

DATE 5/28/02	SUBMITTER 6/17/02	ENGINEER WJ	LOGGED IN W	TYPE PLC	APP NO. 215036826
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

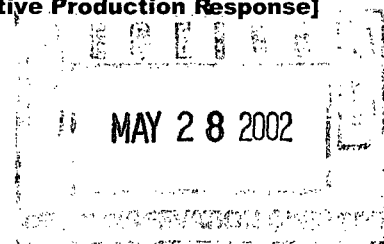
[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☒ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

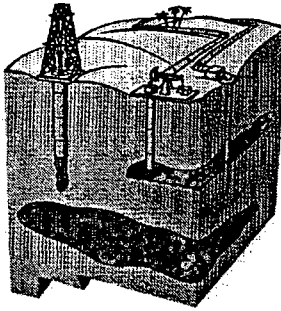
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

REGGIE HOLZER Reggie Holzer SR. FACIL. ENGR 5-23-02
 Print or Type Name Signature Title Date
Reggie.Holzer@ChevronTexaco.com
 e-mail Address



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. Saint Francis Drive
Santa Fe, NM 87505
(505) 476-3440 (OFFICE)
(505) 476-3471 (FAX)

PLEASE DELIVER THIS FAX :

TO: Reggie HOLZER - CHEVRON TEXACO
FROM: Will JONES - NMOC
SUBJECT: PLC T195/R37E LEA COUNTY
DATE: 5/30/02
PAGES: 2
(includes cover sheet)

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE
NUMBER ABOVE.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Mr Reggie Holzer
ChevronTexaco Exploration & Production Company
15 Smith Road
Midland, TX 79705

Date: May 30, 2002

Ref: Administrative Applications for Surface Pool Lease Commingling

This letter acknowledges the receipt of your administrative application dated May 23, 2002, for Pool Lease Commingling in the Baxter Culp 31 Well No. 5 and the Love 32 Well No. 3 located in Sections 31 and 32, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico. The division received your application May 28, 2002.

Our preliminary review indicates that the information provided is not sufficient to process this administrative order. The following information is necessary:

- 1) Even though your letter states that "royalty interest in these wells is the same", it appears that these are two different fee leases. Please provide this office with a list of all revenue interest owners with their respective percentages in each of these leases.
- 2) If ownership is not identical, please provide notice of your intent to commingle along with your method of allocating all products to all revenue and cost owners in the affected wells. Please provide to the Division proof of this notification in the form of a copy of the letter and list of all owners notified.

Since the submitted information is insufficient to review, the applications have been **ruled incomplete on May 30, 2002**. Please submit the above stated information by June 6th 2002.

Upon receipt of this data and after any required protest period is passed, the Division will continue to process your applications. The additional information can be faxed (505-476-3471), or mailed to the Division. If you have any questions, please contact me in Santa Fe, at 505-476-3448.

Sincerely,

William V Jones Jr PE

Permian Business Unit
North America Upstream
15 Smith Road
Midland, Texas 79705
Tel 915-687-7100
Fax 915-687-7666
ReggieHolzer@ChevronTexaco.com

Reggie Holzer
Facility Engineer

ChevronTexaco

May 23, 2002

NMOCD
1220 South St. Francis Drive
Santa Fe, NM 87505

Attention: Oil & Gas Regulatory Department

Re: Application to Pool (Surface) Commingle Gas, Oil, & Water Production

ChevronTexaco Exploration & Production Company, is requesting NMOCD approval to pool (surface) commingle oil, gas, and water production from the Baxter Culp 31 # 5, in the Blinebry Oil, and the Love 32 # 3 in the Monument-Tubb.

ChevronTexaco Exploration & Production Company, formerly Chevron USA, Production Co., Inc., respectfully requests approval to pool (surface) commingle production from these wells. The Baxter Culp 31 # 5 well is located in Section 31, T19S-R37E, Unit Letter P and the Love 32 # 3 well is located in Section 32, T19S-R37E, Unit Letter O. The Baxter Culp 31 # 5 is currently producing from the Blinebry Oil pool # 6660 and the Love 32 # 3 is currently producing in the Monument-Tubb pool # 47090. The gravity of the oil produced from both the Baxter Culp 31 # 5 and the Love 32 # 3 is 34.8° API @ 60 degrees.

ChevronTexaco is the operator of these wells with a 100% ownership. The royalty interest in these wells is the same.

Current daily well tests are:

30-025-35692
35694

Well Name	Gas, MCFD	OIL, BOPD	Water, BWPD
Baxter Culp 31 # 5	32	18	32
Love 32 # 3	20	33	40

Gas, and oil, production will be allocated to both of these wells with the use of a metering separator located at the Love 32 Commingled Battery and will be installed in accordance with applicable provisions of the NMOCD's "Manual for the Installation and Operation of Commingling Facilities. Commingling will not reduce the actual commercial value of gas or oil sold from each lease. Permission to commingle the wells would eliminate the need for separate production facilities at the Baxter Culp 31 and the love 32, resulting in substantially lower operating costs to ChevronTexaco and will extend the economic life of the wells.

If you have any questions or concerns, please feel free to contact me at 915-687-7182.

Sincerely,



Reggie Holzer
Sr. Facilities Engineer

