

RESERVOIR CHARACTERISTICS

TEAGUE BLINEBRY OIL POOL

Approximate Area of Field In Acres	2560
Average Depth	5800'
Average \emptyset	7.0%
Gross Thickness	650' ✓
Net Thickness	23'-148'
Reservoir Temperature	118°
Oil Gravity (°API)	37°-40°
Estimated Sw	35%
Lithology	Dolomite and Limestone

EXHIBIT NO. 3
Case No. 9576 January 18, 1989
Unorthodox Oil Well Location
and Simultaneous Dedication
C. E. LaMunyon Well No. 50
Teague Blinebry Oil Pool
Hobbs Division Chevron USA Inc.

ULTIMATE PRIMARY RECOVERY
AS % OF VOLUMETRIC OOIP
C. E. LAMUNYON LEASE
TEAGUE BLINEBRY OIL POOL

WELL NO.	VOLUMETRIC OOIP (MBO)		ESTIMATED ULTIMATE PRIMARY RECOVERY (MBO)	ULTIMATE RECOVERY AS % OF OOIP	
	40-ACRE	20-ACRE		40-ACRE	20-ACRE
21	1,259	703	73	5.8%	10.4%
24	563	229	46	8.2%	20.1%
29	863	407	97	11.2%	23.8%
34	1,092	586	113	10.4%	19.3%
TOTAL	3,777	1,925	329	8.7%	17.1%

W. J. Jones

EXHIBIT NO. 4
Case No. 9576 January 18, 1989
Unorthodox Oil Well Location
and Simultaneous Dedication
C. E. Lamunyon Well No. 50
Teague Blinebry Oil Pool
Hobbs Division Chevron USA Inc.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

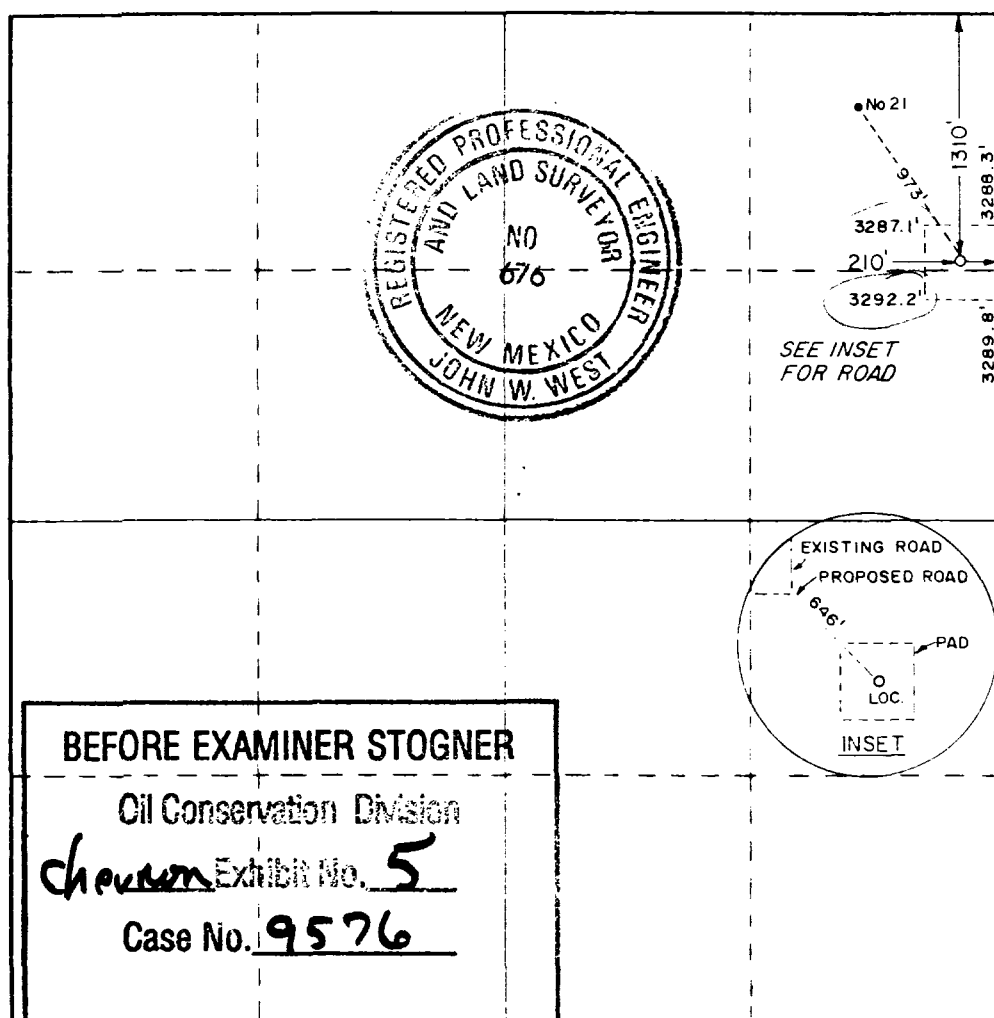
Operator Chevron USA, Inc.			Lease C.E. LaMunyon		Well No. 50
Tract Letter A	Section 28	Township 23 South	Range 37 East	County Lea	
Actual Footage Location of Well: 1310 feet from the North line and 210 feet from the East line					
Ground Level Elev. 3288.2	Producing Formation	Pool	Dedicated Acreage: Acre		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____

