

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

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Chevron U.S.A. Inc. Address 15 Smith Road, Midland, TX 79705

Lease COATES, A.B. C FEDERAL Well No. 22 Unit Letter-Section-Township-Range B-24-25S-37E LEA LEA County LEA

OGRID No. 4323 Property Code 010913 API No. 30-025-11744 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name <u>MID JUSTIS</u>	<u>ABO (Gas)</u>	NA	<u>SOUTH JUSTIS MONTOYA (Oil)</u>
Pool Code	<u>96543</u>	NA	<u>35150</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6202' – 6540'	NA	6747' – 6791'
Method of Production (Flowing or Artificial Lift)	ESP	NA	ESP
Bottomhole Pressure (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)	EST. <u>3000</u> PSI	NA	EST. <u>2950</u> PSI
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NA	NA	NA
Producing, Shut-In or New Zone	Shut-In	NA	Shut-In, Below RBP @ 6570'
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: <u>7/8/07</u> Rates: <u>0 BO; 358 BW; 123 MCF</u>	Date: Rates: <u>NA</u>	Date: <u>2/20/96</u> Rates: <u>14 BO; 105 BW; 90 MCF</u>
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Wtr Gas <u>.87 % 61.99% 27.97%</u>	Oil Gas <u> % %</u>	Oil Wtr Gas <u>99.13% 38.01% 72.03 %</u>

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes X No

Will commingling decrease the value of production? Yes No X

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? Yes X No

NMOCD Reference Case No. applicable to this well:

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 Carolyn Haynie TITLE PE Technical Assistant DATE November 10, 2008

TYPE OR PRINT NAME Carolyn Haynie TELEPHONE NO. (432) 687-7261

E-MAIL ADDRESS chay@chevron.com

DATE IN 11/14/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 11/18/08	TYPE DAC #127	APP NO. PKUR0832350075
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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



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.

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

 Carolyn Haynie
 Print or Type Name

 Signature

 Petro. Engineer Technical Assistant
 Title

 11-10-08
 Date

 chay@chevron.com
 e-mail Address



Carolyn Haynie
Petroleum Engineering
Technical Assistance

Permian Business Unit
Chevron U.S.A Inc.
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

November 11, 2008

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

RE: Request to DHC the A B Coates C # 22
Oil and Gas Department

Chevron U.S.A. Inc. respectfully requests approval to Downhole Commingle the Montoya and the Abo formations in the A B Coates C # 22, API 30-025-11744, 660'FNL & 2310' FEL, Unit Letter: B, SEC. 24, T25S, R37E, LEA CO, NM.

Chevron plans to drill out the CIBP set @ 6570', and re-establish production from the prior Montoya (Upper & Lower) zones, and add additional Montoya perfs at: 6750'-53', 6756'-62', 6766'-74', 6777'-80', 6784'-91', and add additional perfs in the currently shut-in Abo at: 6581'-6585', 6603'-6611', 6620'-6628', 6634'-6638', 6659'-6661', 6671'-6676', 6690'-6694', 6707'-6710'.

Attached in support of this request is a table showing production volumes for each of the pools proposed for commingling. Also, included is a proposed wellbore schematic diagram for the Coates C # 22, well test information, C107A, C102, and a lease plat.

Chevron is the operator of this well with 100% working interest and the royalty interest owner is the Bureau of Land Management. Enclosed is the letter of notification to the BLM, and the well information needed for your determination of this project, including the Allocation analysis based on production from surrounding wells. The Coates C # 22, will be tested monthly for the allocation of production to this well.

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,

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

Carolyn Haynie
NM PE Technical Assistant
Enclosure

cc: NMOCD - District 1; Hobbs
Pam Boring
Danny Lovell
Wayne Johnson
Denise Pinkerton

REQUEST FOR EXEMPTION TO RULE 303-A
FOR WELLS LOCATED IN PRE-APPROVED POOLS OR AREAS

Operator

Chevron MidContinent L.P.
15 Smith Road
Midland, TX 79705

Lease Names and Well Numbers

A.B. Coates C # 22
660' FNL & 2310' FEL
Section 24, T25S, R37E
Lea County, New Mexico

Division Order

Pre-approved pools or areas established by Division Order No. R-11363.

