

Order Number

444

API Number

30-025-39973

Operator

Chevron USA

County

Lea

Order Date

3-8-11

Well Name

W.T. McCormack

Number

32

Location

0

UL

32

Sec

215

T (+Dir)

37E

R (+Dir)

Oil %

56%

Gas %

57%

Pool 1

6660

Blinebry Oil + Gas

Pool 2

60240

Tubb Oil + Gas

44%

43%

Pool 3

Pool 4

Comments:

Posted in ROOMS on 3-10-11 CDH

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Chevron USA Inc

30-025-39973
DHC-HOB-444

PROPERTY NAME: WT Mc Cormack

WNULSTR: 32-32-215-37E 660 FSL + 2080 FEL

SECTION I:	ALLOWABLE AMOUNT
POOL NO. 1 <u>Blinebry Oil + Gas</u>	<u>107</u> MCF
POOL NO. 2 <u>Tubb Oil + Gas</u>	<u>142</u> MCF
POOL NO. 3 _____	_____ MCF
POOL NO. 4 _____	_____ MCF
POOL TOTALS <u>249</u>	

SECTION II:	<u>Oil</u>	<u>Gas</u>
POOL NO. 1 <u>Blinebry Oil + Gas</u>	<u>56%</u>	<u>57</u>
POOL NO. 2 <u>Tubb Oil + Gas</u>	<u>44% x 249 = 109.56</u>	<u>43</u>
POOL NO. 3 _____	<u>< 110 ></u>	
POOL NO. 4 _____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:	<u>244% ÷ 142 = 322.73</u>	<u>< 323 ></u>

SECTION IV:	<u>56% x 323 = 180.88</u>	<u>< 181 ></u>
	<u>44% x 323 = 142.12</u>	<u>< 142 ></u>
	_____	_____
	_____	_____

State of New Mexico
Energy, Minerals and Natural Resources

RECEIVED

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

MAR 07 2011

HOBBSOCD

WELL API NO.

30-025-39973

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

W. T. McComack

8. Well Number 32

9. OGRID Number

4323

10. Pool name or Wildcat

Blinebry/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 O : 660 feet from the South line and 2080 feet from the East line
Section 32 Township 21S Range 37E NMPM County LEA

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

3,462' (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 ☐OTHER: DHC Blinebry/Drinkard ☒

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) (5550 - 5925'), & TUBB OIL & GAS (60240) (6090 - 6250'), IN THE CAPTIONED WELL. PRODUCTION WILL BE ALLOCATED BACK TO THE TWO POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

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 Oscar Galvis TITLE Petroleum Engineer DATE 3/01/2011Type or print name Oscar Galvis E-mail address: ogaq@chevron.com Telephone No. 713-372-0095**For State Use Only**APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAR 8 2011

Conditions of Approval (if any):

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

McComack #32
30-025-39973
660' FSL & 2080' FEL, Unit Letter O
Section 32, T21S, R37E
Lea County, New Mexico

Division Order

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

Pools To Be Commingled In McComack #31

(6660) Blinebry Oil & Gas (OIL)
(60240) Tubb Oil & Gas (OIL)

Perforated Intervals

Blinebry Oil & Gas (5550-5925')
Tubb Oil & Gas (6090-6250')

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>
Blinebry	18	48	274	Estimated from IP statistical analysis from Blinebry
Tubb	18	32	205	Estimated from IP statistical analysis from Tubb
Totals	42	250	480	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	56	60	57	Estimated from EUR statistical analysis from Blinebry offsets
Tubb	44	40	43	Estimated from EUR statistical analysis from Tubb offsets
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

Well: **WT McComack # 32**

Field: **Blinebry Oil & Gas
Tubb Oil & Gas**

Reservoir: **Blinebry & Tubb**

Location:

660' FSL & 2080' FEL
Section: 32
Township: 21S
Range: 37E
County: Lea State: NM

Elevations:

GL: 3462'
KB: 3478'
DF:

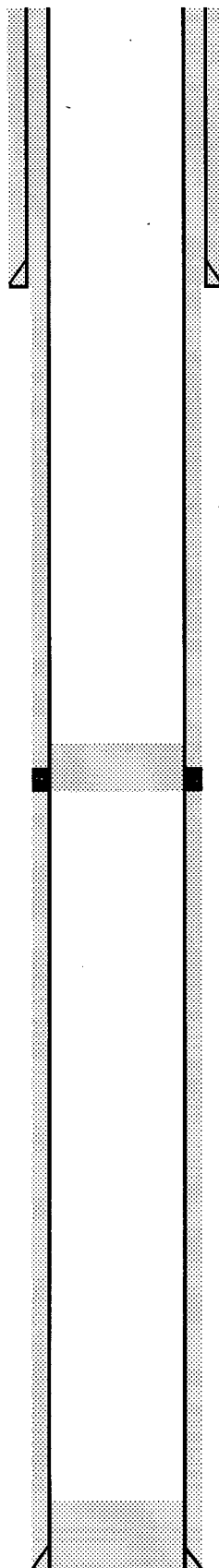
**Current
Wellbore Diagram**

Well ID Info:

Chevno: MV9295
API No: 30-025-39973
L5/L6:
Spud Date: 2/20/2011
Compl. Date:

Surf. Csg: 8 5/8", 24#, J-55
Set: @ 1221' w/ 640 sks
Hole Size: 12 1/4"
Circ: Yes **TOC:** Surface
TOC By: Circulated

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/ WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.



DV Tool @ 3838

COTD: unknown
PBTD: 6215' (float collar)
TD: 6300'

Updated: 3/2/2011

By: N. Southern

Prod. Csg: 5 1/2", 17#, L-80
Set: @ 6297' w/ 1325 sks
Hole Size: 7 7/8"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Well: **WT McComack # 32**

Field: **Blinebry Oil & Gas**

Reservoir: **Blinebry & Tubb**

Tubb Oil & Gas

**Proposed
Wellbore Diagram**

Location:

660' FSL & 2080' FEL
Section: 32
Township: 21S
Range: 37E
County: Lea State: NM

Elevations:

GL: 3462'
KB: 3478'
DF:

Well ID Info:

Chevno: MV9295
API No: 30-025-39973
L5/L6:
Spud Date: 2/20/2011
Compl. Date:

Surf. Csg: 8 5/8", 24#, J-55
Set: @ 1221' w/ 640 sks
Hole Size: 12 1/4"
Circ: Yes **TOC:** Surface
TOC By: Circulated

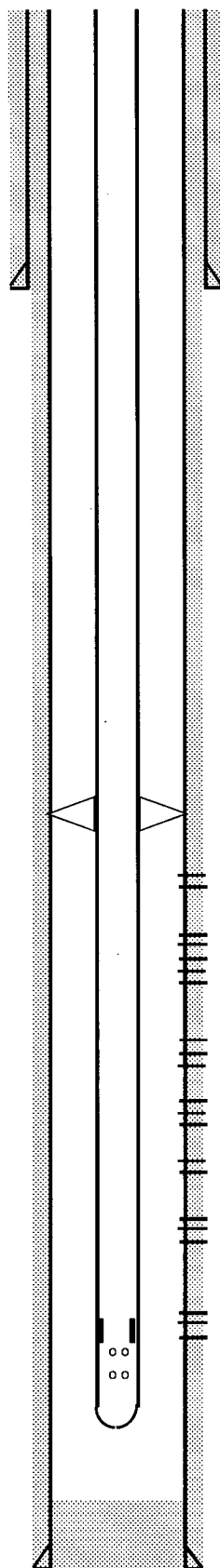
Tubing Detail:

<u>#Jts:</u>	<u>Size:</u>	<u>Footage</u>
	KB Correction	16.00
116	Jts. 2 7/8" EUE 8R J-55 Tbg	3596.00
	TAC	3.15
14	Jts. 2 7/8" EUE 8R J-55 Tbg	434.00
1	Jt. 2 7/8" EUE 8R J-55 IPC Tbg	31.00
	SN	1.10
	2 7/8" x 4' Perf Tbg Sub	4.00
1	Jt. 2 7/8" EUE 8R J-55 Tbg	31.00
	Bull Plug	0.50
132	Bottom Of String >>	4116.75

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/ WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

COTD: unknown
PBTD: 6215' (float collar)
TD: 6300'

Updated: 3/2/2011



By: N. Southern

Perfs: **Status:**
Perfs will be picked after conducting logs.

