

DATE IN 4-25-05	SUSPENSE 04/25/2005	ENGINEER Catanach	LOGGED IN 4-26-05	TYPE PLC	APP NO. Psema0511633615
--------------------	------------------------	----------------------	----------------------	-------------	----------------------------

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.

DENISE PINKERTON	<i>Denise Pinkerton</i>	Regulatory Specialist	4-20-05
Print or Type Name	Signature	Title	Date
		LeaKejd@chevronTXACO.com	
		e-mail Address	

2005 APR 25 AM 11 54

*Chevron U.S.A. Inc.
15 Smith Road
Midland, TX 79705*

ChevronTexaco

April 20, 2005

*Application to amend Commingling Order PLC-59
C.P. Falby A Well #1 in the Penrose Skelly Grayburg
C.P. Falby A Well #3 in the Eunice San Andres SW
C.P. Falby A Well #4 in the Eunice San Andres SW
C.P. Falby B Well #4 in the Cary San Andres
Lea County, New Mexico*

*New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504*

Dear Sirs:

Chevron U.S.A. Inc. is requesting administrative approval from the New Mexico Oil Conservation Division for an amendment to Commingling Order PLC-59 to add Penrose Skelly Grayburg production from the C.P. Falby A #1 well, and Cary San Andres production from the C.P. Falby B #4 well. The battery location where commingling will be collected is Unit Letter K, Section 8, T-22S, & R-37E.

Production will continue to be allocated to each lease by well tests. Each well will continue to be tested for a minimum of twenty-four hours at least once per month through a two phase test separator. All the working interest ownership on these wells/leases is 100% Chevron owned. The Bureau of Land Management, as royalty owner has been notified by certified mail.

Attached in support of this request is a table showing oil production volumes, API gravities, sulfur analysis, and monetary values for each of the wells proposed for commingling, a proposed schematic diagram for the subject facility, well tests for each well involved, and a lease plat. Commingling will not reduce the actual commercial value of oil or condensate sold from the leases.

If you have any questions concerning this application, or need additional information, please contact me at (432) 687-7375, or e-mail me at leakejd@chevrontexaco.com.

Sincerely,


**Denise Pinkerton
Regulatory Specialist
Chevron U.S.A. Inc.
Midland, TX 79705**



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

AMENDED COMMINGLING ORDER PLC-59

Texaco Exploration & Production, Inc.
P.O. Box 730
Hobbs, New Mexico 88241-0730

Attention: Mr. Greg Maes

The above-named company is hereby authorized to commingle Southwest Eunice San Andres (24180), Blinebry Oil & Gas (6660) and Drinkard (19190) Pool production from the following leases:

Lease: C.P. Falby 'A' Federal Lease (LC-033706-A)
Description: NW/4, and;

Lease: C.P. Falby 'B' Federal Lease (LC-033706-B)
Description: SW/4, and;

both in Section 8, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

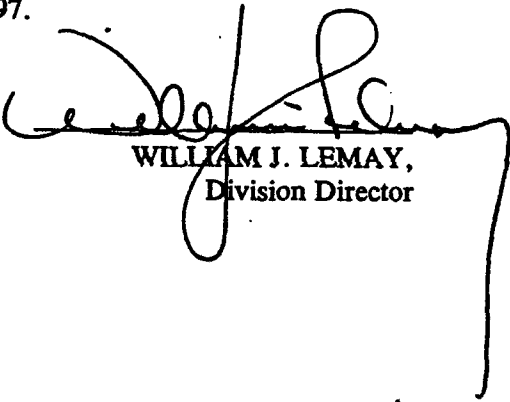
Production shall be allocated to each lease by well tests. (If this method is to be authorized, all commingled production must be of identical ownership including working interest, royalty interest, and overriding royalty interest.)

FURTHER: The operator shall notify the Artesia District Office of the Division upon implementation of the commingling process.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production from the aforementioned leases shall be stored in the Falby A & B Consolidated tank battery facility located in Unit Letter 'K' of Section 8, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 24th day of September, 1997.


WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Hobbs
Bureau of Land Management - Carlsbad

Proposed Amendment of Surface
 Commingle Order PLC-59
 CP Falby A & B Consolidated Commingled Battery
 Section 8, T22S, R37E
 Lea County, New Mexico

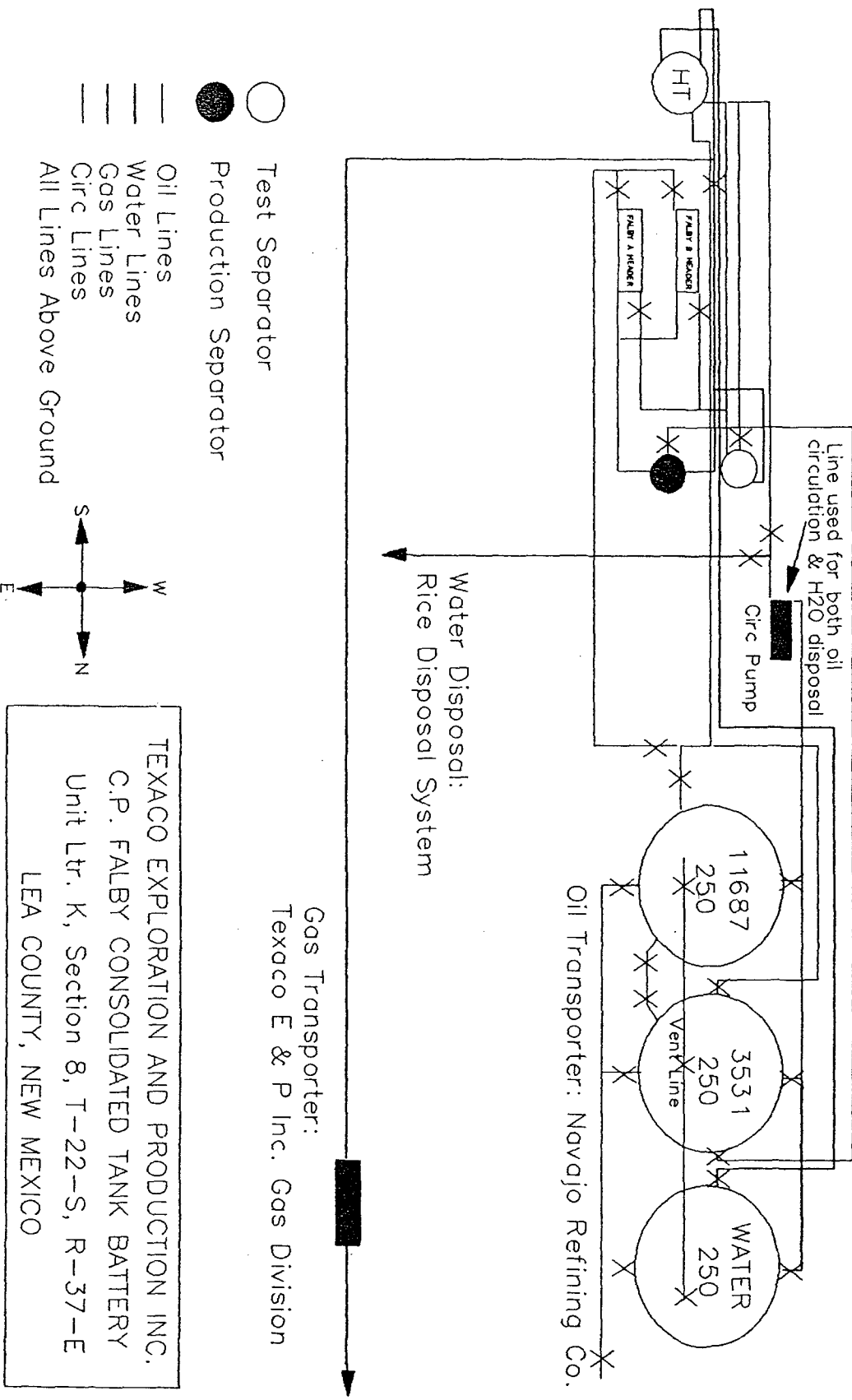
Falby A & B Battery, Commingled And Grayburg Battery Maintained Separate

