

Chevron U.S.A. Production Company
Carolyn J. Haynie
New Mexico Waterflood
Technical Assistant
15 Smith Road
Midland, TX 79705

ChevronTexaco

September 5, 2002

Commissioner of Public Lands,
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504

Re: Downhole Commingle Request
New Mexico "EA" State #2
Unit A, Section 24, T18S, R37E
Lea County, New Mexico

Dear Mr. Martinez,

ChevronTexaco Exploration & Production Company, a division of Chevron U.S.A. Inc., requests approval from the Commissioner of Public Lands, State of New Mexico, to downhole commingle the production from Drinkard, Abo, and Tubb reservoirs for the New Mexico "EA" State well # 2. The NM "EA" State # 2 well is being drilled, therefore, actual production data is currently unavailable. ChevronTexaco is requesting approval based on data from the New Mexico EA State #1, which was drilled and completed December of 2001.

Attached in support is a complete package of the NMOCD downhole commingle request for the well #2, and a copy of the Administrative Order DHC-2963-A for well #1, a lease plat., and the Commissioner of Public Lands, State of New Mexico, commingling filing fee, in the amount of \$30.00.

If you have any questions concerning this application, or need additional information, please contact me, at (915) 687-7384.

Sincerely,



Carolyn J. Haynie
New Mexico Waterflood
PE Technical Assistant

CC: NMOCD Santa Fe, NM
Mike Howell
Reggie Holzer
Kent Coggan
Nathan Mouser
Karen Jackson
Central Files



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DIIC-2963-A

ChevronTexaco, Inc.
15 Smith Road
Midland, Texas 79705

Attention: Ms. Denise Leake

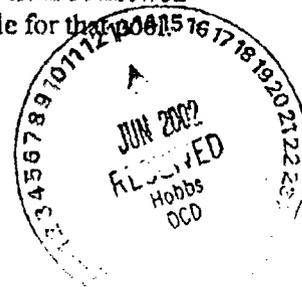
NM "EA" State Well No. 1
API No. 30-025-34788
Unit A, Section 24, Township 18 South, Range 37 East, NMPM,
Lea County, New Mexico.
Wildcat-Tubb (Oil).
Wildcat-Drinkard (Oil), and
Wildcat-Abo (Oil) Pools

Dear Ms. Leake:

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 and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that



ChevronTexaco

New Mexico Area
15 Smith Road
Midland, TX 79705
Fax: 915-687-7557

Fax

To: Will Jones FAX: 1-505-476-3471
NM OED - Santa Fe

FROM: CAROLYN Haynie FAX: 1-915-687-7557

Phone: 915 687-7384 Pages: 4 (including cover sheet)

Re:

CC:

•Comments:

Additional
Information for the

New Mexico "EA" State #2 Downhole
Commingle