

1.14.11 (New Int'l) 6-11

DATE IN 12.20.10	SUSPENSE	ENGINEER DKP	LOGGED IN 12.20.10	TYPE DHC	APP NO. 1027354248
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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



1101455429

KEEL "A" Fed #4  
700 DEC 20 P 12:45

**ADMINISTRATIVE APPLICATION CHECKLIST**

30-025-33499

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.

Edgar Acero  
Print or Type Name

Edgar Acero  
Signature

Reservoir Engineer  
Title

12-16-2010  
Date

edgar.acero@Chevron.com  
e-mail Address

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

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

District III  
Well  
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.

APPLICATION TYPE  
\_\_X\_\_ Single  
\_\_\_\_ Establish Pre-Approved Pools  
EXISTING WELLBORE  
\_\_X\_\_ Yes \_\_\_\_ No

APPLICATION FOR DOWNHOLE COMMINGLING

Chevron Corporation USA Inc  
Operator 15 Smith Road, Midland, TX 79705  
Address

Keel "A" Federal #4 I-33-18S-32E Lea  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 4323 Property Code 2566 API No. 30-025-33499 Lease Type: Federal State X Fee  
18733

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Young; Grayburg, South		Young; San Andres, South
Pool Code	96626		96416
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4596'-4601'		5076'-5326'
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)	NA		NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NA		NA
Producing, Shut-In or New Zone	New Zone		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: Keel A Fed #2 Offset Production  Rates: Oil 2 BOPD Gas 1 MCFD	Date:  Rates:	Date: Calculated from Offset Production: Vandiver Fed #1, State HU #1, Keel A Fed #1  Rates: Oil 6 BOPD Gas 2 MCFD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 25 % Gas 33%	Oil % Gas %	Oil 75% Gas 67%

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  
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 Edgar Alvarado TITLE Petro Engineer DATE 12-16-2010

TYPE OR PRINT NAME \_\_\_\_\_ TELEPHONE NO. (\_\_\_\_\_) \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**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.**

5. Lease Serial No.  
NM-24161

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
CHEVRON U.S.A. INC.

3a. Address  
15 SMITH ROAD  
MIDLAND, TEXAS 79705

3b. Phone No. (include area code)  
432-687-7375

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1980' FSL, & 800' FEL, SECTION 33, T-18S, R-32E, UL: 1

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.  
KEEL A FEDERAL #4

9. API Well No.  
30-025-33499

10. Field and Pool or Exploratory Area  
YOUNG; S/A, S, AND YOUNG; GRAYBURG, S.

11. Country or Parish, State  
LEA COUNTY, NEW MEXICO

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DOWNHOLE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>COMMINGLE</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

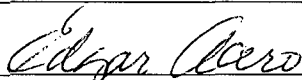
IT IS PROPOSED TO DOWNHOLE COMMINGLE THE YOUNG; SAN ANDRES, SOUTH (96416) PERFS 5076-5316 AND THE YOUNG, GRAYBURG, SOUTH (96626) PERFS 4596-4601.

PLEASE SEE ATTACHED INTENDED PROCEDURE.

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

Title PETROLEUM ENGINEER

Signature



Date 12/16/2010

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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.

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)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010**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.**5. Lease Serial No.  
NM-24161

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** – Other instructions on page 2.

1. Type of Well

☒ Oil Well☐ Gas Well☐ Other2. Name of Operator  
CHEVRON U.S.A. INC.8. Well Name and No.  
KEEL A FEDERAL #49. API Well No.  
30-025-334993a. Address  
15 SMITH ROAD  
MIDLAND, TEXAS 797053b. Phone No. (include area code)  
432-687-737510. Field and Pool or Exploratory Area  
YOUNG; SAN ANDRES, SOUTH4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1980' FSL, & 800' FEL, SECTION 33, T-18S, R-32E UL:111. Country or Parish, State  
LEA COUNTY, NEW MEXICO

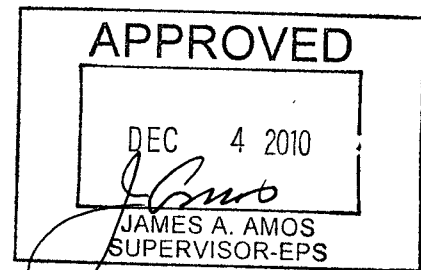
## 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>ADD PERFS</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomplate 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

CHEVRON U.S.A. INC. INTENDS TO ADD PAY IN THE SUBJECT WELL &amp; ACIDIZE.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAM, &amp; C-144 INFO FOR THE NMOCD.

