

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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]

- [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
- [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.

DHC
 - Chevron U.S.A. Inc
 4323
 Way
 - State AN#2
 30-025-03102

RECEIVED OOD
 2015 FEB 25 P 7:47

POW
 - UAC 44m
 Abu Kerec
 61780
 - UAC 44m
 Blinewell
 61850

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Brentz Britton _____ Petroleum Engineer _____ 02/09/2015 _____
 Print or Type Name Signature Title Date

brentz.britton@chevron.com _____
 E-mail Address



Daniel Pequeno, CPL/ESA
Senior Land Representative

North America Exploration
and Production Company
15 Smith Road, RM-2235
Midland, Texas 79705
Tel 432 687 7461
Fax 432 687 7871
peqd@chevron.com

February 24, 2015

David Catanach, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD
2015 FEB 25 PM 7:17

RE: APPLICATION OF CHEVRON USA INC. TO DOWNHOLE COMMINGLE THE ABO REEF AND BLINEBRY POOLS FOR THE STATE "AN" WELL NO. 2H, LOCATED 330' FNL & 2,100' FEL (SHL) AND 675' FNL & 4889' FEL (BHL) OF SECTION 7-T18S-R35E FOR OIL & GAS PRODUCTION - LEA COUNTY, NEW MEXICO

Dear Mr. Catanach,

Chevron U.S.A. Inc. (Chevron) hereby makes an application requesting the authority and administrative approval to downhole commingle the Abo Reef and Blinebry Pools for oil and gas production for the following well:

Well:	State "AN" #2H
API No.	30-025-03102
Location:	330' FNL & 2,100' FEL (Unit Letter B - SHL) and 675' FNL & 4889' FEL (Unit Letter D - BHL)
Well Unit:	NW/4NE/4 & NE/4NW/4 of Section 7, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico

The subject well is an existing wellbore originally drilled and completed in August 2006 in the Vacuum Abo Reef Pool. The workover will be an up-hole re-completion to add the Blinebry pool and downhole commingle with the Abo Reef pool.

The workover will be a re-completion in two pools being the Vacuum Abo Reef (61780) and the Vacuum Blinebry Pool (61850). Enclosed for your convenience is the following documentation in support of this application:

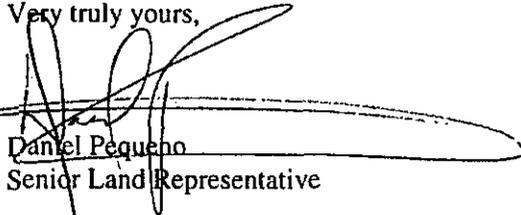
- A. Original copy of the Application Checklist;
- B. Original Copy of the completed Form C-107A Application for Well and Acreage Dedication plat along with Maps;

C. Copy of Ownership List for the State "AN" Well No. 2H which reflects the common ownership of the land, being the State of New Mexico, Commissioner of Public Lands.

By copy of this letter along with the attachments, we are providing notice to the Commissioner of Public Lands, State of New Mexico along with a check for \$35.00 for the filing fee. Chevron respectfully requests administrative approval for the downhole commingling for its proposed State "AN" Well No. 2H.

If we can be of any assistance or if you need additional information, please call Brentz Britton for any technical questions at (432) 687-7111 or the undersigned at (432) 687-7461 for any land related questions.

Very truly yours,



Daniel Pequeno
Senior Land Representative

Cc: State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Attn.: Mr. William Jones

District I
1625 N. Peach Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88211

District III
1030 N. Farm Road, Artesia, NM 88210

District IV
1220 S. Al. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE

Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Chevron U.S.A., Inc. 15 Smith Rd. Midland, Tx. 79705
Operator Address

State 'AN' 2H Unit B, Section 7-18S-35E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 4323 Property Code _____ API No. 30-025-03102 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Vacuum Blinebry	N/A	Vacuum Abo Reef
Pool Code	61850	N/A	61780
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5700 - 6100'	N/A	8060 - 8900'
Method of Production (Flowing or Artificial Lift)	Artificial Lift - Rod Pump	N/A	Artificial Lift - Rod Pump
Bottomhole Pressure <small>(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.)</small>	Within 150%	N/A	Within 150%
Oil Gravity or Gas BTU (Degree API or Gas BTU)	N/A	N/A	39 API
Producing, Shut-In or New Zone	New Zone	N/A	Producing
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: Not Yet Tested Rates:	Date: Rates:	Date: 10/04/2014 Rates: 20 BO, 102 BW, 18 MCF
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil Gas % %	Oil Gas % %	Oil Gas % %

ADDITIONAL DATA

Fixed allocation percentages will be provided after the re-completion using the subtraction method from post workover well tests.