Prod. Csg: 5 1/2", 17#, L-80
Set: @ 6297' w/ 1325 sks
Hole Size: 7 7/8"
Circ: Yes **TOC:** Surface
TOC By: Circulated

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 30-025-39973	² Pool Code 6660	³ Pool Name Blinebry Oil & Gas
⁴ Property Code 2690	⁵ Property Name W. T. McCOMACK	⁶ Well Number 32
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3,462' (GL)

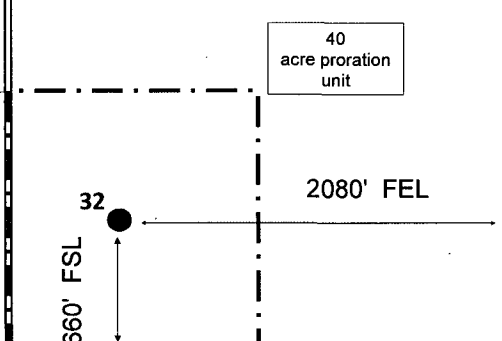
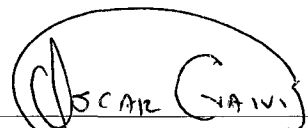
¹⁰ Surface Location

UL or Lot No. O	Section 32	Township 21S	Range 37E	Lot Idn	Feet from the 660'	North/South line South	Feet from the 2080	East/West line East	County Lea
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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</p> <p>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></p> <p>Signature Oscar Galvis</p> <p>Printed Name Petroleum Engineer</p> <p>Date 3/01/2011</p>
	<p>¹⁸</p> <p>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
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

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OIL CONSERVATION DIVISION
MAR 07 2011
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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 30-025-39973	² Pool Code 60240	³ Pool Name Tubb Oil & Gas
⁴ Property Code 2690	⁵ Property Name W. T. McCOMACK	⁶ Well Number 32
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3,462' (GL)

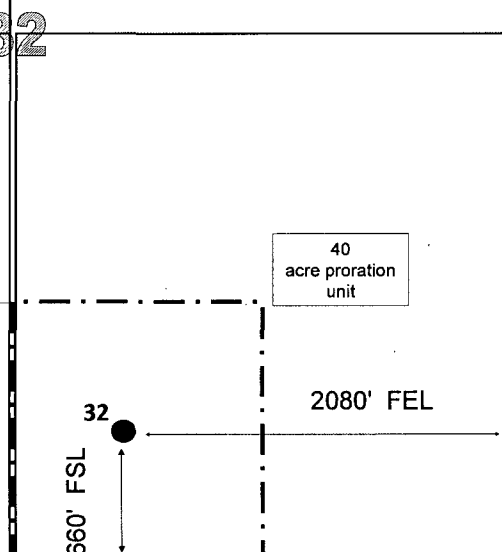
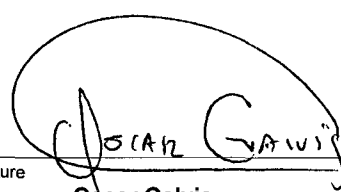
¹⁰ Surface Location

UL or Lot No. O	Section 32	Township 21S	Range 37E	Lot Idn	Feet from the 660'	North/South line South	Feet from the 2080	East/West line East	County Lea
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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.						

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	17 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 Oscar Galvis Printed Name Petroleum Engineer Date 3/01/2011
	18 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

Plat Reproduced With Permission
Granted to Chevron U.S.A. Inc.
By Midland Map Company
Midland, Texas
Additional Copies Are Prohibited

Chevron Corp
W.T. McComack #32
30-025-39973
660' FSL & 2080' FEL
Unit O, Sec 32, T21S - R37E
W. T. McComack Lease
40 acre proration unit -----
1" = 2112'

UNIT O

Chevron

W.T. McComack

30-025-39973

660' FSL & 2080' FEL

Unit O, Sec 32, T21S - R37E

W. T. McComack Lease

40 acre proration unit -----

1" = 2112'

$$1'' = 2112'$$


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

District III
1000 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

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Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved

EXISTING WELLBORE
☐ Yes ☒ No

APPLICATION FOR DOWNHOLE COMMINGLING

Chevron Corporation
Operator

15 Smith Road, Midland TX 79705
Address

W. T. McComack
Lease

#32
Well No.

O-32-21S-37E
Unit Letter-Section-Township-Range

Lea
County

OGRID No. 4323, Property Code: 2690, API No. 30-025-39973 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	LOWER ZONE
Pool Name	Bliebry Oil & Gas	Tubb Oil & Gas
Pool Code	6660	60240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5550 - 5925' Perforated	6090 - 6250' Perforated/Open Hole
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)	n/a	n/a
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36°	36°
Producing, Shut-In or New Zone	New Zone	New Zone
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 18 BBL 274 MCF	Date: Estimated Oil Gas 13 BBL 205 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 56% 57%	Oil Gas 44% 43%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ 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 ☒ 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.

