

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

Form C-103
May 27, 2004

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		WELL API NO. 30-045-09046
2. Name of Operator Four Star Oil & Gas Company		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 11111 S. Wilcrest Houston, Texas 77099		6. State Oil & Gas Lease No. E-5316
4. Well Location Unit Letter D : 990 feet from the North line and 1090 feet from the West line Section 36 Township 30-N Range 10-W NMPM San Juan County		7. Lease Name or Unit Agreement Name New Mexico Com B (17712)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5,956' GR		8. Well Number 1
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		9. OGRID Number 131994
Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water		10. Pool name or Wildcat Basin Fruitland Coal/Blanco P.C.
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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Proposed Allocation Percentages for DHC 1457 AZ <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

In conjunction with approved Sundries to Install & Upgrade Surface Facilities and to conduct well work to re-complete in the Basin Fruitland Coal (71629) and Downhole Commingle with the Blanco Pictured Cliffs (72359), DHC 1457 AZ, Four Star Oil & Gas Co. respectfully submits the following proposed Commingled Production Allocation Percentages for each pool:

	<u>OIL</u>	<u>GAS</u>	<u>WATER</u>
Basin Fruitland Coal (71629)	100%	88%	100%
Blanco Pictured Cliffs (72359)	0%	12%	0%

The Allocation for the Basin Fruitland Coal is based on an average of current production from offset Basin Fruitland Coal wells while the Allocation for the Blanco Pictured Cliffs is based on an average of recent historical Pictured Cliffs production within this wellbore (see attached calculation sheet).

As additional support for the DHC 1457 AZ, it should be noted that even though the ownerships between the pools to be commingled are not identical, proper certified notification was done and the required 20 day waiting period has passed without any objection.

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 Alan W. Bohling TITLE Regulatory Agent DATE 10/31/2006

Type or print name: Alan W. Bohling E-mail address: ABohling@chevron.com Telephone No. (432) 687-7158

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. IV DATE NOV 02 2006

Conditions of Approval (if any):

8/11/14/06

Summary Calculation Sheet for Proposed Allocation Percentages for Commingled Production (DHC 1457 AZ) New Mexico Com B # 1 Well

AVERAGE OF FRUITLAND COAL PRODUCTION IN AREA OF NEW MEXICO COM B # 1 WELL

Primary API	Lease Name	Well	Operator Name	UL	SEC	TWN	RNG	Status	Prod Zone Name	Oil Bbl/Day	Gas Mcf/Day	Wtr Bbl/Day	First Prod	Last Prod
30045318560000	SANTA ROSA 30 9 31	2	ENERGEN RESOURCES	O	31	30N	9W	ACT	FRUITLAND COAL	0	164	0	2004/12	2006/06
30045306140000	HARE	290	BURLINGTON RESOURCES		3	29N	10W	ACT	FRUITLAND COAL	0	37	0	2001/11	2006/06
30045319200000	SANTA ROSA 29 9 8	3	ENERGEN RESOURCES	F	8	29N	9W	ACT	FRUITLAND COAL	0	158	0	2004/09	2006/06
30045331040000	SAMMONS GAS COM F	1S	BP AMERICA PROD CO	N	7	29N	9W	ACT	FRUITLAND COAL	1	112	0	2005/09	2006/06
30045325370000	SANTA ROSA 5	3	ENERGEN RESOURCES	E	5	29N	9W	ACT	FRUITLAND COAL	0	119	3	2004/12	2006/06
30045317050000	SANTA ROSA 6	4	ENERGEN RESOURCES	I	6	29N	9W	ACT	FRUITLAND COAL	0	199	0	2005/01	2006/06
30045318530000	SANTA ROSA 29 9 6	3	ENERGEN RESOURCES		6	29N	9W	ACT	FRUITLAND COAL	0	85	1	2004/12	2006/06
30045325360000	SANTA ROSA 32	2	ENERGEN RESOURCES	O	32	30N	9W	ACT	FRUITLAND COAL	0	205	0	2005/01	2006/06
30045329650000	SANTA ROSA 7	2	ENERGEN RESOURCES	F	7	29N	9W	ACT	FRUITLAND COAL	0	111	1	2005/06	2006/06
30045317470000	SANTA ROSA 5	4	ENERGEN RESOURCES	J	5	29N	9W	ACT	FRUITLAND COAL	0	275	1	2005/07	2006/06
30045318540000	SANTA ROSA 29 9 8	4	ENERGEN RESOURCES	J	8	29N	9W	ACT	FRUITLAND COAL	0	139	0	2004/06	2006/06
FC AVG:										0	146	1		

AVERAGE OF PICTURED CLIFFS PRODUCTION FROM NEW MEXICO COM B # 1 WELL

Primary API	Lease Name	Well	Operator Name	UL	SEC	TWN	RNG	Status	Prod Zone Name	Oil Bbl/Day	Gas Mcf/Day	Wtr Bbl/Day	First Prod	Last Prod
30045090460000	NEW MEXICO COM B	1	FOUR STAR O&G CO	D	36	30N	10W	ACT	PICTURED CLIFFS	0	19	0	8/31/06	
										0	17	0	7/31/06	
										0	18	0	6/30/06	
										0	17	0	5/31/06	
										0	18	0	4/30/06	
										0	17	0	3/31/06	
										0	17	0	2/28/06	
										0	20	0	1/31/06	
										0	20	0	12/31/05	
										0	22	0	11/30/05	
										0	22	0	10/31/05	
										0	24	0	9/30/05	
										0	21	0	8/31/05	
PC AVG:										0	19	0		

PROPOSED DHC ALLOCATION PERCENTAGES FOR NEW MEXICO COM B # 1 WELL

	ALLOCATION FACTOR		
	OIL	GAS	WATER
FRUITLAND COAL	100%	88%	100%
PICTURED CLIFFS	0%	12%	0%