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?
Are all produced fluids from all commingled zones compatible with each other?
Will commingling decrease the value of production?

Yes No
 Yes No
 Yes No
 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?
NMOC Reference Case No. applicable to this well: _____

Yes No

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.

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 Brentz Britton TITLE Petroleum Engineer DATE 02/09/2015

TYPE OR PRINT NAME Brentz Britton TELEPHONE NO. (432)250-4079

E-MAIL ADDRESS brentz.britton@chevron.com

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-03102		² Pool Code 61850		³ Pool Name VACUUM:BLINEBRY	
⁴ Property Code		⁵ Property Name STATE "AN"			⁶ Well Number 2H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3973'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	7	18S	35E		330	NORTH	2100	EAST	LEA

¹¹ 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
D	7	18S	35E		675	NORTH	4889	EAST	LEA

¹² Dedicated Acres 120	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Denise Pinkerton</i> 02/11/2015 Signature Date</p> <p>DENISE PINKERTON REGULATORY SPECIALIST Printed Name</p> <p>leakcid@chevron.com E-mail Address</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p>
	<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-03102		² Pool Code 61780		³ Pool Name VACUUM:ABO REEF	
⁴ Property Code		⁵ Property Name STATE "AN"			⁶ Well Number 2H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3973'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	7	18S	35E		330	NORTH	2100	EAST	LEA

¹¹ 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
D	7	18S	35E		675	NORTH	4889	EAST	LEA

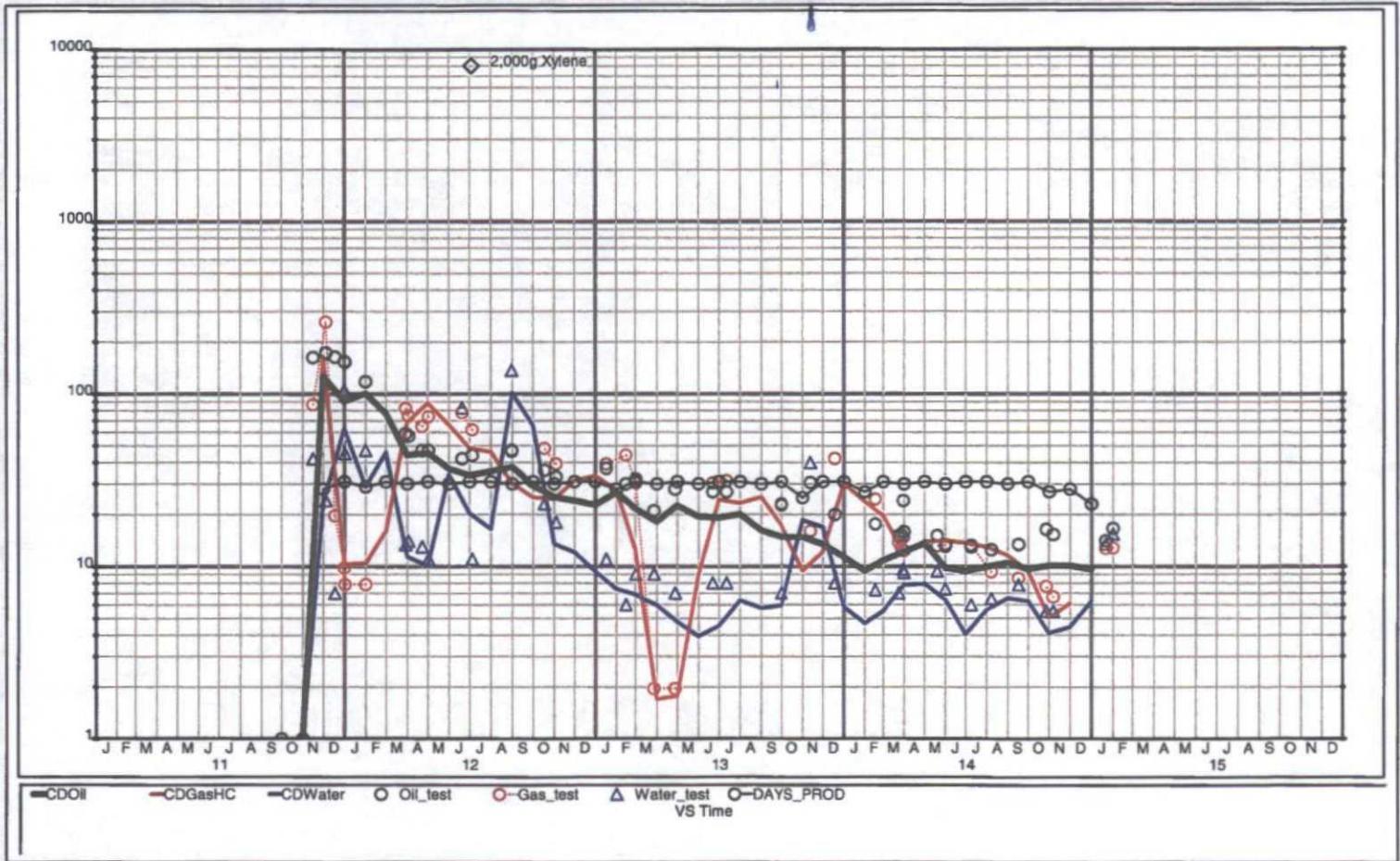
¹² Dedicated Acres 120	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p>¹⁶</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p>
	<p>Signature: <i>Denise Pinkerton</i></p>	<p>Date: 02/11/2015</p>
	<p>Printed Name: DENISE PINKERTON REGULATORY SPECIALIST</p>	
	<p>E-mail Address: leakejd@chevron.com</p>	
<p>¹⁸ SURVEYOR CERTIFICATION 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.</p>		<p>Date of Survey</p>
<p>Signature and Seal of Professional Surveyor:</p>		<p>Certificate Number</p>

