

Order Number

448

API Number

30-025-39981

Operator

Chevron USA Inc

County

Lea

Order Date

3-30-11

Well Name

C.P. Falby B Federal

Number

006

Location

N

UL

8

Sec

225

T (+Dir)

37E

R (#Dir)

Oil %

31%

Gas %

49%

Pool 1

6660

Blinberry Oil + Gas

Pool 2

19190

Drinkard

69%

51%

Pool 3

Pool 4

Comments:

Posted in RBOMS 03-30-2011 COH

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Chevron USA Inc

PROPERTY NAME: C.P. Falby B Federal

WNULSTR: #6-N-8-225-37E

30-025-39981  
DHC-HOB-448

SECTION I:	ALLOWABLE AMOUNT
POOL NO. 1 <u>Blinebry Oil &amp; Gas</u>	<u>107</u> <u>428</u> MCF
POOL NO. 2 <u>Drinkard</u>	<u>142</u> <u>852</u> MCF
POOL NO. 3 _____	_____ MCF
POOL NO. 4 _____	_____ MCF
POOL TOTALS	<u>149</u> <u>1280</u>

SECTION II:	<u>Oil</u>	<u>Gas</u>
POOL NO. 1 <u>Blinebry Oil &amp; Gas</u>	<u>31%</u>	<u>49%</u>
POOL NO. 2 <u>Drinkard</u>	$69\% \times 149 = 102.81$	<u>51%</u>
POOL NO. 3 _____	<u>&lt;103&gt;</u>	
POOL NO. 4 _____		

SECTION III:	<u>OIL</u>	<u>GAS</u>
$69\% \div 142 = 205.797$	<u>&lt;206&gt;</u>	

SECTION IV:		
$31\% \times 206 = 63.86$	<u>&lt;64&gt;</u>	
$69\% \times 206 = 142.14$	<u>&lt;142&gt;</u>	
_____	_____	
_____	_____	

Well construction data sheet popular (type wells) 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

RECEIVED

MAR 30 2011

HOBSOCD

State of New Mexico  
Energy, Minerals and Natural Resources  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
May 27, 2004

WELL API NO. <b>30-025-39981</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> <b>Fed</b>
6. State Oil & Gas Lease No. <b>USA LC 033706</b>
7. Lease Name or Unit Agreement Name <b>C.P. Falby B Federal</b>
8. Well Number <b>6</b>
9. OGRID Number <b>4323</b>
10. Pool name or Wildcat <b>Blinebry/Drinkard</b>

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 **N** : **660** feet from the **South** line and **1880** feet from the **West** line  
Section **8** Township **22S** Range **37E** NMPM County **LEA**

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

**3,408' (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 Blinebry/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 PROVISION OF RULE 303C (5) IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS, BLINEBRY OIL & GAS (6660) (5425 - 6100'), AND DRINKARD (19190) (6350 - 6750'), IN THE CAPTIONED WELL. PRODUCTION WILL BE ALLOCATED BACK TO THE TWO POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

**DHC-HOB-0448**

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 **Oscar Galvis** TITLE **Petroleum Engineer** DATE **3/14/2011**

Type or print name **Oscar Galvis** E-mail address: **ogag@chevron.com**

Telephone No. **713-372-0095**

For State Use Only

APPROVED BY: **[Signature]** TITLE **PETROLEUM ENGINEER** DATE **MAR 30 2011**

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**

C.P. Falby B Federal #6  
30-025-39981  
660' FSL & 1880' FWL, Unit Letter N  
Section 8, T22S, R37E  
Lea County, New Mexico

**Division Order**

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

**Pools To Be Commingled In CP Falby B Federal #6**

(6660) Blinebry Oil & Gas (OIL)  
(19190) Drinkard (OIL)

**Perforated Intervals**

Blinebry Oil & Gas (5425 - 6100')  
Drinkard (6350 - 6750')

**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>
Blinebry	45	102	155	Estimated from IP from Blinebry offset producers
Drinkard	10	20	64	Estimated from IP from Drinkard offset producers
<b>Totals</b>	<b>55</b>	<b>122</b>	<b>219</b>	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	31	84	49	Estimated from EUR from Blinebry offset producers
Drinkard	69	16	51	Estimated from EUR from Drinkard offset producers
<b>Totals</b>	<b>100</b>	<b>100</b>	<b>100</b>	

**Ownership**

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

**State / Federal Land Notification**

Federal Lease USA LC 033706 - This application with associated Form 3160 has been submitted to the BLM.