Pools To Be Commingled In State DC Commingled Battery

(96543) ABO
(35150) South Justis Montoya

Perforated Intervals

ABO; (6202' - 6710')
Montoya (6747' - 6791')

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>BO</u>	<u>BW</u>	<u>MCF</u>	<u>Remarks</u>
Abo	1,949	1,084,334	161,101	EUR for Abo from Sec. 24
Montoya	222,198	664,810	414,836	EUR for Montoya from Sec. 24
Totals	224,147	1,749,144	575,937	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Abo	0.87	61.99	27.97	Calculated using above production volumes
Montoya	99.13	38.01	72.03	Calculated using above production volumes
Totals	100.00	100.00	100.00	

Ownership

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

State / Federal Land Notification

The well is on a Federal lease, and
notification was sent Nov. 10, 2008.

Montoya Cumulative Production												
T25S, R37E, Sec 24												
Lea County, NM												
(Data Through Nov. 2003)												
Primary API	Lease Name	Well Num	Operator Name	Location	Field Name	State	County	Status	EUR Oil Cum	EUR Gas Cum	EUR Wtr Cum	date
30025117280001	A B COATES C FEDERAL	15	TEXACO	24C 25S 37E	JUSTIS	NM	LEA	INA	335241	1258895	768088	Feb-96
30025117290002	A B COATES C	6	GETTY OIL CO.	24C 25S 37E	JUSTIS	NM	LEA	INA	548969	541827	156490	Oct-77
30025117310004	A B COATES C FEDERAL	9	TEXACO	24C 25S 37E SE	JUSTIS	NM	LEA	INA	31183	123896	252124	Jun-94
30025117320001	A B COATES C	10	GETTY OIL CO.	24C 25S 37E	JUSTIS	NM	LEA	INA	201243	509041	85954	Jul-76
30025117350002	A B COATES C FEDERAL	13	TEXACO	24C 25S 37E	JUSTIS	NM	LEA	INA	341709	613248	796411	May-95
30025117360001	A B COATES C FEDERAL	14	CHEVRON U.S.A. Inc.	24C 25S 37E NW SW NE	JUSTIS	NM	LEA	INA	386690	1725436	234059	Nov-03
30025117370003	A B COATES C	7	GETTY OIL CO.	24C 25S 37E	JUSTIS	NM	LEA	INA	150061	342405	55530	Nov-83
30025117430000	A B COATES C	21	GETTY OIL CO.	24C 25S 37E	JUSTIS	NM	LEA	INA	126828	220084	131508	Jun-84
30025117440000	A B COATES C FEDERAL	22	TEXACO	24C 25S 37E	JUSTIS	NM	LEA	INA	451403	1736142	1212297	Aug-96
30025117480002	A B COATES D	3	TEXACO	24C 25S 37E	JUSTIS	NM	LEA	INA	187731	1156970	1545513	Jan-99
30025117490001	WIMBERLY WN	2	ATLANTIC RICHFIELD CO.	24C 25S 37E	JUSTIS	NM	LEA	INA	21	70	1029	Oct-76
30025117520000	WIMBERLY WN	5	ATLANTIC RICHFIELD CO.	24C 25S 37E	JUSTIS	NM	LEA	INA	126423	154077	153542	
30025255370000	WIMBERLY WN	11	ARDO OIL & GAS CORP.	24C 25S 37E SW NE NW	JUSTIS	NM	LEA	INA	1069	436	323	Jan-79
							Totals		2,888,571	8,382,527	5,392,868	
							Average		222,198	644,810	414,836	

Abo Cumulative Production													
T25S, R37E, Sec 24													
Lea County, NM													
(Data Through May 2008)													
Primary API	Lease Name	Well Num	Operator Name	Location	Field Name	State	County	Status	EUR	EUR	EUR	EUR	date
30025117280100	A B COATES C FEDERAL	15	Chevron U.S.A. Inc.	24O 25S 37E	JUSTIS MID	NM	LEA	ACT	2,787	909,632	30,869		May-08
30025117320005	A B COATS C GAS COM	1	Legacy Reserves Op. LP	24F 25S 37E	JUSTIS MID	NM	LEA	ACT	0	715,436	5,153		May-08
30025117350004	COATES WIMBERLY FEDERAL COM	1	Chevron U.S.A. Inc.	24K 25S 37E	JUSTIS MID	NM	LEA	ACT	0	1,705,176	3,804		May-08
30025117440001	A B COATES C FEDERAL	22	Chevron U.S.A. Inc.	24B 25S 37E	JUSTIS MID	NM	LEA	ACT	5,009	1,007,092	604,577		Oct-07
Totals									7,796	4,337,336	644,403		
Average									1,949	1,084,334	161,101		