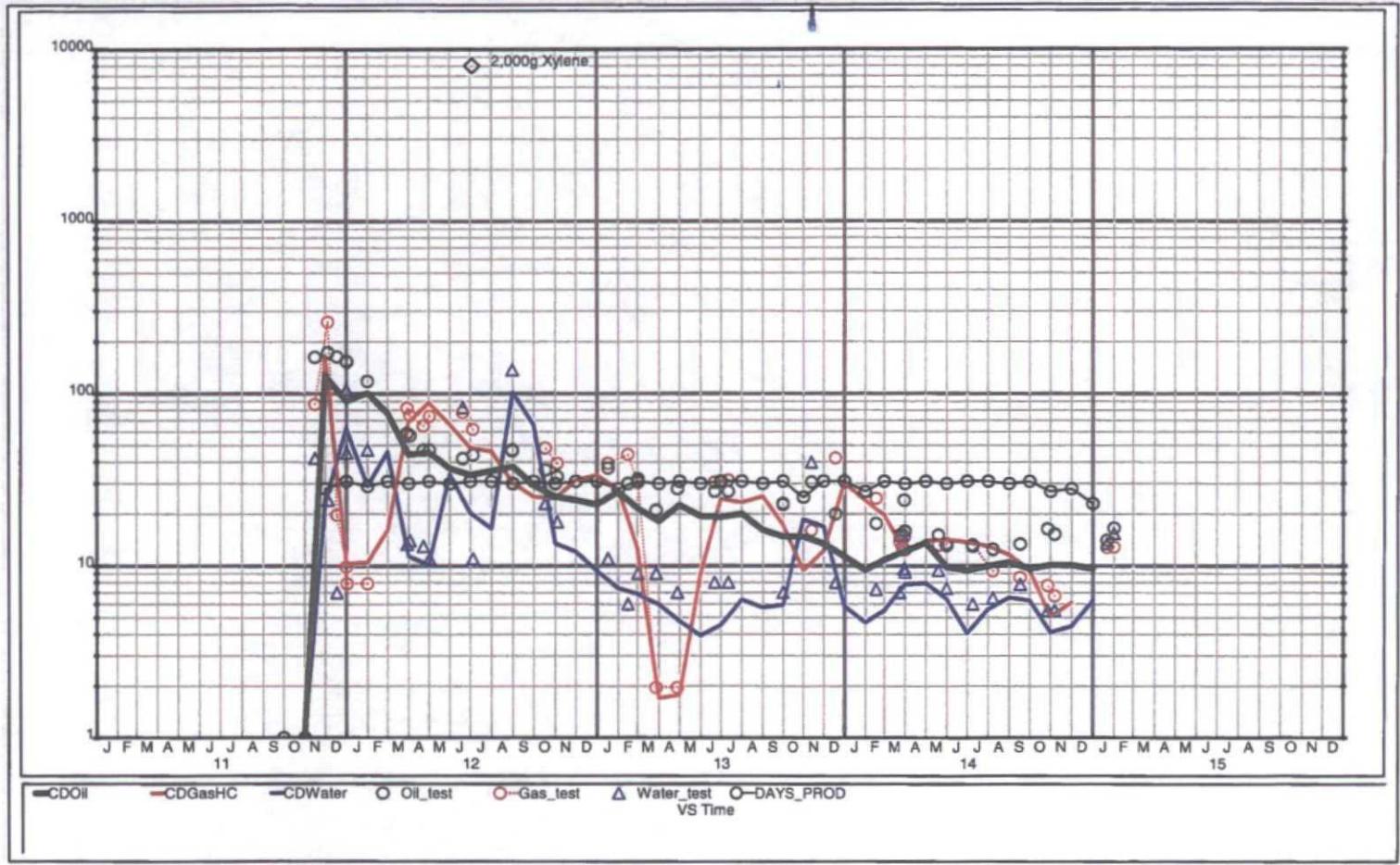
Name: 13 ID: 30025400590001 Type: Completion Format: [p] Comp - CDProd_Test vs Time

