

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.

30-025-38019

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

LR Kershaw

8. Well Number **16**

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 **A** : **990** feet from the **North** line and **500** feet from the **East** line
Section **13** Township **20S** Range **37E** NMPM County **LEA**

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

3557' 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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: **DHC Monument Tubb/Weir Blinebry East/Skaggs
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 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 5830'-6350'), MONUMENT TUBB (PERFS 6350'-6675'), AND SKAGGS DRINKARD (6675'-6955') 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-0170

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD approved plan ☐.

SIGNATURE

Chris Williams

TITLE

PETR. ENGINEER

DATE

09/20/2006

Type or print name

E-mail address:

Telephone No.

For State Use Only

APPROVED BY:

Chris Williams

TITLE

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

LR Kershaw #16
990' FNL & 500' FEL, Unit Letter A
Section 13, T20S, R37E
Lea County, New Mexico

Division Order

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

Pools To Be Commingled In Kershaw #16

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

Perforated Intervals (Wellbore diagrams attached)

Blinebry (5830'-6350')
Tubb (6350'-6675')
Drinkard (6675'-6955')

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	45.00		28.00	Calculated using offset average cum's (see attached)
Tubb	24.00		32.00	Calculated using offset average cum's (see attached)
Drinkard	31.00		40.00	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 fee lease.

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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 30-025-38019	² Pool Code 63800	³ Pool Name Weir Blinberry East
⁴ Property Code 29957	⁵ Property Name LR Kershaw	⁶ Well Number 16
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3557'

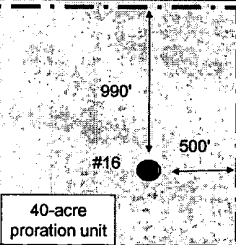
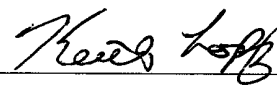
¹⁰ **Surface Location**

UL or Lot No. A	Section 13	Township 20S	Range 37E	Lot Idn	Feet from the 990	North/South line North	Feet from the 500	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

¹³ LR Kershaw Lease		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 Keith Lopez Printed Name Petr. Engineer Title 9/20/2006

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☐ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-38019	² Pool Code 47090	³ Pool Name Monument Tubb
⁴ Property Code 29957	⁵ Property Name LR Kershaw	⁶ Well Number 16
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3557'

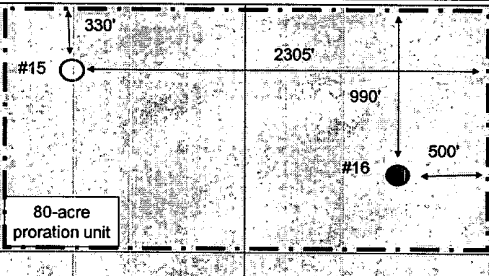
¹⁰ **Surface Location**

UL or Lot No. A	Section 13	Township 20S	Range 37E	Lot Idn	Feet from the 990	North/South line North	Feet from the 500	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 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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<div><p>¹³</p><p>LR Kershaw Lease</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>Signature <u>Keith Lopez</u></p><p>Printed Name Keith Lopez</p><p>Title Petr. Engineer</p><p>9/20/2006</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>	

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-38019	² Pool Code 57000	³ Pool Name Skaggs Drinkard
⁴ Property Code 29957	⁵ Property Name LR Kershaw	⁶ Well Number 16
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3557'

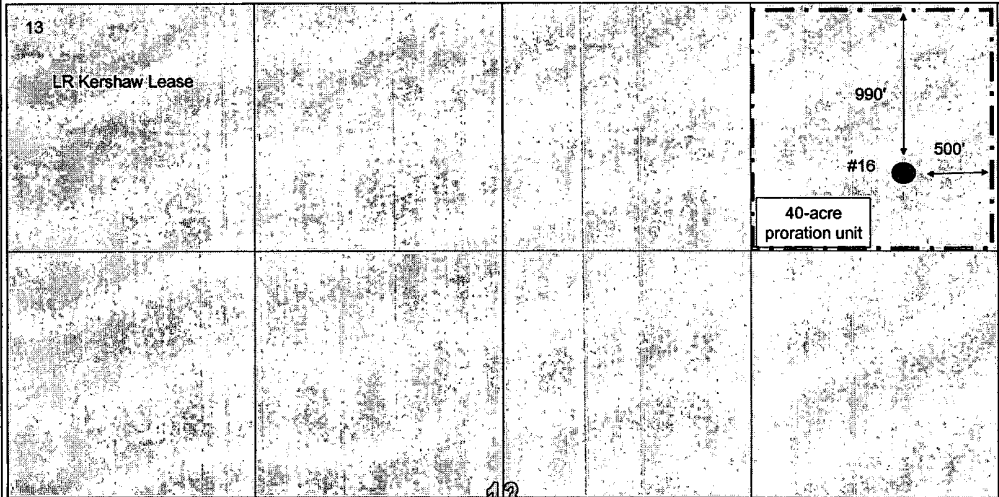
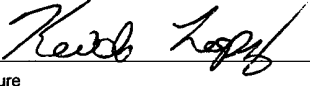
¹⁰ Surface Location