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**

<sup>1</sup> API Number 30-025-39981	<sup>2</sup> Pool Code 6660	<sup>3</sup> Pool Name Blinbry Oil & Gas
<sup>4</sup> Property Code 30033	<sup>5</sup> Property Name C. P. Falby B Federal	<sup>6</sup> Well Number 6
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name Chevron U.S.A., Inc.	<sup>9</sup> Elevation 3,408' (GL)

<sup>10</sup> Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	22S	37E		660	South	1880	West	Lea

<sup>11</sup> 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
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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><b>17</b></p> <p><b>OPERATOR CERTIFICATION</b></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>Signature <b>Oscar Galvis</b></p> <p>Printed Name <b>Petroleum Engineer</b></p> <p>Date <b>3/07/2011</b></p>
	<p><b>18</b></p> <p><b>SURVEYOR CERTIFICATION</b></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>

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

<sup>1</sup> API Number 30-025-39981	<sup>2</sup> Pool Code 19190	<sup>3</sup> Pool Name Drinkard
<sup>4</sup> Property Code 30033	<sup>5</sup> Property Name C. P. Falby B Federal	<sup>6</sup> Well Number 6
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name Chevron U.S.A., Inc.	<sup>9</sup> Elevation 3,408' (GL)

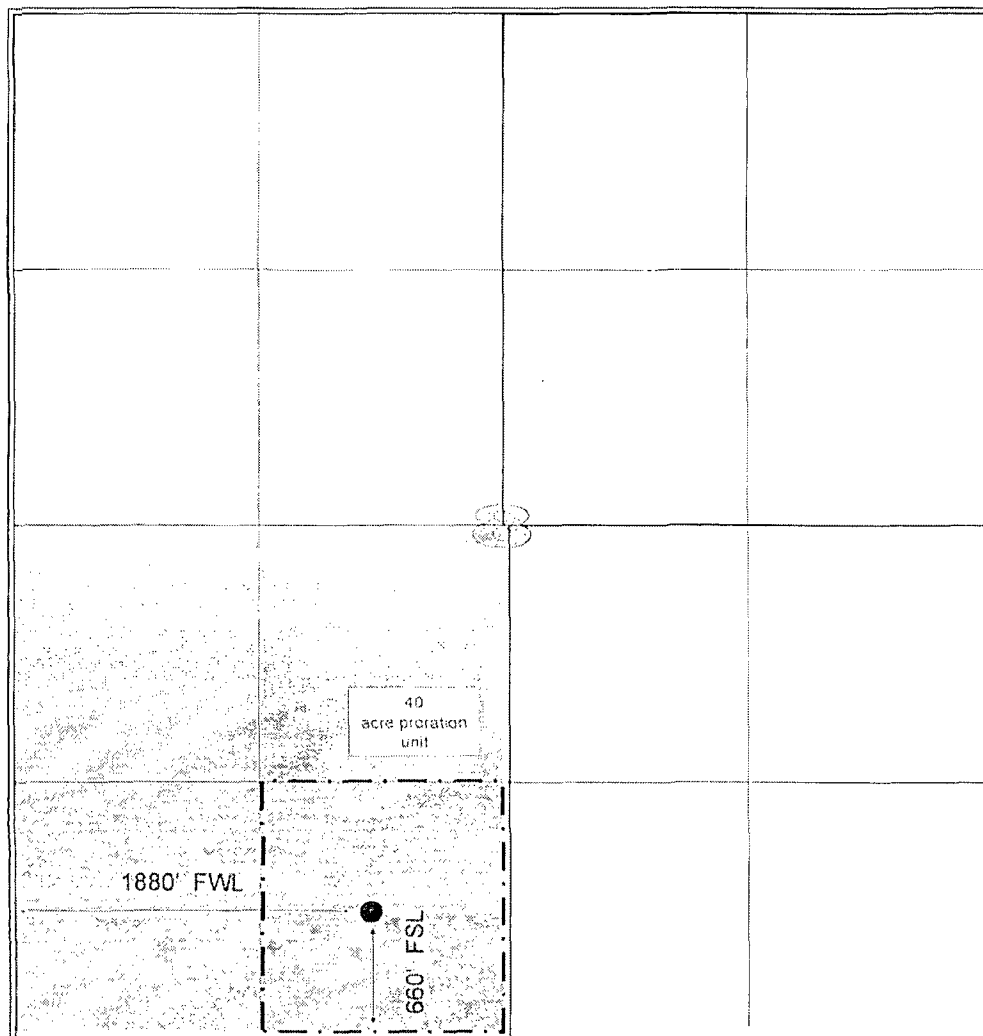
<sup>10</sup> Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	22S	37E		660	South	1880	West	Lea