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

Title REGULATORY SPECIALIST

Signature

Date 11/16/2010

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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.

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)

## Keel A Fed 4

Job: Recompletion  
API: 30-025-33499  
Lusk North Field  
Lea County, NM

### Workover Procedure:

1. MIRU PU. Kill well.
2. Pull rods and pump. No rod and pump details. Count rods on TOH and put pump depth on report.
3. ND wellhead. NU BOP.
4. Unset TAC. TOH w/ 2-7/8" tbg. Scanalog tbg. LD bad jts.
5. TIH w/ 4-3/4" MT bit on 2-7/8" J-55 workstring and clean out to 5600', 300' of fill is acceptable. Notify Remedial Engineer if > 300' of fill is tagged.
6. TOH.
7. TIH w/ 5-1/2" compression set treating pkr and SN on top of pkr on 2-7/8" workstring w/ 310' of tailpipe to ~5280' (pkr @ 4970').
8. Set pkr. Drop SCV. Open bypass on pkr. Pump 60 BFW down tbg to check SCV.
9. Pump 900 gallons of Petroplex X-25. Spot 200 gal from 5280'-5005' in annulus. Close pkr bypass.
10. Squeeze remaining 700 gallons of Petroplex X-25 into formation. Displace tbg w/ FW. SI over night.
11. Swab back load.
12. Retrieve SCV on swab line.
13. Release packer. Spot 1,000 gallons of acetic acid (Use swab data for spot calculations).
14. TOOH w/ 2 7/8" WS and 5 1/2" packer.
15. RU WL. RIH w/ perf gun (include gamma ray gun) and perforate the 5 1/2" casing using full lubricator w/ 3-3/8" guns, 0.42" hole, 48.24" penetration, w/ 2 JSPF @ 120 degrees phasing as follows: 4596'-4601', 5272'-5286', 5291'-5306', 5311'-5313', 5316'-5326'. Correlate depths w/ Schlumberger Platform Express Compensated Neutron Litho-Density Gamma Ray log dated 22-JUL-1996.
16. POH w/ perf gun. RD WL.
17. RIH w/ 5-1/2" treating pkr while hydro testing 2-7/8" work string to 5500 psi
18. Set packer @ +/- 4500'. Load and test backside to 500 psi. RU flowback manifold an open top tank.
19. MI RU Schlumberger. Hold 500 psi csg pressure, monitor throughout the job. Pump down 2-7/8" WS and acidize all perfs with 10,000 gallons of 20% HCl acid w/ nitrogen foam as per

Schlumberger procedure. Rate: 8 BPM and Maximum Surface Pressure: 5000 psi. Displace acid with 75% quality Nitrogen and 2% KCL to bottom perf.

20. Shut-in for one hour.
21. Flowback load, report flowing pressure, rates, and volumes on report.
22. POOH w/ 2-7/8 work string and packer.
23. RIH w/ 2-7/8" J55 production tbg and set TAC per ALCR.
24. ND BOP. NU wellhead
25. RIH w/ pump and rods and set per ALCR.
26. RDMO PU.
27. Turn well over to production. Return to Production.
28. Report production tests.

Contacts:

Ivan Pinney - Remedial Engineer (281-796-9252)  
Carlos Valenzuela – ALCR (Cell: 575-390-9615)  
Edgar Acero – Production Engineer (432-687-7343 / Cell: 432-230-0704)  
Joe Moroney - Baker Hughes (432-230-7373)  
Steve Pendleton – Petroplex (432-556-4211)  
Chucks Ezeokonkwo – Schlumberger (432-571-4600)

### Foam / Air Cleanout Procedure

1. **Review All JSA's associated with work. Ensure exclusion zones are identified and communicated to all personnel. All lines must be hobbled.**
2. Install flowback manifold with two chokes. All components on flowback manifold must be rated to at least 3,000 psi. Flowback manifold components should be hydrotested before delivery. Recommend mandating proof of testing from vendor.
3. Install flowback tank downwind from rig.
4. Ensure there is a Near Bit Float (If not consult with the engineer to TOOH to install)
5. Install test plug in wellhead. Close pipe rams and pressure test pipe rams and connection between BOP and wellhead to 250 psi/2,000 psi. Bleed off pressure.
6. Open pipe rams and close annular. Pressure test annular to 250/1,500 psi. Bleed off pressure. Open annular. Remove test plug.
7. NU stripper head with **NO Outlets** (Check stripper cap for thread type – course threads preferred). **Stripper head to be stump tested to 1,000 psi before being delivered to rig. Ensure stump test documentation can be provided upon arrival.**
8. RIH to +/-4250 RU foam air unit. Install float at surface before beginning to pump. Break circulation with foam/air. Evacuate fluid from well.