WELL_LABEL:STATE AN 13	FIELD_CODE:T49	PROD_METH:PR	LASTOCUM:33
CHEVNO:MY2486	FIELD:FLD-VACUUM	CLASS_CODE:OI	LASTGCUM:31
SIDETRACK:0	LEASE:STATE AN	SAP_CODE:UCT494300	CC_NM:STATE AN
COMP_NUM:01	SEC-T-R:7 - S018 - E035	RES_CODE:0000004532	RES:BLINEBRY



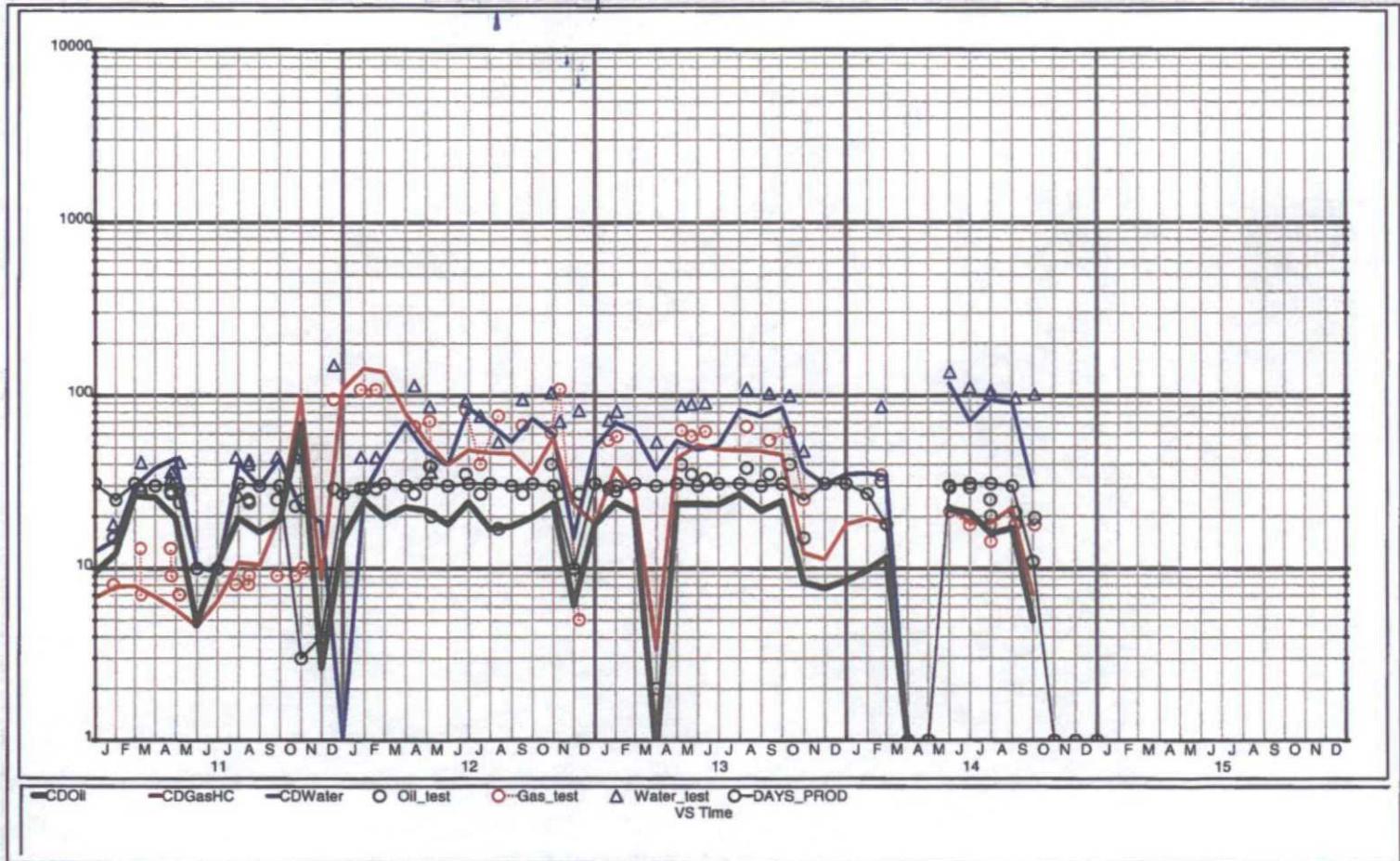
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CHEVNO:MY2486	FIELD:FLD-VACUUM	CLASS_CODE:OI	LASTGCUM:31
SIDETRACK:0	LEASE:STATE AN	SAP_CODE:UCT494300	CC_NM:STATE AN
COMP_NUM:01	SEC-T-R:7 - S018 - E035	RES_CODE:0000004532	RES:BLINEBRY



