

|                   |                  |                      |                     |          |                        |
|-------------------|------------------|----------------------|---------------------|----------|------------------------|
| DATE IN 22 Feb 07 | SUSPENSE 3/14/07 | ENGINEER D. Catafano | LOGGED IN 26 Feb 07 | TYPE PLL | APP NO. pCLP0705447465 |
|-------------------|------------------|----------------------|---------------------|----------|------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

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



**RECEIVED**

FEB 22 2007

**ADMINISTRATIVE APPLICATION CHECKLIST**

Oil Conservation Division  
 1220 S. St. Francis Drive  
 Santa Fe, NM 87505

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.

|                       |                       |                         |                |
|-----------------------|-----------------------|-------------------------|----------------|
| <u>CAROLYN HAYNIE</u> | <u>Carolyn Haynie</u> | <u>Petro Eng. Tech</u>  | <u>2-19-07</u> |
| Print or Type Name    | Signature             | Title                   | Date           |
|                       |                       | <u>chay@chevron.com</u> |                |
|                       |                       | e-mail Address          |                |



**Carolyn Haynie**  
Petroleum Engineering  
Technical Assistance

**Permian Business Unit**  
Chevron U.S.A. Inc.  
15 Smith Road  
Midland, TX 79705  
Tel 432-687-7261  
Fax 432-687-7558  
[chay@chevron.com](mailto:chay@chevron.com)

February 20, 2007

New Mexico Oil Conservations Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87504

RE: Application to Pool Lease Commingle Oil, Gas, & Water Production  
Attention: Oil and Gas Department

Chevron U.S.A., Inc. respectfully requests administrative approval to surface commingle oil and gas production from the Blinbry, Drinkard, and Grayburg Pools, respectively, on Chevron's Warlick leases into the L. G. Warlick Commingled Battery # 1, located in Section 19, T21S, R37E, Lea County, New Mexico. Chevron is the operator of the Warlick, Warlick A, and Warlick B leases with varying working interests. The wells on these leases currently produce into four separate batteries, all of which are in need of repair. Chevron proposes to upgrade and rebuild the L. G. Warlick # 1 Battery, located at 990' FNL & 330' FEL, Section 19, T21S, R37E, Lea County, New Mexico, using the existing pad and renamed as the L. G. Warlick Commingled Battery # 1. All of the production from the Warlick wells (# 1, # 2, # 3, # 4, # 5, A # 1, A # 2, A # 3, B # 1 & B # 2) will be re-routed to this new battery and commingled. All oil and gas production from the separate leases will be measured prior to commingling. Since the ownership is different for the wells to be commingled, all working interest and royalty interest owners have been notified. A copy of the notification letter is attached.

Attached in support of this request is a table showing oil production volumes, gravities, and monetary values for each of the wells/pools proposed for commingling, a proposed schematic diagram for the subject facility, and a lease plat. As can be seen on the table, the value of the production will not be significantly impacted by the proposed action. However, environmental exposure and operating costs will be reduced by having fewer tank storage facilities to operate and maintain.

For your convenience, I have enclosed an envelope with my return address, so that the decision for this application can be sent directly to me. If you require additional information or have any questions, please contact me by telephone at 452-687-7261, or by email at [chay@chevron.com](mailto:chay@chevron.com).

Sincerely,

A handwritten signature in black ink that reads "Carolyn Haynie". The signature is fluid and cursive, with the first name "Carolyn" being more prominent than the last name "Haynie".

Carolyn Haynie  
PE Technical Assistant

Enclosure

cc: NMOCD – Hobbs District 2  
Lease File  
Jesse Williams  
Mike Howell

January 10, 2007  
Page 2

Danny Lovell  
Denise Pinkerton  
Stephanie Lugo



Proposed Surface Commingling Order  
Warlick Commingled Battery # 1  
Section 18, & 19, T21S, R37E  
Lea County, New Mexico

