

~~PNRMO833050255~~

C-103 Received 11-24-2008
DHC No. Assigned 11-25-2008

Order Number		API Number	Operator		County			
HOB-0019-A		30-025-12186	Chevron USA Inc.		Lea			
Order Date		Well Name		Number	Location			
		T. R. Andrews		005	A	32	22	38
					UL	Sec	T (+Dir)	R (+Dir)
				Oil %	Gas %			
Pool 1	06660	B Linebry Oil+Gas (Oil)		40%	40%			
Pool 2	60240	Tubb Oil+Gas (Oil)		19%	50%			
Pool 3	07900	Brunson Drinkard Abo, South		41%	10%			
Pool 4								
Comments:								

Posted to
RYS DMS
11-25-2008

3

30-025-12186

HOB-0019-A

DOWNHOLE COMMINGLE CALCULATIONS:OPERATOR: Chevron USA Inc.PROPERTY NAME: T.R. AndrewsWNULSTR: 5-A, 32-22-38

SECTION I:

06660 POOL NO. 1 B Linebry Oil + Gas (Oil) ALLOWABLE AMOUNT 107 428 MCF 400060240 POOL NO. 2 Tubb Oil + Gas (Oil) 142 284 MCF 200007900 POOL NO. 3 Brunson Drinkard Abq South 142 852 MCF 6000

POOL NO. 4 _____ MCF

POOL TOTALS 391 1564

SECTION II:

POOL NO. 1 B Linebry Oil + Gas (Oil) Oil Gas
40% 40%POOL NO. 2 Tubb Oil + Gas (Oil) 19% 50%POOL NO. 3 Brunson Drinkard 41% $\times 391 = 160.31$ 10%

POOL NO. 4 _____

OILGAS

SECTION III:

 $107 \div 41\% = 260.976 (261)$ _____

SECTION IV:

 $261 \times 40\% = 104.40 (104)$ _____ $261 \times 19\% = 49.59 (50)$ _____ $261 \times 41\% = 107.01 (107)$ _____

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., Azusa, NM 87710
District IV
1220 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. 30-025-12186
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name T.R. Andrews
8. Well Number 5
9. OGRID Number 4323
10. Pool name or Wildcat Blinebry/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 **A** : **560** feet from the **North** line and **660** feet from the **East** line

Section **32** Township **22S** Range **38E** NMPM County **LEA**

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

3373' (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 ☐

WELL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: **DHC Blinebry/Tubb/Brunson; Drinkard-Abo, South** ☒

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.

UNDER THE PROVISION OF RULE 303C (5) IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS, BLINEBRY OIL & GAS (6660) (5488-5850'), TUBB OIL & GAS (60240) (5998-6292'), & BRUNSON; DRINKARDABO, SOUTH (7900) (6400-7110') IN THE CAPTIONED WELL. PRODUCTION WILL BE ALLOCATED BACK TO THE THREE POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

DHC Order No. HOB-0019-A

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 [Signature] TITLE PETR. ENGINEER DATE 11/6/2008

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: [Signature]
Conditions of Approval (if any):

TITLE PETROLEUM ENGINEER DATE NOV 24 2008

Request for exemption 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

T.R. Andrews #5
30-025-12186
560 FNL & 660 FEL, Unit Letter A
Section 32, T22S, R38E
Lea County, New Mexico

Division Order

Pre-approved Pools or Areas established by division order # R-11363

Pools To Be Commingled In T.R. Andrews #9

(6660) Blinebry Oil & Gas (OIL)
(60240) Tubb Oil & Gas (OIL)
(7900) Brunson; Drinkard-Abo, South (OIL)

Perforated Intervals

Blinebry Oil & Gas (5488-5850')
Tubb Oil & Gas (5998-6292')
Brunson; Drinkard-Abo, South (6400-7110')