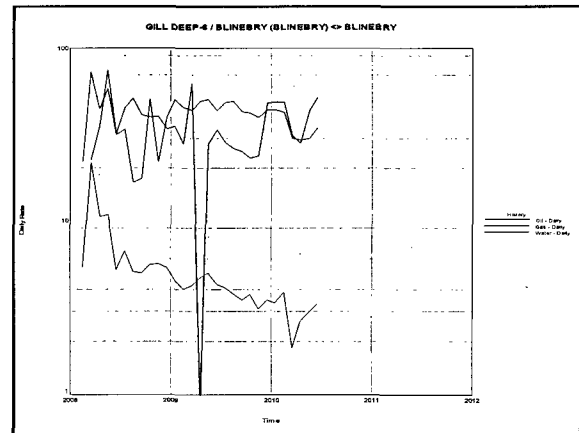
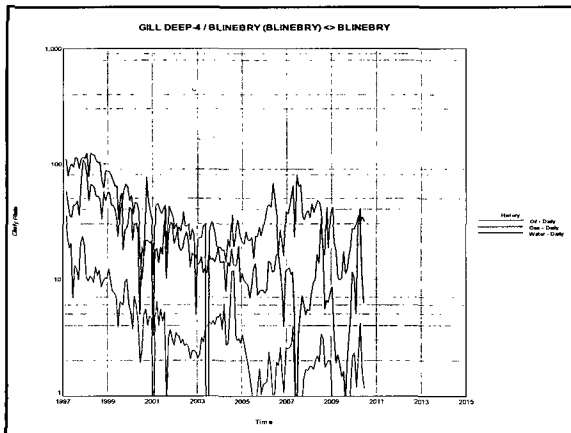
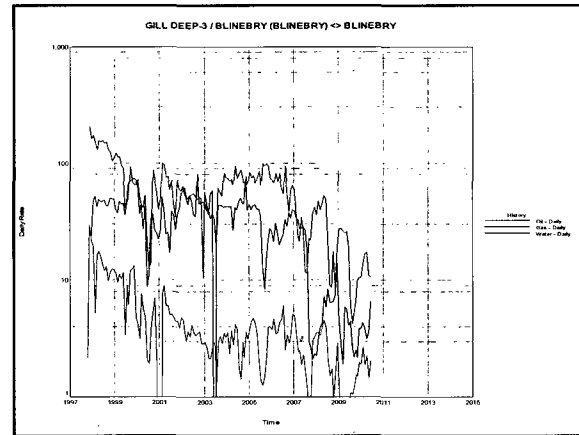
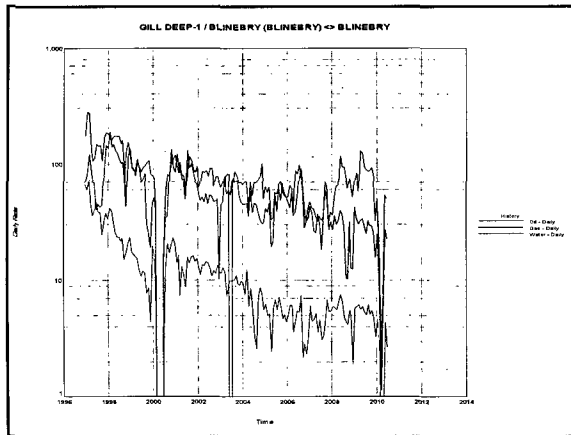
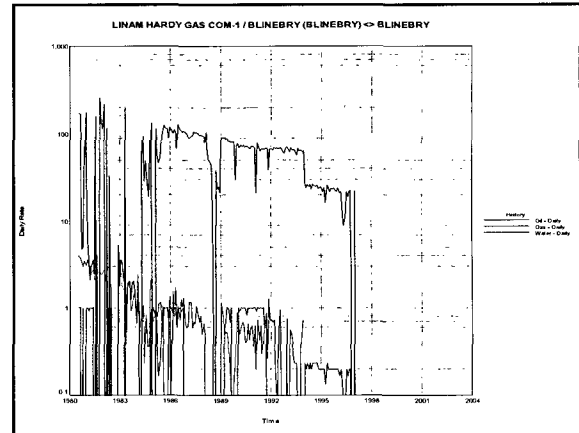
SIGNATURE OSCAR GALVIS TITLE Petroleum Engineer DATE 3/1/11

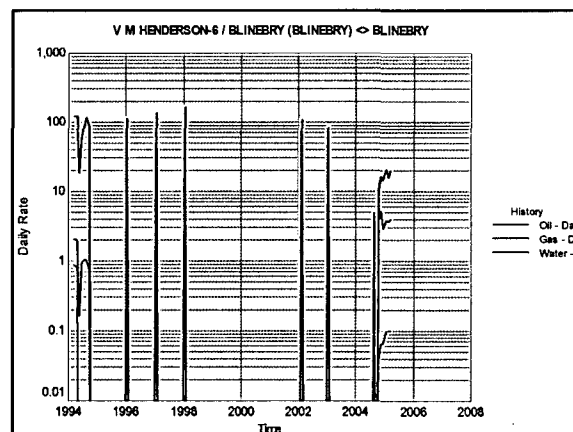
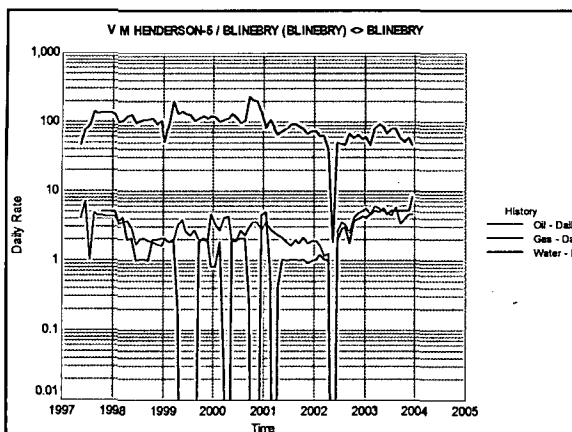
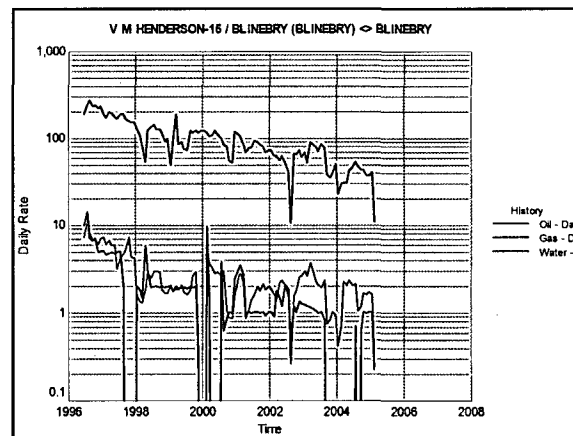
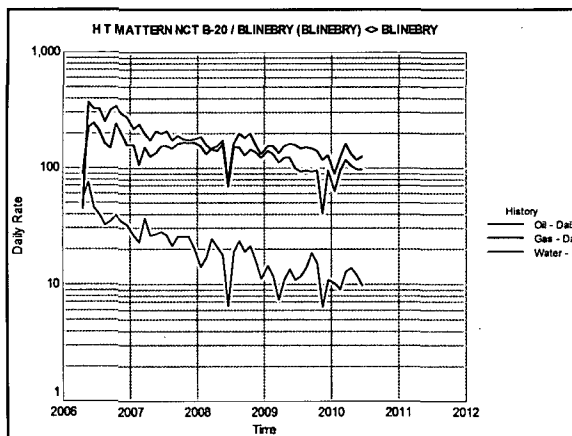
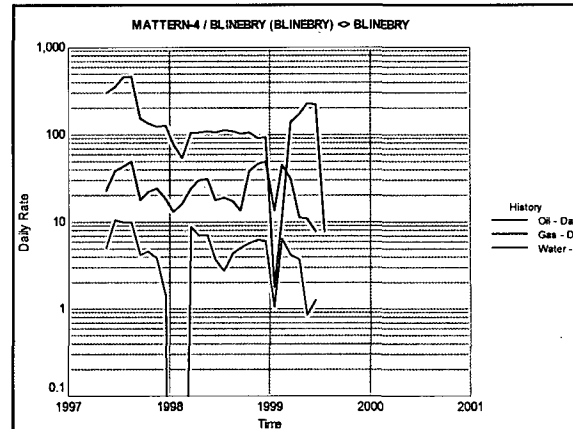
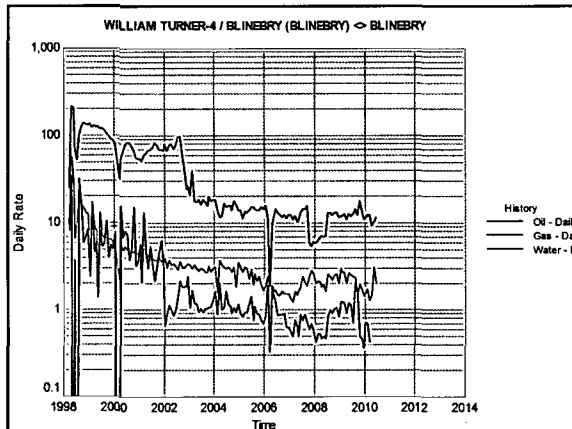
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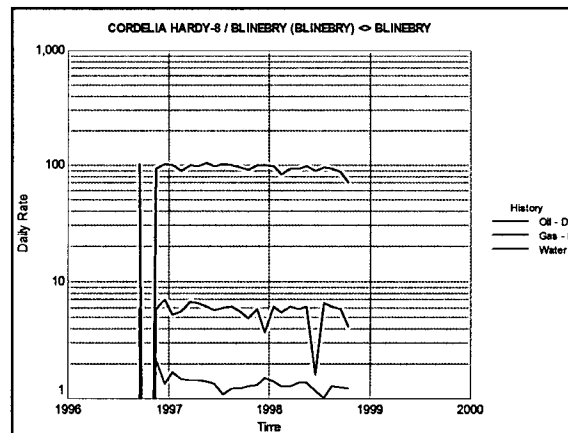
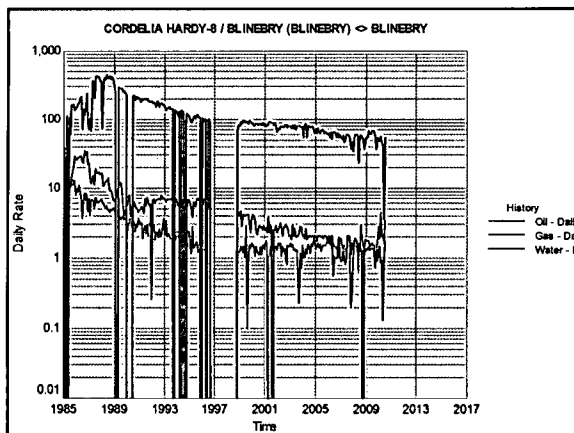
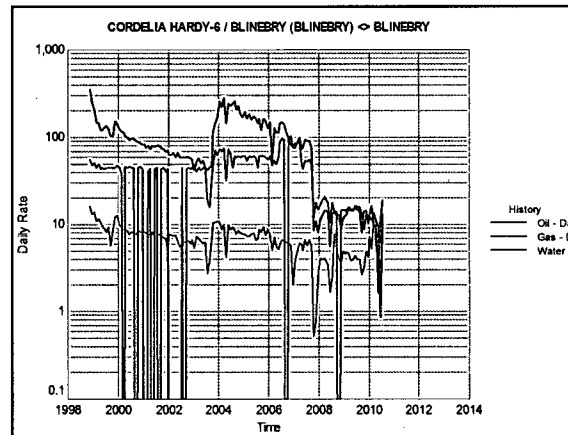
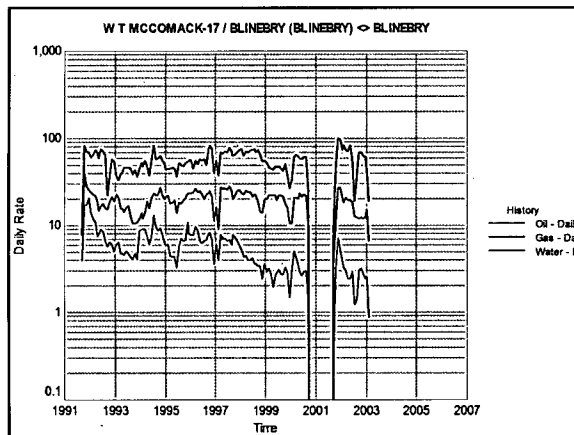
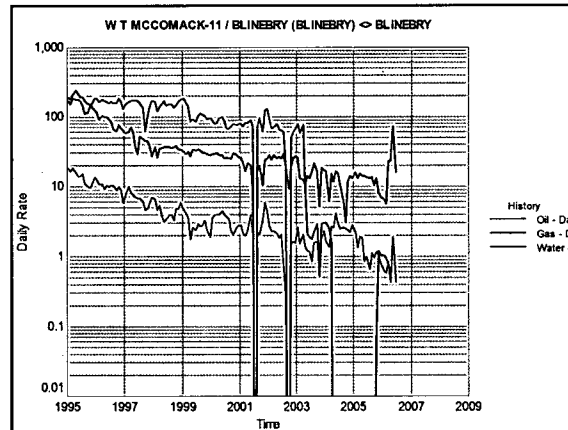
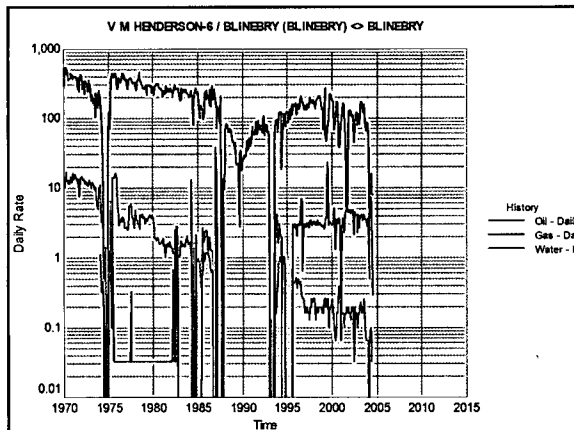
E-MAIL ADDRESS: ogaq@chevron.com

