

Submit Copy To Appropriate District Office
District I - (505) 393-6161
1625 N French Dr., Hobbs, NM 88240
District II - (505) 748-1283
811 S First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Bravo Rd., Aztec, NM 87410
District IV - (505) 176-3460
1220 S St Francis Dr., Santa Fe, NM 87505

HOBBS OGD

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

FEB 21 2012

RECEIVED

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

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.)		WELL API NO. 30-025-35589
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐		5. Indicate Type of Lease STATE ☐ FCC ☐ Federal ☒
2. Name of Operator Chevron USA INC.		6. State Oil & Gas Lease No.
3. Address of Operator 15 Smith Road Midland, TX 79705		7. Lease Name or Unit Agreement Name C.C. Fristoe B Federal NCT-2
4. Well Location Unit Letter J 2310 feet from the South line and 990 feet from the East line Section 26 Township 24S Range 37E NMPM Lea County, NM		8. Well Number #27
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3166 (KB)		9. OGRID Number 4323
		10. Pool name or Wildcat Justis Blinbry / Justis Tubb Dr

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO		SUBSEQUENT REPORT OF	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLING ☒			
OTHER DHC Blinbry/Tubb/Drinkard ☒		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 19.15.7.14 NMAC For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion

Under the provisions of Division Order R-11563 it is proposed to downhole commingling pre-approved pools Justis-Blinbry (34200) and Justis Tubb-Drinkard (35280). The commingling will not reduce the value of the total remaining production, and will allow Chevron to recover additional reserves. The perforated intervals are as follows: Blinbry 6160-6290' Tubb-Drinkard 6410-6792'. Ownership and percentages are identical for the specified well and lease. Production will be allocated to the two pools based on the percentages shown in the attached support data.

DHC-HOB-490

Spud Date

Rig Release Date

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE Byron Smith TITLE Petroleum Engineer DATE 10/03/11
Type or print name Byron Smith E-mail address byron.smith@chevron.com PHONE 3432-657-7724
For State Use Only

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE FEB 22 2012
Conditions of Approval (if any).

FEB 27 2012



Byron Smith
Petroleum Engineer
Dollard Technical Team

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7704
Fax 432-687-7703
byronsmith@chevron.com

October 3, 2011

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

Request DHC C. C. Fristoe B Federal NCT-2 #27 (30-0250-35589)

ATTN: Oil and Gas Regulatory Department.

Chevron U.S.A. Inc respectfully requests administrative approval for an amendment to Downhole Commingle the Justis-Blinebry (34200) and the Justis-Tubb/Drinkard (35280) in the C.C. Fristoe B Federal NCT-2 #27. API number 30-025-35589. This well is located 2310 FSL & 990 FEL, Unit 1, Section 26, Township 24 South, Range 37 East, Lea County, New Mexico.

The C.C. Fristoe B Federal NCT-2 #27 was drilled in October 2001 to a total depth of 9930'. Since that time, this well has produced from the Fowler-Ellenberger pool. The production of oil has dropped to 0 BOPD and it is proposed to recomplete this well to the Justis-Blinebry and Justis-Tubb/Drinkard pools. The proposed perforations are Blinebry 6160'-6290' and Tubb-Drinkard 6410'-6792'. The proposed down hole commingle will initiate production from the Blinebry and Tubb-Drinkard formations.

The proposed allocation percentages were calculated using the average of the offset producers from the same commingled production. A total of 15 offset wells that produce from the Justis-Blinebry and Justis-Tubb/Drinkard pools were averaged. Also, attached in support of this request is a proposed well schematic, a C107a, 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 432-687-7704, or by email at byronsmith@chevron.com.

Sincerely,

Byron Smith
Petroleum Engineer

Enclosure

	BOPD	BWPD	MCFPD	Remarks
Justis-Blinebry	44%	44%	44%	Calculated from average offset allocation %
Justis-Tubb/Drinkard	56%	56%	56%	Calculated from average offset allocation %
Totals	100%	100%	100%	

	BOPD	BWPD	MCFPD	Remarks
Justis-Blinebry	15	33	88	Calculated from allocation %
Justis-Tubb/Drinkard	20	42	112	Calculated from allocation %
Totals	35	75	200	