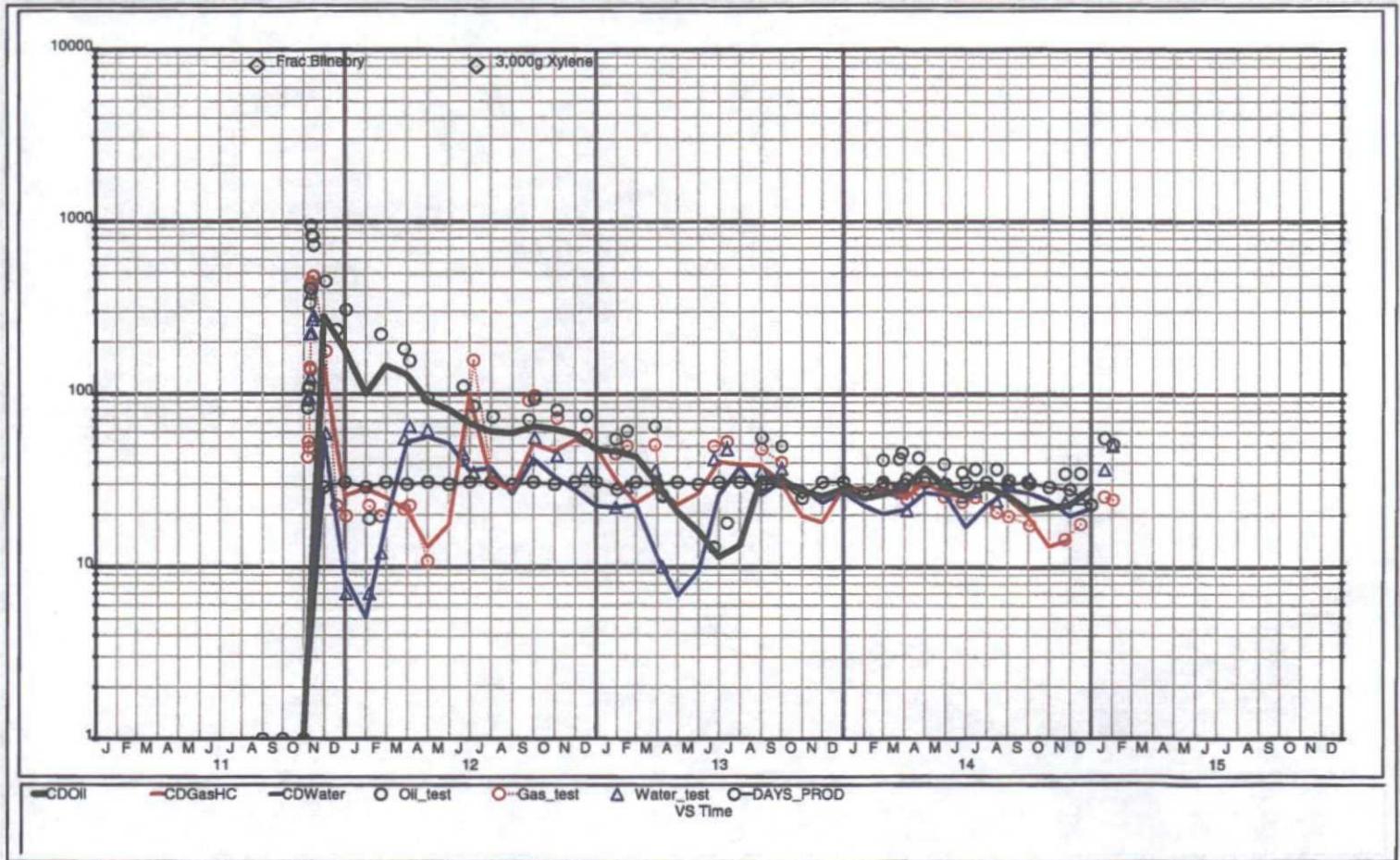
Name: 2 H ID: 30025031020101 Type: Completion Format: [p] Comp - CDProd_Test vs Time