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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

¹ API Number 30-025-11744	² Pool Code 96543	³ Pool Name MID JUSTIS ABO GAS POOL
⁴ Property Code 010913	⁵ Property Name COATES, A.B. -C- FEDERAL	⁶ Well Number 22
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3080'

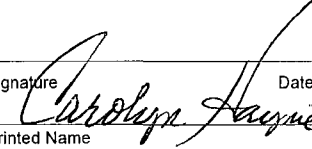
¹⁰ Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	25S	37E		660	North	2310	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
¹² Dedicated Acres 160	¹³ Joint or Infill No	¹⁴ Consolidation Code	¹⁵ 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

24			OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature  Date 11-10-08 Printed Name Carolyn Haynie Title Petroleum Eng. Technical Assistant
			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. Signature and Seal of Professional Surveyor: Certificate Number

WELL DATA SHEET

FIELD: Mid Justis

WELL NAME: A. B. Coates "C" Federal #22

FORMATION: Abo (gas)

LOC: 660' FNL & 2310' FEL
TOWNSHIP: 25S
RANGE: 37E

SEC: 24
COUNTY: Lea
STATE: NM

GL:
KB:
DF: 3080'

CURRENT STATUS: Flowing
API NO: 30-025-11744
REFNO:

Surface Casing
13-3/8", 36# csg
17-1/2" hole
Set @ 533' w/550 sx cmt
Circ cmt to surface

Intermediate Casing
9-5/8", 32# & 36# csg
12-1/4" hole
Set @ 3306' w/1100 sx cmt
Circ cmt to surface

CIBP set @ 6580' w/10' cmt on top

Production Casing
7", 23# csg
8-3/4" hole
Set @ 6795' w/500 sx cmt
TOC @ 2845' by TS

Prior to Workover

Date Spudded: 1/24/59
Date Completed: 3/8/59
Initial Completion: Justis Blinebry-Montoya (dual)

TOC @ 2845' by Temp Survey

Perfs	Status
5254-5570'	Blinebry - squeezed

Perfs	Status
5638-5816'	Tubb/Drinkard - squeezed

Perfs	Status
6202-6540'	Abo (gas) - open

Perfs	Status
6747-6773'	Up Montoya (oil) - below RBP

CICR set @ 6788' w/ 1' cmt on top	
Open hole f/ 6795-6881'	
Montoya - below CICR	

TD 6881'

WELL DATA SHEET

FIELD: Mid Justis

WELL NAME: A. B. Coates "C" Federal #22

FORMATION: Abo (gas)

LOC: 660' FNL & 2310' FEL

SEC: 24

GL:

CURRENT STATUS: TA'd

TOWNSHIP: 25S

COUNTY: Lea

KB:

API NO: 30-025-11744

RANGE: 37E

STATE: NM

DF: 3080'

Surface Casing

13-3/8", 36# csg

17-1/2" hole

Set @ 533' w/550 sx cmt

Circ cmt to surface

Proposed

Date Spudded: 1/24/59

Date Completed: 3/8/59

Initial Completion: Justis Blinebry-Montoya (dual)

Intermediate Casing

9-5/8", 32# & 36# csg

12-1/4" hole

Set @ 3306' w/1100 sx cmt

Circ cmt to surface

TOC @ 2845' by Temp Survey

Production Casing

7", 23# csg

8-3/4" hole

Set @ 6795' w/500 sx cmt

TOC @ 2845' by TS

TD 6881'

Perfs	Status
5254-5570'	Blignebry - squeezed

Perfs	Status
5638-5816'	Tubb/Drinkard - squeezed

Perfs	Status
6202-6540'	Abo (gas) - open

Perfs	Status
6581'-6710'	Additional Abo Perfs

Perfs	Status
6747-6773'	Montoya (oil) -

Perfs	Status
6750'-6791'	Additional Montoya perfs

Open hole f/ 6795-6881'

WELL TEST REPORT

Lease: **COATES, A. B. -C-**

Field: **JUSTIS**

Reservoir: **ABO**

Well:

Field Code: **U80**

Resv Code: **0000004042**

Unique Code: **UCU801900**

Battery: **AB COATES C**

Wellbore: **428084**

API No: **300251174400**

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fld Lvl Date	BTFPD	% Runtime
	0	0	0	200			02	PS			11/18/02		0.0
7/8/07	0	358	123	200	#DIV/0!	0.0	02	PS		5615	2/17/07	358	0.0
7/7/07	0	375	124	200	#DIV/0!	0.0	02	PS		5615	2/17/07	375	0.0
7/6/07	0	443	123	200	#DIV/0!	0.0	02	PS		5615	2/17/07	443	0.0
6/7/07	1	392	99	200	99480	0.3	02	PS		5615	2/17/07	393	0.0
6/6/07	2	427	98	200	49230	0.5	02	PS		5615	2/17/07	429	0.0
5/2/07	0	380	106	200	#DIV/0!	0.0	02	PS		5615	2/17/07	380	0.0
5/1/07	0	418	106	200	#DIV/0!	0.0	02	PS		5615	2/17/07	418	0.0
4/23/07	0	412	103	200	#DIV/0!	0.0	02	PS		5615	2/17/07	412	0.0
4/22/07	0	493	101	200	#DIV/0!	0.0	02	PS		5615	2/17/07	493	0.0
4/20/07	1	435	96	200	96410	0.2	02	PS		5615	2/17/07	436	0.0
4/19/07	0	404	91	200	#DIV/0!	0.0	02	PS		5615	2/17/07	404	0.0
3/2/07	10	335	116	200	11589	2.9	02	PS		5615	2/17/07	345	0.0
2/17/07	0	351	121	200	#DIV/0!	0.0	02	PS		4951	11/19/05	351	0.0
2/17/07	0	351	121	200	#DIV/0!	0.0	02	PS		5615	2/17/07	351	0.0
2/16/07	15	341	120	200	7999	4.2	02	PS		4951	11/19/05	356	0.0
1/8/07	1	349	121	200	121020	0.3	02	PS		4951	11/19/05	350	0.0
12/9/06	1	349	126	200	126150	0.3	02	PS		4951	11/19/05	350	0.0
11/19/06	0	396	0	200	#DIV/0!	0.0	02	PS		4951	11/19/05	396	0.0
11/19/06	0	396	129	200	#DIV/0!	0.0	02	PS		4951	11/19/05	396	0.0
11/9/06	1	349	126	200	126150	0.3	02	PS		4951	11/19/05	350	0.0
10/22/06	4	367	142	200	35383	1.1	02	PS		4951	11/19/05	371	0.0
10/22/06	4	367	142	200	35383	1.1	02	PS		4951	11/19/05	371	0.0
9/17/06	4	355	133	200	33333	1.1	02	PS		4951	11/19/05	359	0.0
8/27/06	2	389	129	200	64615	0.5	02	PS		4951	11/19/05	391	0.0
8/2/06	2	318	128	200	64100	0.6	02	PS		4951	11/19/05	320	0.0
7/28/06	2	486	127	200	63585	0.4	02	PS		4951	11/19/05	488	0.0
6/20/06	2	419	102	200	50765	0.5	02	PS		4951	11/19/05	421	0.0
5/30/06	0	0	71	200	#DIV/0!	####	02	PS		4951	11/19/05	0	0.0
5/25/06	0	0	94	200	#DIV/0!	####	02	PS		4951	11/19/05	0	0.0
5/24/06	0	0	143	200	#DIV/0!	####	02	PS		4951	11/19/05	0	0.0
4/11/06	5	422	88	200	17640	1.2	02	PS		4951	11/19/05	427	0.0
3/26/06	3	400	123	200	41023	0.7	02	PS		4951	11/19/05	403	0.0
2/26/06	4	407	125	200	31280	1.0	02	PS		4951	11/19/05	411	0.0
1/3/06	0	794	101	200	#DIV/0!	0.0	02	PS		4951	11/19/05	794	0.0
12/15/05	0	705	56	200	#DIV/0!	0.0	02	PS		4951	11/19/05	705	0.0
11/19/05	0	537	11	200	#DIV/0!	0.0	02	PS		4951	11/19/05	537	0.0
11/18/05	1	524	0	200	0	0.2	02	PS		5772	5/9/05	525	0.0
6/12/05	0	0	30	200	#DIV/0!	####	02	PS	pump jack down hole in tubing	5772	5/9/05	0	0.0
5/9/05	5	242	125	200	25000	2.0	02	PS		5772	5/9/05	247	100.0
4/15/05	7	245	110	200	15714	2.8	02	PS		5776	3/11/05	252	100.0
3/11/05	5	202	112	200	22400	2.4	02	PS		5776	3/11/05	207	100.0
2/10/05	6	245	119	200	19833	2.4	02	PS		5776	1/19/05	251	100.0
1/19/05	6	276	105	200	17500	2.1	02	PS		5776	1/19/05	282	100.0
12/10/04	6	248	107	200	17833	2.4	02	PS		5776	11/15/04	254	100.0
11/15/04	5	278	115	200	23000	1.8	02	PS		5776	11/15/04	283	100.0
10/26/04	6	280	110	200	18333	2.1	02	PS		5097	10/26/04	286	100.0
9/10/04	6	226	120	200	20000	2.6	02	PS		4490	5/4/04	232	100.0
8/18/04	3	280	125	200	41667	1.1	02	PS		4490	5/4/04	283	100.0
7/2/04	2	240	114	200	57000	0.8	02	PS		4490	5/4/04	242	100.0
6/5/04	3	241	115	200	38333	1.2	02	PS		4490	5/4/04	244	100.0