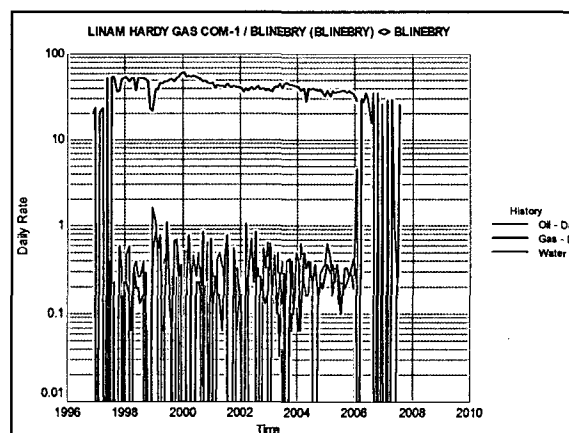
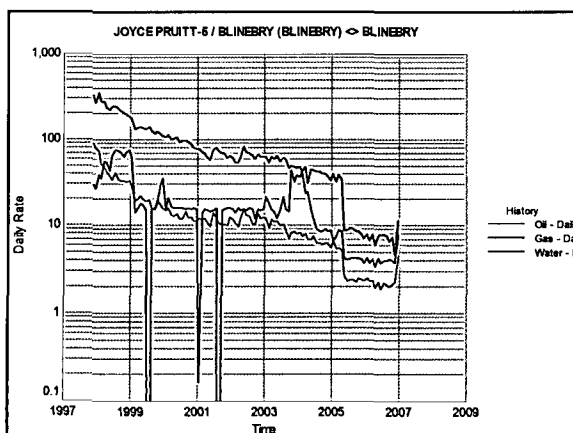
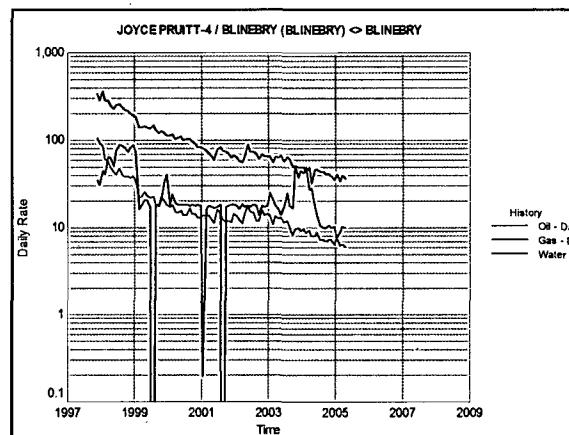
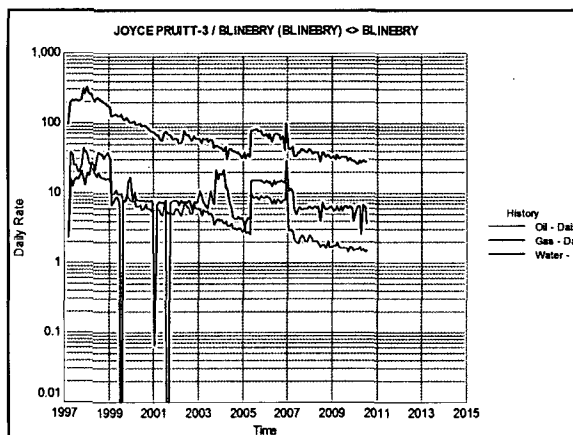
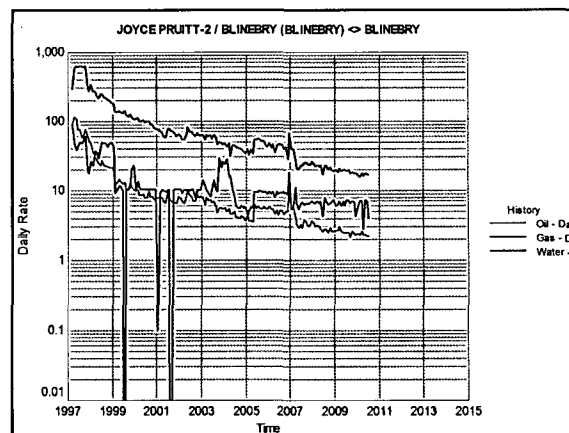
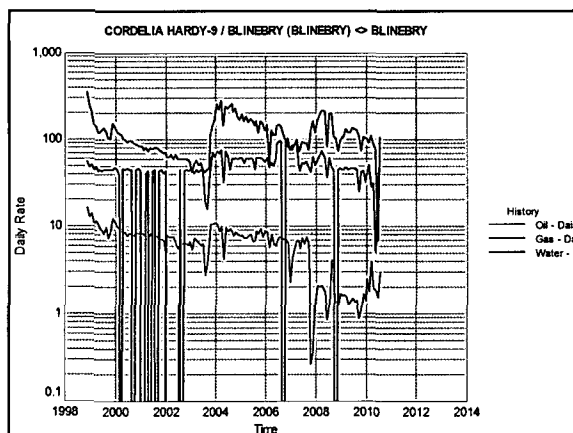
EUNICE AREA OFFSET WELLS