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks
Cary, San Andres	Falby B #4	0	33.8	\$ 36.34	\$ -	Gravity of San Andres oil from offset
Eunice San Andres SW	Falby A #4	1	33.8	\$ 36.34	\$ 36.34	Gravity of San Andres oil from offset
Eunice San Andres SW	Falby A #3	1	33.8	\$ 36.34	\$ 36.34	Gravity of San Andres oil from offset
Penrose Skelly, Grayburg	Falby A #1	8	31.2	\$ 34.97	\$ -	Battery upgrade uneconomic - well SI
					<u>\$ 72.68</u>	

Production From all CP Falby A & B Wells Commingled into CP Falby Consolidated Commingled Battery

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks
Cary, San Andres	Falby B #4	0	31.0	\$ 37.10	\$ -	Gravity of commingled oil
Eunice San Andres SW	Falby A #4	1	31.0	\$ 37.10	\$ 37.10	Gravity of commingled oil
Eunice San Andres SW	Falby A #3	1	31.0	\$ 37.10	\$ 37.10	Gravity of commingled oil
Penrose Skelly, Grayburg	Falby A #1	8	31.0	\$ 37.10	\$ 296.80	Gravity of commingled oil
					<u>\$ 371.00</u>	

LEASE	WELL	API	POOL	POOL CODE	UNIT	SEC	TNSP	RGE	LOCATION	COUNTY	FORMATION	STATUS	MD
C.P.FALBY A	1	30-025-10117	GRAYBURG	50350	C	8	22-S	37E	660'N,1980'W	LEA	GRAYBURG	PROD	6450'
C.P. FALBY A	3	30-025-10118	SAN ANDRES	24180	F	8	22-S	37E	1980'N,1980'W	LEA	SAN ANDRES	PROD	6558'
C.P. FALBY A	4	30-025-10120	SAN ANDRES	24180	E	8	22-S	37E	1980'N,660'W	LEA	SAN ANDRES	PROD	6555'
C.P. FALBY B	4	30-025-10106	SAN ANDRES	96801	L	8	22-S	37E	1980'S,660'W	LEA	SAN ANDRES	PROD	6550'