UL or Lot No. A	Section 13	Township 20S	Range 37E	Lot Idn	Feet from the 990	North/South line North	Feet from the 500	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 Keith Lopez Printed Name Petr. Engineer Title 9/20/2006
	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

Kershaw #16 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)
Kershaw #15	12760	206016	1673	98186	14,433	304,202
MB Weir B #10	101728	700259	0	0	101,728	700,259
MB Weir B #9	125244	671136	0	0	125,244	671,136
Total					241,405	1,675,597
Average					80,468	558,532

Tubb Cum's

Well	Cum To Date		Cum Remaining		Ultimate Recovery	
	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)
Kershaw #15	25655	211980	0	0	25,655	211,980
Kershaw #9	111036	948190	0	0	111,036	948,190
MB Weir B #10	38214	1581526	0	0	38,214	1,581,526
MB Weir B #13Y	22677	316917	11273	163454	33,950	480,371
SMU Tubb #83	27064	270332			27,064	270,332
Total					208,855	3,222,067
Average					41,771	644,413

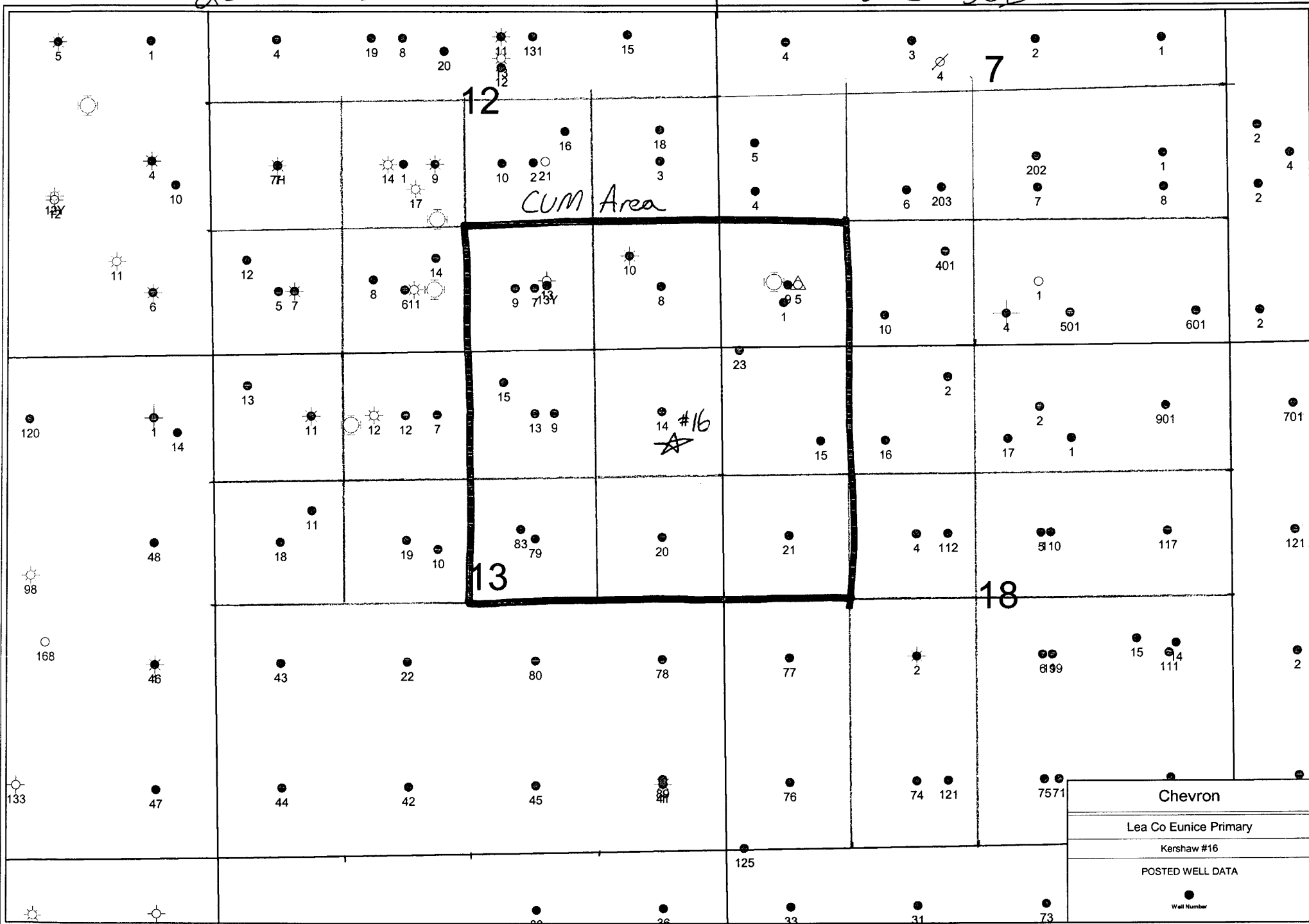
Drinkard Cum's

Well	Cum To Date		Cum Remaining		Ultimate Recovery	