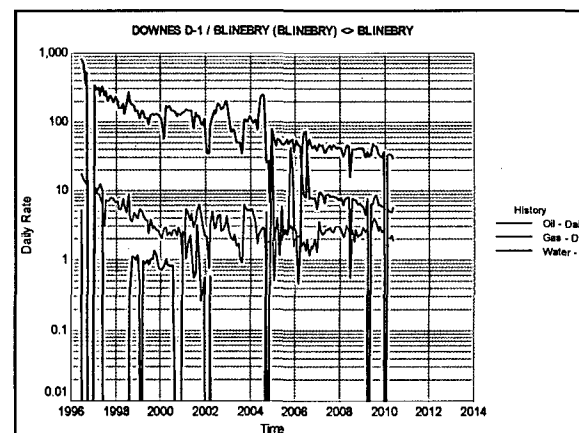
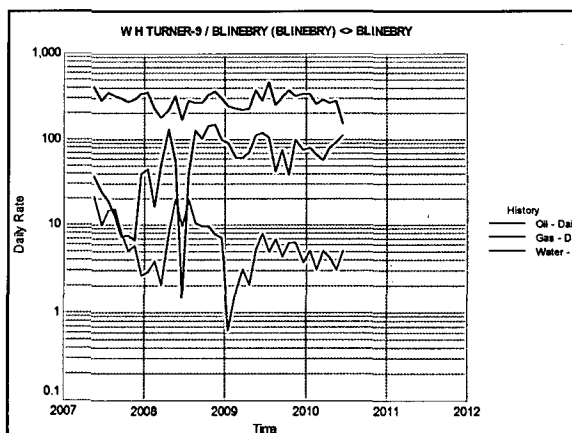
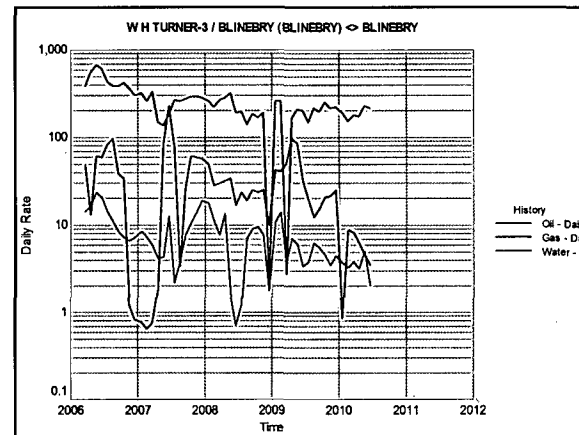
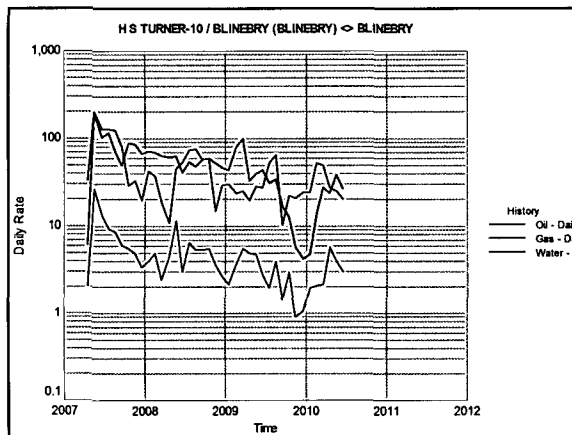
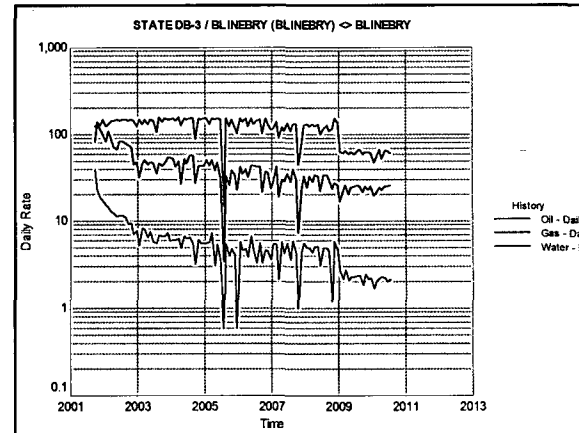
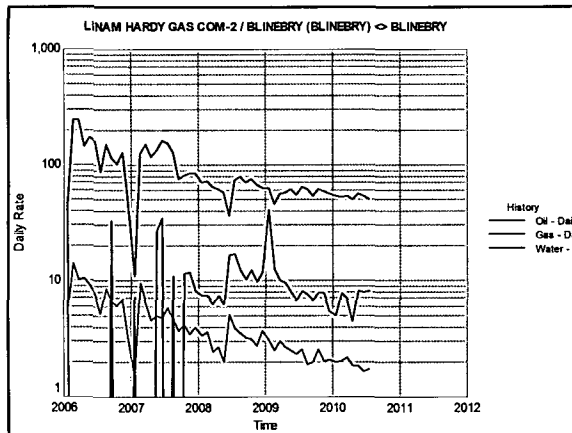
Blinebry Reservoir 3/11