Position _____

Company _____

Date _____

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 knowledge and belief.

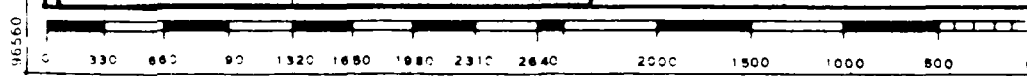
Date Surveyed
October 5, 1988

Registered Professional Engineer:
and or Land Surveyor

John W. West

BEFORE EXAMINER STOGNER
Oil Conservation Division
Chevron Exhibit No. 5
Case No. 9576

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239



96560



Chevron U.S.A. Inc.
 P.O. Box 670, Hobbs, NM 88240

Production Department
 Hobbs Division

November 2, 1988

WAIVER OF OBJECTION
 TO UNORTHODOX LOCATION

Energy, Minerals and Natural
 Resources Department
 P. O. Box 2088
 Santa Fe, New Mexico 87504-2088

Gentlemen:

This is to advise that the undersigned was given due notice that Chevron U.S.A. Inc. has made application for permit to drill the C. E. LaMunyon #50.

We hereby waive any objection to the granting of the permit to drill. This well is to be located 1310 FNL and 210 FEL, Section 28, T23S, R37E, Lea County, New Mexico.

Executed this 14 day of NOVEMBER, 1988.

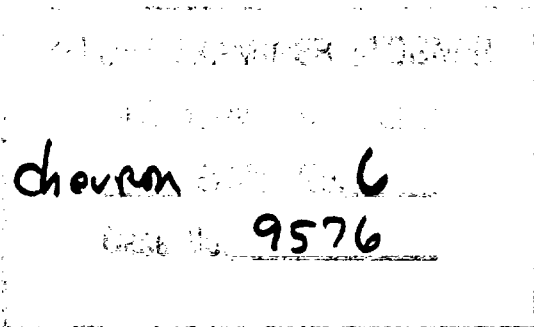
Yours very truly,

DAMSON OIL CORPORATION
 (Name of Company)

By: Donald R Craig

Title: DISTRICT ENGINEER

LKE/tlt



LKE

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery
↑(Extra charge)↑ ↑(Extra charge)↑

<p>3. Article Addressed to:</p> <p style="font-size: 1.2em;"><i>Bureau of Land Management</i> <i>P.O. Box 1778</i> <i>Carlsbad, NM 88220</i></p>	<p>4. Article Number <i>P 732 949 047</i></p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature - Addressee X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature - Agent X <i>Betty Hill</i></p>	
<p>7. Date of Delivery <i>11-7-88</i></p>	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

LKE

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery
↑(Extra charge)↑ ↑(Extra charge)↑

<p>3. Article Addressed to:</p> <p style="font-size: 1.2em;"><i>Damson Oil Corporation</i> <i>3300 North A</i> <i>Bldg. 8, Suite 100</i> <i>Midland, TX 79705</i></p>	<p>4. Article Number <i>P 732 949 046</i></p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature - Addressee X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature - Agent X <i>Regeneal Pena</i></p>	
<p>7. Date of Delivery <i>11-4-88</i></p>	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

BEFORE EXAMINER STOGNER

Oil Conservation Division

Chevron Extension No. 7

Case No. 9576



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

MEMO TO: Chevron USA Inc
Box 670
Hobbs, NM 88240

FROM: Jerry Sexton
Supervisor, District I

SUBJECT: ASSIGNMENT OF API NUMBER TO FEDERAL WELL

The Oil Conservation Division has assigned an API number
as indicated on the attached copy of your drilling permit.

