

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



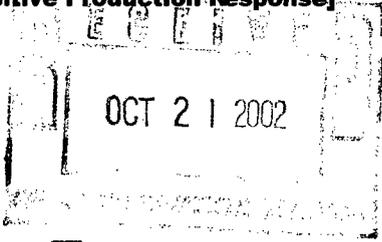
ADMINISTRATIVE APPLICATION CHECKLIST

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 Denise Pinkerton Regulatory Specialist 10-16-02
 Print or Type Name Signature Title Date
LEAKEJD@chevron-texaco.com
 e-mail Address

October 14, 2002

New Mexico Oil Conservation Division
Attention: Mr. David Catanach
1220 South St. Francis Drive
Santa Fe, NM 87504

RE: Hardin #1
Surface Hole Location: 660' FNL, & 660' FWL
Unit Letter D, Section 19, T-18-S, R-38-E
Lea County, New Mexico
New Drilling Well (No API Number)

Chevron U.S.A. Inc. respectfully requests approval of the attached "Application for Downhole Commingling" to commingle the Drinkard, Abo, and Tubb formations in the subject well. Chevron U.S.A. is asking approval based on data from New Mexico "EA" State No. 2 which was drilled and completed in September, 2002. After completion of the drilling of the subject well, a production log will be run to determine which zone the fluid is coming from.

Allocation of production from the Hardin #1 will be based on data from the NM EA State #2 well and is as follows:

<i>Drinkard Pool</i>	<i>Oil</i>	<i>29%</i>	<i>Gas 94%</i>
<i>Abo Pool</i>	<i>Oil</i>	<i>70%</i>	<i>Gas 5%</i>
<i>Tubb Pool</i>	<i>Oil</i>	<i>1%</i>	<i>Gas 1%</i>

The production from the three zones will be of similar character so that commingling will not reduce the value of the total production. Ownership in all three formations to be commingled is identical.

Attached are plats for the Wildcat Drinkard, Wildcat Abo, & Wildcat Tubb formations.

Questions may be directed to Kent Coggan at (915) 687-7143, Tim Denny at (915) 687-7343, or Denise Leake at (915) 687-7375.

Yours very truly,



*J. Denise Pinkerton
Regulatory Specialist*

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Chevron U.S.A. Inc. Address: 15 Smith Road, MIDLAND, TX. 79705
Lease: HARDIN #1 Well No. D, 19, 18-S, 38-E County: Lea
OGRID No. 4323 Property Code _____ API No. _____ Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	WILDCAT TUBB	WILDCAT DRINKARD	WILDCAT ABO
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	OPEN HOLE FROM	6700' - 7500'	
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New	New	New
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: 1% Gas: 1%	Oil: 29% Gas: 94%	Oil: 70% Gas: 5%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No _____
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes _____ No _____
Are all produced fluids from all commingled zones compatible with each other? Yes No _____
Will commingling decrease the value of production? Yes _____ No
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No _____
NMOCD Reference Case No. applicable to this well: _____

Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE Denise Pinkerton TITLE Regulatory Specialist DATE 10-14 '02
TYPE OR PRINT NAME Denise Pinkerton TELEPHONE NO. (915) 687-7375

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-101
Revised February 10, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copie
Fee Lease - 5 Copie
 AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address CHEVRON USA INC 15 SMITH ROAD, MIDLAND, TX 79705		² OGRID Number 4323
		³ API Number
⁴ Property Code	⁵ Property Name HARDIN	⁶ Well No. 1

⁷ Surface Location

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
D	19	18-S	38-E		660'	NORTH	660'	WEST	LEA

⁸ Proposed Bottom Hole Location If Different From Surface

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
⁹ Proposed Pool 1 WILDCAT TUBB, DRINKARD, ABO					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² WellType Code O	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3662'
¹⁶ Multiple No	¹⁷ Proposed Depth 7500'	¹⁸ Formation SEE ABOVE	¹⁹ Contractor	²⁰ Spud Date 11/1/2002

²¹ Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	48#	430'	450 SX	CIRCULATED
12 1/4"	9 5/8"	36#	2850'	1200 SX	CIRCULATED
8 5/8"	7"	23"	6700'	1150 SX	CIRCULATED
6 1/4"	O.H.		7500'		

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

CEMENTING PROGRAM:

SURFACE CASING: 450 SX CLASS C W/2% CACL2 (14.8 WT PPG, 1.34 CMT YIELD)
INTERMEDIATE CASING: LEAD IN W/890 SX CLASS H 35/65 POZ W/6% GEL, 5% SALT, & 1/4# CELL (12.8 WT PPG, 1.94 CMT YIELD)
TAIL IN W/310 SX CLASS H (15.6 WT PPG, 1.18 CMT YIELD)
PRODUCTION CASING: LEAD IN W/900 SX CLASS H 35/65 POZ W/6% GEL, 5% SALT, 1/4# CELL (12.4 WT PPG, 2.14 CMT YIELD)
TAIL IN W/250 SX CLASS H 50/50 POZ W/2% GEL, 5% SALT, & 1/4# CELL (14.2 WT PPG, 1.35 CMT YIELD)

O.H. CSG SET @ 7500'

PLEASE HOLD LOGS CONFIDENTIAL FOR 90 DAYS

DOWNHOLE COMMINGLE IS BEING REQUESTED THROUGH SANTA FE, NM.

²³ I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature *Denise Leake*

Printed Name Denise Leake

Title Regulatory Specialist

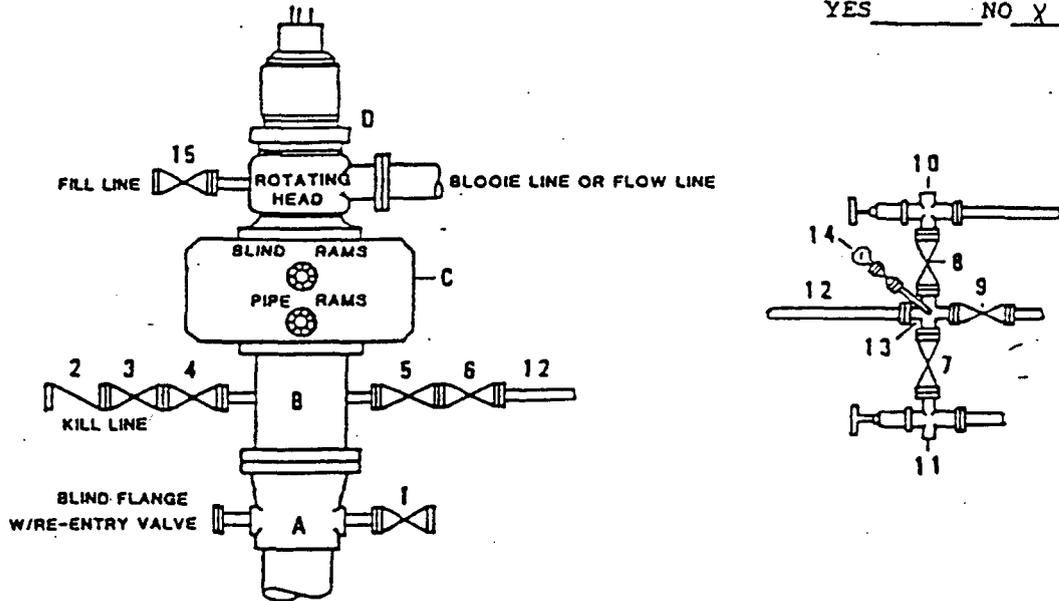
Date 10/14/2002

Telephone 915-687-7375

OIL CONSERVATION DIVISION	
Approved By:	
Title:	
Approval Date:	Expiration Date:
Conditions of Approval: Attached <input type="checkbox"/>	

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H₂S TRIM REQUIRED
YES _____ NO X



DRILLING CONTROL
MATERIAL LIST - CONDITION II - B

- A Texaco Wellhead
- B 3000# W.P. drilling spool with a 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line.
- C 3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where sub-structure height is adequate, 2 - 3000# W.P. single ram type preventers may be utilized).
- D Rotating Head with fill up outlet and extended Blooie Line.
- 1,3,4, 7,8. 2" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 2 2" minimum 3000# W.P. back pressure valve.
- 5,6,9 3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 12 3" minimum schedule 80, Grade "B", seamless line pipe.
- 13 2" minimum x 3" minimum 3000# W.P. flanged cross.
- 10,11 2" minimum 3000# W.P. adjustable choke bodies.
- 14 Cameron Mud Gauge or equivalent (location optional in choke line).
- 15 2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.



TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



SCALE:	DATE	EST. NO.	DRG. NO.
DRAWN BY:			
CHECKED BY:			
APPROVED BY:			

EXHIBIT C

DISTRICT I
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease-4 copies
Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

¹ API Number		² Pool Code		³ Pool Name WILDCAT TUBB					
⁴ Property Code		⁵ Property Name Hardin						⁶ Well Number 1	
⁷ OGRID No. 22351 4323		⁸ Operator Name Chevron USA, Inc.						⁹ Elevation 3662'	
¹⁰ Surface Location									
UL or lot no. D	Section 19	Township 18-S	Range 38-E	Lot Idn	Feet from the 660'	North/South line North	Feet from the West	East/West line 660'	County Lea
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 37.62		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.

	¹⁶ OPERATOR CERTIFICATION
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
	Signature <i>Ted Tipton</i>
	Printed Name Ted Tipton
	Position Manager of Drilling Department
	Company Chevron USA, Inc.
	Date October 9, 2002
	¹⁸ SURVEYOR CERTIFICATION
	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.
	Date Surveyed October 7, 2002
Signature & Seal of Professional Surveyor <i>John S. Piper</i>	
Certificate No. 7254 John S. Piper	
Sheet 1 of 1	

○ = Staked Location • = Producing Well ⊕ = Injection Well ∨ = Water Supply Well ⊛ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing	634249.17 (1927=634189.557)	Easting	891639.577 (1927=850460.124)
Latitude	32°44'18.280" (1927=32°44'17.878")	Longitude 103°11'38.723" (1927=103°11'36.966")	
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983/93	0.99987348	NM_AE_ST.CR5
Drawing File	Hardin_1.Dwg	Field Book	Lea #23, Pg. 8

DISTRICT I
P. O. Box 1980, Hobbs, NM 88240

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P. O. Drawer DD, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec, NM 87410

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Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994

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Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

¹ API Number		² Pool Code		WILDCAT Hobbs, Drinkard		³ Pool Name			
⁴ Property Code		⁵ Property Name Hardin				⁶ Well Number 1			
⁷ GRID No. 4325		⁸ Operator Name Chevron USA, Inc.				⁹ Elevation 3662'			
¹⁰ Surface Location									
UL or lot no. D	Section 19	Township 18-S	Range 38-E	Lot ldn	Feet from the 660'	North/South line North	Feet from the West	East/West line 660'	County Lea
¹¹ Bottom Hole Location if Different From Surface									
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 37.62		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Ted Tipton*

Printed Name: Ted Tipton

Position: Manager of Drilling Department

Company: Chevron USA, Inc.

Date: October 9, 2002

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: October 7, 2002

Signature & Seal of Professional Surveyor: *John S. Piper*

Certificate No.: 7254 John S. Piper

Sheet 1 of 1

○ = Staked Location • = Producing Well ● = Injection Well ◊ = Water Supply Well ⊙ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

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Northing	634249.17 (1927=634189.557)	Easting	891639.577 (1927=850460.124)
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Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983/93	0.99987348	NM_AE_ST.CR5
Drawing File	Field Book		
Hardin_1.Dwg	Lea #23, Pg. 8		

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Santa Fe, NM 87504-2088

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name <i>WILDCAT ABO</i>					
⁴ Property Code		⁵ Property Name Hardin						⁶ Well Number 1	
⁷ OGRID No. <i>2235T 4323</i>		⁸ Operator Name Chevron USA, Inc.						⁹ Elevation 3662'	
¹⁰ Surface Location									
UL or lot no. D	Section 19	Township 18-S	Range 38-E	Lot Idn	Feet from the 660'	North/South line North	Feet from the West	East/West line 660'	⁷ County Lea
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.

	<p>¹⁰ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>Ted Tipton</i></p> <p>Printed Name: Ted Tipton</p> <p>Position: Manager of Drilling Department</p> <p>Company: Chevron USA, Inc.</p> <p>Date: October 9, 2002</p>
	<p>¹⁶ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed: October 7, 2002</p> <p>Signature & Seal of Professional Surveyor: <i>John S. Piper</i></p> <p>Certificate No.: 7254 John S. Piper</p>
<p>Scale: 0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0</p>	

○ = Staked Location • = Producing Well ⊙ = Injection Well ◊ = Water Supply Well ⊛ = Plugged & Abandon Well
 ⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

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Drawing File	Hardin_1.Dwg	Field Book	Lea #23, Pg. 8