

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
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.

30-025-37936

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

Monument 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 **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' 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 Monument Tubb/Weir Blinebry East/Skaggs
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 PROVISIONS OF RULE 303 C (5), IT IS PROPOSED TO DOWNHOLE COMMINGLE PRE-APPROVED POOLS, WEIR BLINEBRY EAST (PERFS 5753'-6420'), MONUMENT TUBB (PERFS 6420'-6690'), AND SKAGGS DRINKARD (6690'-7000') IN THE CAPTIONED WELL. THIS WILL BE A NEW WELL DRILLED IN 2007. PRODUCTION WILL BE ALLOCATED BACK TO THE THREE POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

DHC Order No. HOB-0168

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 *Karl Hoff* TITLE PETR. ENGINEER DATE 09/22/2006

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: *Chris Williams* TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE OCT 24 2006
Conditions of Approval (if any):

REQUEST FOR EXCEPTION 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

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

Division Order

Pre-approved pools or area established by Division Order No. R-11363.

Pools To Be Commingled In Jayhawk 35 #3

(63800) East Weir Blinebry (Oil)
(47090) Monument Tubb (Gas)
(57000) Skaggs Drinkard (Oil)

Perforated Intervals (Wellbore diagrams attached)

Blinebry (5753'-6420')
Tubb (6420'-6690')
Drinkard (6690'-7000')

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 Allocated %</u> | <u>Oil %</u> | <u>Water %</u> | <u>Gas %</u> | <u>Remarks</u> |
|-------------------------|---------------|----------------|---------------|--|
| Blinebry | 59.00 | | 10.00 | Calculated using offset average cum's (see attached) |
| Tubb | 16.00 | | 56.00 | Calculated using offset average cum's (see attached) |
| Drinkard | 25.00 | | 34.00 | Calculated using offset average cum's (see attached) |
| Totals | 100.00 | | 100.00 | |

Ownership

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

State / Federal Land Notification

Well is on a state lease.

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

District II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

☐ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|---|---|
| ¹ API Number 30-025-37936 | ² Pool Code 63800 | ³ Pool Name Weir Blinebry East |
| 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' |

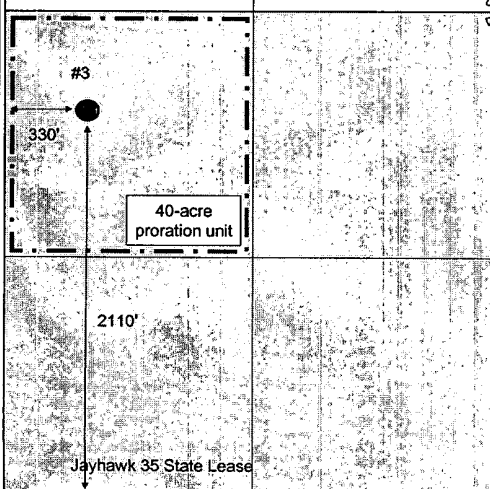
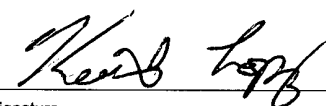
¹⁰ **Surface Location**

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

| | |
|--|--|
| <div><p>35</p></div> | <div><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 Keith Lopez</p><p>Printed Name Petr. Engineer</p><p>Title 9/22/2006</p></div> |
| | <div><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></div> |

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

District II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

**2040 South Pacheco
Santa Fe, NM 87505**

District IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|---|
| ¹ API Number 30-025-37936 | ² Pool Code 47090 | 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' |

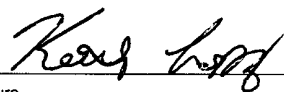
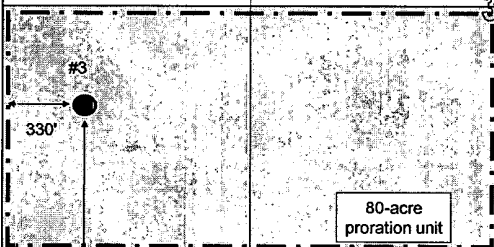
¹⁰ Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 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. | | | | | |