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><sup>17</sup></p> <p><b>OPERATOR CERTIFICATION</b></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>Signature _____ Oscar Galvis</p> <p>Printed Name _____ Petroleum Engineer</p> <p>Date _____ 3/07/2011</p>
	<p><sup>18</sup></p> <p><b>SURVEYOR CERTIFICATION</b></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>

Well: **C.P.Falby B Federal #6**

Field: **Blinebry Oil & Gas Drinkard**

Reservoir: **Blinebry & Drinkard**

**Location:**  
660' FSL & 1880' FWL  
Section: 8  
Township: 22S  
Range: 37E  
County: Lea State: NM

**Elevations:**  
GL: 3408'  
KB: 3424'  
DF:

**Proposed Wellbore Diagram**

**Well ID Info:**  
Chevno: MV9297  
API No: 30-025-39981  
L5/L6:  
Spud Date: 3/9/2011  
Compl. Date:

**Surf. Csg:** 8 5/8", 24#, J-55  
**Set:** @ 1220' w/ 640 sks  
**Hole Size:** 12 1/4"  
**Circ:** Yes **TOC:** Surface  
**TOC By:** Circulated

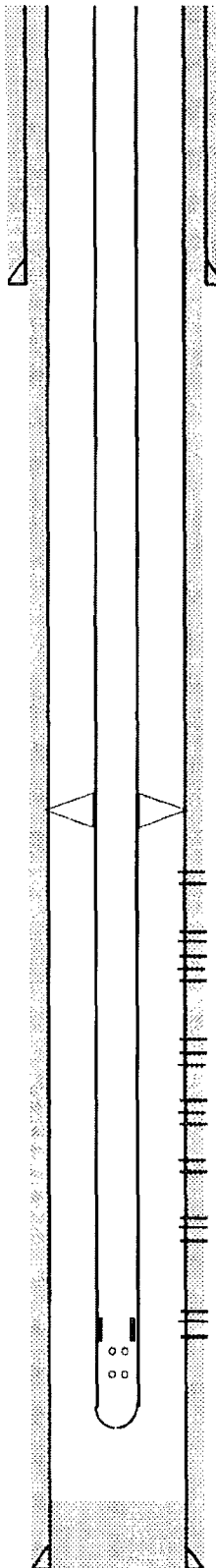
**Log Detail:**

Edits:	Size:	Footage:
ED correction		14.00
1 1/2" J-55 2 7/8" EUE 4R J-55 Tq.		3006.00
1 1/2" J-55		4.10
1 1/2" J-55 2 7/8" EUE 4R J-55 Tq.		434.00
1 1/2" J-55 2 7/8" EUE 4R J-55 Tq.		31.00
5R		1.10
2 7/8" x 4" Perm Tq. Tq.		4.00
1 1/2" J-55 2 7/8" EUE 4R J-55 Tq.		31.00
1 1/2" J-55		0.50
132	Bottom Of String >>	4116.75

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/ WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

**COTD:** unknown  
**PBTD:**  
**TD:** 6800'

**Updated:** 3/7/2011



**By:** G. Pritchard

**Perfs:** **Status:**  
Perfs will be picked after conducting logs.

**Prod. Csg:** 5 1/2", 17#, L-80  
**Set:** @ 6800' w/ 1325 sks  
**Hole Size:** 7 7/8"  
**Circ:** Yes **TOC:** Surface  
**TOC By:** Circulated

