NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Administrative Order DHC-3757-A

Chevron USA Inc.
15 Smith Road
Midland, TX 79705

Attention: Keith Lopez

HT Orcutt E Well No. 3
API No. 30-025-34209
Unit E, Section 2, Township 20 South, Range 37 East, NMPM,
Lea County, New Mexico
Undesignated Monument; Paddock (47080),
NW Skaggs-Glorieta (97203) and
Weir-Blinebry (63780) Pools

Dear Mr. Lopez:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The allocation percentages or method of allocation shall be supplied to the Division within 60 days of completion of this workover.

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on November 14, 2006.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Hobbs
State Land Office – Oil, Gas, and Minerals Division