WELL TEST REPORT

Lease: **FALBY C P 'A' FEDERAL**

Field: **FLD-PENROSE SKELLY**

Township: **S022**

Well: **1**

Field Code: **U49**

Range: **E037**

Wellbore: **427994**

Lease Code: **3900**

Section: **8**

API No: **3002510117**

Chevno: **FB1122**

TD: **6570**

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	BTFPD
3/21/05	8	1018	113	125	14,093	0.8	03	PS			1026
3/20/05	8	1008	109	125	13,603	0.8	03	PS			1016
3/19/05	8	987	106	125	13,235	0.8	03	PS			995
12/9/04	8	781	158	125	19,730	1.0	03	PS			789
12/8/04	5	746	156	125	31,176	0.7	03	PS			751
11/22/04	9	769	153	125	16,993	1.2	03	PS			778
11/21/04	7	763	154	125	21,989	0.9	03	PS			770
11/1/04	9	846	118	125	13,071	1.1	03	PS			855
10/31/04	10	877	121	125	12,059	1.1	03	PS			887
10/30/04	7	665	92	125	13,164	1.0	03	PS			672
10/29/04	8	803	109	125	13,603	1.0	03	PS			811
10/14/04	10	865	125	125	12,549	1.1	03	PS			875
9/9/04	0	0	0	125	#DIV/0!	#DIV/0!	03	PS			0
7/23/04	12	885	181	125	15,114	1.3	03	PS			897
6/20/04	13	880	176	125	13,575	1.5	03	PS			893
5/28/04	0	0	0	125	#DIV/0!	#DIV/0!	03	PS			0
5/26/04	2	929	192	125	87,341	0.2	03	PS			931
5/12/04	13	997	250	125	19,230	1.3	03	PS			1010
5/11/04	13	1016	196	125	15,082	1.3	03	PS			1029
5/10/04	12	1015	196	125	16,339	1.2	03	PS			1027
5/9/04	13	1036	198	125	15,233	1.2	03	PS			1049
5/8/04	13	1059	194	125	14,932	1.2	03	PS			1072
5/7/04	13	1057	190	125	14,630	1.2	03	PS			1070
5/6/04	17	1091	117	125	6,862	1.5	03	PS			1108
5/5/04	16	1133	171	125	10,661	1.4	03	PS			1149
5/4/04	16	1127	159	125	9,926	1.4	03	PS			1143
5/3/04	17	1163	155	130	9,112	1.4	03	PS			1180
5/2/04	20	1177	149	130	7,451	1.7	03	PS			1197
5/1/04	13	1191	162	130	12,443	1.1	03	PS			1204
4/30/04	19	1185	172	130	9,029	1.6	03	PS			1204
4/29/04	16	1223	181	130	11,336	1.3	03	PS			1239
4/28/04	14	1258	116	130	8,263	1.1	03	PS			1272
4/26/04	10	1346	108	130	10,573	0.8	03	PS			1356
4/25/04	1	1325	110	130	84,084	0.1	03	PS			1327
4/23/04	10	1028	118	150	11,312	1.0	03	PS			1038
4/22/04	12	1240	196	150	16,339	1.0	03	PS			1252
4/21/04	9	1280	196	150	21,786	0.7	03	PS			1289
4/20/04	6	1290	172	150	30,636	0.4	03	PS			1296
4/19/04	4	1312	196	150	49,018	0.3	03	PS			1316
4/18/04	0	1307	183	170	#DIV/0!	0.0	03	PS			1307
3/28/04	10	974	242	150	23,519	1.0	03	PS			984
3/26/04	17	971	270	150	15,859	1.7	03	PS			988
3/25/04	17	1009	274	150	16,089	1.7	03	PS			1026
3/24/04	15	1003	272	165	18,104	1.5	03	PS			1018
3/23/04	17	1019	275	165	16,205	1.6	03	PS			1036
3/21/04	16	1013	278	165	17,401	1.6	03	PS			1029
3/20/04	16	1015	284	165	17,769	1.6	03	PS			1031
3/19/04	16	1016	286	165	17,892	1.6	03	PS			1032