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

| | | | | |
|---|----|--|--|--|
| 35 | | | | <div data-bbox="1075 1017 1094 1036">17</div> <div data-bbox="1105 1042 1492 1076">OPERATOR CERTIFICATION</div> <div data-bbox="1075 1106 1515 1151"><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></div> <div data-bbox="1128 1251 1411 1342"></div> <div data-bbox="1075 1332 1149 1351">Signature</div> <div data-bbox="1218 1351 1344 1376">Keith Lopez</div> <div data-bbox="1075 1387 1180 1406">Printed Name</div> <div data-bbox="1180 1406 1328 1432">Petr. Engineer</div> <div data-bbox="1075 1442 1112 1461">Title</div> <div data-bbox="1224 1461 1321 1487">9/22/2006</div> |
| <div data-bbox="69 1495 561 1742"><div data-bbox="406 1687 516 1732">80-acre proration unit</div><div data-bbox="129 1551 159 1572">#3</div><div data-bbox="84 1610 129 1632">330'</div><div data-bbox="159 1796 204 1817">2110'</div><div data-bbox="129 1942 316 1966">Jayhawk 35 State Lease</div></div> | 35 | | | <div data-bbox="1075 1517 1094 1536">18</div> <div data-bbox="1097 1536 1485 1572">SURVEYOR CERTIFICATION</div> <div data-bbox="1075 1606 1529 1691"><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></div> <div data-bbox="1075 1717 1388 1736">Signature and Seal of Professional Surveyor:</div> <div data-bbox="1224 1966 1365 1987">Certificate Number</div> |

☐ 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' |

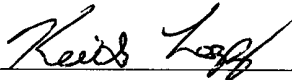
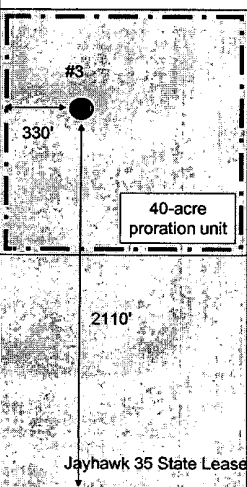
¹⁰ Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 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 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>35</p> | | | | <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 Keith Lopez</p> <p>Printed Name Petr. Engineer</p> <p>Title 9/22/2006</p> |
|  <p>#3</p> <p>330'</p> <p>40-acre proration unit</p> <p>2110'</p> <p>Jayhawk 35 State Lease</p> | <p>35</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> |

Jayhawk 35 #3

Blinebry/Tubb/Drinkard Cum's

Blinebry Cum's

| Well | Cum To Date | | Cum Remaining | | Ultimate Recovery | |
|----------------|-------------|-----------|---------------|-----------|-------------------|-----------|
| | Oil (BBL) | Gas (MCF) | Oil (BBL) | Gas (MCF) | Oil (BBL) | Gas (MCF) |
| HT Orcutt E #4 | 8595 | 8565 | 12763 | 12115 | 21,358 | 20,680 |
| Williams 34 #6 | 92214 | 54976 | 118483 | 47381 | 210,697 | 102,357 |
| JW Cooper #5 | 153662 | 365683 | 110981 | 103183 | 264,643 | 468,866 |
| Total | | | | | 496,698 | 591,903 |
| Average | | | | | 165,566 | 197,301 |

Tubb Cum's

| Well | Cum To Date | | Cum Remaining | | Ultimate Recovery | |
|----------------|-------------|-----------|---------------|-----------|-------------------|-----------|
| | Oil (BBL) | Gas (MCF) | Oil (BBL) | Gas (MCF) | Oil (BBL) | Gas (MCF) |
| JH Williams #1 | 43594 | 738398 | 17139 | 129554 | 60,733 | 867,952 |
| JH Williams #2 | 14643 | 399270 | 1153 | 193634 | 15,796 | 592,904 |
| HT Orcutt E #2 | 58346 | 954617 | 6044 | 172473 | 64,390 | 1,127,090 |
| Jayhawk #1 | 116134 | 926733 | 12466 | 122382 | 128,600 | 1,049,115 |
| Cooper #1 | 2591 | 1745439 | 0 | 0 | 2,591 | 1,745,439 |
| State A #1 | 0 | 1472625 | 0 | 103118 | - | 1,575,743 |
| Total | | | | | 272,110 | 6,958,243 |
| Average | | | | | 45,352 | 1,159,707 |

