

District I
1625 N French Drive Hobbs NM 88240
District II
1301 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

EXISTING WELLBORE
☐ Yes ☒ No

APPLICATION FOR DOWNHOLE COMMINGLING

Chevron Corporation 15 Smith Road, Midland TX 79705
Operator Address

A.H., Blinebry NCT-3 #7 B-31-22S-38E Lea
Lease Well No Unit Letter-Section-Township-Range County

OGRID No. 4323 Property Code 29903 API No. 30-025-39215 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Bluebry 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)	5433-5778' Perforated	6110-6264' Perforated	6310-7300' Perforated/Open Hole
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	New Zone	New Zone	Producing
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 OilGas 26 BBL96 MCF	Date: Estimated OilGas 5 bbl240 MCF	Date: Estimated OilGas 11 BBL144 MCF
Fixed Allocation Percentage (Note If allocation is based upon something other than current or past production, supporting data or explanation will be required)	OilGas 63%20%	OilGas 11%50%	OilGas 26%30%

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.

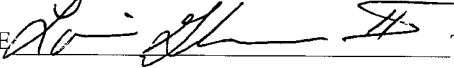


PRE-APPROVED POOLS

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  TITLE Petroleum Engineer DATE 1/6/2009
TYPE OR PRINT NAME Lonnie Grohman TELEPHONE NO. (432) 687-7420
E-MAIL ADDRESS lgek@chevron.com

Plat Reproduced With Permission
Granted to Chevron U.S.A. Inc.
By Midland Map Company
Additional Copies Are Prohibited

Legend:

- A.H. Blinebry NCT-3 Lease
- 40 acre proration unit
- 1" = 2112'

North Arrow

Map Details:

- Well Location:** A.H. Blinebry NCT-3 #7, 30-025-39215, 760 FNL & 1980 FEL, Unit B; Sec 31, T-22S, R-38E, Lea County, New Mexico.
- Lease Owners/Operators:**
 - Chevron
 - A.H. Blinebry NCT-3 #7
 - 30-025-39215
 - 760 FNL & 1980 FEL
 - Unit B; Sec 31, T-22S, R-38E
 - Lea County, New Mexico
- Other Companies/Individuals:**
 - Summit Energy
 - Westco Oil Fields
 - Gulf-St
 - Aztec HBP
 - Collins & Ware
 - HBP
 - 1040
 - Starfe E 6143
 - D.K. Boyd OEG (S)
 - Arch Pet.
 - H.B.P.
 - M.V. Pike et al
 - D.K. Boyd OEG (S)
 - Six Aeches H.B.P.
 - 063564
 - B. Hughes
 - elton Oper.)
 - H.B.P.
 - 2244
 - Mc Culloch Oil
 - U.S.M.I.
 - W. Sims, S et al
 - 400
 - Phillips
 - HBP
 - 2244
 - Meridian
 - 12-1-2003
 - 92211
 - Samedan
 - Yates Pet. et al
 - 6-1-2004
 - 93241
 - Yates
 - Pet. et al
 - 6-1-2004
 - 93241
 - Concho
 - Res.
 - 3-1-2007
 - 98218
 - I.A.R.Co.
 - HBP
 - 93554
 - Samedan
 - 9-1-2003
 - 93554

A.H. Blinebry Federal NCT-3 #7
Brunson South Field
760' FNL & 1980' FEL
Sec- 31, T-22S, R-38E, Unit Letter B

1/19/2009

Cost Center:
WBS Number:

Blinebry/Tubb/Drinkard Completion Procedure:

1. MI & RU workover unit. Bleed pressure from well. NU 5K BOP.
2. PU & RIH w/ 4-3/4" bit on 2-7/8" tubing to PBTD (7195') using air unit. Drill out float collar and cement down to 7282'. Continue in Open Hole to 7357'. Circulate clean for 4 hrs. POOH & LD bit.
3. MIRU WL. Install lubricator and test to 2,000 psi. Ensure hole is loaded with 8.6# BW. RIH w/ GR/CCL/CBL and log from 7195' to surface - tied back to Schlumberger Compensated Neutron/Spectral Gamma Ray dated 1/3/2009. Log in one run with 1,500 psi on casing. POH.
4. RIH & perf Abo w/ 3 3/8" RHSC Prospector EXP-3325-321T casing guns (0.42" EH & 47" penetration) loaded with 4 SPF 120° phasing and 25 gram charges as follows:

