

P NRM 0629740749

C-103 Received 9-27-2006

DHC No. Assigned 10-24-2006

| Order Number  |       | API Number          | Operator            |          | County |          |          |  |
|---|-------|---------------------|---------------------|----------|--------|----------|----------|--|
| H08-0169  |       | 30-025-37981        | Chevron U.S.A. Inc. |          | Lea    |          |          |  |
| Order Date  |       | Well Name           | Number              | Location |        |          |          |  |
|   |       | Jayhawk 35 State    | 004                 | N        | 35     | 19S      | 37E      |  |
|   |       |                     |                     | UL       | Sec    | T (+Dir) | R (+Dir) |  |
|   |       |                     | Oil %               | Gas %    |        |          |          |  |
| Pool 1  | 63800 | Weir Blinebry, East | 51%                 | 7%       |        |          |          |  |
| Pool 2  | 47090 | Monument Tubb       | 13%                 | 55%      |        |          |          |  |
| Pool 3  | 57000 | Skaggs Drinkard     | 36%                 | 38%      |        |          |          |  |
| Pool 4  |       |                     |                     |          |        |          |          |  |
| <div>Comments:<br/>Work completed effective _____<br/>Work cancelled effective _____<br/>Supplement _____</div> |       |                     |                     |          |        |          |          |  |

Posted to  
RBDMS  
10-24-2006

3

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-37981

OPERATOR: Chevron USA Inc

HOB-0169

PROPERTY NAME: Jayhawk 35 State

WNULSTR: 4-N, 35-19-37

SECTION I:

63800 POOL NO. 1 Weir Blinbry, East

ALLOWABLE AMOUNT

107 1070 MCF 10000

47090 POOL NO. 2 Monument Tubb

222 2220 MCF 10000

57000 POOL NO. 3 Skaggs Drinkard

142 1420 MCF 10000

POOL NO. 4 \_\_\_\_\_

POOL TOTALS 471 4710 MCF

SECTION II:

POOL NO. 1 Weir Blinbry, East

Oil

$51\% \times 471 = 240.21$

Gas

7%

POOL NO. 2 Monument Tubb

13%

55%

POOL NO. 3 Skaggs Drinkard

36%

38%

POOL NO. 4 \_\_\_\_\_

OIL

GAS

SECTION III:

$107 \div 51\% = 209.803 (210)$

SECTION IV:

$210 \times 51\% = 107.10 (107)$

$210 \times 13\% = 27.30 (27)$

$210 \times 36\% = 75.60 (76)$

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  
1000 S. St. Francis Dr., Santa Fe, NM 87505

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.

**30-025-37981**

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

**Jayhawk 35 State**

8. Well Number **4**

9. OGRID Number

**4323**

10. Pool name or Wildcat

**Monument Tubb**

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** : **990** feet from the **South** line and **1650** feet from the **West** line  
Section **35** Township **19S** Range **37E** NMPM County **LEA**

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

**3602' 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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: **DHC Monument Tubb/Weir Blinebry East/Skaggs Drinkard** ☒

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 PROVISIONS OF RULE 303 C (5), IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS, WEIR BLINEBRY EAST (PERFS 5760'-6420'), MONUMENT TUBB (PERFS 6420'-6690'), AND SKAGGS DRINKARD (6690'-7000') IN THE CAPTIONED WELL. THIS WILL BE A NEW WELL DRILLED IN 2007. PRODUCTION WILL BE ALLOCATED BACK TO THE THREE POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

**DHC Order No. HOB-0169**

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 **Keith Lopez** TITLE **PETR. ENGINEER** DATE **09/22/2006**

Type or print name  
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: **Chris Williams** TITLE **OC DISTRICT SUPERVISOR/GENERAL MANAGER** DATE **OCT 24 2006**

Conditions of Approval (if any):

**REQUEST FOR EXCEPTION 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**

Jayhawk 35 State #4  
990' FSL & 1650' FWL, Unit Letter N  
Section 35, T19S, R37E  
Lea County, New Mexico

**Division Order**

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

**Pools To Be Commingled In Jayhawk 35 #4**

(63800) East Weir Blinebry (Oil)  
(47090) Monument Tubb (Gas)  
(57000) Skaggs Drinkard (Oil)

**Perforated Intervals (Wellbore diagrams attached)**

Blinebry (5760'-6420')  
Tubb (6420'-6690')  
Drinkard (6690'-7000')

**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 Allocated %</u> | <u>Oil %</u>  | <u>Water %</u> | <u>Gas %</u>  | <u>Remarks</u>                                       |
|-------------------------|---------------|----------------|---------------|--|
| Blinebry                | 51.00         |                | 7.00          | Calculated using offset average cum's (see attached) |
| Tubb                    | 13.00         |                | 55.00         | Calculated using offset average cum's (see attached) |
| Drinkard                | 36.00         |                | 38.00         | Calculated using offset average cum's (see attached) |
| <b>Totals</b>           | <b>100.00</b> |                | <b>100.00</b> |  |

**Ownership**

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

**State / Federal Land Notification**

Well is on a state lease.