**Clear floor of all personnel while breaking circulation and any time they are not required. Pump high quality foam at all times. Do not pump dry air at any time. Fluid injection rates will generally be above 12 gallons per minute.**

**Whenever there is pressure on the stripper head, have a dedicated person continuously monitor pressure at choke manifold and have a dedicated person at accumulator ready to close annular BOP in case stripper leaks. Do not allow pressure on stripper head to exceed 500 psi. If pressure cannot be controlled below 500 psi, stop pumping, close BOP and bleed off pressure.**

9. Strip in hole until tag.
10. Rig up power swivel. Break circulation with foam/air. Install float at surface before beginning to pump. Cleanout as per original procedure. Circulate hole clean.
11. Kill tubing and casing using Brine water. If needed.
12. POOH LD workstring and bit. Brine water down tubing to put tubing on vacuum to help eliminate trapped pressure before breaking out string floats. **Have foam-air hand on location during this process.**
13. ND Stripper and flowback manifold.
14. Resume original procedure.



**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**

<sup>1</sup> API Number 30-025-33499	<sup>2</sup> Pool Code 96626	<sup>3</sup> Pool Name YOUNG; GRAYBURG, SOUTH
<sup>4</sup> Property Code 2566	<sup>5</sup> Property Name KEEL "A" FEDERAL	<sup>6</sup> Well Number 4
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name Chevron U.S.A., Inc.	<sup>9</sup> Elevation 3688'

<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
I	33	18S	32E		1980	SOUTH	800	EAST	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>2</sup> Dedicated Acres 40	<sup>3</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

	<p><sup>17</sup></p> <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 _____</p> <p>EDGAR ACERO</p> <p>Printed Name _____</p> <p>PETROLEUM ENGINEER</p> <p>Date _____</p> <p>12/5/10</p>
	<p><sup>18</sup></p> <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>
	Certificate Number _____

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**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

<sup>1</sup> API Number 30-025-33499	<sup>2</sup> Pool Code 96416	<sup>3</sup> Pool Name YOUNG; SAN ANDRES, SOUTH
<sup>4</sup> Property Code 2566	<sup>5</sup> Property Name KEEL "A" FEDERAL	<sup>6</sup> Well Number 4
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name Chevron U.S.A., Inc.	<sup>9</sup> Elevation 3688'

### <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
I	33	18S	32E		1980	SOUTH	800	EAST	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>2</sup> Dedicated Acres 40	<sup>3</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

				<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>   Signature EDGAR ACERO  Printed Name PETROLEUM ENGINEER  Date 12/5/10
				<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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

# WELL TEST REPORT

Lease: Keel "A" Federal

Well: 4

Field: Young; San Andres, South

Tshp/Rng: S-18 & E-32

Section: 32

API No.: 30-025-33499

Test Date	BOPD	BWPD	MCFD	GOR
11/18/2010	0.1	0.1	0.1	1000
10/6/2010	0.1	0.1	0.2	2000
9/9/2010	0.1	0	0.2	2000
8/13/2010	0.1	0	0.2	2000
7/16/2010	0.2	0	1.8	9000
7/15/2010	0.5	0	1.8	3600
6/27/2010	0.45	0	0	0
6/25/2010	0	0	0	0
5/14/2010	0.04	0.5	2	50000
5/13/2010	0.03	11.8	1	33333.34
4/20/2010	0.4	7	1.2	3000
3/16/2010	6	0.5	1.4	233.33
2/4/2010	1	0.5	0.5	500
1/20/2010	2	0	1	500
8/27/2009	1	0	0	0
8/26/2009	0	0	0	0
7/24/2009	0.14	0	0	0
7/23/2009	2	0	0	0
7/21/2009	1.2	0	0	0
7/20/2009	1.7	0	0	0
7/6/2009	3	4	1	333.33
4/27/2009	4	0.21	1	250
3/31/2009	4.94	0.13	1	202.43
2/28/2009	6	0	1	166.67
2/6/2009	12	4	2	166.67
9/21/2008	4	1	2	500
8/31/2008	4	1	2	500
7/31/2008	4	1	2	500
6/30/2008	4	1	48	12000
5/31/2008	4	2	1	250
3/29/2008	4	2	1	250
11/30/2007	2	3	2	1000
10/31/2007	3	2	1	333.33
8/31/2007	3	1	2	666.67
7/14/2006	2	1	1	500
12/29/2005	3	1	1	333.33
11/28/2005	4	1	1	250
10/29/2005	4	1	2	500



