-Carlsbad



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER PC-1044

ROC Energy, Inc.
P.O. Box 51008
Midland, Texas 79710

Attention: Ms. Pamela D. Inskeep

Lease: L. E. Grizzell Lease

Description: N/2 NE/4 of Section 8, Township 22 South, Range 37 East, NMPM, Lea
County, New Mexico



The above-named company is hereby authorized to commingle Penrose Skelly (Grayburg) (Oil – 50350), Paddock (Oil – 49210) and Drinkard (Oil – 19190) Pool production from the above mentioned lease and to determine production from each pool by monthly well tests.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

Production shall be measured and stored at a tank battery located in the NE/4 NE/4 of Section 8, Township 22 South, Range 37 East, NMPM.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 19th day of October, 2001.

LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division- Hobbs



Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

January 19, 2011

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

Royalty Interest Owners,

Chevron U.S.A., Inc. has requested administrative approval to amend PLC-59-B to allow for the surface commingling of oil and water production from the L.E. Grizzell Lease and the C.P. Falby A & B Federal leases in the existing Falby A & B Commingled Battery. PLC-59-B granted authority to commingle production from the C. P. Falby A & B Federal leases.

Current plans are to produce the Grizzell wells into a 3-phase separator with meters for oil, water, and gas, in accordance with applicable provisions of the NMOCD's "Manual for the installation and Operation of Commingling Facilities, located on the L. E. Grizzell lease. The Grizzell gas will also be sold at this site. The Grizzell oil and water will be measured and then pumped to the C. P. Falby A & B Commingled Battery for processing. The value of the produced oil will not be significantly impacted by the proposed action. This commingling is necessary because the existing L. E. Grizzell Battery is in poor condition and the wells are too marginal to justify a battery upgrade. The nearby C. P. Falby A & B Commingled Battery can easily handle the fluid production from the L. E. Grizzell lease.

Any objections to this commingle must be sent to the **New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504**, within 20 days of receipt of this notification.

If you require additional information, please contact me, by telephone at 432-687-7261, or by email at: chay@chevron.com.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant

Enclosure

NM OCD District 1, Hobbs
Mike Howell
Danny Lovell
Central Files

Royalty Interest Owners

**NUEVO SEIS LIMITED
PARTNERSHIP
P.O. BOX 2588
ROSWELL, NEW MEXICO 88202**

**EMMA GALE BARTLETT TRUST
BANK OF AMERICA
P.O. BOX 840738
DALLAS, TX 75284-0738**

**DIANA M. BISTLINE
410 E. PARKSIDE DR.
HAYDEN, ID 83835**

**P.J. HANNIFIN FAMILY TRUST
765 SANTA CAMELIA
SOLANA BEACH, CA 92075-1612**

**LARAMIE PLAINS MUSEUM
FIRST INTERSTATE BK, AGENT
P.O. BOX 3004
GILLETTE, WY 82717**

**CLAIRE BISTLINE
1801 WOLSEY
AJO, AZ 85321**

**NANCY A COINER
359 SUMMERHILL DR.
MORRIS PLAINS, NJ 07950**

**NANCY B SOLA
4340 SAN GABRIEL DR
RENO, NV 89502**

**ERIN BROUGHTON HUGHES
5605 N. MADISON STREET
SPOKANE, WA 99205**

**MARGARET WYGOCKI
721 ROBINS RD
LANSING, MI 48917-2022**

**MINERALS MANAGEMENT
ROYALTY MANAGEMENT PROG
P.O. BOX 5810
DENVER, CO 80217**

**STEPHEN PATRICK BISTLINE
P.O. BOX 151
HOPE, ID 83836**

**EMILY CHRISTINE COINER
22503 SIERRA LAKE CT.
KATY, TEXAS 77494**

**PITCH ENERGY CORP.
P.O. BOX 304
ARTESIA, NM 88211**

**H. THERESIA REVOC TRUST
H. THERESIA REVOC TRUSTEE
13313 E. VALLEY RD
OKLAHOMA CITY, OK 73170**

**BETTY ADKINS
P.O. BOX 218
MIDLAND, TX 79702**

**SUSAN JEAN BISTLINE
394 BEERS HUMBIRD ROAD
SAGLE, ID 83860**

**TEX ZIA PROPERTIES LTD
P.O. BOX 261427
PLANO, TX 75026**

**BEVERLY NIX COINER
C/O TX COMPTROLLER
P.O. BOX 12019
AUSTIN, TX 78711-2019**

**WILLIAM J. SEWELL EST
NANCY SWELL SERWATKA IND
705 POST OAK CT
EL PASO, TX 79932-2511**

**EST. OF RICHARD TIDE COINER III
C/O CATHERINE COINER PARK & RICHARD
COINER IV CO-EXEC
127 W. BRANDON
SAN ANTONIO, TX 78209**