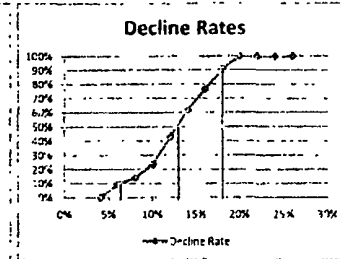
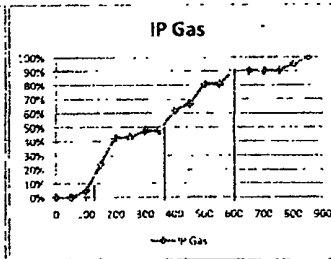
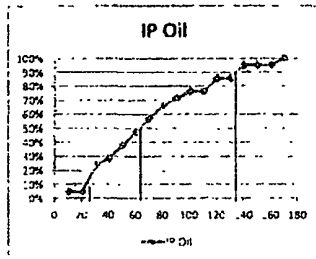
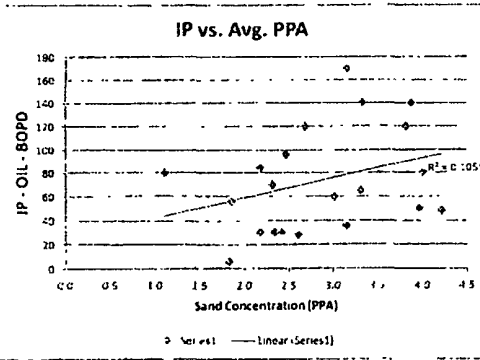
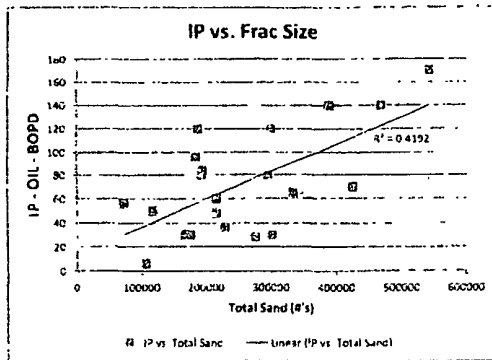
Oil and Gas Allocation % for offset commingled wells	Justis-Blinebry (34200)	Justis-Tubb/Drinkard (35280)
Fristoe B NCT-1 #3	88%	13%
Fristoe B NCT-2 #22	21%	79%
Fristoe B NCT-2 #16	22%	78%
Fristoe B NCT-2 #19	23%	77%
Fristoe B NCT-2 #21	21%	79%
Fristoe B NCT-2 #15	46%	54%
Fristoe A NCT-1 #12	50%	50%
Fristoe B NCT-2 #20	22%	78%
Fristoe B NCT-2 #25	86%	14%
Erwin B NCT-2 #10	78%	22%
Erwin A Fed #8	36%	64%
Erwin A Fed #5	41%	59%
Erwin B NCT-2 #11	50%	50%
Erwin B NCT-2 #9	33%	67%
Erwin A Fed #7	44%	56%
Average	44%	56%

Ownership

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

State/Federal Land Notification

This is Federal land, so proper notifications will be given to the BLM

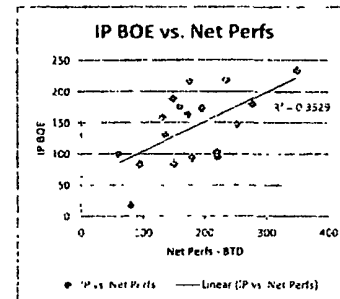
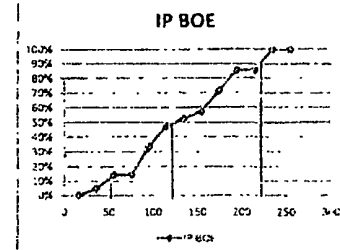


	IP			Decline Rate
	Oil	Water	Gas	
P10 =	22.8	36.0	113.8	17.9%
P50 =	62.5	110.0	358.3	12.8%
P90 =	134.5	248.0	597.5	6.2%
Average =	73.3	128.3	132.0	12.6%

EV =	52.9	94.5	767.7	14.3%
POS =	0.75			

Oil Econ. Lim =	3
Gas Econ. Lim =	20

	P10	P50	P90	EV
Oil EUR (MSTB) =	46.6	140.4	310.4	119.6
Gas EUR (MMCF) =	36.9	133.1	227.2	99.4
BOE EUR (MBOE) =	52.8	162.6	318.2	136.2



FEB 21 2012

District I
1635 W. French Drive, Suite 100, NM 88202State of New Mexico
Energy, Minerals and Natural Resources DepartmentForm C-107A
Revised August 1, 2011District II
811 S. First St., Artesia, NM 88212District III
1000 E. Main St., Suite 100, NM 87102District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RECEIVED