	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)	Oil (BBL)	Gas (MCF)
Kershaw #15	13608	115414			13,608	115,414
Kershaw #9	21356	404745			21,356	404,745
MB Weir B #10	79933	270768			79,933	270,768
MB Weir B #13Y	57110	1039184	1842	40392	58,952	1,079,576
MB Weir B #9	98608	2144261			98,608	2,144,261
Total					272,457	4,014,764
Average					54,491	802,953

Average Cum's	Oil (BBL)	Gas (MCF)	Oil (%)	Gas (%)
Blignebry	80,468	558,532	45.53	27.84
Tubb	41,771	644,413	23.64	32.13
Drinkard	54,491	802,953	30.83	40.03

20S 37 E

20S 38 E



LR Kershaw #16

Location:

990' FNL 500' FEL, Sec13, T-20S, R-37E
Unit Letter: A
Field: Weir East/Monument/Skaggs
County: Lea
State: NM
Area: Hobbs

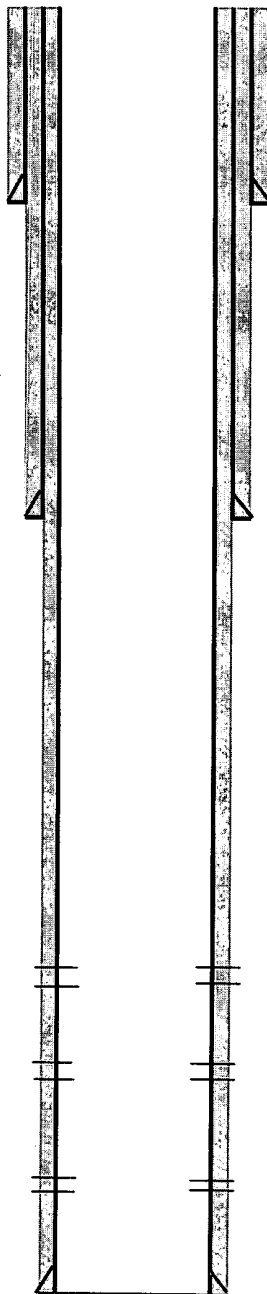
Well Info:

Spud Date:
Comp. Date:
API: 30-025-38019
RefNO:
Status:
Lease: FEE

Proposed Wellbore Diagram

Elevations

DF:
KB:
GL: 3557'



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
Blinbry 5830'
Tubb 6350'
Drinkard 6675'
Abo

Perfs:

Blinbry 5830'-6350'

Perfs:

Tubb 6350'-6675'

Perfs:

Drinkard 6675'-6955'

Updated: 20-Sep-06

By: LOPK

PBTD: 7040'

TD: 7100'