**NANCY COINER GROTHE
14492 W. COUNTY RD K
HAYWARD, WI 54843**

**SALESIAN BOYS & GIRLS CLUB
ATTN: RUSSELL GUMIA
680 FILBERT ST.
SAN FRANCISCO, CA 94133**

**MCCORMICK TRUST A
ELIZABETH A PITTS TRSTE
2715 WESTWIND ROAD
LAS CRUCES, NM 88007**

**SOUTHWEST FOUNDATION FOR
BIOMEDICAL
P.O. BOX 760549
SAN ANTONIO, TX 78245-0549**

**HANNIFIN FAMILY TRUST
P.O. BOX 218
MIDLAND, TX 79702**

**SANDRA DOBSON LIVING TRST
SOLE TRUSTEE
8318 WILLOW CREEK BLVD
OKLAHOMA CITY, OK 73162**

**SAN ANTONIO SYMPHONY
P.O. BOX 658
SAN ANTONIO, TX 78293-0658**

**WILLIAM LANIER COINER EST
ANN THOMPSON COINER
232 PARKHILL DR.
SAN ANTONIO TX 78209**

**BOLDRICK FAMILY PROP LP
MILES BOLDRICK, MGE
P.O. BOX 0648
MIDLAND, TX 79702**

SPINDLETOP EXPL CO INC.
P.O. BOX 25163
DALLAS, TX 75225

FIRST CHURCH OF CHRIST
SCIENTIST
BANK OF AMERICA NA
P.O. BOX 840738
DALLAS, TX 75284

MARJORIE B HAYNES
521 PRINCETON DR.
TYLER, TX 75703

D M ROYALTIES LTD
6300 RIDGLEA PLACE STE 605
FORT WORTH, TX 761165

SANTA BARBARA HUMANE SOC.
5399 OVERPASS RD
SANTA BARBARA, CA 93111

PATRICIA MCNALLEN CLEMENS
5127 E. 102nd PLACE SOUTH
TULSA, OK 74137

BEN M FITZGERALD & BOOTS
FITZGERALD
904 VISTA VERDE
BAKERSFIELD, CA 93309

OXY USA WTP LTD PARTNERSHIP
LOCK BOX 841735
DALLAS, TX 75284

MICHAEL J MCNALLEN
1427 B E 38 PL
TULSA, OK 74105

AMERICAN RED CROSS
SANTA BARBARA CO CHAPTER
2707 STATE ST.
SANTA BARBARA, CA 93105

PATRICIA PENROSE SCHIEFFER
AGNECY AGMT DTD 12/2/99
BANK OF AMERICA NA
P.O. BOX 840738
DALLAS, TX 75284

VEDA E BROWN EST
