

Request for Exception to Rule 303-A

Scarborough Estate #2
Blinebry and Tubb

- (A) Operator: Chevron U.S.A. Inc.
15 Smith Rd.
Midland, TX 79705
- (B) Lease and well number Scarborough Estate #2
1,880' FNL & 660' FEL
Section 31, T-22-S, R-38-E
Lea County, New Mexico
- Pools to be commingled Blinebry
Tubb
- (C) A plat of the area is attached.
- (D) A current C-116 is attached.
- (E) Decline curves are attached.
- (F) Bottom-hole pressure Blinebry - 420 psi
Tubb - 440 psi
- (G) The Blinebry and Tubb fluids are currently being surface commingled and several wells in the area are currently downhole commingled. There has been no evidence of compatability problems.
- (H) The fluids are commingled at the surface already; downhole commingling will not affect the price.
- (I) Production allocation
- | Producing Interval | Production | % Oil | % Gas |
|--------------------|-------------------|-------|-------|
| Blinebry | 2 bopd/ 24 mcfcpd | 100 | 47 |
| Drinkard | 0 bopd/ 27 mcfcpd | 0 | 53 |
- (J) All offset operators have been notified by copy of this letter.
- (K) In addition, all working interest and royalty interest ownership in both zones is the same.