Plat Reproduced With Permission  
Granted to Chevron U.S.A. Inc.  
By Midland Map Company  
Midland, Texas  
Additional Copies Are Prohibited

**Chevron Corp**

C.P. Falby B Federal #6  
30-025-39981

660' FSL & 1880' FWL

Unit N, Sec 8, T22S - R37E

C. P. Falby B Federal Lease

40 acre proration unit - - - - -

1" = 2112'





# Rate/Time Graph

Project: p:\my documents\powertools\falby\_lease\_area\_prod.mdb

Date: 3/14/2011

Time: 9:49 AM

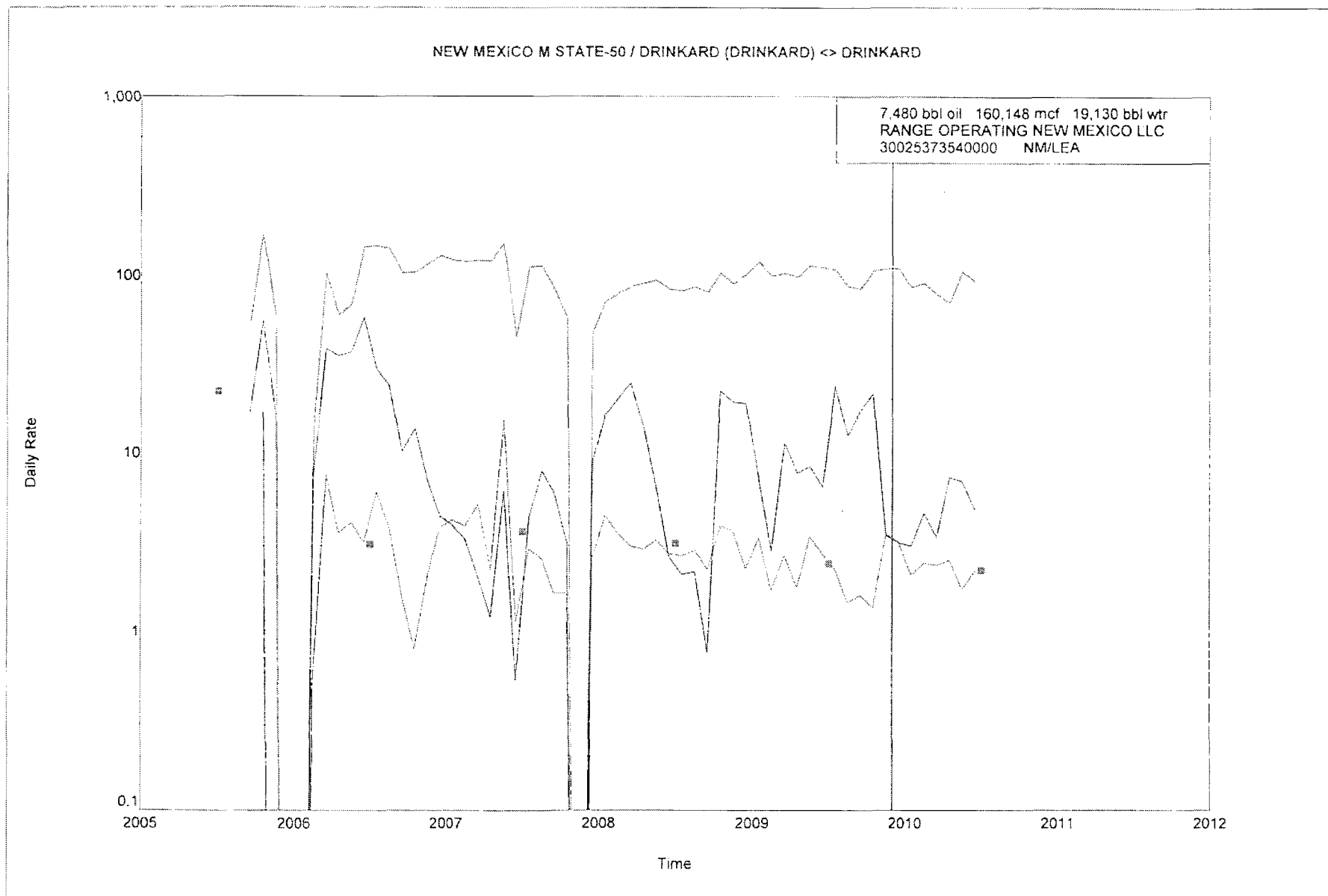
Lease Name: NEW MEXICO M STATE (50)