Location Plat

Attached

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>
Blinebry	14	45	120	Calculated From Allocations %
Tubb	7	10	150	Calculated From Allocations %
Brunson; Drinkard Abo, South	14	45	30	Calculated From Allocations %
Totals	35	100	300	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	40	45	40	From offset EUR
Tubb	19	10	50	From offset EUR
Brunson; Drinkard Abo, South	41	45	10	From offset EUR
Totals	100	100	100	

Ownership

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

State / Federal Land Notification

This is a FEE lease

District I
1625 N. French Drive Hobbs, NM 88240

District II
1101 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Bravo Road, Amos, 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
☒ Single Well
☒ Establish Pre-Approved

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
☐ Yes ☒ No

Chevron Corporation
Operator

15 Smith Road, Midland TX 79705
Address

T.R. Andrews
Lease

#5
Well No

A-32-22S-38E
Unit Letter-Section-Township-Range

Lea
County

GRID No. 4323 Property Code 2566 API No. 30-025-12186 Lease Type: ☐ Federal ☒ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blinberry Oil & Gas	Tubb Oil & Gas	Brunson; Drinkard-Abo, South
Pool Code	6660	60240	7900
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5488-5850' Perforated	5998-6292' Perforated	6400-7110' Perforated
Method of Production (Flowing or Artificial Lift)	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)	n/a	n/a	n/a
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36°	36°	36°
Producing, Shut-In or New Zone	Producing	Producing	Shut-In
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: Estimated Oil Gas 14 BBL 120 MCF	Date: Estimated Oil Gas 7 bbl 150 MCF	Date: Estimated Oil Gas 14 BBL 30 MCF
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 40% 40%	Oil Gas 19% 50%	Oil Gas 41% 10%

ADDITIONAL DATA

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?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

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?

Yes ☐ 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 Lonnie Grohman TITLE Petroleum Engineer DATE 11/6/2008

TYPE OR PRINT NAME Lonnie Grohman TELEPHONE NO. (432) 687-7420

E-MAIL ADDRESS lgck@chevron.com

District I
1625 N. French
HOBBS, NM 87401

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 30-025-12186	² Pool Code 6660	³ Pool Name Blinberry Oil & Gas
⁴ Property Code 2566	⁵ Property Name T.R. Andrews	⁶ Well Number 5
⁷ OGRID No 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3373' (GL)

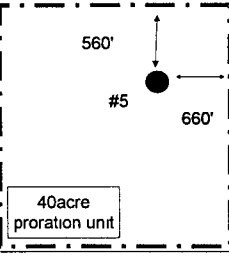
¹⁰ Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	22S	38E		560	North	660	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

	1 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Signature <u>Lonnie Grohman</u> Printed Name Lonnie Grohman Date <u>9/29/2008</u>
	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 _____

District I
1625 N. 1st St., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Bravo 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 30-025-12186	² Pool Code 60240	³ Pool Name Tubb Oil & Gas
⁴ Property Code 2566	⁵ Property Name T.R. Andrews	⁶ Well Number 5
⁷ OGRID No 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3373' (GL)

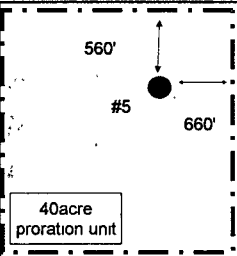
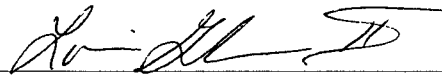
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	Certificate Number

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

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Artesia, NM 88210

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 30-025-12186	² Pool Code 7900	³ Pool Name Brunson, Drinkard-Abo, South
⁴ Property Code 2566	⁵ Property Name T.R. Andrews	⁶ Well Number 5
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3373' (GL)

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
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¹¹ Bottom Hole Location If Different From Surface

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	<p>1 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>Signature <u>Lonnie Grohman</u></p> <p>Printed Name Lonnie Grohman</p> <p>Date 9/29/2008</p>
	<p>1 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>