Section 18 & 19 L.G. Warlick Production Into 4 Separate Batteries (Current State)

| Pool          | Well               | BOPD        | API Gravity | \$/BBL | \$/Day            | Remarks         | Battery   |
|---------------|--------------------|-------------|-------------|--------|-------------------|-----------------|-----------|
| Grayburg      | L.G. Warlick # 1   | 15.0        | 33.9        | 61.83  | 927.45            |                 | 1,2,4 & 5 |
| Blinebry      | L.G. Warlick # 2   | 0.0         | 38.2        | 62.74  | 0.00              |                 | 1,2,4 & 5 |
| Drinkard      | L.G. Warlick # 2   | 2.0         | 38.2        | 84.23  | 168.46            |                 | 1,2,4 & 5 |
| Grayburg      | L.G. Warlick # 2   | 1.0         | 38.2        | 61.83  | 61.83             |                 | 1,2,4 & 5 |
| Blinebry      | L.G. Warlick # 3   | 1.0         | 33.0        | 62.74  | 62.74             |                 | 3         |
| Drinkard      | L.G. Warlick # 3   | 1.0         | 33.0        | 62.74  | 62.74             |                 | 3         |
| Grayburg      | L.G. Warlick # 3   | 4.0         | 33.0        | 61.83  | 247.32            |                 | 3         |
| Drinkard      | L.G. Warlick # 4   | 4.0         | 36.3        | 84.23  | 336.92            |                 | 1,2,4 & 5 |
| Blinebry      | L.G. Warlick # 5   | 4.0         | 34.5        | 62.74  | 250.96            |                 | 1,2,4 & 5 |
| Grayburg      | L.G. Warlick # 5   | 0.0         | 29.3        | 62.74  | 0.00              | Future workover | 1,2,4 & 5 |
| Drinkard      | L.G. Warlick A # 3 | 2.0         | 36.3        | 62.74  | 125.48            |                 | A         |
| Blinebry      | L.G. Warlick B # 1 | 0.0         | 29.3        | 57.22  | 0.00              | TA'd            | B         |
| Grayburg      | L.G. Warlick B # 1 | 1.0         | 29.3        | 57.22  | 57.22             |                 | B         |
| <b>Totals</b> |                    | <b>35.0</b> |             |        | <b>\$2,301.12</b> |                 |           |

Production From Section 18 & 19, L.G. Warlick Wells, Commingled Into the Upgraded Warlick Battery # 1

| Pool          | Well               | BOPD        | API Gravity | \$/BBL | \$/Day            | Remarks                                  | Battery       |
|---------------|--------------------|-------------|-------------|--------|-------------------|------------------------------------------|---------------|
| Grayburg      | L.G. Warlick # 1   | 15.0        | 34.4        | 62.74  | 941.10            | Calculated API gravity of commingled oil | #1 Commingled |
| Blinebry      | L.G. Warlick # 2   | 0.0         | 34.4        | 62.74  | 0.00              | Calculated API gravity of commingled oil | #1 Commingled |
| Drinkard      | L.G. Warlick # 2   | 2.0         | 34.4        | 62.74  | 125.48            | Calculated API gravity of commingled oil | #1 Commingled |
| Grayburg      | L.G. Warlick # 2   | 1.0         | 34.4        | 62.74  | 62.74             | Calculated API gravity of commingled oil | #1 Commingled |
| Blinebry      | L.G. Warlick # 3   | 1.0         | 34.4        | 62.74  | 62.74             | Calculated API gravity of commingled oil | #1 Commingled |
| Drinkard      | L.G. Warlick # 3   | 1.0         | 34.4        | 62.74  | 62.74             | Calculated API gravity of commingled oil | #1 Commingled |
| Grayburg      | L.G. Warlick # 3   | 4.0         | 34.4        | 62.74  | 250.96            | Calculated API gravity of commingled oil | #1 Commingled |
| Drinkard      | L.G. Warlick # 4   | 4.0         | 34.4        | 62.74  | 250.96            | Calculated API gravity of commingled oil | #1 Commingled |
| Blinebry      | L.G. Warlick # 5   | 4.0         | 34.4        | 62.74  | 250.96            | Calculated API gravity of commingled oil | #1 Commingled |
| Grayburg      | L.G. Warlick # 5   | 0.0         | 34.4        | 62.74  | 0.00              | Calculated API gravity of commingled oil | #1 Commingled |
| Drinkard      | L.G. Warlick A # 3 | 2.0         | 34.4        | 62.74  | 125.48            | Calculated API gravity of commingled oil | #1 Commingled |
| Blinebry      | L.G. Warlick B # 1 | 0.0         | 34.4        | 62.74  | 0.00              | Calculated API gravity of commingled oil | #1 Commingled |
| Grayburg      | L.G. Warlick B # 1 | 1.0         | 34.4        | 62.74  | 62.74             | Calculated API gravity of commingled oil | #1 Commingled |
| <b>Totals</b> |                    | <b>35.0</b> |             |        | <b>\$2,195.90</b> |                                          |               |