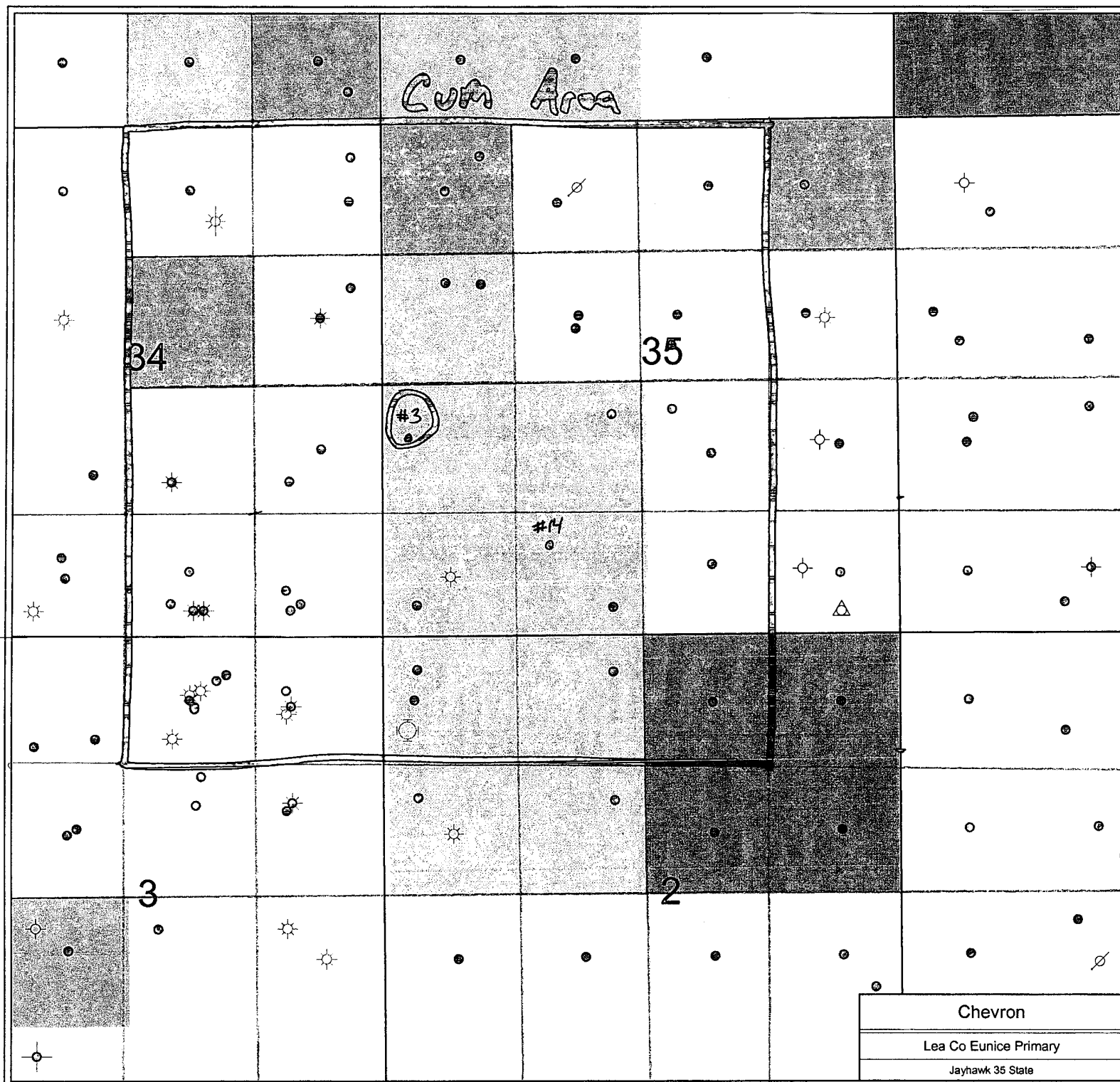
Drinkard Cum's

| Well | Cum To Date | | Cum Remaining | | Ultimate Recovery | |
|----------------|-------------|-----------|---------------|-----------|-------------------|-----------|
| | Oil (BBL) | Gas (MCF) | Oil (BBL) | Gas (MCF) | Oil (BBL) | Gas (MCF) |
| JH Williams #2 | 59242 | 263294 | 4337 | 62137 | 63,579 | 325,431 |
| Williams 34 #3 | 6565 | 37676 | 0 | 0 | 6,565 | 37,676 |
| Jayhawk 35 #2 | 18003 | 493989 | 7795 | 283595 | 25,798 | 777,584 |
| Shelley 35 #1 | 47001 | 522451 | 21932 | 451218 | 68,933 | 973,669 |
| Shelley 35 #2 | 50704 | 47474 | 93432 | 90660 | 144,136 | 138,134 |
| Shelley 35 #8 | 3771 | 26550 | 0 | 0 | 3,771 | 26,550 |
| J Cooper #1 | 102457 | 1292649 | 18768 | 237424 | 121,225 | 1,530,073 |
| State H #2 | 106794 | 1492575 | 30008 | 413276 | 136,802 | 1,905,851 |
| Total | | | | | 570,809 | 5,714,968 |
| Average | | | | | 71,351 | 714,371 |

| Average Cum's | Oil (BBL) | Gas (MCF) | Oil (%) | Gas (%) |
|---------------|-----------|-----------|---------|---------|