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised March 17, 1999

District II  
811 South First, Artesia, NM 88210

**OIL CONSERVATION DIVISION**

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

2040 South Pacheco  
Santa Fe, NM 87505

District IV  
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|   |  |  |
|---|--|--|
| <sup>1</sup> API Number<br>30-025-37981 | <sup>2</sup> Pool Code<br>63800                    | <sup>3</sup> Pool Name<br>Weir Blinebry East |
| <sup>4</sup> Property Code<br>29420     | <sup>5</sup> Property Name<br>Jayhawk 35 State     | <sup>6</sup> Well Number<br>4                |
| <sup>7</sup> OGRID No<br>4323           | <sup>8</sup> Operator Name<br>Chevron U.S.A., Inc. | <sup>9</sup> Elevation<br>3602'              |

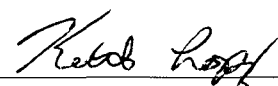
<sup>10</sup> Surface Location

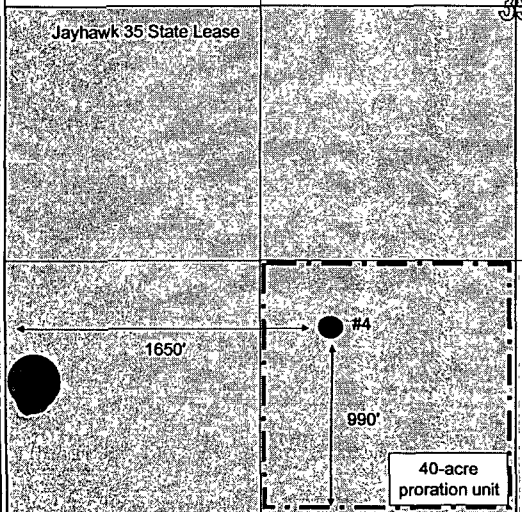
| UL or Lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 35      | 19S      | 37E   |         | 990           | South            | 1650          | 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<br>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**

|                        |  |  |  |  |
|------------------------|--|--|--|--|
| 35                     |  |  |  | 17   |
|                        |  |  |  | <b>OPERATOR CERTIFICATION</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i><br><br><br>Signature<br>Printed Name<br>Title<br>9/22/2006                        |
| Jayhawk 35 State Lease |  |  |  | 18   |
|                        |  |  |  | <b>SURVEYOR CERTIFICATION</b><br><br><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><br><br>Signature and Seal of Professional Surveyor<br><br>Certificate Number |
|                        |  |  |  |  |



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State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised March 17, 1999

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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|   |  |   |
|---|--|---|
| <sup>1</sup> API Number<br>30-025-37981 | <sup>2</sup> Pool Code<br>47090                    | <sup>3</sup> Pool Name<br>Monument Tubb |
| <sup>4</sup> Property Code<br>29420     | <sup>5</sup> Property Name<br>Jayhawk 35 State     | <sup>6</sup> Well Number<br>4           |
| <sup>7</sup> OGRID No<br>4323           | <sup>8</sup> Operator Name<br>Chevron U.S.A., Inc. | <sup>9</sup> Elevation<br>3602'         |