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79803

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
CHEVRON USA  
ATTN: NATHAN MOUSER  
P.O. BOX 1949  
EUNICE, NM 88231  
FAX TO: (505) 394-1293

Receiving Date: 09/01/06  
Reporting Date: 09/06/06  
Project Number: NOT GIVEN  
Project Name: NOT GIVEN  
Project Location: NOT GIVEN

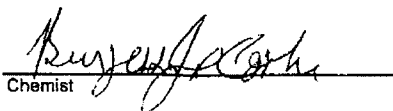
Sampling Date: 08/31/06  
Sample Type: CRUDE OIL  
Sample Condition: INTACT  
Sample Received By: NF

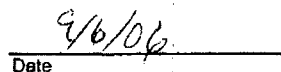
| Laboratory No. | Sample ID         | API grav. @ 60°F | Weight % Sulfur |
|----------------|-------------------|------------------|-----------------|
| H11496-1       | L.G. WARLICK #4   | 36.3             | 0.4446          |
| H11496-2       | L.G. WARLICK #3   | 33.0             | 1.4062          |
| H11496-3       | L.G. WARLICK B #1 | 29.3             | 1.4839          |
| H11496-4       | L.G. WARLICK #5   | 34.5             | 1.3469          |
| H11496-5       | L.G. WARLICK #2   | 38.2             | 1.0393          |

METHODS: ASTM

D287

D4294

  
Chemist

  
Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

## WELL TEST REPORT

|                          |                                      |                            |
|--------------------------|--------------------------------------|----------------------------|
| Lease: <b>WARLICK #1</b> | Field: <b>BLINEBRY OIL &amp; GAS</b> | Reservoir: <b>BLINEBRY</b> |
|--------------------------|--------------------------------------|----------------------------|

Reservoir: BLINEBRY

Field Code: U46

Resv Code: 0000004532

**Battery: WARLICK 1 2 4&5**

API No: 300250666900

[illegible]

[illegible]

## WELL TEST REPORT

|                          |                                      |                            |
|--------------------------|--------------------------------------|----------------------------|
| Lease: <b>WARLICK #3</b> | Field: <b>BLINEBRY OIL &amp; GAS</b> | Reservoir: <b>BLINEBRY</b> |
|--------------------------|--------------------------------------|----------------------------|

|                    |                        |                              |
|--------------------|------------------------|------------------------------|
| Well: <b>3 BLN</b> | Field Code: <b>U46</b> | Resv Code: <b>0000004532</b> |
|--------------------|------------------------|------------------------------|

|  |  |  |                        |                    |  |
|--|--|--|------------------------|--------------------|--|
|  |  |  | Unique Code: BCU46AH00 | Battery: WARLICK 3 |  |
|--|--|--|------------------------|--------------------|--|

Field Code: U46

Resv Code: 0000004532

|          |           |
|----------|-----------|
| Battery: | WARLICK 3 |
|----------|-----------|