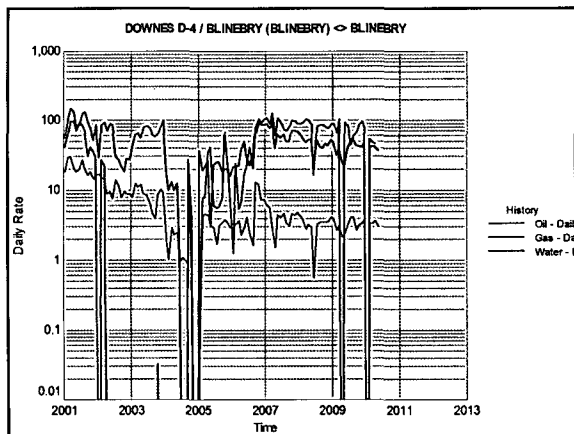
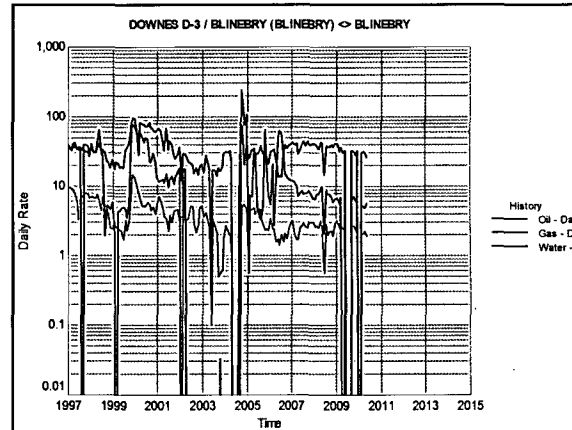
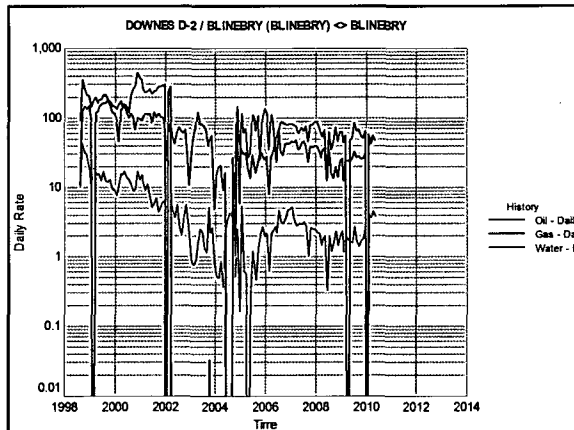






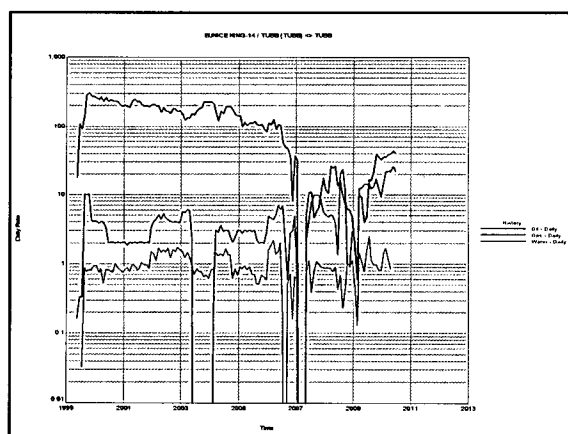
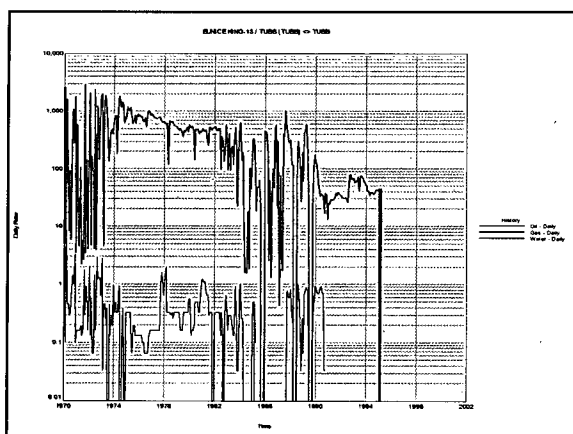
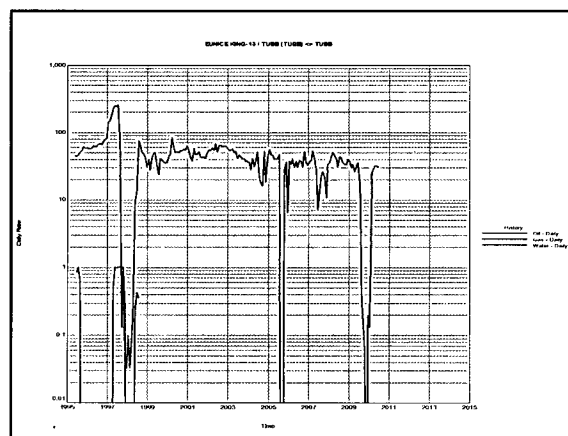
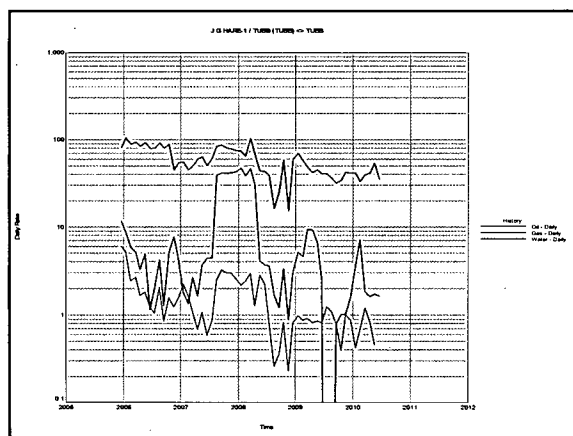
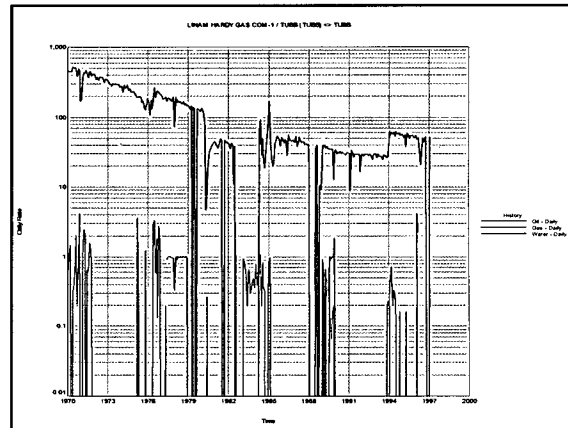