9/30/2005	3	1	2	666.67
8/30/2005	2	1	2	1000
7/25/2005	3	1	1	333.33
6/29/2005	4	1	1	250
5/31/2005	4	1	1.5	375
4/30/2005	3	1	1	333.33
3/26/2005	2	1	0.6	300
12/31/2004	2	1	1	500
11/28/2004	2	1	1	500
10/26/2004	2	1	1	500
9/30/2004	2	1	1	500
8/29/2004	2	1	1	500
7/29/2004	3	1	1	333.33
6/30/2004	4	1	2	500
5/25/2004	1	2	1	1000
4/29/2004	2	1	1	500
3/25/2004	3	1	2	666.67
2/27/2004	2	1	1	500
1/29/2004	3	1	1	333.33
12/30/2003	3	1	1	333.33
11/29/2003	3	1	1	333.33
10/31/2003	3	2	2	666.67
9/26/2003	4	1	2	500
8/14/2003	1	0.5	0.5	500
7/21/2003	1.33	0.67	0.67	503.76
6/9/2003	2	1	1	500
5/23/2003	3	1	3	1000
4/25/2003	8	2	2	250
3/12/2003	8	1	2	250
2/22/2003	6	1	2	333.33
1/27/2003	8	1	2	250
12/14/2002	4	1	1	250
11/24/2002	3	2	2	666.67
10/25/2002	3	2	2.93	976.67
9/24/2002	4	2	2.93	732.5
8/28/2002	4	1	1.95	487.5
7/20/2002	5	2	1.95	390
6/8/2002	4	2	1.95	487.5
5/25/2002	6	1	1.95	325
4/29/2002	10	1	1.95	195
3/14/2002	12	1	2.93	244.17
2/16/2002	11	1	1.95	177.27
1/16/2002	15	1	2.93	195.33
10/4/2001	14	2	2.93	209.29
9/6/2001	13	2	3.9	300
8/11/2001	12	1	3.9	325
6/10/2001	12	1	2.93	244.17

5/16/2001	14	2	2.93	209.29
5/7/2001	13	2	2.93	225.38
4/8/2001	14	2	1.95	139.29
3/10/2001	16	2	2.93	183.13
2/19/2001	14	2	2.93	209.29
2/7/2001	14	1	2.93	209.29
1/8/2001	15	1	2.93	195.33
12/15/2000	15	1	2.93	195.33
11/23/2000	14	2	2.93	209.29
10/10/2000	17	1	3.9	229.41
10/9/2000	17	2	2.93	172.35
9/3/2000	16	1	3.9	243.75
8/19/2000	15	1	3.9	260
8/6/2000	14	1	2.93	209.29
7/8/2000	18	1	3.9	216.67
6/10/2000	14	1	2.93	209.29
6/9/2000	17	2	2.93	172.35
5/8/2000	16	1	2.93	183.13
4/10/2000	16	0	1.95	121.88
4/9/2000	18	0	1.95	108.33
4/8/2000	14	1	1.95	139.29
4/7/2000	8	1	1.95	243.75
3/22/2000	15	0.4	2.93	195.33
3/18/2000	14	1	2.93	209.29
3/5/2000	14	1	2.93	209.29
2/4/2000	14	1	2.93	209.29
1/10/2000	15	1	2.93	195.33
12/5/1999	15	1	3	200.00
12/4/1999	11	1	3	272.73
11/17/1999	15	0.3	3	200.00
11/14/1999	18	1	3	166.67
11/13/1999	17	1	4	235.29
11/12/1999	18	1	4	222.22
10/17/1999	16	0.7	4	250.00
9/7/1999	22	2	4	181.82
8/13/1999	18	0.01	4	222.22
8/12/1999	14	0.1	4	285.71
7/14/1999	17	0.3	4	235.29
7/10/1999	17	0.2	4	235.29
7/9/1999	16	1	3	187.50
6/9/1999	15	0.4	3	200.00
6/8/1999	13	2	5	384.62
5/14/1999	23	0	3	130.43
5/12/1999	20	0.01	3	150.00
4/25/1999	25	0.4	3	120.00
4/24/1999	20	0.5	3	150.00
4/23/1999	15	0.2	3	200.00

