

PNRM 0801554291

C-103 Received 1-11-2008
DHC No. Assigned 1-15-2008

	Order Number	API Number	Operator	County	
	HOB-0168-A	30-025-37936	Chevron U.S. A. Inc.	Lea	
	Order Date	Well Name	Number	Location	
		Jayhawk 35 state	003	L UL	35 Sec
				195 T (+Dir)	37E R (+Dir)
			Oil %	Gas %	
Pool 1	47090	Monument Tubb	35%	53%	
Pool 2	57000	Skaggs Drinkard	65%	47%	
Pool 3					
Pool 4					
Comments: Work completed effective _____ Work cancelled effective _____					

Posted to
RBOML
1-15-2008 B

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-37936
HOB-0168-A

OPERATOR: Chevron U.S.A. Inc.

PROPERTY NAME: Jayhawk 35 State

WNULSTR: 3-L, 35-19-37

SECTION I:

POOL NO. 1 Monument Tubb

ALLOWABLE AMOUNT

222 2220 MCF 10000

POOL NO. 2 Skaggs Drinkard

142 1420 MCF 10000

POOL NO. 3 _____

_____ MCF

POOL NO. 4 _____

_____ MCF

POOL TOTALS 364 3640

SECTION II:

POOL NO. 1 Monument Tubb

Oil

Gas

35%

53%

POOL NO. 2 Skaggs Drinkard

65% X 364 = 236.60

47%

POOL NO. 3 _____

POOL NO. 4 _____

OIL

GAS

SECTION III:

$142 \div 65\% = 218.461 (219)$

SECTION IV:

$219 \times 35\% = 76.65 (77)$

$219 \times 65\% = 142.35 (142)$

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

Form C-103
May 27, 2004

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

WELL API NO.

30-025-37936

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 **3**

9. OGRID Number

4323

10. Pool name or Wildcat

Tubb/Drinkard

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 **L** : **2110** feet from the **South** line and **330** feet from the **West** line
Section **35** Township **19S** Range **37E** NMPM County **LEA**

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

3595'

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 ☐

OTHER: Amendment; DHC only Tubb/Drinkard w/o Blinbry ☒

SUBSEQUENT REPORT OF:

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

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.

Per R-11363

UNDER THE PROVISION OF RULE 303(C) IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS, MONUMENT TUBB (PERFS 6588'-6744'), AND SKAGGS DRINKARD (PERFS 6953'-7016') IN THE CAPTIONED WELL. PRODUCTION WILL BE ALLOCATED BACK TO THE TWO POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPLEMENTAL DATA.

RECEIVED

DHC Order No. **HOB-0168-A**

JAN 11 2008

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

TITLE

PETR. ENGINEER

DATE 1/8/2008

Type or print name

E-mail address:

Telephone No.

For State Use Only

OCD DISTRICT SUPERVISOR/GENERAL MANAGER

APPROVED BY:

Chris Williams

TITLE

JAN 15 2008

Conditions of Approval (if any):



Richard A. Jenkins
Petroleum Engineer
New Mexico Team

Permian Business Unit
Chevron U.S.A. Inc.
15 Smith Road
Midland, TX 79705
Tel 432-631-3281
Fax 432-687-7871
rjdg@chevron.com

January 8, 2008

State of New Mexico
Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

Request to AMEND DHC-HOB-0168; Jayhawk 35 # 3 (30-025-37936)

Attention: Oil and Gas Regulatory Department

Chevron U.S.A. Inc. respectfully requests administrative approval for an amendment to Downhole Commingle the Monument Tubb (40790) and the Skaggs Drinkard (57000) in the Jayhawk 35 # 3, API number is 30-025-37936. The #3, is located 2110' FSL & 330' FWL, Unit L, Section 35, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

The Jayhawk 35 # 3 was originally permitted to produce from the Blinebry, Tubb, & Drinkard formations. The #3 was making 4BOPD, 1411 BWPD, and 49 MCFGPD. After the completion a large volume of water was encountered and the Blinebry was found to be uneconomic. The Blinebry was cement squeezed. Chevron request an amendment to downhole commingle order DHC-HOB-0618 to produce only the Tubb & Drinkard formations. Current production from the #3 is 25 BOPD, 173 BWPD, and 37 MCFGPD.