County, ST: LEA, NM

Location: 17E 22S 37E NW SW NW

Operator: RANGE OPERATING NEW MEXICO LLC

Field Name: DRINKARD



# Rate/Time Graph

Project: p:\my documents\powertools\falby\_lease\_area\_prod.mdb

Date: 3/14/2011

Time: 9:50 AM

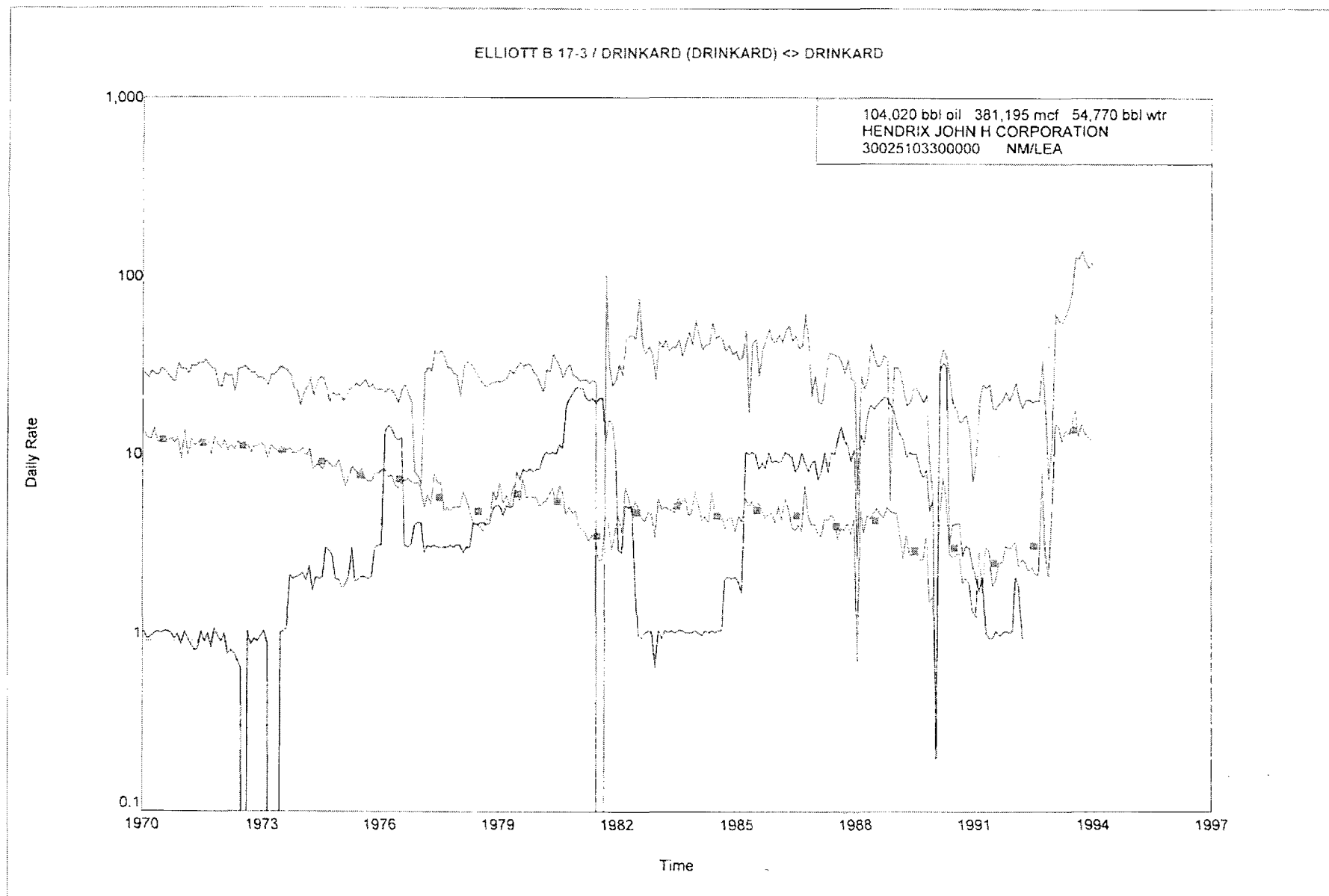
Lease Name: ELLIOTT B 17 (3)

