

PNRM 0629747839

C-103 Received 9-27-2006

DHC No. Assigned 10-24-2006

Order Number	API Number	Operator	County	
HOB-0170	30- 025-38019	Chevron USA Inc.	Lea	
Order Date	Well Name	Number	Location	
	L. R. Kershaw	016	A UL	13 Sec
			20S T (+Dir)	39E R (+Dir)
Pool 1	Order Number	Well Name	Oil %	Gas %
	63800	Weir Blinbry, East	45%	28%
Pool 2	47090	Monument Tubb	24%	32%
Pool 3	57000	Skaggs Drinkard	31%	40%
Pool 4				
Comments: Work completed effective _____ Work cancelled effective _____ Supplement _____				

Posted to
RBDMA
10-24-2006

B

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-38019

OPERATOR: Chevron USA Inc

HOB-0170

PROPERTY NAME: L. R. Kershaw

WNULSTR: 16-A, 13-20-37

	SECTION I:	ALLOWABLE AMOUNT	
63800	POOL NO. 1 <u>Weir Blinebry, East</u>	<u>107</u> <u>1090</u> MCF	10000
47090	POOL NO. 2 <u>Monument Tubb</u>	<u>222</u> <u>2220</u> MCF	10000
57000	POOL NO. 3 <u>Skaggs Drinkard</u>	<u>142</u> <u>1420</u> MCF	10000
	POOL NO. 4 _____		
	POOL TOTALS	<u>471</u> <u>4710</u> MCF	

SECTION II:

POOL NO. 1 Weir Blinebry, East

POOL NO. 2 Monument Tubb

POOL NO. 3 Skaggs Drinkard

POOL NO. 4 _____

Oil Gas

$45\% \times 471 = 211.95$ 28%

24% 32%

31% 40%

OIL

SECTION III:

$107 \div 45\% = 237.777 (238)$

GAS

SECTION IV:

$238 \times 45\% = 107.10 (107)$

$238 \times 24\% = 57.12 (57)$

$238 \times 31\% = 73.78 (74)$

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-025-38019
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name LR Kershaw
8. Well Number 16
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 **A** : **990** feet from the **North** line and **500** feet from the **East** line
Section **13** Township **20S** Range **37E** NMPM County **LEA**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3557' 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:		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: DHC Monument Tubb/Weir Blinebry East/Skaggs Drinkard <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.

UNDER THE PROVISIONS OF RULE 303 C (5), IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS, WEIR BLINEBRY EAST (PERFS 5830'-6350'), MONUMENT TUBB (PERFS 6350'-6675'), AND SKAGGS DRINKARD (6675'-6955') 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-0170

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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD approved plan ☐.

SIGNATURE Keith Lopez TITLE PETR. ENGINEER DATE 09/20/2006

Type or print name _____ E-mail address: _____ Telephone No. _____
For State Use Only

APPROVED BY: Chris Williams TITLE 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

LR Kershaw #16
990' FNL & 500' FEL, Unit Letter A
Section 13, T20S, R37E
Lea County, New Mexico

Division Order

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

Pools To Be Commingled In Kershaw #16

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

Perforated Intervals (Wellbore diagrams attached)

Blinebry (5830'-6350')
Tubb (6350'-6675')
Drinkard (6675'-6955')

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	45.00		28.00	Calculated using offset average cum's (see attached)
Tubb	24.00		32.00	Calculated using offset average cum's (see attached)
Drinkard	31.00		40.00	Calculated using offset average cum's (see attached)
Totals	100.00		100.00	

Ownership

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

State / Federal Land Notification

Well is on a fee 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

¹ API Number 30-025-38019	² Pool Code 63800	³ Pool Name Weir Blinebry East
⁴ Property Code 29957	⁵ Property Name LR Kershaw	⁶ Well Number 16
⁷ OGRID No 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3557'