Carolyn Haynie
Petroleum Engineering
Technical Assistance

Permian Business Unit
Chevron U.S.A. Inc.
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

November 11, 2008

United States
Department of the Interior
Bureau of Land Management
State of New Mexico

Chevron U.S.A. Inc. respectfully requests approval to Downhole Commingle the Montoya and the Abo formations in the A B Coates C # 22, API 30-025-11744, 660'FNL & 2310' FEL, Unit Letter: B, SEC. 24, T25S, R37E, LEA CO, NM.

Chevron plans to drill out the CIBP set @ 6570', and re-establish production from the prior Montoya (Upper & Lower) zones, and add additional Montoya perfs at: 6750'-53', 6756'-62', 6766'-74', 6777'-80', 6784'-91', and add additional perfs in the currently shut-in Abo at: 6581'- 6585', 6603'- 6611', 6620'- 6628', 6634'- 6638', 6659'- 6661', 6671'- 6676', 6690'- 6694', 6707'- 6710'.

Our application submitted to the OCD is enclosed for your determination of this project. Attached in support of this request is a table showing production volumes for each of the pools proposed for commingling. Also, included is a proposed wellbore schematic diagram for the Coates C # 22, well test information, C107A, C102, and a lease plat.

Chevron is the operator of this well with 100% working interest owner in this well and formation. Enclosed is the well information needed for your determination of this project, including the Allocation analysis based on production from surrounding wells. The Coates C # 22, will be tested monthly for the allocation of production to this well.

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,

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

Carolyn Haynie
NM PE Technical Assistant
Enclosure

cc: Lease File
Pam Boring
Bryan Musgrave
Wayne Johnson
Danny Lovell

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. Inc.**

3a. Address
15 SMITH ROAD; MIDLAND, TX 79705

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter: B; 660' FNL & 2310' FEL; SEC. 24; T25S; R37E

5. Lease Serial No.
LC032650B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
A.B. COATES -C- FEDERAL

8. Well Name and No.
22

9. API Well No.
30-025-11744

10. Field and Pool, or Exploratory Area
MID JUSTIS ABO GAS

11. County or Parish, State
LEA COUNTY, NM

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 _____
	☐ 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.)

ESTIMATED STARTING DATE OF PROPOSED WORK IS JANUARY 2, 2009, AND THE APPROXIMATE DURATION OF THE WORKOVER PROJECT WILL BE 2 WEEKS.

**DRILL OUT CIBP @ 6570', AND RE-ESTABLISH PRODUCTION FROM THE PRIOR PRODUCING MONTOYA (UPPER & LOWER) ZONES,
ADD ADDITIONAL PERFS IN THE MONTOYA, 6750'-6753', 6756'-6762, 6766'-6774', 6777'-6780', 6784'-6791',
AND
ADD ADDITIONAL LOWER ABO PERFS IN THE CURRENTLY PRODUCING ABO, 6581'-6585', 6603'-6611', 6620'-6628', 6634'-6638',
6659'-6661', 6671'-6676', 6690'-6694', 6707'-6710'.**

RE-INSTALL A LARGER SUB PUMP AND DOWNHOLE COMMINGLE, THE MONTOYA AND ABO RESERVOIRS.

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

CAROLYN HAYNIE

Title **PETRO. ENG. TECHNICAL ASSISTANT**

Signature

Carolyn Haynie

Date

November 10, 2008

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)