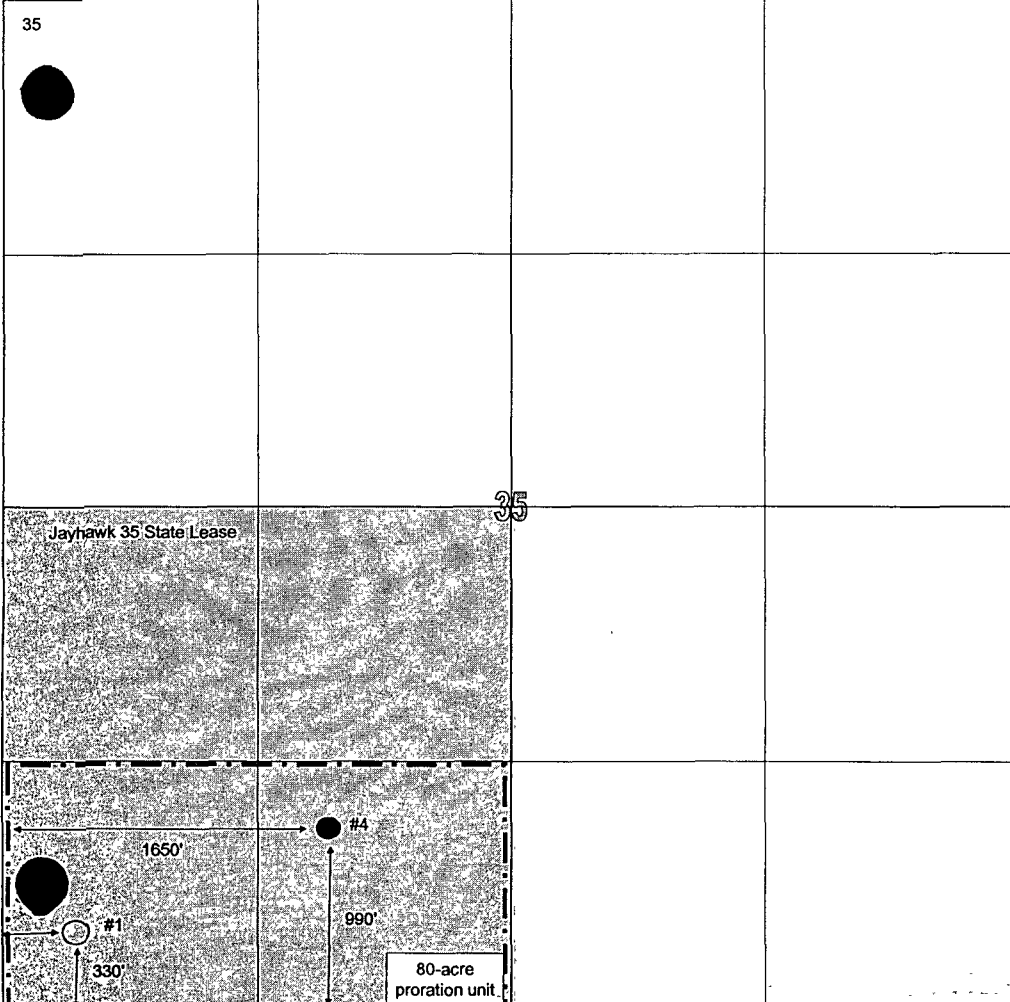
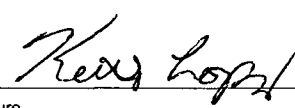
<sup>10</sup> Surface Location

|               |         |          |       |         |               |                  |               |                |        |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or Lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| N             | 35      | 19S      | 37E   |         | 990           | South            | 1650          | 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<br>80 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |               |                  |               |                |        |

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|   |   |
|---|---|
| <div>35</div>  | <div>17</div> <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></p> <p>Signature<br/><b>Keith Lopez</b></p> <p>Printed Name<br/><b>Petr. Engineer</b></p> <p>Title<br/><b>9/22/2006</b></p> |
|   | <div>18</div> <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>   |

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Form C-102  
Revised March 17, 1999

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WELL LOCATION AND ACREAGE DEDICATION PLAT

|   |  |   |
|---|--|---|
| <sup>1</sup> API Number<br>30-025-37981 | <sup>2</sup> Pool Code<br>57000                    | <sup>3</sup> Pool Name<br>Skaggs Drinkard |
| <sup>4</sup> Property Code<br>29420     | <sup>5</sup> Property Name<br>Jayhawk 35 State     | <sup>6</sup> Well Number<br>4             |
| <sup>7</sup> OGRID No<br>4323           | <sup>8</sup> Operator Name<br>Chevron U.S.A., Inc. | <sup>9</sup> Elevation<br>3602'           |

<sup>10</sup> Surface Location


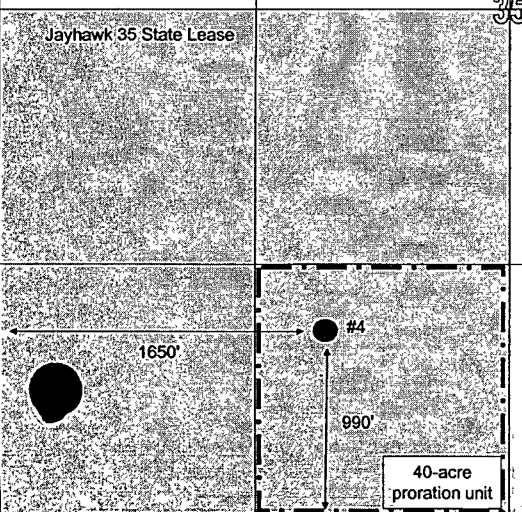
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|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 35      | 19S      | 37E   |         | 990           | South            | 1650          | West           | 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<br>40 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No |
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NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|  |  |  |  |  |
|--|--|--|--|--|
| 35   |  |  |  | <sup>17</sup><br>OPERATOR CERTIFICATION<br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i><br><br><br>Signature<br>Keith Lopez<br>Printed Name<br>Petr. Engineer<br>Title<br>9/22/2006 |
| Jayhawk 35 State Lease   |  |  |  | <sup>18</sup><br>SURVEYOR CERTIFICATION<br><br><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><br><br>Signature and Seal of Professional Surveyor:<br><br><br>Certificate Number      |
|  |  |  |  |  |