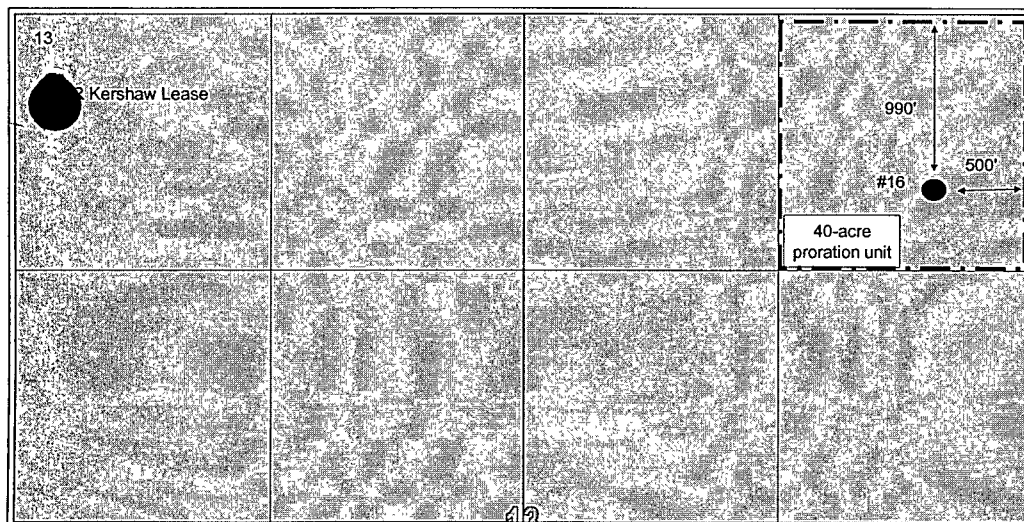
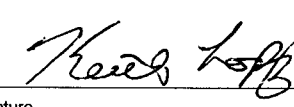
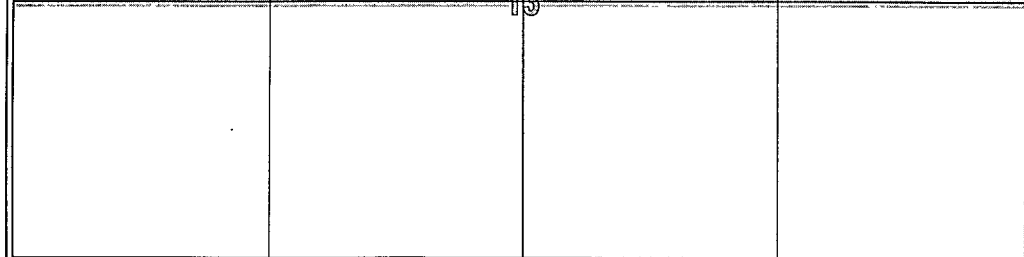
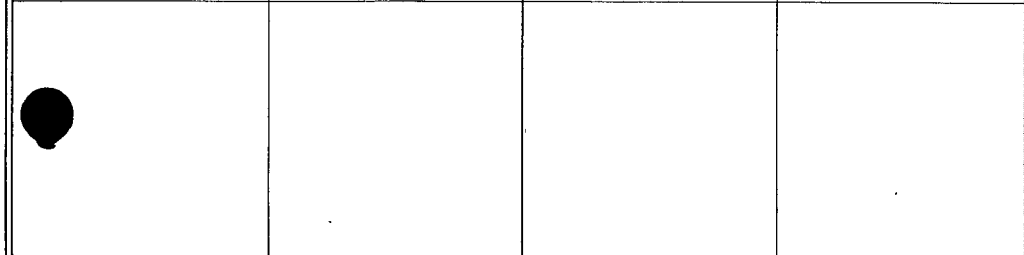
¹⁰ Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	13	20S	37E		990	North	500	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 40	¹³ Joint or Infill	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

	<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.</p> <p></p> <p>Signature Keith Lopez</p> <p>Printed Name Petr. Engineer</p> <p>Title 9/20/2006</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>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-38019	² Pool Code 47090	³ Pool Name Monument Tubbs
⁴ Property Code 29957	⁵ Property Name LR Kershaw	⁶ Well Number 16
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3557'