**API No: 300252395300**

[illegible]

| WELL TEST REPORT         |  |                               |  |                                     |  |  |  |  |  |
|--------------------------|--|-------------------------------|--|-------------------------------------|--|--|--|--|--|
| Lease: <b>WARLICK #4</b> |  | Field: <b>DRINKARD</b>        |  | Reservoir: <b>DRINKARD</b>          |  |  |  |  |  |
| Well: <b>4</b>           |  | Field Code: <b>U41</b>        |  | Resv Code: <b>0000005817</b>        |  |  |  |  |  |
|                          |  | Unique Code: <b>BCU418800</b> |  | Battery: <b>WARLICK 1 2 4&amp;5</b> |  |  |  |  |  |
|                          |  | Wellbore: <b>359498</b>       |  | API No: <b>300253303000</b>         |  |  |  |  |  |

|         |              |
|---------|--------------|
| API No: | 300253303000 |
|---------|--------------|

[illegible]

# WELL TEST REPORT

Lease: **WARLICK #5**

Field: **BLINEBRY OIL & GAS**

Reservoir: **BLINEBRY**

Well: **5**

Field Code: **U46**

Resv Code: **0000004532**

Unique Code: **BCU46AE00**

Battery: **WARLICK 1 2 4&5**

Wellbore: **359499**

API No: **300253441900**

| Test Date | BOPD | BWPD | MCFPD | Tbg PSI | GOR     | % Oil | Comp No. | Status | Remarks                              | Fluid Level | Fld Lvl Date | BTFPD | % Runtime |
|-----------|------|------|-------|---------|---------|-------|----------|--------|--------------------------------------|-------------|--------------|-------|-----------|
| 11/24/06  | 4    | 525  | 24    |         | 6000    | 0.8   | 01       | PS     |                                      | 5732        | 11/3/06      | 529   | 100.0     |
| 11/19/06  | 4    | 524  | 20    |         | 5000    | 0.8   | 01       | PS     |                                      | 5732        | 11/3/06      | 528   | 100.0     |
| 11/18/06  | 4    | 500  | 23    |         | 6233    | 0.7   | 01       | PS     |                                      | 5732        | 11/3/06      | 504   | 100.0     |
| 11/14/06  | 4    | 530  | 24    |         | 5505    | 0.8   | 01       | PS     |                                      | 5732        | 11/3/06      | 535   | 100.0     |
| 11/12/06  | 2    | 505  | 22    |         | 11000   | 0.4   | 01       | PS     |                                      | 5732        | 11/3/06      | 507   | 100.0     |
| 11/10/06  | 2    | 524  | 24    |         | 12000   | 0.4   | 01       | PS     |                                      | 5732        | 11/3/06      | 526   | 100.0     |
| 11/9/06   | 3    | 468  | 19    |         | 6333    | 0.6   | 01       | PS     | 120 PSI SUCTION                      | 5732        | 11/3/06      | 471   | 100.0     |
| 11/7/06   | 5    | 573  | 22    |         | 4215    | 0.9   | 01       | PS     |                                      | 5732        | 11/3/06      | 578   | 100.0     |
| 11/6/06   | 5    | 578  | 19    |         | 3958    | 0.8   | 01       | PS     |                                      | 5732        | 11/3/06      | 583   | 100.0     |
| 11/5/06   | 2    | 585  | 17    |         | 6855    | 0.4   | 01       | PS     |                                      | 3572        | 7/28/06      | 588   | 100.0     |
| 10/29/06  | 3    | 561  | 24    |         | 8000    | 0.5   | 01       | PS     | 140 PSI SUCTION                      | 3572        | 7/28/06      | 564   | 100.0     |
| 10/29/06  | 3    | 561  | 24    |         | 8000    | 0.5   | 01       | PS     | 140 PSI SUCTION                      | 3572        | 7/28/06      | 564   | 100.0     |
| 10/27/06  | 2    | 545  | 19    |         | 9500    | 0.4   | 01       | PS     | 176 PSI SUCTION                      | 3572        | 7/28/06      | 547   | 100.0     |
| 10/27/06  | 2    | 545  | 19    |         | 9500    | 0.4   | 01       | PS     | 176 PSI SUCTION                      | 3572        | 7/28/06      | 547   | 100.0     |