CHARLES MCNALLEN, EXEC
P.O. BOX # 26
JOHNSON CITY, TX 78636

RITA FAYE WHARRY
165 SCENIC VALLEY RD, LOT 37
KERVILLE, TX 78028

DERRALD H BILYEU 1986 TRUST
D K & NOAMI E –CO TRUSTEES
1414 FALLS DR
STILLWATER, OK 74075

WILLIAM MCNALLEN
23635 OXNARD ST.
WOODLAND HILLS, CA 91367

CLIFTON E PERRY
1210 N CAIN
LIBERAL, KS 67901

MARY K MCNALLEN BASHAW
3509 S. KNOWVILLE AVE.
TULSA, OK 74135

LIBERMAN FAMILY TRST
DATE 8-12-99
5172 RENAISSANCE AVE.
SAN DIEGO, CA 92122

HOWARD A CROW JR
P.O. BOX 1031
SANDY UT 840911

HOLLAWAY TRST
GERALD & MERCEDES HOLLAWAY
TR # 4; BOX 1695
WAGONER, OK 74467

DOROTHY GRAY
1409 REYNOLDS ST.
MARSHALL, MO 65340

WHITE STAR ENERGY INC.
P.O. BOX 51108
MIDLAND, TX 79702

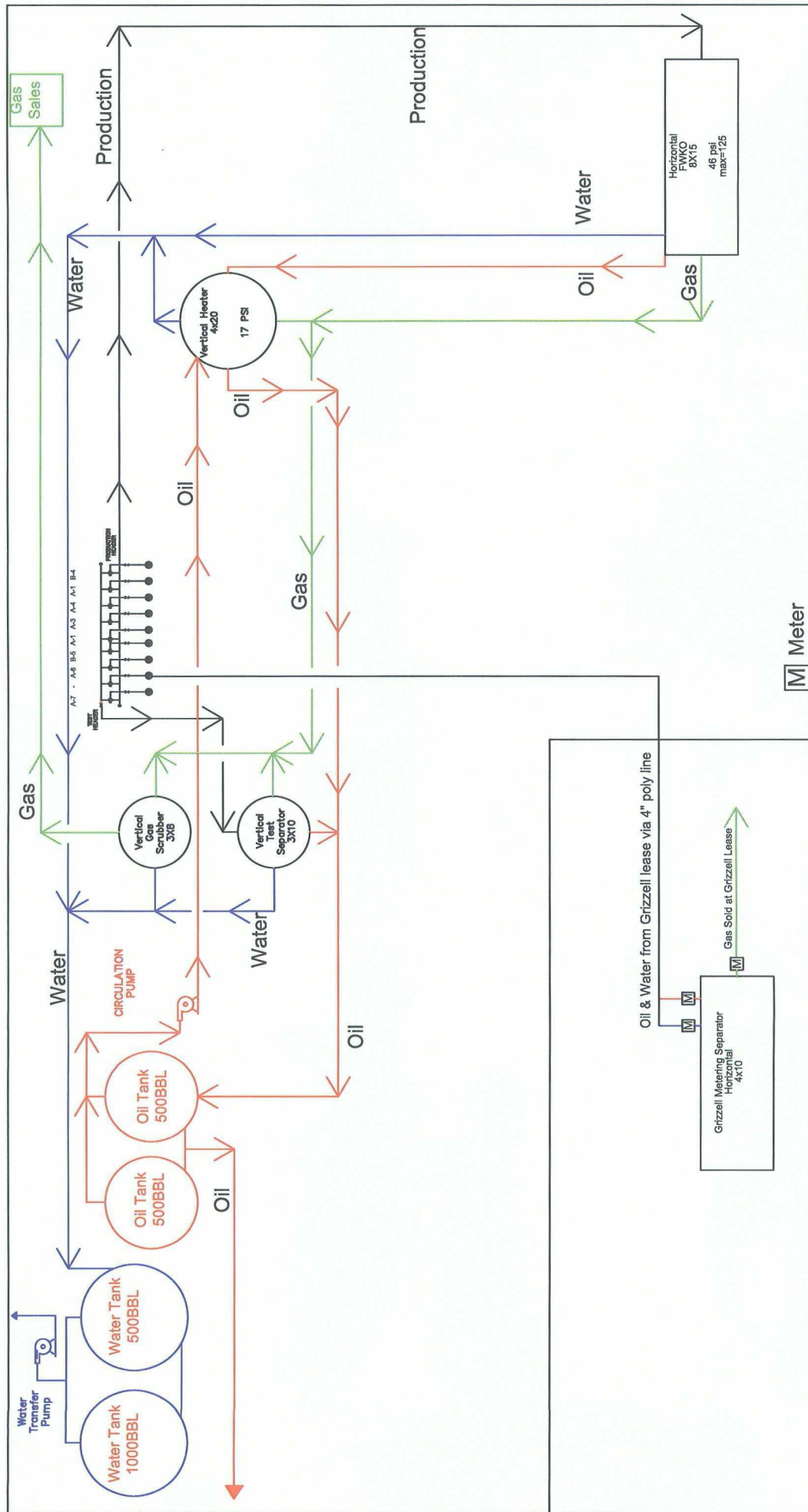
JANET BILYEU
3803 GOLF CART DRIVE
FORT MYERS, FL 33917

KATHY LYNN DEGOLLADO
66210 E. 29 RD
QUAPAW, OK 74363

ROC ENERGY INC.
P.O. BOX 51008
MIDLAND, TX 79701

LIBERMAN FAMILY TRUST
DATE: 8/12/99
5172 RENAISSANCE AVE.
SAN DIEGO, CA 92122

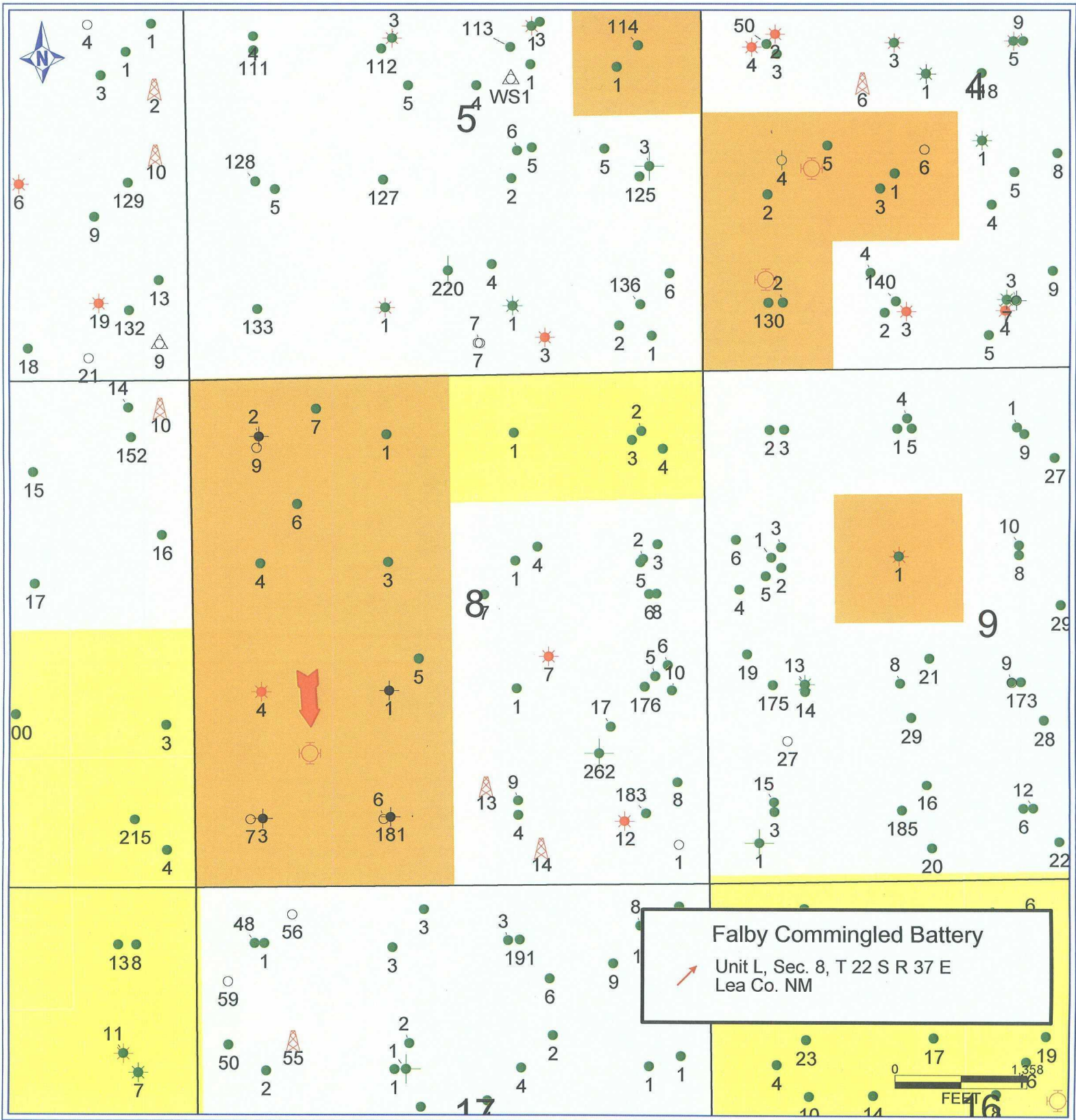
YARBOROUGH OIL & GAS LP
200 N. LORRAINE, STE 1400
MIDLAND, TX 79701

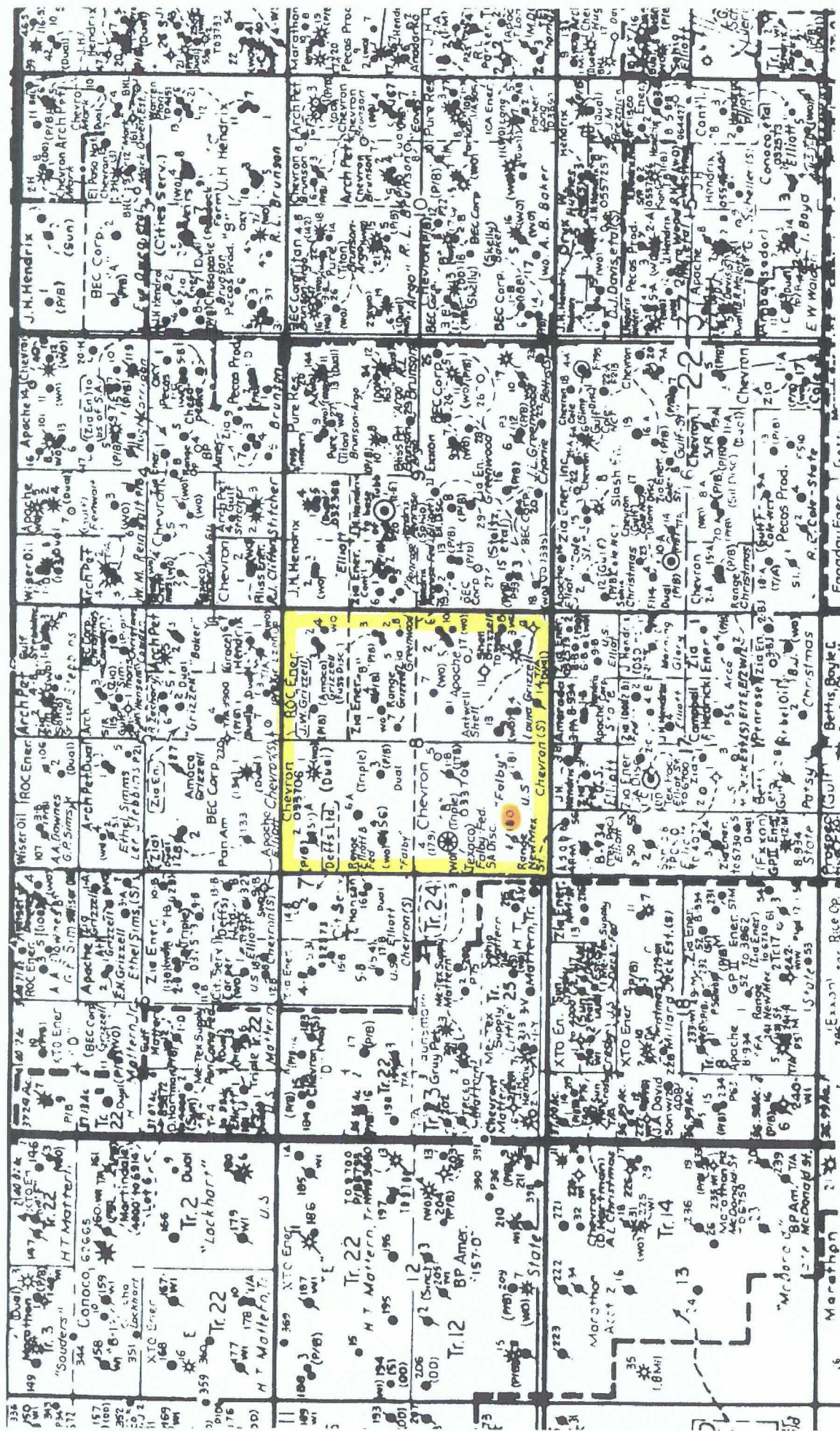


[M] Meter

Chevron

C.P. Fobly A. & B. Grizzell Commenced Battery NE 1/4 SW 1/4 Section 8 T22S, R37E Battery 1 Lee County 71-033706			
ENGINEER	DATE	SCALE	REV.
OPERATIONS	DATE	SHEET	OF
FILE	DATE	NO.	REV.





Chevron MidContinent/Alaska Business Unit
C.P. Falby B Common Tank Battery
Section 8, T22S, R37E
Lea County, New Mexico



Scale: 2" = 1 Mile

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other