4/22/1999	15	0.3	3	200.00
4/21/1999	17	1	3	176.47
3/12/1999	23	0.2	3	130.43
3/11/1999	24	0.6	3	125.00
2/7/1999	21	2	4	190.48
1/16/1999	21	2	5	238.10
1/7/1999	23	1	5	217.39
12/11/1998	24	1	6	250.00
11/20/1998	24	1	4	166.67
10/12/1998	27	0.2	4	148.15
10/11/1998	24	1.2	4	166.67
10/10/1998	22	1	4	181.82
9/16/1998	24	1	4	166.67
8/24/1998	25	0.001	4	160.00
8/5/1998	27	1	5	185.19
8/4/1998	25	1	5	200.00
7/11/1998	24	1	5	208.33
7/8/1998	18	0.1	5	277.78
7/7/1998	20	0.1	5	250.00
6/23/1998	22	1	5	227.27
6/2/1998	23	1	6	260.87
4/25/1998	21	2	5	238.10
3/20/1998	28	1	4	142.86
2/13/1998	32	2	5	156.25
1/14/1998	37	2	5	135.14
12/10/1997	40	2	7	175.00
11/11/1997	46	1	8	173.91
10/7/1997	53	2	9	169.81
9/16/1997	57	1	10	175.44
9/15/1997	78	1	15	192.31
9/9/1997	61	1	22	360.66
9/8/1997	74	3	19	256.76
9/7/1997	78	3	22	282.05
9/6/1997	84	9	25	297.62
9/5/1997	132	20	12	90.91
9/3/1997	90	5	40	444.44
8/17/1997	22	2	10	454.55
7/18/1997	20	2	7	350.00
6/7/1997	28	2	4	142.86
4/21/1997	24	1	4	166.67
2/18/1997	40	3	10	250.00
1/15/1997	31	4	8	258.06
12/17/1996	10	2	5	500.00
11/5/1996	12	2	10	833.33

# Keel A Federal #4 Wellbore Diagram

Lease: Keel "A" Federal  
 Field: Young; San Andres, South  
 Surf. Loc.: I-33-18S-32E 1980 FSL 800 FEL  
 Bot. Loc.: I-33-18S-32E 1980 FSL 800 FEL  
 County: Lea St.: NM  
 Status: Active Oil Well

Well #:  
 API  
 Surface  
 Unit Ltr.:  
 Bottom hole  
 Unit Ltr.:

4 Fd./St. #:  
 30-025-33499  
 Tshp/Rng: S-18 & E-32  
 I Section: 33  
 Tshp/Rng: S-18 & E-32  
 Section:

## Surface Casing

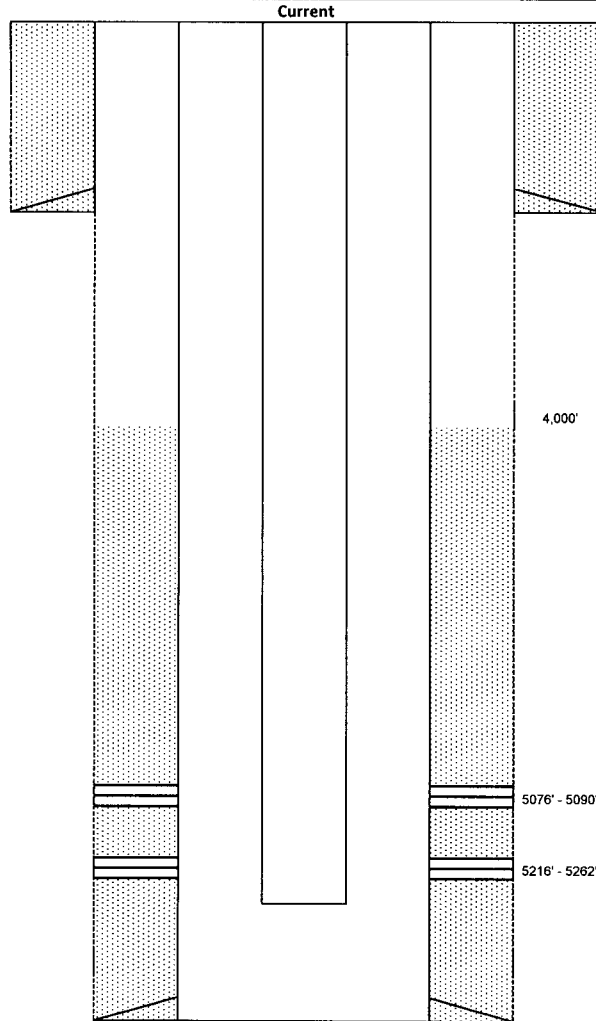
Size: 8 5/8  
 Wt., Grd.: 24#  
 Depth: 1,260  
 Sxs Cmt: 650  
 Circulate: Yes  
 TOC: Surface  
 Hole Size: 12 1/4