WELL_LABEL:STATE AN 02 H	FIELD_CODE:T49	PROD_METH:SI	LASTOCUM:44
CHEVNO:FA4254	FIELD:FLD-VACUUM	CLASS_CODE:OI	LASTGCUM:116
SIDETRACK:1	LEASE:STATE AN COM	SAP_CODE:UCT494300	CC_NM:STATE AN
COMP_NUM:01	SEC-T-R:7 - S018 - E035	RES_CODE:0000010101	RES:ABO REEF



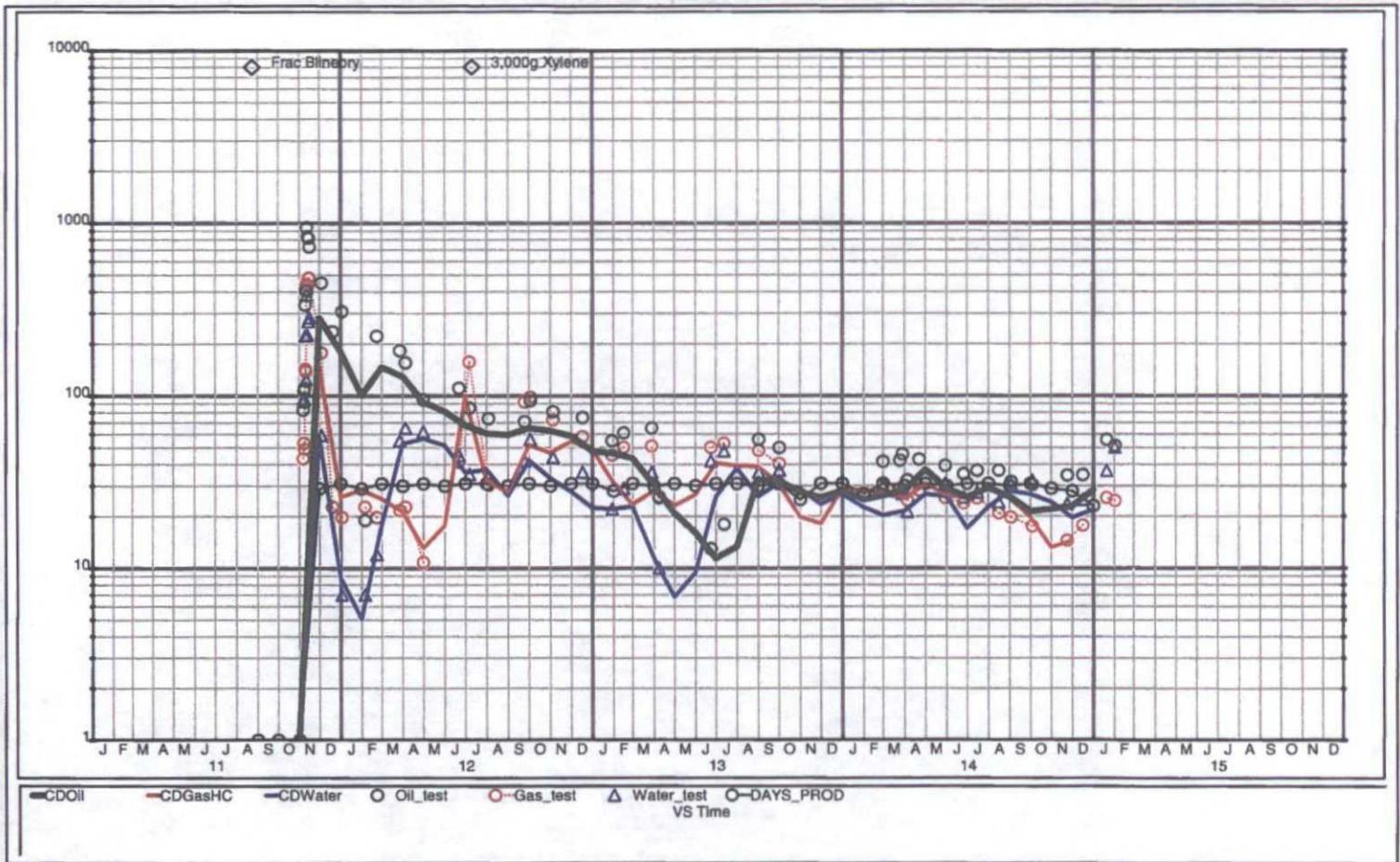
Name: 3 ID: 30025400600001 Type: Completion Format: [p] Comp - CDProd_Test vs Time