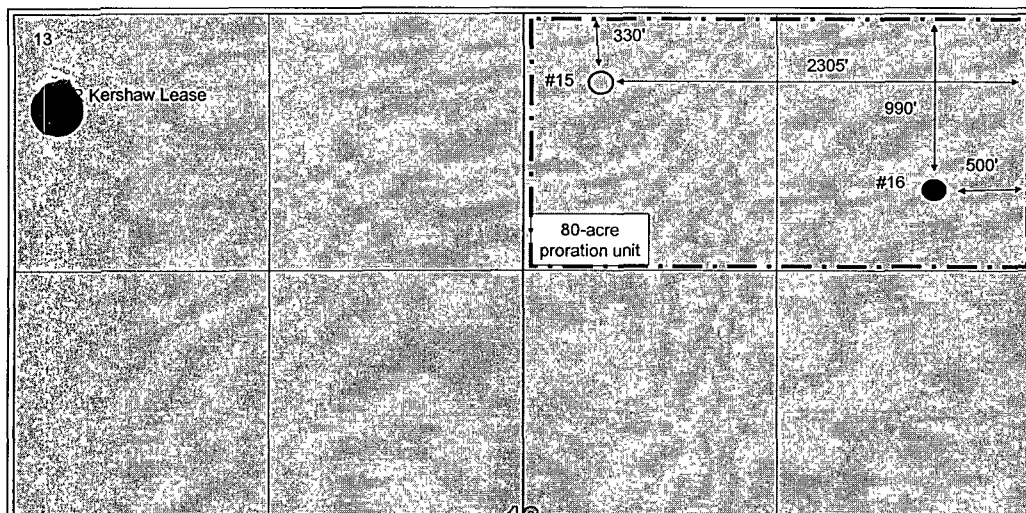
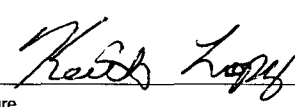
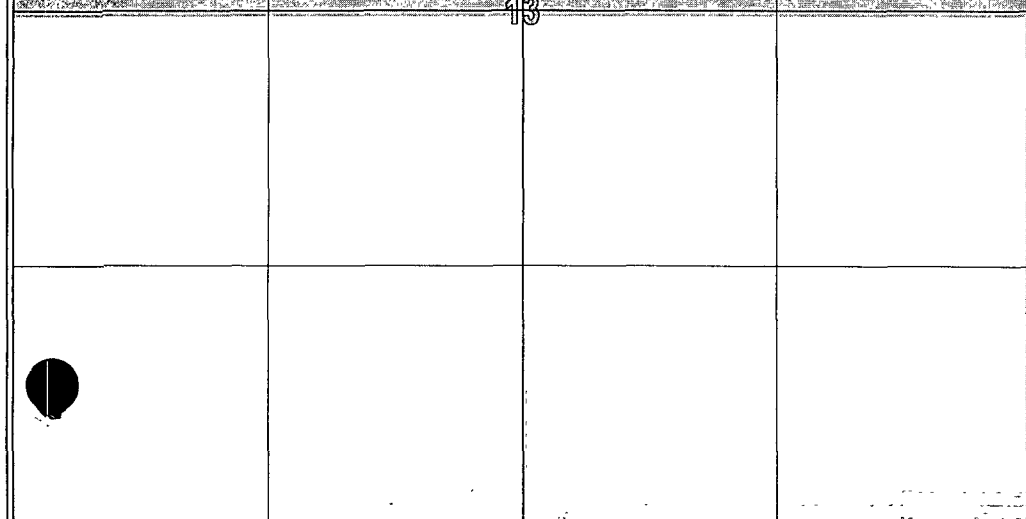
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A	13	20S	37E		990	North	500	East	Lea

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 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No						

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¹ API Number 30-025-38019	² Pool Code 57000	³ Pool Name Skaggs Drinkard
⁴ Property Code 29957	⁵ Property Name LR Kershaw	⁶ Well Number 16
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3557'