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

3a. Address
15 Smith Road; Midland, Texas 79705

3b. Phone No. (include area code)
432-687-7261

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NE/4, SW/4 of Section 8, T22S, R37E, NMPM, Lea County, NM.

5. Lease Serial No.

LO-033706 (A) & (B)

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

C.P. FALBY A & B Fed. Leases

9. API Well No.

PLC-59-B

10. Field and Pool, or Exploratory Area

Falby; Grg, Blnbry, DRK, Eunice, SA

11. County or Parish, State

Lea County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Amend-PLC59-B
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recompleat 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Chevron U.S.A., Inc. requests administrative approval to amend PLC-59-B to allow for the surface commingling of oil and water production from the L.E. Grizzell Lease and the C.P. Falby A & B Federal leases in the existing Falby A & B Commingled Battery. PLC-59-B granted authority to commingle production from the C. P. Falby A & B Federal leases, which consists of Penrose Skelly (Grayburg) (Oil - 50350) Pool, Eunice San Andres; SW (Oil - 24180) Pool, and Cary San Andres Gas (Gas - 96801) Pool production. The surface commingling of the L. E. Grizzell lease will add production from the Drinkard (Oil - 19190) and Paddock (Oil - 49210) Pools. The proposed new C. P. Falby wells, to be drilled later in 2011, will add Blinebry Oil & Gas (Oil - 6660) Pool production. Approval is requested to amend PLC-59-B to grant authority for the surface commingling of these additional pools into the existing C. P. Falby A & B Commingled Battery. Chevron is the operator with 100% working interest, in all three leases. The royalty interest owners are different, therefore notification was sent to the royalty owners, (list included with the attachments). Current plans are to produce the Grizzell wells into a 3-phase separator with meters for oil, water, and gas, in accordance with applicable provisions of the NMOC's "Manual for the Installation and Operation of Commingling Facilities, located on the L. E. Grizzell lease. The Grizzell gas will also be sold at this site. The Grizzell oil and water will be measured and then pumped to the C. P. Falby A & B Commingled Battery for processing. This commingling is necessary because the existing L. E. Grizzell Battery is in poor condition and the wells are too marginal to justify a battery upgrade. The nearby C. P. Falby A & B Commingled Battery can easily handle the fluid production from the L. E. Grizzell lease. The fluids to be commingled are compatible, and as shown on the attached table, the sales value of the crude oil will not be significantly affected.

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

CAROLYN HAYNIE

Title **Petroleum Engineering Technical Assistant**

Signature

Carolyn Haynie

Date

1-24-11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

Office

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)