WELL_LABEL:NM R NCT 4 #3	FIELD_CODE:T49	PROD_METH:PR	LASTOCUM:64
CHEVNO:MY2462	FIELD:FLD-VACUUM	CLASS_CODE:OI	LASTGCUM:38
SIDETRACK:0	LEASE:NEW MEXICO R NCT-4	SAP_CODE:UCT496300	CC_NM:NEW MEXICO R STATE NCT-4
COMP_NUM:01	SEC-T-R:7 - S018 - E035	RES_CODE:0000004532	RES:BLINEBRY



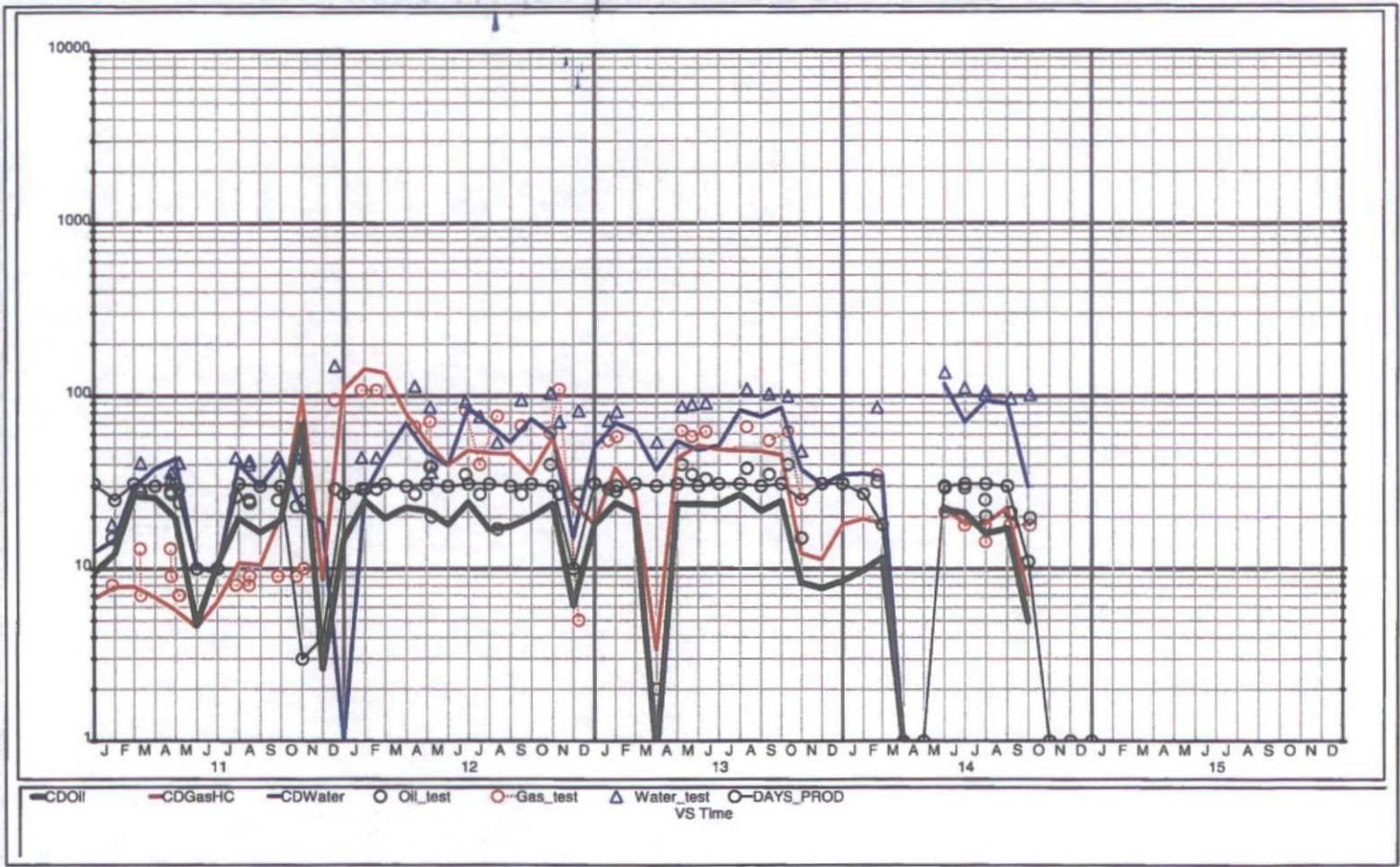
Name: 3 ID: 30025400600001 Type: Completion Format: [p] Comp - CDProd_Test vs Time