WELL TEST REPORT

Lease: **FALBY, C. P. -A- FED**

Field: **EUNICE, SOUTHWEST**

Reservoir: **SAN ANDRES**

Well: **3**

Field Code: **LB1**

Resv Code: **000009011**

Unique Code: **UCLB10300**

Battery: **FALBY A**

Wellbore: **427995**

API No: **300251011800**

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fld Lvl Date	BTFFPD
4/2/05	0	0	46	100	#DIV/0!	#####	02	FL			3/20/03	0
4/1/05	0	0	42	100	#DIV/0!	#####	02	FL			3/20/03	0
3/23/05	0	55	82	100	820000	0.2	02	FL			3/20/03	55
3/12/05	0	3	42	100	#DIV/0!	0.0	02	FL			3/20/03	3
3/6/05	0	2	43	100	#DIV/0!	0.0	02	FL			3/20/03	2
3/6/05	0	2	43	100	#DIV/0!	0.0	02	FL			3/20/03	2
3/4/05	0	0	40	100	#DIV/0!	#####	02	FL			3/20/03	0
3/4/05	0	0	40	100	#DIV/0!	#####	02	FL			3/20/03	0
2/28/05	0	65	115	100	#DIV/0!	0.0	02	FL			3/20/03	65
2/7/05	1	128	99	100	198000	0.4	02	FL			3/20/03	129
1/31/05	1	157	120	100	150000	0.5	02	FL			3/20/03	158
1/28/05	1	153	111	100	138750	0.5	02	FL			3/20/03	154
1/20/05	1	156	117	100	117000	0.6	02	FL			3/20/03	157
1/13/05	1	165	114	100	114000	0.6	02	FL			3/20/03	166
1/13/05	1	165	114	100	114000	0.6	02	FL			3/20/03	166
1/9/05	1	138	115	100	115000	0.7	02	FL			3/20/03	139
12/17/04	0	101	119	100	595000	0.2	02	FL			3/20/03	101
12/15/04	1	102	87	100	87000	1.0	02	FL			3/20/03	103
12/4/04	1	161	137	100	137000	0.6	02	FL			3/20/03	162
12/4/04	1	161	137	100	137000	0.6	02	FL			3/20/03	162
11/18/04	2	174	163	100	108667	0.9	02	FL			3/20/03	176
11/17/04	1	143	130	100	130000	0.7	02	FL			3/20/03	144
11/14/04	1	137	125	100	125000	0.7	02	FL			3/20/03	138
11/13/04	2	155	140	100	70000	1.3	02	FL			3/20/03	157
11/12/04	1	165	155	100	155000	0.6	02	FL			3/20/03	166
11/9/04	1	156	47	100	47000	0.6	02	FL			3/20/03	157
10/24/04	2	160	80	100	47059	1.1	02	FL			3/20/03	162
10/21/04	2	180	94	100	62667	0.8	02	FL			3/20/03	182
10/19/04	2	160	84	100	56000	0.9	02	FL			3/20/03	162
10/18/04	2	174	92	100	46000	1.1	02	FL			3/20/03	176
10/17/04	1	166	89	100	89000	0.6	02	FL			3/20/03	167
10/9/04	2	184	114	100	76000	0.8	02	FL			3/20/03	186
10/2/04	2	118	119	100	59500	1.7	02	FL			3/20/03	120
10/1/04	2	205	135	100	67500	1.0	02	FL			3/20/03	207
9/30/04	5	168	111	100	22200	2.9	02	FL			3/20/03	173
8/29/04	3	212	208	100	83200	1.2	02	FL			3/20/03	215
8/26/04	3	228	221	100	73667	1.3	02	FL			3/20/03	231
8/25/04	2	176	170	100	73913	1.3	02	FL			3/20/03	178
8/24/04	3	247	243	100	81000	1.2	02	FL			3/20/03	250
8/23/04	3	206	198	100	76154	1.2	02	FL			3/20/03	209
7/5/04	3	219	170	100	56667	1.4	02	FL			3/20/03	222
6/18/04	2	215	175	100	87500	0.9	02	FL			3/20/03	217
5/14/04	2	235	175	100	87500	0.8	02	FL			3/20/03	237
4/3/04	2	250	170	100	85000	0.8	02	FL			3/20/03	252
3/10/04	2	200	140	100	70000	1.0	02	FL			3/20/03	202
2/20/04	2	220	170	100	85000	0.9	02	FL			3/20/03	222
1/15/04	1	215	160	100	160000	0.5	02	FL			3/20/03	216
12/6/03	1	200	135	100	135000	0.5	02	FL			3/20/03	201
11/3/03	1	220	155	100	155000	0.5	02	FL			3/20/03	221
9/7/03	1	220	145	100	145000	0.5	02	FL			3/20/03	221
8/26/03	1	215	150	100	150000	0.5	02	FL			3/20/03	216

WELL TEST REPORT									
Lease: FALBY, C. P. -A- FED		Field: EUNICE, SOUTHWEST			Reservoir: SAN ANDRES				
Well: 4		Field Code: LB1			Resv Code: 0000009011				
		Unique Code: UCLB10300			Battery: FALBY A				
		Wellbore: 427996			API No: 300251012000				

[illegible]