County, ST: LEA, NM

Location: 17C 22S 37E NE NW

Operator: HENDRIX JOHN H CORPORATION

Field Name: DRINKARD



# Rate/Time Graph

Project: p:\my documents\powertools\alby\_lease\_area\_prod.mdb

Date: 3/14/2011

Time: 9:49 AM

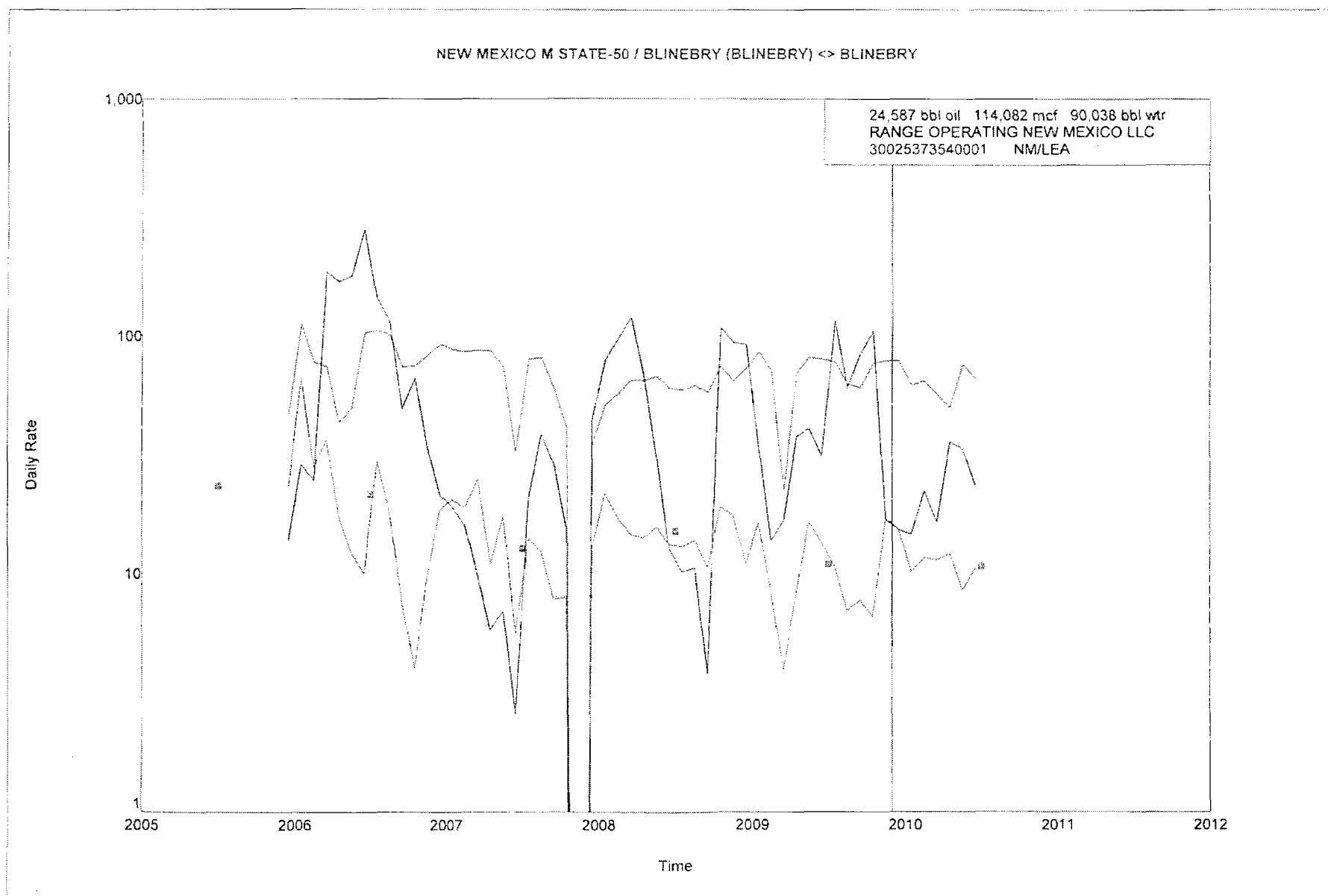
Lease Name: NEW MEXICO M STATE (50)