| 10/26/06  | 3    | 592  | 22    |         | 7333    | 0.5   | 01       | PS     | 182 PSI SUCTION                      | 3572        | 7/28/06      | 595   | 100.0     |
| 10/26/06  | 3    | 592  | 22    |         | 7333    | 0.5   | 01       | PS     | 182 PSI SUCTION                      | 3572        | 7/28/06      | 595   | 100.0     |
| 10/25/06  | 4    | 626  | 17    |         | 4250    | 0.6   | 01       | PS     |                                      | 3572        | 7/28/06      | 630   | 100.0     |
| 10/23/06  | 4    | 650  | 21    |         | 5250    | 0.6   | 01       | PS     |                                      | 3572        | 7/28/06      | 654   | 100.0     |
| 10/9/06   | 1    | 650  | 3     |         | 3000    | 0.2   | 01       | PS     |                                      | 3572        | 7/28/06      | 651   | 100.0     |
| 9/26/06   | 2    | 608  | 9     |         | 4500    | 0.3   | 01       | PS     |                                      | 3572        | 7/28/06      | 610   | 100.0     |
| 9/12/06   | 0    | 626  | 4     |         | #DIV/0! | 0.0   | 01       | PS     | BOTTOM HOLE PRESSURE SENSOR 370 LBS  | 3572        | 7/28/06      | 626   | 100.0     |
| 9/11/06   | 0    | 644  | 1     |         | #DIV/0! | 0.0   | 01       | PS     |                                      | 3572        | 7/28/06      | 644   | 100.0     |
| 9/6/06    | 1    | 598  | 0     |         | 300     | 0.2   | 01       | PS     |                                      | 3572        | 7/28/06      | 599   | 100.0     |
| 8/29/06   | 2    | 635  | 10    |         | 4587    | 0.3   | 01       | PS     | BOTTOM HOLE PRESSURE SENSOR: 337 LBS | 3572        | 7/28/06      | 637   | 100.0     |
| 8/28/06   | 2    | 651  | 10    |         | 5405    | 0.3   | 01       | PS     | BOTTOM HOLE PRESSURE SENSOR: 364 LBS | 3572        | 7/28/06      | 653   | 100.0     |
| 8/25/06   | 2    | 680  | 9     |         | 4500    | 0.3   | 01       | PS     |                                      | 3572        | 7/28/06      | 682   | 100.0     |
| 8/23/06   | 0    | 701  | 0     |         | #DIV/0! | 0.0   | 01       | PS     |                                      | 3572        | 7/28/06      | 701   | 100.0     |
| 8/18/06   | 0    | 670  | 1     |         | #DIV/0! | 0.0   | 01       | PS     | 640 PSI SUCTION 60 HTZ               | 3572        | 7/28/06      | 670   | 100.0     |
| 7/31/06   | 0    | 152  | 0     |         | #DIV/0! | 0.0   | 01       | PS     |                                      | 3572        | 7/28/06      | 152   | 100.0     |
| 7/29/06   | 0    | 194  | 0     |         | #DIV/0! | 0.0   | 01       | PS     |                                      | 3572        | 7/28/06      | 194   | 100.0     |
| 7/28/06   | 0    | 211  | 0     |         | #DIV/0! | 0.0   | 01       | PS     |                                      | 3572        | 7/28/06      | 211   | 100.0     |
| 7/27/06   | 0    | 223  | 0     |         | #DIV/0! | 0.0   | 01       | PS     |                                      |             |              | 223   |           |
| 7/26/06   | 0    | 222  | 0     |         | #DIV/0! | 0.0   | 01       | PS     |                                      |             |              | 222   |           |
| 7/23/06   | 0    | 179  | 0     |         | #DIV/0! | 0.0   | 01       | PS     |                                      |             |              | 179   |           |

[illegible]

| WELL TEST REPORT |              |              |        |            |  |  |  |  |  |
|------------------|--------------|--------------|--------|------------|--|--|--|--|--|
| Lease:           | Warlick A #2 | Field:       |        | Reservoir: |  |  |  |  |  |
| Well:            |              | Field Code:  |        | Resv Code: |  |  |  |  |  |
|                  |              | Unique Code: |        | Battery:   |  |  |  |  |  |
|                  |              | Wellbore:    | 359494 | API No:    |  |  |  |  |  |

**API No:**

[illegible]