The proposed allocation percentages were calculated using offset EUR data, as well as swab data. Attached in support of this request is a well test report, a proposed well schematic diagram for the #3, C107, a C102 form for each pool, and a lease plat.

Chevron is the operator, with 100% working interest in the lease, the commissioner of Public Lands; State of New Mexico holds the royalty ownership.

If you require additional information or have any questions, please contact me by telephone at 432-687-7120, or by email at rjdg@chevron.com.

Sincerely,

A handwritten signature in black ink, appearing to read "R. A. Jenkins", written over a horizontal line.

Richard A Jenkins
Petroleum Engineer

Enclosure

cc: Denise Pinkerton
Denise Beckham

Request for Amendment of DHC-HOB-0171

Operator

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, TX 79702

Lease Name and Well Number

Jayhawk 35 # 3
2110' FSL & 330' FWL, Unit Letter L
Section 35, T19S, R37E
Lea County, New Mexico

Division Order

Pre-approved Pools or Areas established by division order # R-11363, Amendment to DHC: HOB-0168

Pools To Be Commingled In Jayhawk 35 # 3

30-025-37936

(47090) Monument Tubb (Oil)
(57000) Skaggs Drinkard (Oil)

Perforated Intervals

Monument Tubb (6588'-6744')
Skaggs Drinkard (6953'-7016')

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</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPD</u>	<u>Remarks</u>
Tubb	10.00	11	36	Calculated using allocations
Drinkard	20.00	2	32	Calculated using allocations
Totals	30.00	13	68	Jayhawk 35 # 3(12/27/2008)

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Tubb	35	85	53	Based off of offset EUR data
Drinkard	65	15	47	Based off of offset EUR data
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 State lease

District I
1625 N French Drive, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia NM 88210
District III
Rio Brazos Road, Aztec, NM 87410
Pools
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
X Single Well
Establish Pre-Approved

EXISTING WELLBORE
x Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Chevron Corporation 15 Smith Road, Midland TX 79705
Operator Address
Jayhawk 35 State #3 L-35-19S-37E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 4323 Property Code 29420 API No. 30-025-37936 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Monument Tubb	-	Skaggs Drinkard
Pool Code	47090	-	57000
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6588'-6744'	-	6953'-7016'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	-	Artificial Lift
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)	1810# From Build-up Test	-	2275# From Build-up Test
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36°	-	36°
Producing, Shut-In or New Zone	Producing	-	Producing
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: Produced 12/27/07 Oil Gas 10 BOPD 36 MCFPD	-	Date: Produced 12/27/07 Oil Gas 20 BOPD 32 MCFPD
Fixed Allocation Percentage (Note If allocation is based upon something other than current or past production, supporting data or explanation will be required)	Oil Gas 35% 53%	-	Oil Gas 65% 47%

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 No

MOCD 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 TITLE Petroleum Engineer DATE 1/8/2008
TYPE OR PRINT NAME Richard A Jenkins TELEPHONE NO. (432) 687-7120
E-MAIL ADDRESS rjdg@chevron.com

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

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 30-025-37936	² Pool Code 40790	³ Pool Name Monument Tubb
⁴ Property Code 29420	⁵ Property Name Jayhawk 35 State	⁶ Well Number 3
⁷ OGRID No 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3595'