County, ST: LEA, NM

Location: 17E 22S 37E NW SW NW

Operator: RANGE OPERATING NEW MEXICO LLC

Field Name: BLINEBRY



# Rate/Time Graph

Project: p:\my documents\powertools\falby\_lease\_area\_prod.mdb

Date: 3/14/2011

Time: 9:49 AM

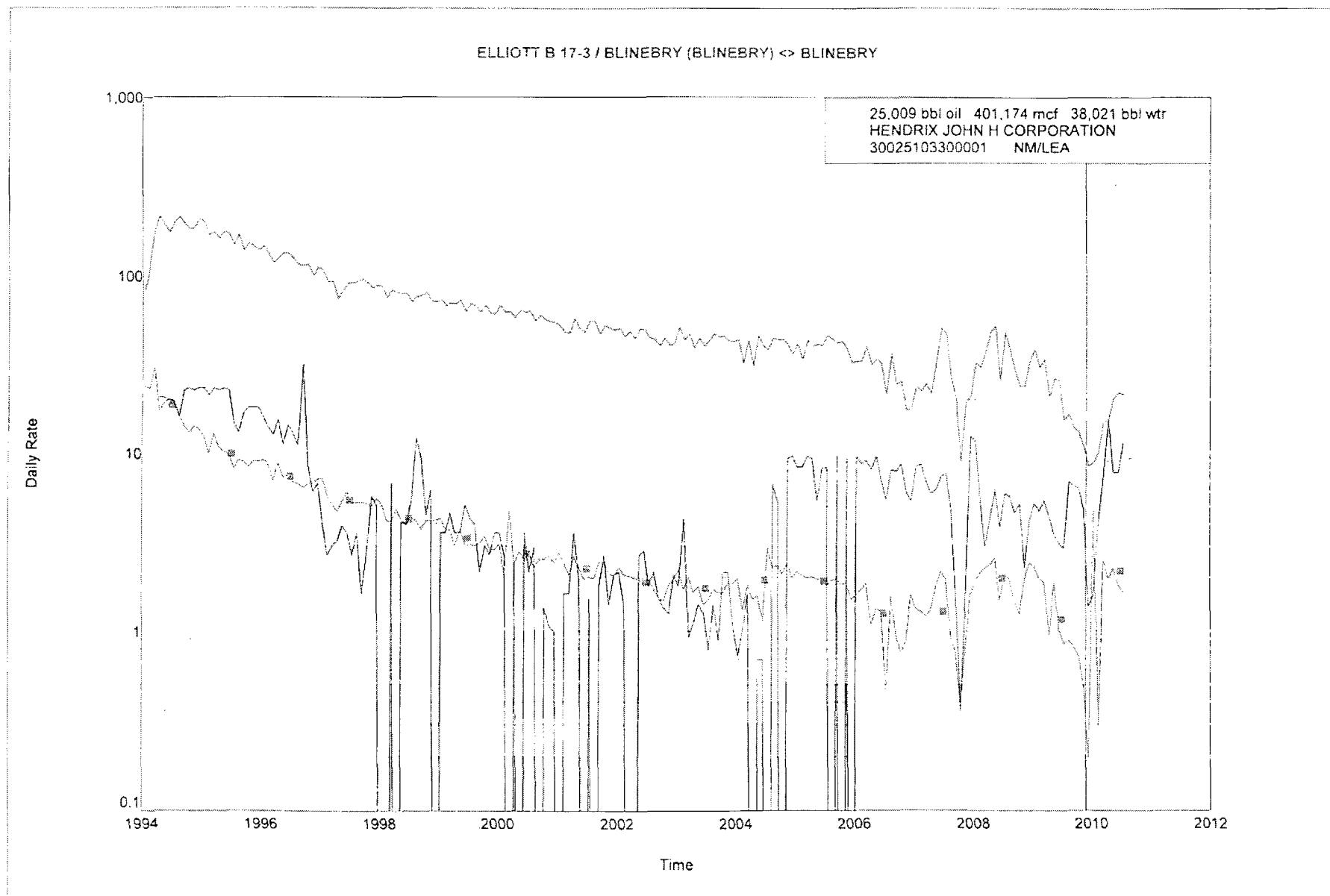
Lease Name: ELLIOTT B 17 (3)