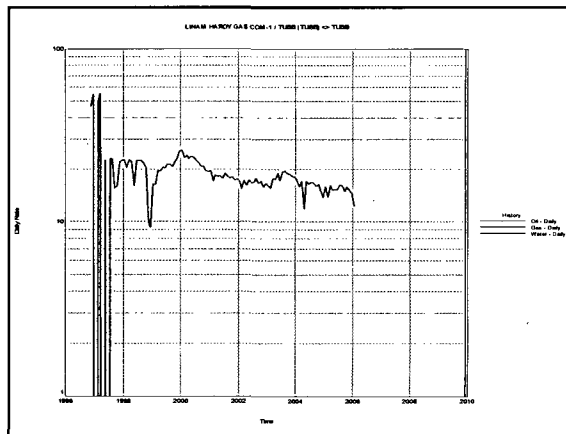
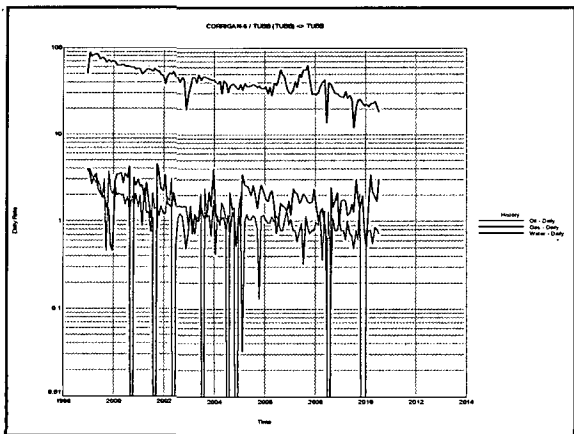
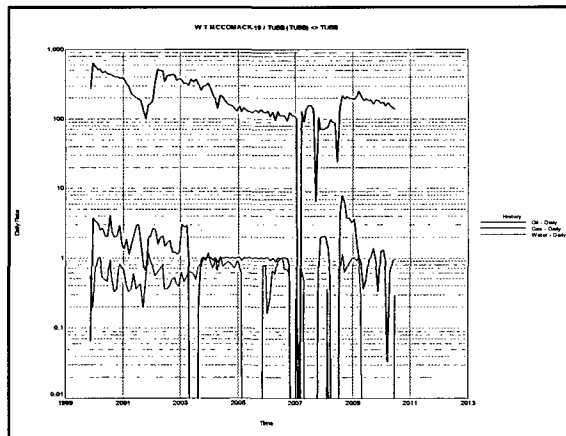
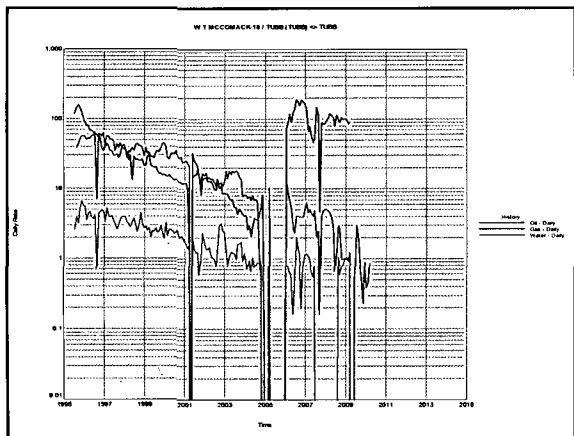
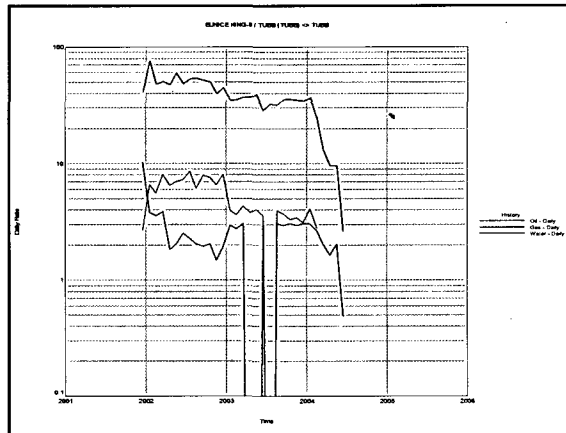
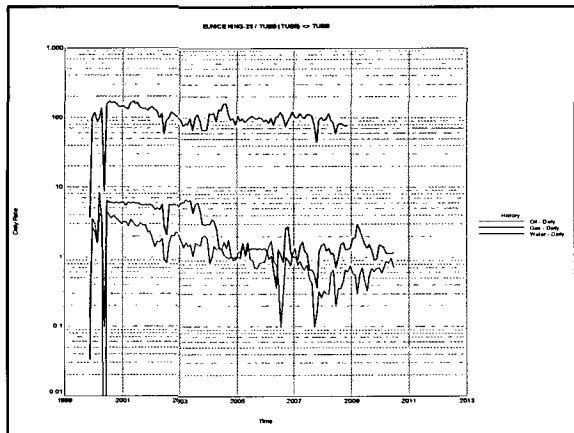


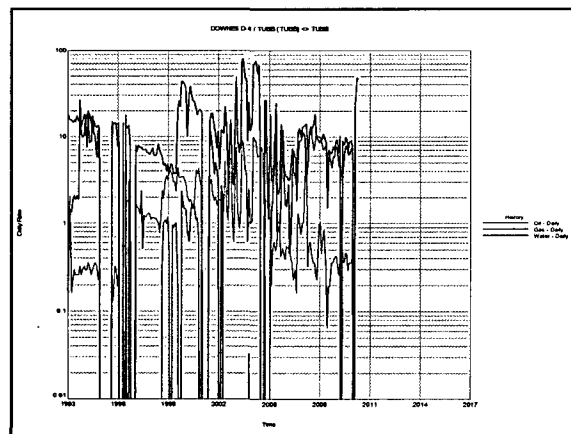
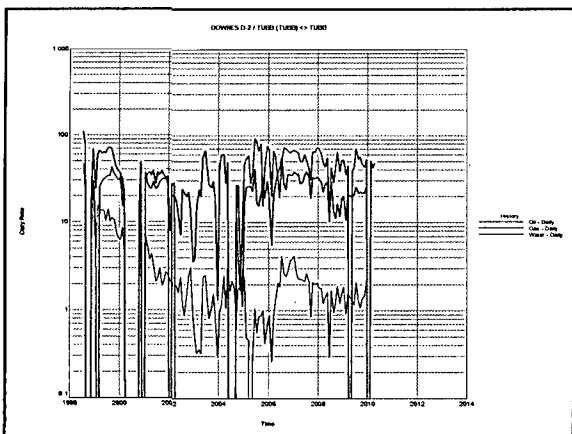
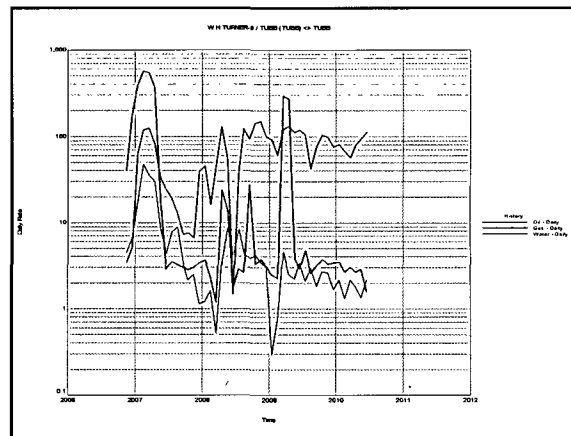
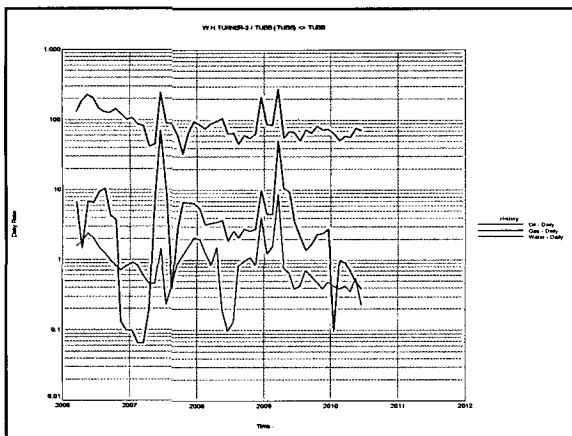
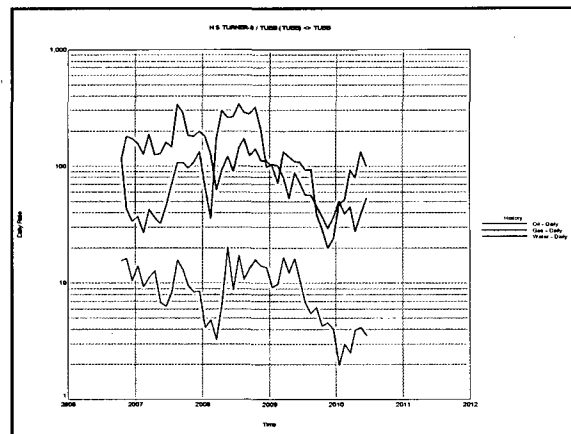
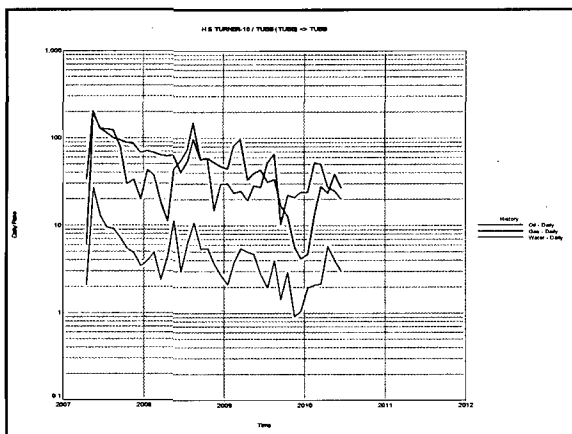