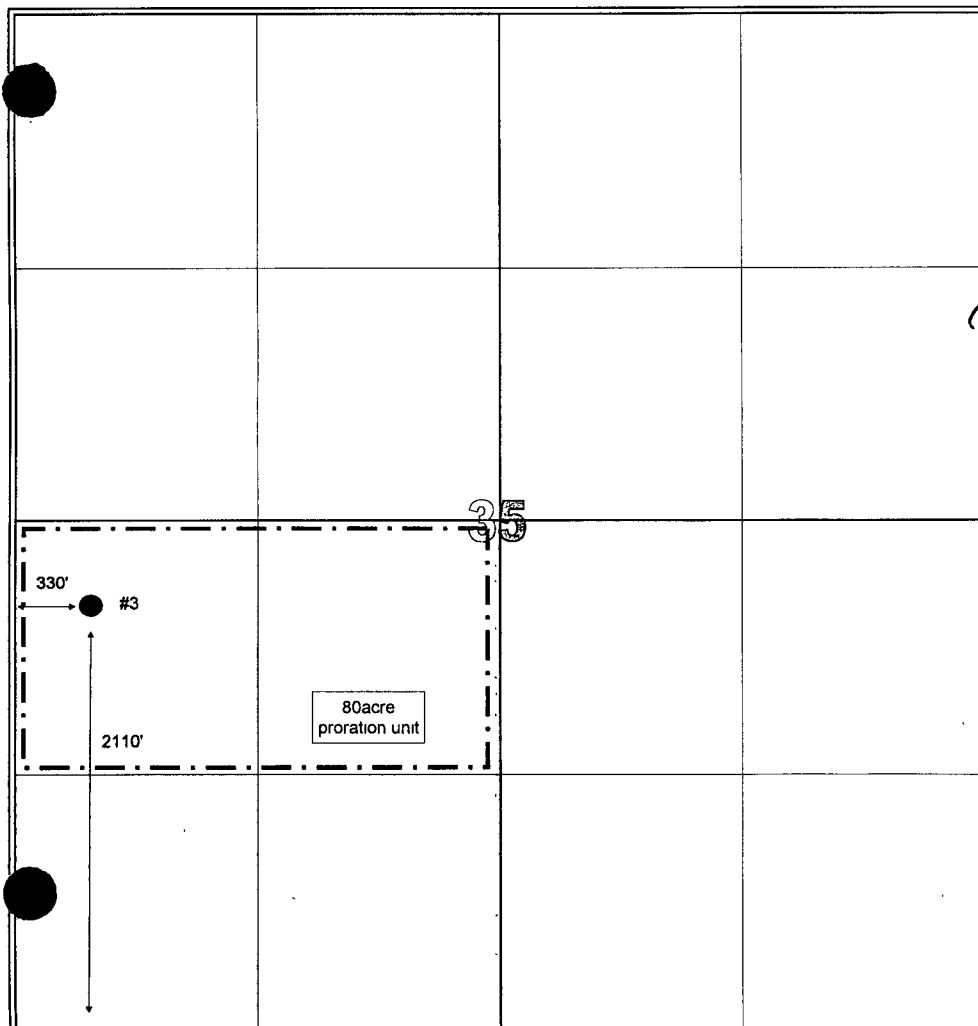

¹⁰ Surface Location

UL or Lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	35	19S	37E		2110	South	330	West	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 HOB-0168						

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>¹ OPERATOR CERTIFICATION</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> Signature Richard A. Jenkins</p> <p>Printed Name Petr. Engineer</p> <p>Title 1/8/2008</p>
	<p>¹ SURVEYOR CERTIFICATION</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>

District I
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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 Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-37936	² Pool Code 57000	³ Pool Name Skaggs Drinkard
⁴ Property Code 29420	⁵ Property Name Jayhawk 35 State	⁶ Well Number 3
⁷ OGRID No 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3595'

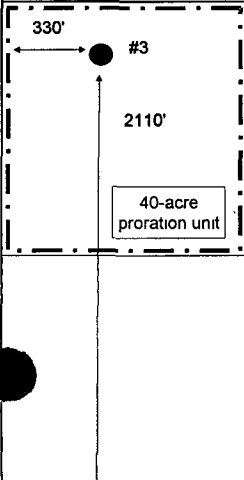
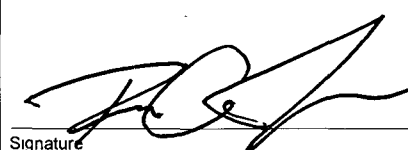
¹⁰ Surface Location

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L	35	19S	37E		2110	South	330	West	Lea

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UL or Lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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		¹ SURVEYOR CERTIFICATION <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> Signature and Seal of Professional Surveyor Certificate Number