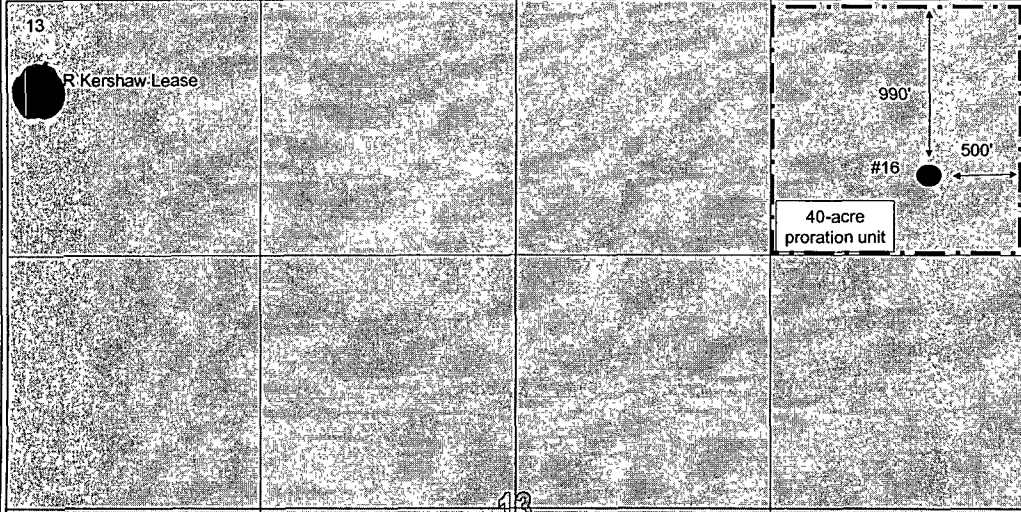

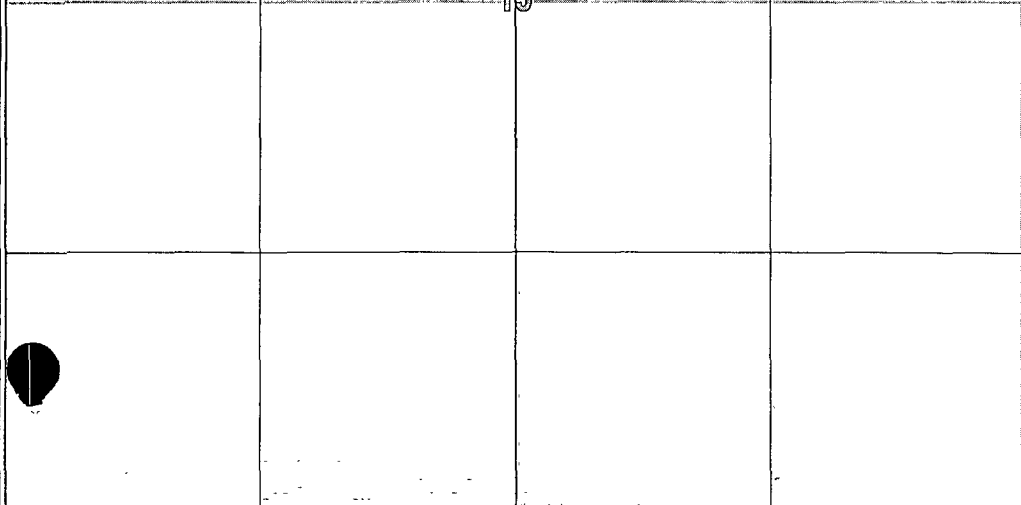
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Kershaw #16

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)
Kershaw #15	12760	206016	1673	98186	14,433	304,202
MB Weir B #10	101728	700259	0	0	101,728	700,259
MB Weir B #9	125244	671136	0	0	125,244	671,136
Total					241,405	1,675,597
Average					80,468	558,532

Tubb Cum's

Well	Cum To Date		Cum Remaining		Ultimate Recovery	
	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)
Kershaw #15	25655	211980	0	0	25,655	211,980
Kershaw #9	111036	948190	0	0	111,036	948,190
MB Weir B #10	38214	1581526	0	0	38,214	1,581,526
MB Weir B #13Y	22677	316917	11273	163454	33,950	480,371
SMU Tubb #83	27064	270332			27,064	270,332
Total					208,855	3,222,067
Average					41,771	644,413

Drinkard Cum's

Well	Cum To Date		Cum Remaining		Ultimate Recovery	
	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)
Kershaw #15	13608	115414			13,608	115,414
Kershaw #9	21356	404745			21,356	404,745
MB Weir B #10	79933	270768			79,933	270,768
MB Weir B #13Y	57110	1039184	1842	40392	58,952	1,079,576
MB Weir B #9	98608	2144261			98,608	2,144,261
Total					272,457	4,014,764
Average					54,491	802,953

Average Cum's	Oil (BBL)	Gas (MCF)	Oil (%)	Gas (%)
Blinebry	80,468	558,532	45.53	27.84
Tubb	41,771	644,413	23.64	32.13
Drinkard	54,491	802,953	30.83	40.03