SEARCHED INDEXED SERIALIZED FILED
MAR 1980
FBI - HOBBES

Chevron 8
Case No. 9576

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-025-30525

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Chevron U.S.A. Inc.

3. ADDRESS OF OPERATOR
P.O. Box 670, Hobbs, NM 88240

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
Unit A, 1310' FNL and 210' FEL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 210'

16. NO. OF ACRES IN LEASE
1320

17. NO. OF ACRES ASSIGNED TO THIS WELL
20 → 40 (505)

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 973'

19. PROPOSED DEPTH
5960'

20. ROTARY OR CABLE TOOLS
rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3288.2'

22. APPROX. DATE WORK WILL START*
ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	1150	500sx Cl C <u>Circ.</u>
7 7/8"	5 1/2"	15.5#	5960	1300sx Cl C <u>"</u>

Mud Program:

0 - 1150 FW/Spud 8.8-9.0ppg, 32 visc, 10ph.
 1150 - 5000 BW 10ppg, 28 visc, 10ph
 5000 - 5960 BW/Starch 10ppg, 30visc, 10ph

See attached BOP drawing for 3000psi.

RECEIVED
 NOV 7 10 30 AM '68
 GEORGE
 AREA
 ENGINEER

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED F.A. Arnold for MEA TITLE Staff Drilling Engineer DATE November 1, 1988

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY: [Signature] TITLE Chief Drilling Engineer DATE 12-8-88

CONDITIONS OF APPROVAL, IF ANY:
 APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS
 ATTACHED

*See Instructions On Reverse Side

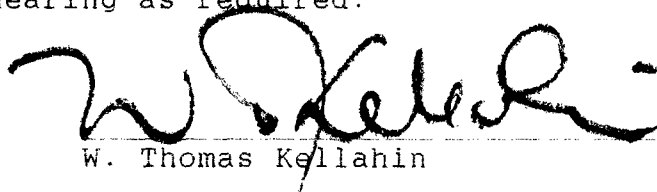
STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
CHEVRON USA INC, FOR UNAUTHORIZED OIL WELL
LOCATION AND SIMULTANEOUS DEDICATION
LEA COUNTY, NEW MEXICO.

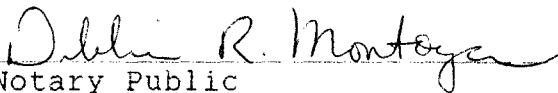
CASE 9576

CERTIFICATE OF
MAILING AND COMPLIANCE WITH
ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certified that on December 27, 1989, Notice of the Hearing set for January 18, 1989 for the referenced case and a copy of the Application were mailed by certified mail return receipt to all interested parties as set forth on Exhibit A attached hereto and the return receipt cards attached as Exhibit B hereto, said notice being sent at least twenty days prior to the hearing as required.


W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 17th day of January, 1989.


Notary Public

My Commission Expires:

July 25, 1989

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION <u>Cherov</u> EXHIBIT NO. <u>9</u> CASE NO. <u>9576</u>

Tom - Clever

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

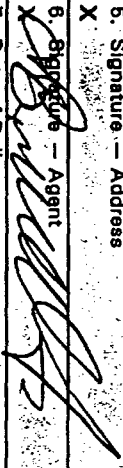
1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

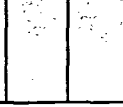
3. Article Addressed to:
 Mr. Donald R. Crale
 Damsom Oil Corporation
 P.O. Box 4391
 395 W. Greens Road
 Houston, Texas 77210

4. Article Number
 P-484 059 640

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X 

6. Signature - Agent
 X 

7. Date of Delivery
 JAN 03 1989


8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

Exhibit "B"

WHEREFORE, applicant seeks approval of the application as requested.

KELLAHIN, KELLAHIN & AUBREY

By 
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, NM 87504-2265
(505) 982-4285

CERTIFICATE OF MAILING

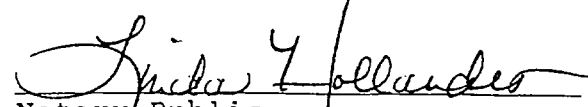
I hereby certify under oath that on the 28 day of December, 1988, I caused to be mailed by certified mail a true and correct copy of the foregoing letter and application to the following:

Damson Oil Corporation
P.O. Box 4391
396 W. Greens Road
Houston, Texas 77210
Attn: Mr. Donald R. Craig


W. Thomas Kellahin

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 28 day December, 1988, by W. Thomas Kellahin.


Notary Public

My Commission Expires:
9-22-90