WELL_LABEL:NM R NCT 4 #3	FIELD_CODE:T49	PROD_METH:PR	LASTOCUM:84
CHEVNO:MY2482	FIELD:FLD-VACUUM	CLASS_CODE:OI	LASTGCUM:38
SIDETRACK:0	LEASE:NEW MEXICO R NCT-4	SAP_CODE:UCT496300	CC_NM:NEW MEXICO R STATE NCT-4
COMP_NUM:01	SEC-T-R:7 - S018 - E035	RES_CODE:0000004532	RES:BLINEBRY



Name: 2 H ID: 30025031020101 Type: Completion Format: [p] Comp - CDProd_Test vs Time

WELL_LABEL:STATE AN 02 H	FIELD_CODE:T49	PROD_METH:SI	LASTOCUM:44
CHEVNO:FA4254	FIELD:FLD-VACUUM	CLASS_CODE:OI	LASTGCUM:116
SIDETRACK:1	LEASE:STATE AN COM	SAP_CODE:UCT494300	CC_NM:STATE AN
COMP_NUM:01	SEC-T-R:7 - S018 - E035	RES_CODE:0000010101	RES:ABO REEF



ATTACHMENT I

LAND OWNERSHIP STATUS

PREPARED BY Daniel Pequeno, Landman, CPL/ESA

February 16, 2015

Application of Chevron U.S.A. Inc. for Administrative Approval to Downhole Commingle the Abo Reef and Blinebry Pools and Simultaneous Dedication:

Chevrons – New Mexico State “AN” State Well No. 2H – (API NO. 30-025-03102)
330' FNL & 2,100' FEL (SHL) of Section 7, T-18-S, R-35-E, (Unit Letter B); and ~~675'~~ ^{4889'} FNL &
4889' FEL (BHL) of Section 7, T19S-R35E (Unit Letter D)
Lea County, New Mexico

N/W/4NE/4 OF SECTION 7 –T18S-R35E, NMPM – STATE LEASE E-7653:

Lease Owner – 100% WI

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Royalty Owner – 1/8 Royalty

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico

NE/4N/W/4 & LOT 1 (NW/4NW/4) OF SECTION 7 –T18S-R35E, NMPM – STATE LEASE E-1306:

Lease Owner – 100% WI

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Royalty Owner – 1/8 Royalty

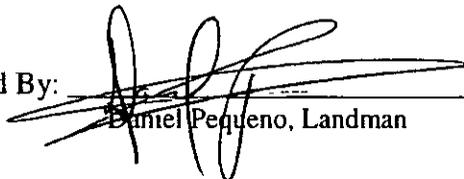
State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico

Well located on the Leases is the New Mexico State “AN” #2H currently producing from the Abo Reef formation and the well will be recompleted to add the Blinebry pool and down hole commingle with the Abo Reef Pool.

Surface Owner for all of Section 7, T18S-R35E, N.M.P.M.:

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Signed By:


Daniel Pequeno, Landman

Date: February 16, 2015