WELL TEST REPORT

Lease: **FALBY, C. P. -B- FED**

Field: **CARY**

Reservoir: **SAN ANDRES**

Well: **4**

Field Code: **PI5**

Resv Code: **000009011**

Unique Code: **UCPI51000**

Battery: **FALBY B**

Wellbore: **427993**

API No: **300251010600**

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fld Lvl Date	BTFPD
	0	0	0	150			02	PR		3138	9/8/04	
	0	0	0	150			02	PR		3886	3/20/04	
	0	0	0	150			02	PR		3541	11/9/03	
	0	0	0	150			02	PR		2733	12/7/02	
	0	0	0	150			02	PR		4100	2/12/03	
10/26/04	0	93	0	150	#DIV/0!	0.0	02	PR		3138	9/8/04	93
10/25/04	0	57	0	150	#DIV/0!	0.0	02	PR		3138	9/8/04	57
10/3/04	0	185	0	150	#DIV/0!	0.0	02	PR		3138	9/8/04	185
9/21/04	0	80	0	150	#DIV/0!	0.0	02	PR		3138	9/8/04	80
9/20/04	0	77	0	150	#DIV/0!	0.0	02	PR		3138	9/8/04	77
9/18/04	0	143	108	150	#DIV/0!	0.0	02	PR		3138	9/8/04	143
9/13/04	0	132	0	150	#DIV/0!	0.0	02	PR		3138	9/8/04	132
9/11/04	1	137	0	150	0	0.4	02	PR		3138	9/8/04	138
9/10/04	0	119	0	150	#DIV/0!	0.0	02	PR		3138	9/8/04	119
9/8/04	1	138	0	150	0	0.4	02	PR		3716	5/19/04	139
9/8/04	0	125	0	150	#DIV/0!	0.0	02	PR		3716	5/19/04	125
9/7/04	0	130	0	150	#DIV/0!	0.0	02	PR		3716	5/19/04	130
9/6/04	0	123	0	150	#DIV/0!	0.0	02	PR		3716	5/19/04	123
6/5/04	1	65	100	150	100000	1.5	02	PR		3716	5/19/04	66
5/19/04	1	75	100	150	100000	1.3	02	PR		3716	5/19/04	76
4/12/04	1	65	105	150	105000	1.5	02	PR		3886	3/20/04	66
3/20/04	1	45	100	150	100000	2.2	02	PR		3258	3/20/04	46
2/24/04	1	45	125	150	125000	2.2	02	PR		4012	1/12/04	46
1/12/04	1	43	120	150	120000	2.3	02	PR		4012	1/12/04	44
12/12/03	1	45	120	150	120000	2.2	02	PR		3541	11/9/03	46
11/9/03	1	45	125	150	125000	2.2	02	PR		3502	9/21/03	46
9/21/03	1	50	115	150	115000	2.0	02	PR		3502	9/21/03	51
8/15/03	1	50	105	150	105000	2.0	02	PR		3200	7/15/03	51
7/15/03	1	50	105	150	105000	2.0	02	PR		3200	7/15/03	51
6/20/03	1	55	105	150	105000	1.8	02	PR		3510	5/20/03	56
5/20/03	1	60	105	150	105000	1.6	02	PR		3510	5/20/03	61
4/20/03	1	70	100	150	100000	1.4	02	PR		3653	4/20/03	71
3/20/03	1	70	105	150	105000	1.4	02	PR		4100	2/12/03	71
2/16/03	1	60	110	150	110000	1.6	02	PR		2733	12/7/02	61
1/16/03	1	70	110	150	220000	0.7	02	PR		2733	12/7/02	71
12/6/02	0	84	146	150	487667	0.4	02	PR		2733	12/7/02	85
12/6/02	0	84	146	150	487667	0.4	02	PR		2733	12/7/02	85
11/27/02	1	30	100	150	100000	3.2	02	PR		1318	11/11/02	31
11/11/02	1	30	255	150	510800	1.6	02	PR	1000 GAL DUMP ACID - 11-05-02	1318	11/11/02	30
11/11/02	1	30	255	150	510800	1.6	02	PR	1000 GAL DUMP ACID - 11-05-02	1318	11/11/02	30
11/11/02	1	30	255	150	510800	1.6	02	PR	1000 GAL DUMP ACID - 11-05-02	1318	11/11/02	30
11/11/02	1	30	255	150	510800	1.6	02	PR	1000 GAL DUMP ACID - 11-05-02	1318	11/11/02	30
11/11/02	1	30	255	150	510800	1.6	02	PR	1000 GAL DUMP ACID - 11-05-02	1318	11/11/02	30
11/11/02	1	30	255	150	510800	1.6	02	PR	1000 GAL DUMP ACID - 11-05-02	1318	11/11/02	30
11/11/02	1	30	255	150	510800	1.6	02	PR	1000 GAL DUMP ACID - 11-05-02	1318	11/11/02	30