## Production Casing

Size: 5 1/2  
 Wt., Grd.: 15.5#  
 Depth: 5,900  
 Sxs Cmt: 425  
 Circulate: No  
 TOC: 4,000  
 Hole Size: 7 7/8

## Tubing

Type: J-55 External Upset  
 Wt., Grd.: 6.40#  
 Depth: ~5305  
 OD: 2.875  
 ID: 2.441



KB:  
 DF:  
 GL: 3,688  
 Ini. Spud: 07/06/96  
 Ini. Comp.: 07/31/96

## History

7/31/96 Ini.Comp: Perf 5076-5090, 5216-5262, acid 6000 gls 15% HCl 180 RCNB, 2 7/8 tbg, pkr 5300.

8/18/05: Cut paraffin, tally tbg, test tbg in hole @ 5000 psi. Acdz 5216-62' w/ 4000 gal Resisol & 1000 gal 15% anti-sludge.

## Geology - Tops

Yates 2,788  
 Seven Rivers 3,342  
 Queen 3,874  
 Grayburg 4,406  
 San Andres 4,891  
 Delaware 5,230  
 Bone Spring 7,062  
 Wolfcamp 10,312  
 Cisco/Canyon 10,869  
 Strawn 11,515  
 Atoka 11,876

PBTD: 5,900  
 TD: 5,900

# Keel A Federal #4 Wellbore Diagram

Lease: Keel "A" Federal  
 Field: Young; San Andres, South  
 Surf. Loc.: I-33-18S-32E 1980 FSL 800 FEL  
 Bot. Loc.: I-33-18S-32E 1980 FSL 800 FEL  
 County: Lea St.: NM  
 Status: Active Oil Well

Well #: 4  
 API: 30-025-33499  
 Surface: S-18 & E-32  
 Unit Ltr.: I Section: 33  
 Bottom hole: S-18 & E-32  
 Unit Ltr.: Section:

Fd./St. #: 4  
 30-025-33499  
 Tshp/Rng: S-18 & E-32  
 I Section: 33  
 Tshp/Rng: S-18 & E-32  
 Section:

## Surface Casing

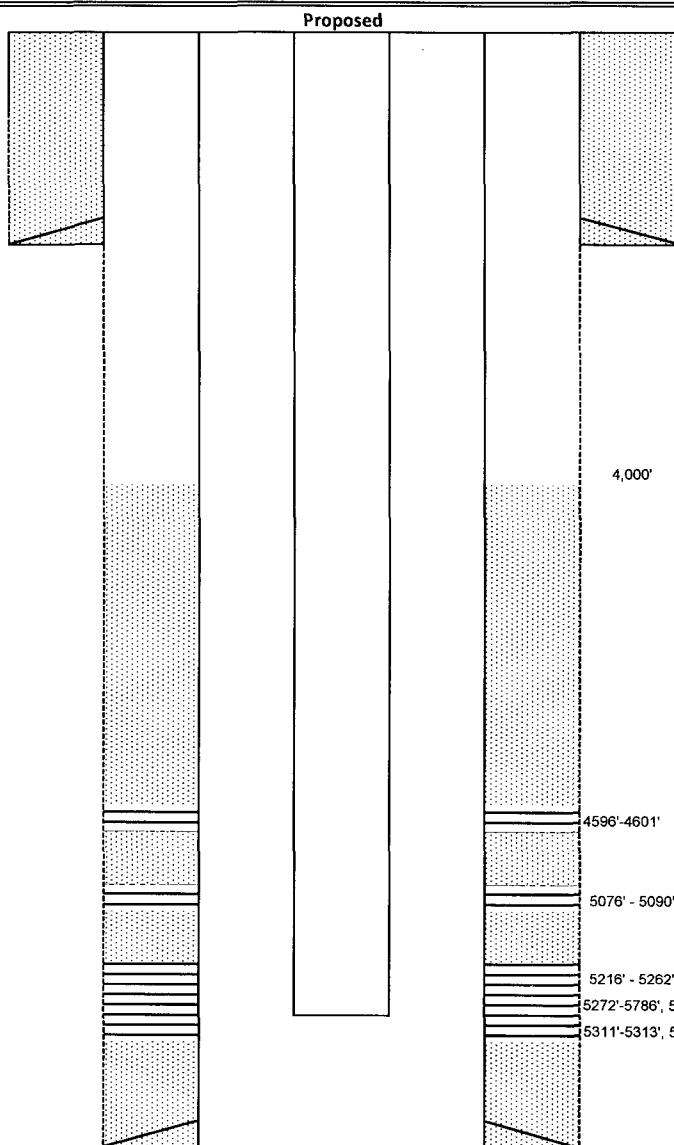
Size: 8 5/8  
 Wt., Grd.: 24#  
 Depth: 1,260  
 Sxs Cmt: 650  
 Circulate: Yes  
 TOC: Surface  
 Hole Size: 12 1/4

## Production Casing

Size: 5 1/2  
 Wt., Grd.: 15.5#  
 Depth: 5,900  
 Sxs Cmt: 425  
 Circulate: No  
 TOC: 4,000  
 Hole Size: 7 7/8

## Tubing

Type: J-55 External Upset  
 Wt., Grd.: 6.40#  
 Depth: 5,305  
 OD: 2.875  
 ID: 2.441



KB: \_\_\_\_\_  
 DF: \_\_\_\_\_  
 GL: 3,688  
 Ini. Spud: 07/06/96  
 Ini. Comp.: 07/31/96

## History

7/31/96 Ini Comp: Perf 5076-5090, 5216-5262, acid 6000 gls 15% HCl 180 RCNB, 2 7/8 tbg, pkr 5300.