Top Perf	Bottom Perf	Net Feet	# holes
7274	7278	4	16
7222	7230	8	32
7214	7218	4	16
7160	7170	10	40
7096	7104	8	32
7078	7086	8	32
7012	7016	4	16
7000	7006	6	24
6920	6928	8	32
6878	6886	8	32
6865	6875	10	40
6830	6838	8	32
6810	6820	10	40
6780	6786	6	24
6744	6750	6	24
		108	432

Tie back to Schlumberger Compensated Neutron/Spectral Gamma Ray dated 1/3/2009

5. POH. ND lubricator. RD and release WL. RIH w/ 5-1/2" treating pkr w/2.25"F profile nipple on 2-7/8" WS, testing tbg to 7000 psi to 7250'. Set Packer at approximately 7250'
6. MIRU Schlumberger Acid crew. Attempt to pump into perfs (7274-7278 ') & Open Hole. Pump 4,000 gals 20% NEFE antisludge HCL acid at a rate of 4-5 BPM and a maximum surface pressure of 6,000 psi. Displace with 8.6# BW. Record ISIP, 5, 10, & 15 minute. Pump job as follows:

Pump 1,000 gals of acid @ 6 BPM
 Pump 500 gals gelled 10 PPG brine containing 1,000#'s GRS @ 6 BPM
 Pump 1,000 gals of acid @ 6 BPM
 Pump 500 gals gelled 10 PPG brine containing 1,000#'s GRS @ 6 BPM
 Pump 1,000 gals of acid @ 6 BPM
 Pump 500 gals gelled 10 PPG brine containing 1,000#'s GRS @ 6 BPM
 Pump 1,000 gals of acid @ 6 BPM

*Acid system to contain:	2 GPR A264	Corrosion Inhibitor
	8 GPR L63	Iron Control Agents
	3 PPT A 179	Iron Control Aid
	20 GPT U66	Mutual Solvent
	2 GPR W53	Non-Emulsifier

7. POH. RIH w/ RBP & Ball Catcher to 7250'. Set RBP at 7250' and Packer at 6970'.
8. MIRU Schlumberger Acid crew. Attempt to pump into perfs (7000-7230'). Pump 2,400 gals 20% NEFE antisludge HCL acid* at a rate of 5 BPM and a maximum surface pressure of 6,000 psi. Dropping a total of 290, 1.3 SG balls evenly distributed. Displace with 8.6# BW. Record ISIP, 5, 10, & 15 minute.
9. Release PKR and Retrieve RBP and Ball Catcher at 7250'. Pick up and Set RBP at 6970'. Set RBP at 6970' and PKR at 6700'.
10. MIRU Schlumberger Acid crew. Attempt to pump into perfs (6744-6928'). Pump 2,800 gals 20% NEFE antisludge HCL acid* at a rate of 5 BPM and a maximum surface pressure of 6,000 psi. Dropping a total of 340, 1.3 SG balls evenly distributed. Displace with 8.6# BW. Record ISIP, 5, 10, & 15 minute.

*Acid system to contain:	2 GPR A264	Corrosion Inhibitor
	8 GPR L63	Iron Control Agents
	3 PPT A 179	Iron Control Aid
	20 GPT U66	Mutual Solvent
	2 GPR W53	Non-Emulsifier

11. RD Schlumberger acid truck. POH RBP, PKR, & 2-7/8" WS. RIH with 5-1/2" PKR on 2-7/8" WS to 6700'. Set PKR at 6700. RU swab and swab well recording rates, volumes, pressures, and fluid levels. Report to Engineering. Recover acid load.
12. MIRU WL. RU lubricator. RIH w/ 10K composite plug and set above Abo interval at 6650'. Load and test composite plug to 2500 psi.
13. RIH & perf Drinkard w/ 3 3/8" RHSC Prospector EXP-3325-321T casing guns (0.42" EH & 47" penetration) loaded with 4 SPF 120° phasing and 25 gram charges as follows:

Top Perf	Bottom Perf	Net Feet	# holes
6488	6498	10	40
6469	6474	5	20

6408	6413	5	20
6333	6340	7	28
		27	108

Tie back to Schlumberger Compensated Neutron/Spectral Gamma Ray dated 1/3/2009

14. POH. ND lubricator. NU casing saver.

15. Drinkard completion:

Frac Drinkard down new 5-1/2" 17# L-80 csg (Internal Yield: 100% - 7,740 psi; 80% - 6,192 psi) at **35 BPM** with 24,000 gal YF125ST, 5,000 gal 15% NEFE HCl Acid*, and 60,000# 20/40 SuperLC Resin Coated Sand. **Tag sand stages with Antimony.** Ramp from 1 PPG to 5 PPG w/ max pressure of **6,000 psi** as follows:

Pump 1,000 gals WF125 - PrePAD at 10 BPM

Pump 5,000 gals 15% NEFE HCl Acid at 10 BPM

Pump 5,000 gals WF125 - PrePAD at 20 BPM

Pump 11,000 gals YF125ST PAD at 35 BPM w/ 5 GPT J451 Fluid Loss Additive

Pump 2,500 gals YF125ST containing 1 PPG 20/40 Resin Coated Sand at 35 BPM

Pump 3,000 gals YF125ST containing 2 PPG 20/40 Resin Coated Sand at 35 BPM

Pump 3,500 gals YF125ST containing 3 PPG 20/40 Resin Coated Sand at 35 BPM

Pump 4,000 gals YF125ST containing 4 PPG 20/40 Resin Coated Sand at 35 BPM

Pump 5,000 gals YF125ST containing 5 PPG 20/40 Resin Coated Sand at 35 BPM

* Acid system to contain:

2 GPT A264

Corrosion Inhibitor

8 GPT L63

Iron Control Agents

3 PPT A179

Iron Control Aid

20 GPT U66

Mutual Solvent

2 GPT W53

Non-Emulsifier

Flush using WF125 with 6384 gallons. **DO NOT UNDERFLUSH.** Record ISIP, 5, 10, & 15 SIP.

16. Sting out casing saver. RU lubricator. RIH w/ 10K composite plug and set above Drinkard interval at 6300'. Load and test composite plug to 2500 psi. **Pressure up on casing until achieving 15 min SI pressure from Drinkard frac. Hold on casing while perforating incase Drinkard frac communicated to Tubb zone.**

17. RIH & perf Tubb with 3 3/8" RHSC Prospector EXP-3325-321T casing guns (0.42" EH & 47" penetration) loaded with 4 SPF 120° phasing and 25 gram charges as follows:

Top Perf	Bottom Perf	Net Feet	# Holes
6254	6264	10	40
6160	6170	10	40
6138	6144	6	24
6122	6128	6	24
6110	6118	8	32
		40	160

Tie back to Schlumberger Compensated Neutron/Spectral Gamma Ray dated 1/3/2009

18. POH. ND lubricator. NU casing saver.

19. Tubb completion:

Frac Tubb down new 5-1/2" 17# L-80 csg (Internal Yield: 100% - 7,740 psi; 80% - 6,192 psi) at **40 BPM** with 36,000 gal YF125ST, 2,000 gal 15% NEFE HCl Acid*, and 82,000# 20/40 SuperLC Resin Coated Sand. **Tag sand stages with Scandium.** Ramp from 2 PPG to 6 PPG w/ max pressure of **6,000 psi** as follows:

Pump 1,000 gals WF125 - PrePAD at 10 BPM
Pump 2,000 gals 15% NEFE HCl Acid at 10 BPM
Pump 5,000 gals WF125 - PrePad at 20 BPM
Pump 8,000 gals YF125ST PAD at 40 BPM w/ 5 GPT J451 Fluid Loss Additive
Pump 2,000 gals YF125ST containing 1 PPG 20/40 Resin Coated Sand at 40 BPM
Pump 8,000 gals YF125ST PAD at 40 BPM w/ 5 GPT J451 Fluid Loss Additive
Pump 4,000 gals YF125ST containing 2 PPG 20/40 Resin Coated Sand at 40 BPM
Pump 6,000 gals YF125ST containing 4 PPG 20/40 Resin Coated Sand at 40 BPM
Pump 4,000 gals YF125ST containing 6 PPG 20/40 Resin Coated Sand at 40 BPM
Pump 4,000 gals YF125ST containing 6 PPG 20/40 Resin Coated Sand at 40 BPM

* Acid system to contain:	2 GPT A264	Corrosion Inhibitor
	8 GPT L63	Iron Control Agents
	3 PPT A179	Iron Control Aid
	20 GPT U66	Mutual Solvent
	2 GPT W53	Non-Emulsifier

Flush using WF125 with 6023 gallons. **DO NOT UNDERFLUSH.** Record ISIP, 5, 10, & 15 SIP.