APPLICATION TYPE:
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

CHEVRON USA INC. 15 Smith Rd Midland, TX 79705
Operator Address
CC Frisco B Federal NCT-2 #27 Unit I 245 37E Section 26 Lea NM
Lease Well No Unit Location-Section-Township-Range County
OGRID No Property Code API No 30-025-35589 Lease Type ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE	
Pool Name	Just - 31, 16, 17	Just - 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100		
Pool Code	34200	35230		
Top and Bottom of Pay Section (Perforated or Open-hole Interval)	6110' - 6290'	6410' - 6742'		
Method of Production (Flowing or Artificial Lift)	Artificial Lift Rods	Artificial Lift Rods		
Bottomhole Pressure (Note: Pressure data will not be reported if the well is not producing in the zone being commingled or if the well is not producing in the zone being commingled at the time of the top production in the upper zone)	not needed	not needed		
Oil Gravity or Gas BTU (Degree API or Gas BTU)	39° API	39° API		
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 will be required to attach production estimates and supporting data.)	Date: Estimated Oil Water Gas Rates 15 33 93	Date: Estimated Oil Water Gas Rates 20 42 112	Date: Estimated Oil Water Gas Rates	
Fixed Allocation Percentage (Note: If allocation is based upon data being older than current or past production, support by a flow equation will be required.)	Oil Gas 44 % 44 %	Oil Gas 56 % 56 %	Oil Gas % %	

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 commingled 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 - not needed

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE Byron Smith TITLE Director DATE 10/03/11TYPE OR PRINT NAME Byron Smith TELEPHONE NO. (432) 631-7724E-MAIL ADDRESS byron.smith@dnr.state.nm.us

FEB 21 2012

☐ AMENDED REPORT

26

12 1 22 18 15 16 10 19 3

27 990' 208' 406' 23

2310

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

Sheet

"OPERATOR CERTIFICATION"

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature *A. Phil Ryan*

Printed Name
A Phil Ryan

Position
Commissioner Coordinator

Company
Texaco Expl. & Prod. Inc.

Date
February 28, 2001

"SURVEYOR CERTIFICATION"

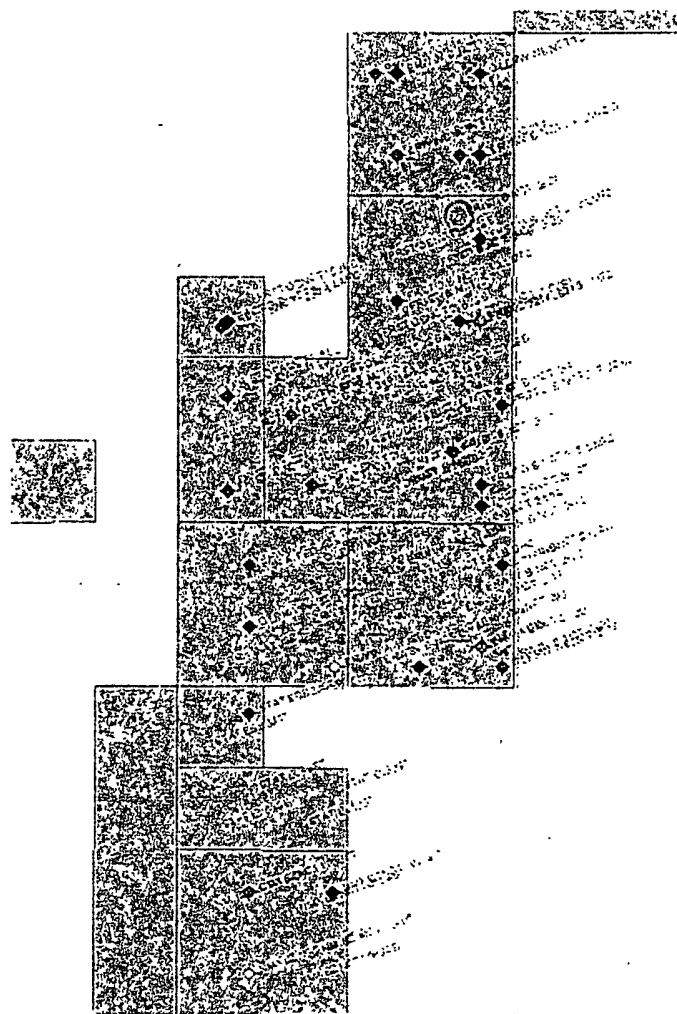
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
February 22, 2001

Signature & Seal of Professional Surveyor
John S. Piper

Certificate No.
7254 John S. Piper

Sheet



0 miles	_____
1 mile	_____
2 miles	_____
Chewon U.S.A. Inc. Erwin & Fister Lessees in Lea, NM	
	