## Jayhawk 35 #4 Blinebry/Tubb/Drinkard Cum's

### Blinebry Cum's

| Well           | Cum To Date |           | Cum Remaining |           | Ultimate Recovery |           |
|----------------|-------------|-----------|---------------|-----------|-------------------|-----------|
|                | Oil (BBL)   | Gas (MCF) | Oil (BBL)     | Gas (MCF) | Oil (BBL)         | Gas (MCF) |
| HT Orcutt E #4 | 8595        | 8565      | 12763         | 12115     | 21,358            | 20,680    |
| Williams 34 #6 | 92214       | 54976     | 118483        | 47381     | 210,697           | 102,357   |
| HT Orcutt E #3 | 68450       | 160868    | 34931         | 44145     | 103,381           | 205,013   |
| Total          |             |           |               |           | 335,436           | 328,050   |
| Average        |             |           |               |           | 111,812           | 109,350   |

### Tubb Cum's

| Well                | Cum To Date |           | Cum Remaining |           | Ultimate Recovery |           |
|---------------------|-------------|-----------|---------------|-----------|-------------------|-----------|
|                     | Oil (BBL)   | Gas (MCF) | Oil (BBL)     | Gas (MCF) | Oil (BBL)         | Gas (MCF) |
| JH Williams #2      | 14643       | 399270    | 1153          | 193634    | 15,796            | 592,904   |
| HT Orcutt E #2      | 58346       | 954617    | 6044          | 172473    | 64,390            | 1,127,090 |
| HT Orcutt E #3      | 5961        | 102650    | 0             | 0         | 5,961             | 102,650   |
| Jayhawk #1          | 116134      | 926733    | 12466         | 122382    | 128,600           | 1,049,115 |
| Shelley 34 State #2 | 2591        | 1745439   | 0             | 0         | 2,591             | 1,745,439 |
| Shelley 34 State #3 | 7934        | 166071    | 4722          | 61028     | 12,656            | 227,099   |
| Shelley 34 State #4 | 1154        | 74992     | 0             | 0         | 1,154             | 74,992    |
| State A #1          | 0           | 1472625   | 0             | 103118    | -                 | 1,575,743 |
| Total               |             |           |               |           | 231,148           | 6,495,032 |
| Average             |             |           |               |           | 28,894            | 811,879   |

### Drinkard Cum's

| Well           | Cum To Date |           | Cum Remaining |           | Ultimate Recovery |           |
|----------------|-------------|-----------|---------------|-----------|-------------------|-----------|
|                | Oil (BBL)   | Gas (MCF) | Oil (BBL)     | Gas (MCF) | Oil (BBL)         | Gas (MCF) |
| JH Williams #2 | 59242       | 263294    | 4337          | 62137     | 63,579            | 325,431   |
| Jayhawk 35 #2  | 18003       | 493989    | 7795          | 283595    | 25,798            | 777,584   |
| Shelley 35 #2  | 50704       | 47474     | 93432         | 90660     | 144,136           | 138,134   |
| Shelley 35 #5  | 5402        | 41586     | 0             | 0         | 5,402             | 41,586    |
| State H #1     | 67319       | 197772    | 21295         | 34263     | 88,614            | 232,035   |
| State H #2     | 106794      | 1492575   | 30008         | 413276    | 136,802           | 1,905,851 |
| Total          |             |           |               |           | 464,331           | 3,420,621 |
| Average        |             |           |               |           | 77,389            | 570,104   |

| Average Cum's | Oil (BBL) | Gas (MCF) | Oil (%) | Gas (%) |
|---------------|-----------|-----------|---------|---------|
| Blainebry     | 111,812   | 109,350   | 51.27   | 7.33    |
| Tubb          | 28,894    | 811,879   | 13.25   | 54.44   |
| Drinkard      | 77,389    | 570,104   | 35.48   | 38.23   |