

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTRECEIVED
OCD-HOBBS
MAR 03 2011
HOBBSOCDFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other2. Name of Operator
CHEVRON U.S.A.3a. Address
15 Smith Road; Midland, Texas 797053b. Phone No. (include area code)
432-687-72614. Location of Well (Footage, Sec., T., R., M., or Survey Description)
N/2, NE/4 of Section 8, T22S, R37E, NMPM, Lea County, NM.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
L.E. GRIZZELL Leases9. API Well No.
PC-104410. Field and Pool, or Exploratory Area
Grg, Paddock, & DRK11. County or Parish, State
Lea County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Add to -PLC-59-B
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Chevron U.S.A., Inc. requests administrative approval to amend PLC-59-B to allow for the surface commingling of oil and water production from the L.E. Grizzell Lease and the C.P. Falby A & B Federal leases in the existing Falby A & B Commingled Battery. PLC-59-B granted authority to commingle production from the C. P. Falby A & B Federal leases, which consists of Penrose Skelly (Grayburg) (Oil - 50350) Pool, Eunice San Andres; SW (Oil - 24180) Pool, and Cary San Andres Gas (Gas - 96801) Pool production. The surface commingling of the L. E. Grizzell lease will add production from the Drinkard (Oil - 19190) and Paddock (Oil - 49210) Pools. The proposed new C. P. Falby wells, to be drilled later in 2011, will add Blinberry Oil & Gas (Oil - 6660) Pool production. Approval is requested to amend PLC-59-B to grant authority for the surface commingling of these additional pools into the existing C. P. Falby A & B Commingled Battery. Chevron is the operator with 100% working interest, in all three leases. The royalty interest owners are different, therefore notification was sent to the royalty owners, (list included with the attachments). Current plans are to produce the Grizzell wells into a 3-phase separator with meters for oil, water, and gas, in accordance with applicable provisions of the NMOCD's "Manual for the installation and Operation of Commingling Facilities, located on the L. E. Grizzell lease. The Grizzell gas will also be sold at this site. The Grizzell oil and water will be measured and then pumped to the C. P. Falby A & B Commingled Battery for processing. This commingling is necessary because the existing L. E. Grizzell Battery is in poor condition and the wells are too marginal to justify a battery upgrade. The nearby C. P. Falby A & B Commingled Battery can easily handle the fluid production from the L. E. Grizzell lease. The fluids to be commingled are compatible, and as shown on the attached table, the sales value of the crude oil will not be significantly affected.

L.E. GRIZZELL Lease is NOT Federal

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

CAROLYN HAYNIE

Title Petroleum Engineering Technical Assistant

Signature

Date

1-26-2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DENIED /s/ JD Whitlock Jr
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

LPET

Date

3/27/11

Office

CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

30-025-10099

30-025-26765

30-025-10100

30-025-10102

PETROLEUM ENGINEER

MAR 08 2011

CCH