20. RD and release DS. Sting out casing saver. RU lubricator. RIH w/ 10K composite plug and set above Tubb at 6000'. Load and test composite plug to 2500 psi. **Pressure up on casing until achieving 15 min SI pressure from Tubb frac. Hold on casing while perforating incase Tubb frac communicated to Blinebry zone.**

21. RIH & perf Blinebry w/ 3 3/8" RHSC Prospector EXP-3325-321T casing guns (0.42" EH & 47" penetration) loaded with 4 SPF 120° phasing and 25 gram charges as follows:

Top Perf	Bottom Perf	Net Feet	# Holes
5470	5480	10	40
5461	5466	5	20
5447	5450	3	12
5433	5443	10	40
		28	112

Tie back to Schlumberger Compensated Neutron/Spectral Gamma Ray dated 10/09/2008

22. POH. ND lubricator. RD and release WL. RIH w/ 5-1/2" treating pkr w/2.25" F profile nipple on 2-7/8" WS, testing tbg to 7000 psi to 5400'. Set Packer at approximately 5400'

23. Blinebry completion:

24. MIRU Schlumberger Acid crew. Attempt to pump into perfs (5433-5470'). Pump 2,000 gals 20% NEFE antisludge HCL acid* at a rate of 4-5 BPM and a maximum surface pressure of 6,000 psi. Dropping a total of 60, 1.3 SG balls evenly distributed. Displace with 8.6# BW. Record ISIP, 5, 10, & 15 minute.

*Acid system to contain:	2 GPR A264	Corrosion Inhibitor
	8 GPR L63	Iron Control Agents
	3 PPT A 179	Iron Control Aid
	20 GPT U66	Mutual Solvent
	2 GPR W53	Non-Emulsifier

25. RD DS acid truck. RU swab and swab well recording rates, volumes, pressures, and fluid levels. Report to Engineering. Recover acid load.

26. PU & RIH w/ 4-3/4" bit on 2-7/8" tubing to top of fill. Drill out fill and composite plugs at 6150' & 6515' down to PBTD (7123') using air unit. Drill out float collar and cement down to 7210'. Circulate clean for 4 hrs. POOH & LD bit.

27. MI & RU BakerAtlas electric line unit. Install lubricator and test to 2000 psi. GIH and conduct after-frac PRISM GR/Temp/CCL log from PBTD of 7210' up to 5000'. POH. RD & release electric line unit. **Note: Correlate logs and run flat with Baker Atlas Compensated Neutron Log dated October 9, 2008**

28. PU & GIH w/ 5 1/2" RBP w/ bullplugged 10' perforated tbg sub containing BHP bomb below (bomb should have 3000 psi element and 72 hour clock) on 2 7/8" tbg string. Set RBP above Drinkard interval at 6550'. POH.

29. PU & GIH w/ second 5 1/2" RBP w/ bullplugged 10' perforated tbg sub containing BHP bomb below (bomb should have 3000 psi element and 72 hour clock), pkr, and SN on 2 7/8" tbg string. Set RBP above Tubb at 6175'. PUH and set pkr above Blinebry at 5520'. GIH and swab fluid level down to 3000', if possible. **Note: Do not swab more than 1 hour. If fluid level is not down to 3000' after 1 hour of swabbing, leave fluid level as is and continue procedure.** MI & RU slickline unit. Install lubricator and pressure test to 2000 psi. GIH with BHP bomb with 3000 psi element and 72 hour clock to SN. Suspend bomb in SN and release slickline. POH. **Shut well in for 48 hours.**

30. Open well. GIH and retrieve BHP bomb from SN. POH. RD slickline unit. Release pkr. LD and engage RBP above Tubb interval. Release RBP. POH with 2 7/8" tbg string, pkr, and RBP w/ BHP bomb. LD pkr, RBP, and BHP bomb.

31. PU & GIH w/ retrieving head on 2-7/8" tubing to RBP set above Drinkard interval. Release RBP. POH with 2-7/8" tbg string, pkr, and RBP w/ BHP bomb. LD RBP and BHP bomb.

32. RIH w/ 2-7/8" production assembly as per ALS recommendation. NDBOP NUWH. RIH w/ rods and pump as per ALS recommendation to max out 912 pumping unit.