| Blignebry | 165,566 | 197,301 | 58.66 | 9.53 |
| Tubb | 45,352 | 1,159,707 | 16.07 | 55.99 |
| Drinkard | 71,351 | 714,371 | 25.28 | 34.49 |

19S 37E

20S 37E



Jayhawk 35 State #3

Location:

2110' FSL 330' FWL, Sec35, T-19S, R-37E
Unit Letter: L
Field: Weir East/Monument/Skaggs
County: Lea
State: NM
Area: Hobbs

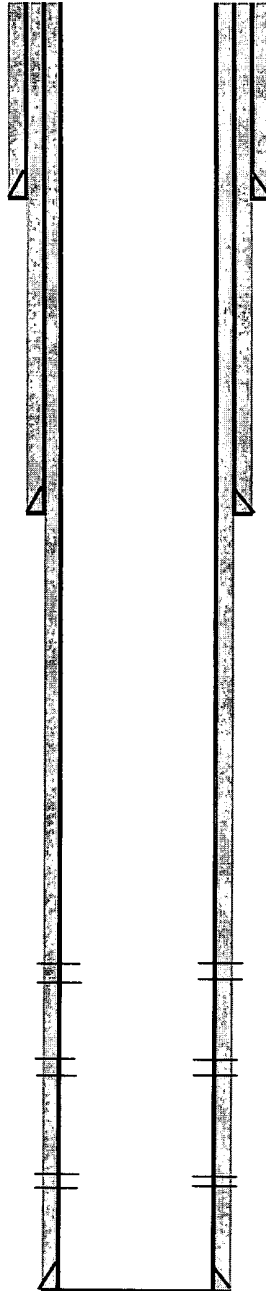
Well Info:

Spud Date:
Comp. Date:
API: 30-025-37936
RefNO: JE6512
Status:
Lease: State

Proposed Wellbore Diagram

Elevations

DF:
KB:
GL: 3595'

**Surface Casing**

Size: 11 3/4"
Set @: 500'
With: 310sx
Hole Size: 14-3/4"
Circ: yes
TOC @ Surface
Wt: 42#

Intermediate Casing

Size: 8 5/8"
Set @: 2800'
With: 875sx
Hole Size: 11"
TOC: surface
Wt: 32#

Production Casing

Size: 5 1/2"
Set @: 7100'
With: 1050sx
Hole Size: 7 7/8"
TOC: surface
Wt: 17#

Formation tops

Glorieta
Blinebry 5753'
Tubb 6420'
Drinkard 6690'
Abo

Perfs:

Blinebry 5753'-6420'

Perfs:

Tubb 6420'-6690'

Perfs:

Drinkard 6690'-7000'

Updated: 19-Sep-06
By: LOPK

PBSD: 7040'
TD: 7100'