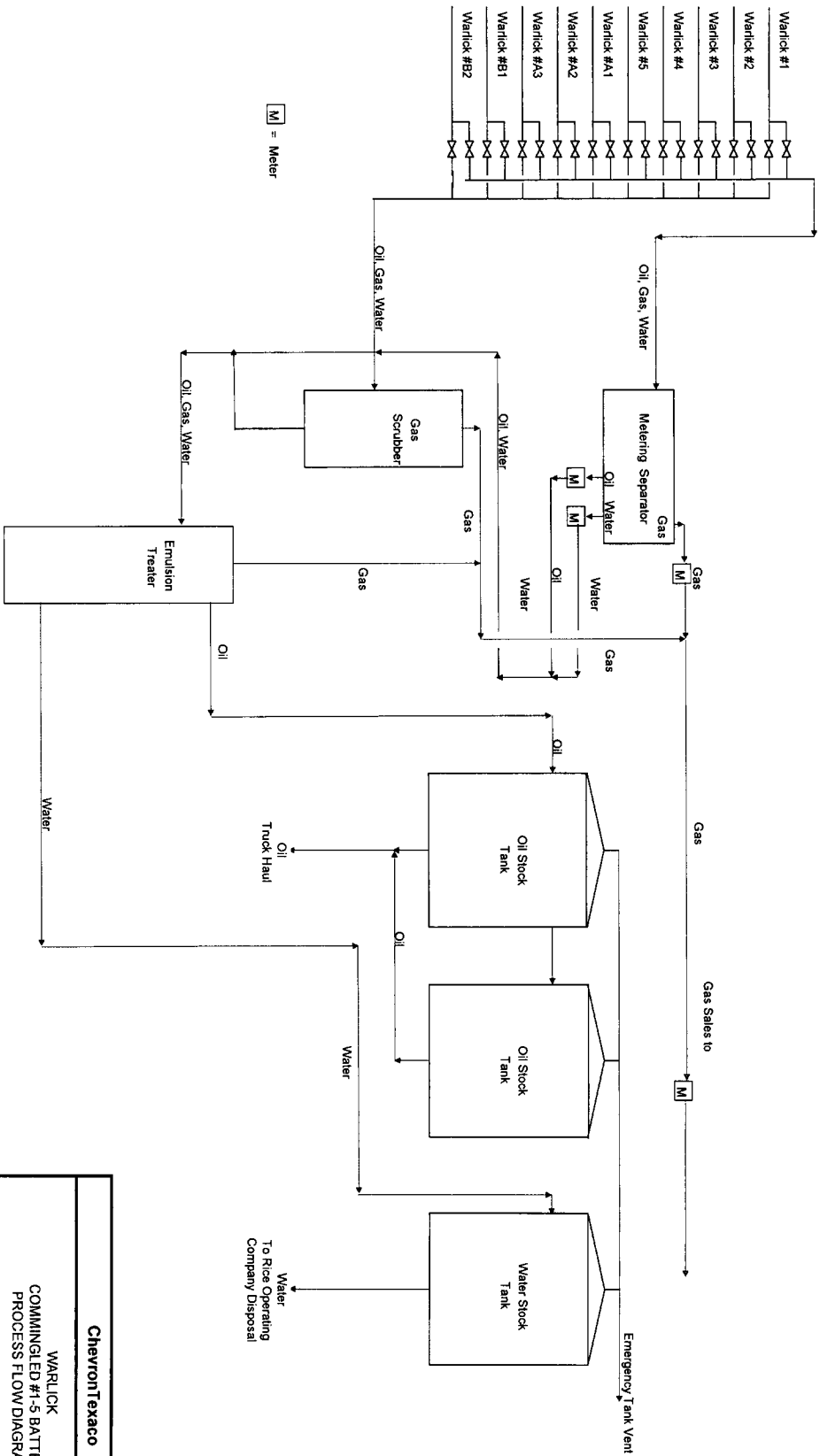
[illegible]