County, ST: LEA, NM

Location: 17C 22S 37E NE NW

Operator: HENDRIX JOHN H CORPORATION

Field Name: BLINEBRY



**RECEIVED**Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**HOBBSSOUL****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.

FORM APPROVED  
OMB No. 1001-0137  
Expires: July 31, 2010

5. Lease Serial No.

USA LC 033706

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well    ☐ Gas Well    ☐ Other

2. Name of Operator

CHEVRON U.S.A. Inc.

3a. Address

15 SMITH RD  
MIDLAND, TX 79706

3b. Phone No. (include area code)

432-687-7375

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UNIT LOT 12 N, 66 OF S 1880 FWL

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

8. Well Name and No.

C.P. FALSBY B. FEDERAL #6

9. API Well No.

30-025-39981

10. Field and Pool or Exploratory Area

BLINEBRY OIL / DRINKARD

11. Country or Parish, State

LEA, NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Dewhole clogging</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Blinebry / DRINKARD</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Under the provisions of NM state rule 303C(5) it is proposed to dewhole clogging pre approved pools, Blinebry Oil & Gas (66660)(5425'-6100'), and Drinkard (1990) (6350'-6750'), in the captioned well. Production will be allocated back to the two pools based on the percentages shown in the attached supporting data.

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

Oscar Galvis

Title

Petroleum Engineer

Signature

Oscar Galvis

Date

3/14/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Date

MAR 30 2011

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.

Office

[Signature]

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)



**Oscar Galvis**  
Petroleum Engineer  
Oil Area AD Team

**Permian Business Unit**  
Chevron U.S.A. Inc.  
15 Smith Road  
Midland, TX 79705  
Tel 713-372-0095  
Fax 713-372-1559  
ogaq@chevron.com

March 14, 2011

State of New Mexico  
Oil Conservation Division  
1625 N. French Drive  
Hobbs, New Mexico 88240

Request DHC: C. P. Falby B Federal #6 (30-025-39981)

Attention: Oil and Gas Regulatory Department

Chevron U.S.A. Inc. respectfully requests administrative approval for an amendment to Downhole Commingle the Blinebry Oil & Gas (06660), and the Drinkard (19190), in the C. P. Falby #6, API number 30-025-39981. The well is located 660' FSL & 1,880' FWL, Unit N, Section 8, Township 22 South, and Range 37 East in Lea County, New Mexico.

The C. P. Falby B Federal #6 is a new drill in the Blinebry Oil & Gas and the Drinkard fields. It is scheduled to spud March 9, 2011 and drill to a total depth of 6,800'. The proposed completion of the well would commingle production from the Blinebry, and Drinkard formations.

The proposed allocation percentages were calculated using production tests from offset producers. Attached in support of this request are offset well production profiles, a proposed well schematic diagram for the C. P. Falby B Federal #6, a C107, a C102 form for each pool, and a lease plat.

Chevron is the operator, with 100% working interest in the lease.

If you require additional information or have any questions, please contact me by telephone at 713-372-0095, or by email at ogaq@chevron.com.

Sincerely,

A handwritten signature in black ink that reads "Oscar Galvis".

Oscar Galvis  
Petroleum Engineer

Enclosure

cc: BLM

Denise Pinkerton  
Denise Beckham