

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. 30-025-12186
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name T.R. Andrews
8. Well Number 5
9. OGRID Number 4323
10. Pool name or Wildcat Blinebry/Tubb/Drinkard

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** : **560** feet from the **North** line and **660** feet from the **East** line

Section **32** Township **22S** Range **38E** NMPM County **LEA**

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

3373' (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/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) (5488-5850'), TUBB OIL & GAS (60240) (5998-6292'), & BRUNSON; DRINKARD ABO, SOUTH (7900) (6400-7110') 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-0019-A**

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  TITLE **PETR. ENGINEER** DATE **11/6/2008**

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

NOV 24 2008

Conditions of Approval (if any):



RECEIVED
NOV 17 2008
HOBBBS

Lonnie Grohman
Petroleum Engineer
New Mexico Team

Permian Business Unit
Chevron U.S.A. Inc.
15 Smith Road
Midland, TX 79705
Tel 432-687-7420
Fax 432-687-7558
lgek@chevron.com

November 11, 2008

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

Request DHC T.R. Andrews #5 (30-025-12186)

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), Brunson; Drinkard-Abo, South (7900) in the T.R. Andrews #5, API number 30-025-12186. The T.R. Andrews #9 is located 560' FNL & 660' FEL, Unit A, Section 32, Township 22 South, Range 38 East, Lea County, New Mexico.

The T.R. Andrews #5 was drilled in July 1961 and has produced from the Drinkard-Abo, Tubb, Blinebry, and Paddock. It is proposed to add perforations within the Drinkard-Abo at 6742-6849' and down hole commingle production from the Blinebry, Tubb, & Drinkard-Abo.

The proposed allocation percentages were calculated using offset EUR data. Attached in support of this request is a well test report, a proposed well bore schematic diagram for the T.R. Andrews #5, 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 432-687-7420, or by email at lgek@chevron.com.

Sincerely,

Lonnie Grohman
Petroleum Engineer

Enclosure

cc: Denise Pinkerton
Denise Beckham

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

T.R. Andrews #5
30-025-12186
560 FNL & 660 FEL, Unit Letter A
Section 32, T22S, R38E
Lea County, New Mexico

Division Order

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

Pools To Be Commingled In T.R. Andrews #9

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

Perforated Intervals

Blinebry Oil & Gas (5488-5850')
Tubb Oil & Gas (5998-6292')
Brunson; Drinkard-Abo, South (6400-7110')

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	14	45	120	Calculated From Allocations %
Tubb	7	10	150	Calculated From Allocations %
Brunson; Drinkard Abo, South	14	45	30	Calculated From Allocations %
Totals	35	100	300	

<u>Allocated %</u>	<u>Oil %</u>	<u>Water %</u>	<u>Gas %</u>	<u>Remarks</u>
Blinebry	40	45	40	From offset EUR
Tubb	19	10	50	From offset EUR
Brunson; Drinkard Abo, South	41	45	10	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

Blinebry		
Well	Oil	Gas
Andrews #1	82,770	3,234,163
Andrews #3	13,308	102,847
Andrews #4	14,781	318,614
	36,953	1,218,541

Tubb		
Andrews #2	27,836	2,836,121
Andrews #5	9,080	165,752
	18,458	1,500,937

Brunson South		
Andrews #1	118,948	348,168
Andrews #5	19,065	218,016
	69,007	283,092

Totals	124,418	3,002,570
--------	---------	-----------

Blinebry	29.7	40.6
Tubb	14.8	50.0
Brunson South	55.5	9.4
	100	100

District I
1625 N French Drive, Hobbs NM 88240

District II
1101 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

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

APPLICATION TYPE
☒ Single Well
☒ Establish Pre-Approved

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
☐ Yes ☒ No

Chevron Corporation
Operator

15 Smith Road, Midland TX 79705
Address

T.R. Andrews
Lease

#5
Well No.

A-32-22S-38E
Unit Letter-Section-Township-Range

Lea
County

OGRID No. 4323 Property Code 2566 API No. 30-025-12186 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blincy Oil & Gas	Tubb Oil & Gas	Brunson, Drinkard-Abo, South
Pool Code	6660	60240	7900
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5488-5850' Perforated	5998-6292' Perforated	6400-7110' Perforated
Method of Production (Flowing or Artificial Lift)	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	n/a
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36°	36°	36°
Producing, Shut-In or New Zone	Producing	Producing	Shut-In
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 14 BBL 120 MCF	Date: Estimated Oil Gas 7 bbl 150 MCF	Date: Estimated Oil Gas 14 BBL 30 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 40% 40%	Oil Gas 19% 50%	Oil Gas 41% 10%

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 [Signature] TITLE Petroleum Engineer DATE 11/6/2008

TYPE OR PRINT NAME Lonnie Grohman TELEPHONE NO. (432) 687-7420

E-MAIL ADDRESS lgrok@chevron.com

Chevron

Lea Co Eunice Primary

T R Andrews #5

0636

FEET

T.R. Andrews #5 -

Cum Area Map