33. Turn well over to production.

Engineer – Lonnie Grohman

432-687-7420 Office

432-238-9233 Cell

lgek@chevron.com

Engineer – Richard Jenkins

432-687-7120 Office

432-631-3281 Cell

rjdg@chevron.com

Engineer – Mike Howell

432-687-7516 Office

maho@chevron.com

A.H. Blinebry NCT-3 #7

Location:

760 FNL & 1980 FEL T-22S R-38E Sec 31
Unit Letter: B
Field: Brunson South
County: Lea
State: NM

Well Info:

Spud Date:
API: 30-025-39215
Cost Center:
WBS#:
RefNO: LK2646
Lease:

Current Wellbore Diagram

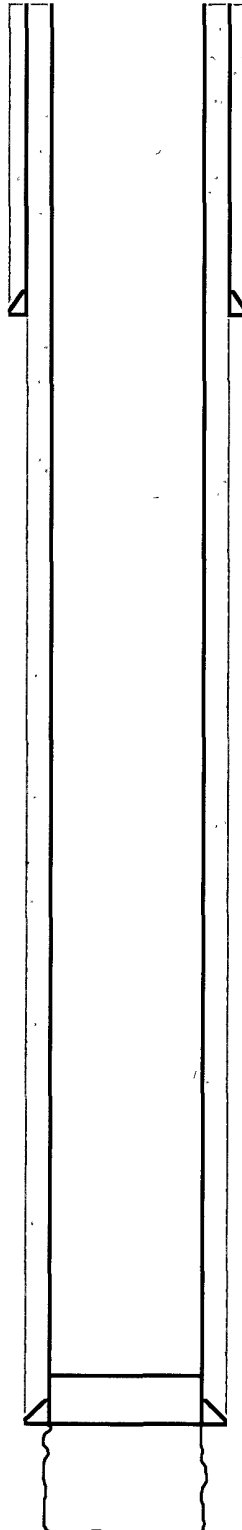
Elevations:

KB: (22')
DF:
GL: 3344'

Surface Casing

Size: 8-5/8" 24# J-55
Set @ 1234'
With: 222 sacks
Hole Size: 12-1/4"
TOC @ Surface
By: Circulation

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 Eutice Field Office. Discuss w/ WFO Engineer, WFO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.



Updated: 1/5/2009
By: LGEK
PBD: 7195'
TD: 7282'

Production Casing

Size: 5-1/2" 17# L-80
Set @: 7282'
With: 2140 sks
Hole Size: 7-7/8"
TOC: Surface
By: Circulation

A.H. Blinebry NCT-3 #7

Location:

760 FNL & 1980 FEL T-22S R-38E Sec 31
Unit Letter: B
Field: Brunson South
County: Lea
State: NM

Well Info:

Spud Date: 12/16/2008
API: 30-025-39215
Cost Center:
WBS#:
RefNO: LK2646
Lease:

Proposed Wellbore Diagram

Elevations:

KB: (22')
DF:
GL: 3344'

Surface Casing

Size: 8-5/8" 24# J-55
Set: @ 1234'
With: 222 sacks
Hole Size: 12-1/4"
TOC @ Surface
By: Circulation

Perfs:	Zone:	Status:
5433-5443	Blinebry	Proposed
5447-5450	Blinebry	Proposed
5461-5466	Blinebry	Proposed
5470-5480	Blinebry	Proposed

Perfs:	Zone:	Status:
6110-6118	Tubb	Proposed
6122-6128	Tubb	Proposed
6138-6144	Tubb	Proposed
6160-6170	Tubb	Proposed
6254-6264	Tubb	Proposed

Perfs:	Zone:	Status:
6333-6340	Drnkard-Abo	Proposed
6408-6413	Drnkard-Abo	Proposed
6469-6474	Drnkard-Abo	Proposed
6488-6498	Drnkard-Abo	Proposed
6744-6750	Drnkard-Abo	Proposed
6780-6786	Drnkard-Abo	Proposed
6810-6820	Drnkard-Abo	Proposed
6830-6838	Drnkard-Abo	Proposed
6865-6875	Drnkard-Abo	Proposed
6878-6886	Drnkard-Abo	Proposed
6920-6928	Drnkard-Abo	Proposed
7000-7006	Drnkard-Abo	Proposed
7012-7016	Drnkard-Abo	Proposed
7078-7086	Drnkard-Abo	Proposed
7096-7104	Drnkard-Abo	Proposed
7160-7170	Drnkard-Abo	Proposed
7214-7218	Drnkard-Abo	Proposed
7222-7230	Drnkard-Abo	Proposed
7274-7278	Drnkard-Abo	Proposed

Production Casing

Size: 5-1/2" 17# L-80
Set @: 7282'
With: 2140 sks
Hole Size: 7-7/8"
TOC: Surface
By: Circulation

Updated:

By: LGEK
PBD: 7300'
TD: 7300'

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 Eureka Field Office. Discuss w/ WEG Engineer, WO Reg. OS, ALS & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