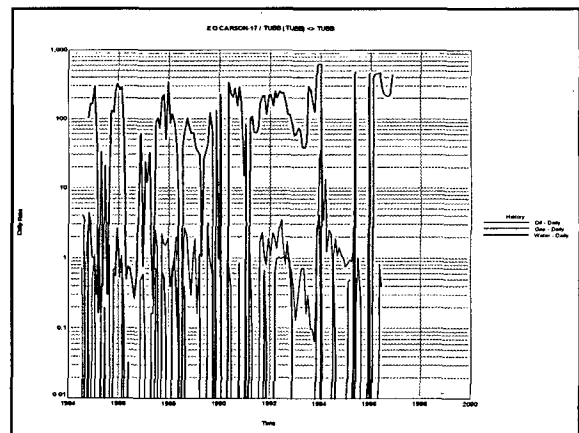
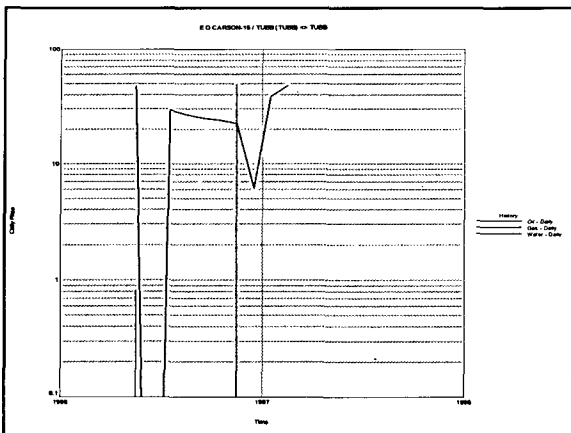
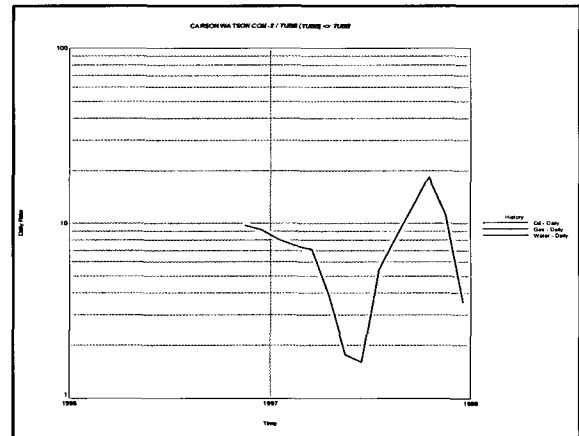
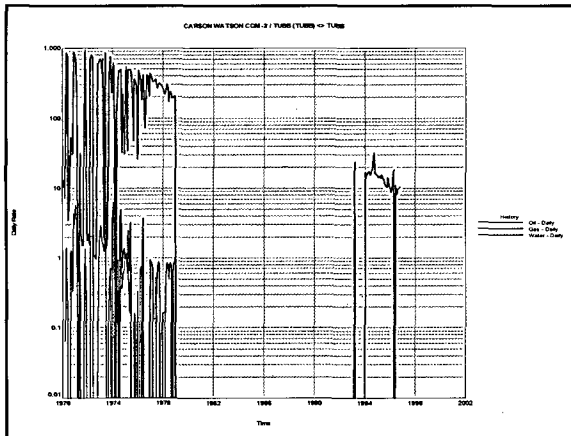
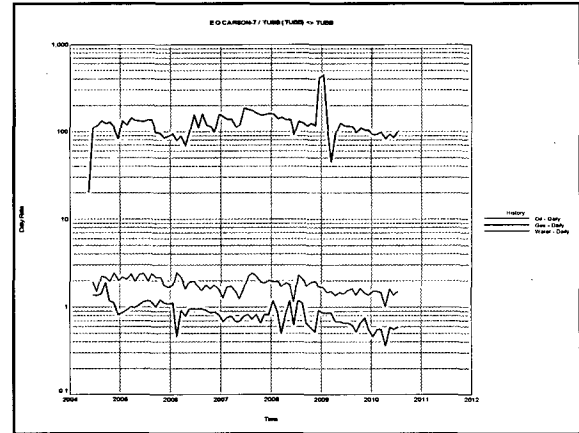
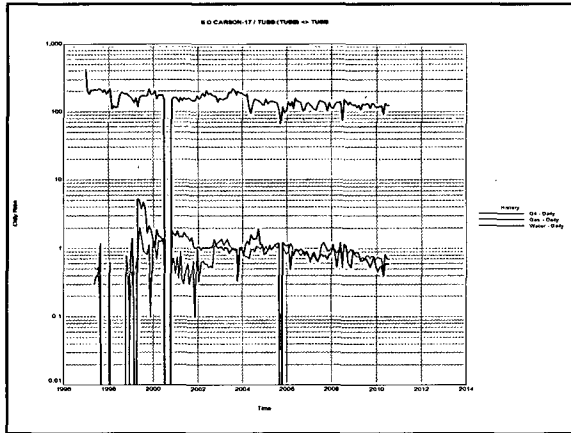
EUNICE AREA OFFSET WELLS

Tubb Reservoir 3/11











Oscar Galvis
Petroleum Engineer
Oil Area AD Team

Permian Business Unit
Chevron U.S.A. Inc.
15 Smith Road
Midland, TX 79705
Tel 832-531-2128
Fax 713-372-1559
ogaq@chevron.com

March 3, 2011

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

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Request DHC McComack #32 (30-025-39973)

Attention: Oil and Gas Regulatory Department

Chevron U.S.A. Inc. respectfully requests administrative approval for an amendment to Downhole Commingle the Blinebry Oil & Gas (6660), Tubb Oil & Gas (60240), in the McComack #32, API number 30-025-39973. The well is located 2,080' FNL & 1,980' FEL, Unit O, Section 32, Township 21 South, and Range 37 East in Lea County, New Mexico.

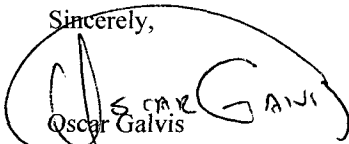
The McComack #32 is a new drill in the Blinebry Oil & Gas and Tubb Oil & Gas fields. It was spudded on February 20, 2011 targeting a total depth of 6,300'. The proposed completion of the well would commingle production from the Blinebry, and Tubb formations.

The proposed allocation percentages were calculated using statistical analysis of offset EUR data, as well as production tests from offset wells. Attached in support of this request are offset well production profiles, a proposed well schematic diagram for the W. T. McComack #31, a C107, a C102 form for each pool, and a lease plat.

Chevron is the operator, with 100% working interest in the lease.

If you require additional information or have any questions, please contact me by telephone at 713-372-0095, or by email at ogaq@chevron.com.

Sincerely,


Oscar Galvis
Petroleum Engineer

Enclosure

cc: Denise Pinkerton
Denise Beckham