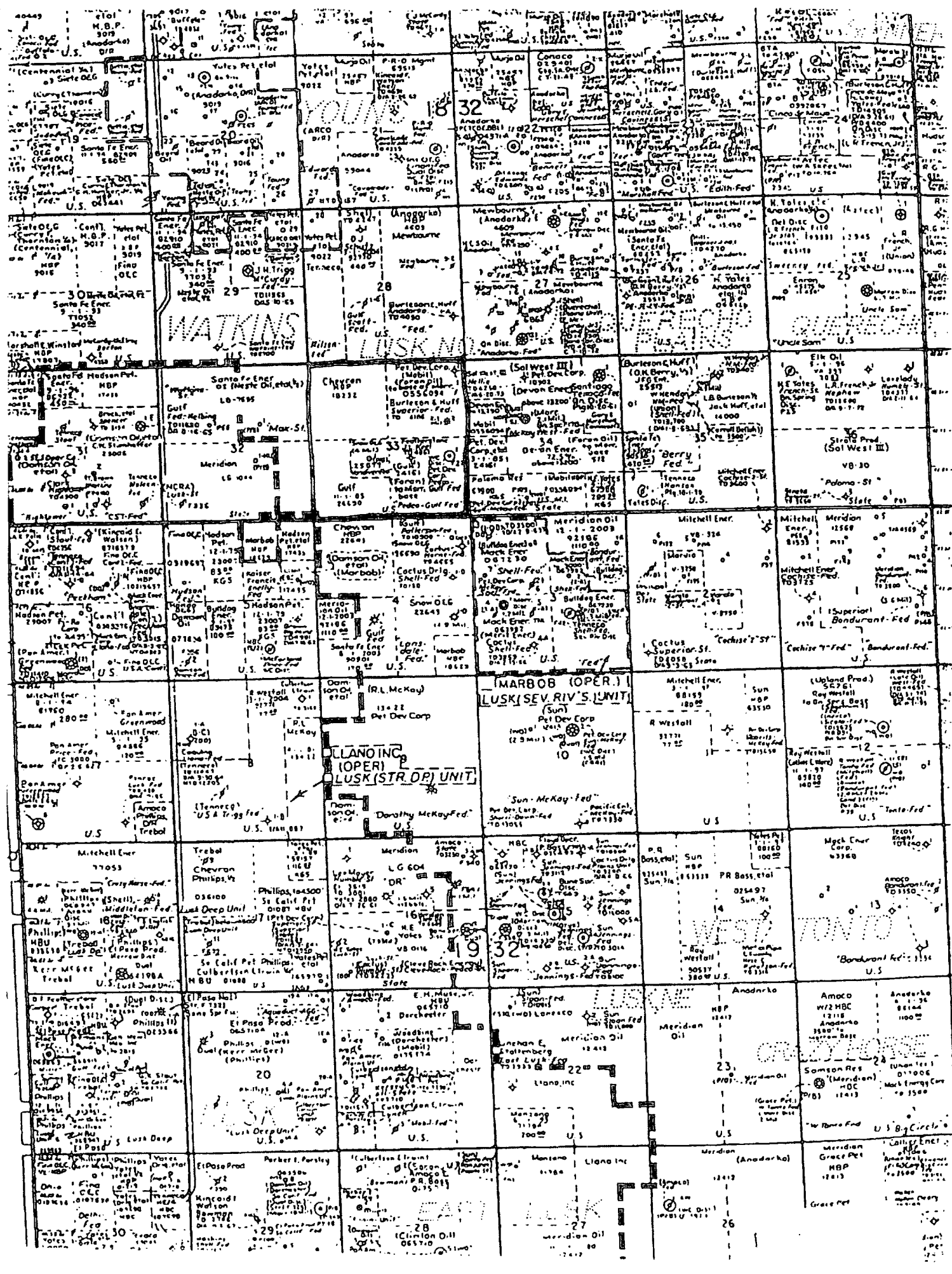
8/18/05: Cut paraffin, tally tbg, test tbg in hole @ 5000 psi. Acdz 5216-62' w/ 4000 gal Resisol & 1000 gal 15% anti-sludge.

## Geology - Tops

Yates	2,788
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Grayburg	4,406
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Bone Spring	7,062
Wolfcamp	10,312
Cisco/Canyon	10,869
Strawn	11,515
Atoka	11,876

PBTD: 5,900  
 TD: 5,900





**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**

Keel A Federal #4  
API #30-025-33499  
1980' FSL & 800' FEL, Unit Letter I  
Section 33, T18S, R32E  
Lea County, New Mexico

**Division Order**

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

**Pools To Be Commingled In Keel A Federal #4**

(96416) Young; San Andres, South  
(96626) Young; Grayburg, South

**Perforated Intervals**

San Andres existing perfs: 5076' - 5090', 5216'-5262'  
San Andres Perfs: 5272'-5286', 5291'-5306', 5311'-5313', 5316'- 5326' (to be added)  
Grayburg Perfs: 4596' - 4601' (to be added)

**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>
(96416) Young; San Andres, South	6	2	2	Offset Production: Vandiver Fed #1, State HU #1, Keel A Fed #1 Keel A Fed #2 Offset Production
(96626) Young; Grayburg, South	2	1	1	
<b>Totals</b>	<b>8</b>	<b>3</b>	<b>3</b>	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
(96416) Young; San Andres, South	75	67	67	Calculated using above production volumes
(96626) Young; Grayburg, South	25	33	33	Calculated using above production volumes
<b>Totals</b>	<b>100</b>	<b>100</b>	<b>100</b>	

**Ownership**

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

**State / Federal Land Notification**

This is a FEE lease

Name: 2 ID: 3002533390001 Type: Completion Format [p] Comp - CDProd vs Time

WELL\_LABEL: KEEL A FED 2

FIELD\_CODE: KP5

PROD\_METH: PR

LASTOCUM: 34.17267000

CHEVNO: BF2229

FIELD\_FLD: YOUNG SOUTH

CLASS\_CODE: OI

LASTGCU: 10.67600000

SIDETRACK: 0

LEASE: KEEL 'A' FEDERAL

SAP\_CODE: UCKP50150

CC\_NMAKEEL/A/FED2 N/C-GRY

COMP\_NUM: 01

SEC-T-R: 33 - S018 - E032

RES\_CODE: 0000006848

RES: GRAYBURG

