

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

Form C-103
May 27, 2004

| |
|---|
| WELL API NO. 39064 30-025-39604 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |

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 **K** : **2310** feet from the **South** line and **2310** feet from the **West** line
Section **31** Township **22S** Range **38E** NMPM County **LEA**

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

3343.5' (KB)

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/Tubb/Brunson; Drinkard-Abo, South** ☒

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) (5491-6044'), TUBB OIL & GAS (60240) (6044-6306'), & BRUNSON; DRINKARDABO, SOUTH (7900) (6306-7073') IN THE CAPTIONED WELL. PRODUCTION WILL BE ALLOCATED BACK TO THE THREE POOLS BASED ON THE PERCENTAGES SHOWN IN THE ATTACHED SUPPORT DATA.

DHC Order No. HOB-0268

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 Donnie Johnson II TITLE PETR. ENGINEER DATE 9/18/2008

Type or print name
For State Use Only

E-mail address:

Telephone No. (432) 687-7420
Cell: (432) 238-9233

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER

DATE OCT 08 2008

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

Scarborough Estate #10
30-025-39064
2310' FSL & 2310' FWL, Unit Letter K
Section 31, T22S, R38E
Lea County, New Mexico

Division Order

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

Pools To Be Commingled In H.P. Saunders #1

(6660) Blinebry Oil & Gas (OIL)
(60240) Tubb Oil & Gas (OIL)
(7900) Brunson; Drinkard-Abo, South (OIL)

Perforated Intervals

Blinebry Oil & Gas (5491-6044')
Tubb Oil & Gas (6044-6306')
Brunson; Drinkard-Abo, South (6306-7073')

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 | 60 | 250 | 100 | Calculated From Allocations % |
| Tubb | 10 | 50 | 600 | Calculated From Allocations % |
| Brunson; Drinkard Abo, South | 25 | 250 | 300 | Calculated From Allocations % |
| Totals | 95 | 550 | 1000 | |

| <u>Allocated %</u> | <u>Oil %</u> | <u>Water %</u> | <u>Gas %</u> | <u>Remarks</u> |
|------------------------------|--------------|-----------------|--------------|-----------------|
| Blinebry | 63 | 45 | 10 | From offset EUR |
| Tubb | 11 | 5 10 | 60 | From offset EUR |
| Brunson; Drinkard Abo, South | 26 | 45 | 30 | From offset EUR |
| 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

Scarborough Estate #10

Location:

2310' FSL & 2310' FWL T-22S R-38E Sec 31
Unit Letter: K
Field: Brunson South
County: Lea
State: NM

Well Info:

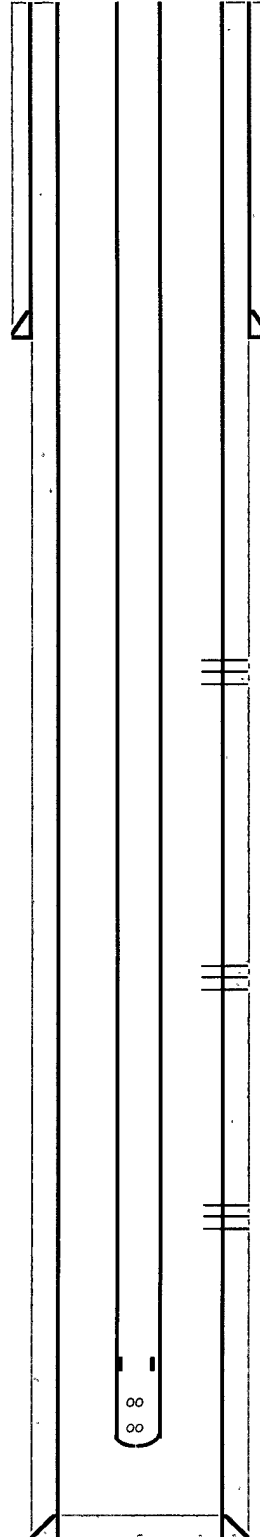
Spud Date: 8/23/2008
API: 30-025-39064
Cost Center:
WBS#: LB5035
RefNO:
Lease: FEE

Current Wellbore Diagram

Elevations:

KB: (22.5') 3343.5'
DF: 3342.5'
GL: 3321'

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.



Surface Casing

Size: 8-5/8" 24# J-55
Set @ 1225'
With: 820 sks Halcem
Hole Size: 12-1/4"
TOC @ Surface
By: Circulation

Perfs: 5491-6044' Zone: Blinbry Status: Proposed

Perfs: 6044-6306' Zone: Tubb Status: Proposed

Perfs: 6306-7073' Zone: Drinkard Status: Proposed

Production Casing

Size: 5-1/2" 17# L-80
Set @: 7078'
With: 2000 sks Versachem
Hole Size: 7-7/8"
TOC: Surface
By: Circulation

Updated:
By: LGEK
PBTD: 7073'
TD: 7078'

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State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

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

2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|---|
| ¹ API Number 30-025-39064 | ² Pool Code 6660 | ³ Pool Name Blinberry Oil & Gas |
| ⁴ Property Code 2719 | ⁵ Property Name Scarborough Estate | ⁶ Well Number 10 |
| ⁷ OGRID No 4323 | ⁸ Operator Name Chevron U.S.A., Inc. | ⁹ Elevation 3343.5' |

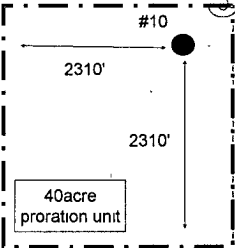

¹⁰ Surface Location

| | | | | | | | | | |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or Lot No | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| K | 31 | 22S | 38E | | 2310 | South | 2310 | 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

| | | |
|---|----------|---|
|  | 1 | 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 Lonnie Grohman Printed Name Petr. Engineer Date 9/18/2008 |
| | | 1 |
| | | 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 |

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|---|--|--|
| ¹ API Number 30-025-39064 | ² Pool Code 60240 | ³ Pool Name Tubb Oil & Gas |
| ⁴ Property Code 2719 | ⁵ Property Name Scarborough Estate | ⁶ Well Number 10 |
| ⁷ OGRID No 4323 | ⁸ Operator Name Chevron U.S.A., Inc. | ⁹ Elevation 3343.5' |


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|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|

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| | | | | 1 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 belief Signature and Seal of Professional Surveyor Certificate Number |

³¹

⁴¹

#10

2310'

2310'

40acre proration unit

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| ⁴ Property Code 2719 | ⁵ Property Name Scarborough Estate | ⁶ Well Number 10 |
| ⁷ OGRID No 4323 | ⁸ Operator Name Chevron U.S.A., Inc. | ⁹ Elevation 3343.5' |


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| | | | | <p>1</p> <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p></p> <p>Signature Lonnie Grohman</p> <p>Printed Name Petr. Engineer</p> <p>Date 9/16/2008</p> |
| | | | | <p>1</p> <p>SURVEYOR CERTIFICATION</p> <p>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</p> <p>Signature and Seal of Professional Surveyor</p> |

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2310'

40acre proration unit