| WELL TEST REPORT           |  |                                      |  |  |                              |  |  |  |  |
|----------------------------|--|--------------------------------------|--|--|------------------------------|--|--|--|--|
| Lease: <b>WARLICK B #1</b> |  | Field: <b>BLINEBRY OIL &amp; GAS</b> |  |  | Reservoir: <b>GRAYBURG</b>   |  |  |  |  |
| Well: <b>1 SKL</b>         |  | Field Code: <b>U46</b>               |  |  | Resv Code: <b>0000006848</b> |  |  |  |  |
|                            |  | Unique Code: <b>BCU46AF00</b>        |  |  | Battery: <b>WARLICK B</b>    |  |  |  |  |
|                            |  | Wellbore: <b>359492</b>              |  |  | API No: <b>300250666500</b>  |  |  |  |  |

API No: 300250666500

[illegible]





M = Meter

| New Mexico Area |               |          |                                         | Warlick Commingle       |           |             |         |        |       |                       |     |       |
|-----------------|---------------|----------|-----------------------------------------|-------------------------|-----------|-------------|---------|--------|-------|-----------------------|-----|-------|
| API No.         | Lease         | Well No. | Status                                  | Pool                    | Pool Code | Unit Letter | Section | Twship | Range | Location              | Co. | TD    |
| 30-025-06669    | L. G. Warlick | 1        | SI - W/O in Grayburg Zone - will reopen | Blinebry                | 6660      | A           | 19      | 21S    | 37E   | 990' FNL & 330' FEL   | Lea | 6691' |
| 30-025-06669    | L. G. Warlick | 1        | ABDN                                    | Drinkard, no production | 19190     | A           | 19      | 21S    | 37E   | 990' FNL & 330' FEL   | Lea |       |
| 30-025-06669    | L. G. Warlick | 1        | PR-W/O in Grayburg, now has production  | Grayburg                | 50350     | A           | 19      | 21S    | 37E   | 990' FNL & 330' FEL   | Lea |       |
| 30-025-20777    | L. G. Warlick | 2        | PR                                      | Blinebry                | 6660      | B           | 19      | 21S    | 37E   | 990' FNL & 2310' FEL  | Lea | 6722' |
| 30-025-20777    | L. G. Warlick | 2        | PR                                      | Drinkard                | 19190     | B           | 19      | 21S    | 37E   | 990' FNL & 2310' FEL  | Lea |       |
| 30-025-20777    | L. G. Warlick | 2        | PR                                      | Grayburg                | 50350     | B           | 19      | 21S    | 37E   | 990' FNL & 2310' FEL  | Lea |       |
| 30-025-23953    | L. G. Warlick | 3        | PR                                      | Blinebry                | 6660      | P           | 18      | 21S    | 37E   | 660' FSL & 330' FEL   | Lea | 6863' |
| 30-025-23953    | L. G. Warlick | 3        | PR                                      | Drinkard                | 19190     | P           | 18      | 21S    | 37E   | 660' FSL & 330' FEL   | Lea |       |
| 30-025-23953    | L. G. Warlick | 3        | PR                                      | Grayburg                | 50350     | P           | 18      | 21S    | 37E   | 660' FSL & 330' FEL   | Lea |       |
| 30-025-33030    | L. G. Warlick | 4        | PR                                      | Drinkard                | 19190     | A           | 19      | 21S    | 37E   | 330' FNL & 330' FEL   | Lea | 6800' |
| 30-025-34419    | L. G. Warlick | 5        | Shut-In-Will attempt to PB to Grayburg  | Blinebry                | 6660      | O           | 18      | 21S    | 37E   | 860' FSL & 1650' FEL  | Lea | 6739' |
| 30-025-06664    | L. G. Warlick | A 1      | P&A'd                                   | Drinkard                | 19190     | I           | 19      | 21S    | 37E   | 1980' FSL & 660' FEL  | Lea | 6764' |
| 30-025-06666    | L. G. Warlick | A 2      | Shut -In -scheduled to P&A              | Drinkard                | 19190     | J           | 19      | 21S    | 37E   | 1980' FSL & 1980' FEL | Lea | 6710' |
| "               | L. G. Warlick | A 2      | Shut -In -scheduled to P&A              | Paddock                 | 5990      | J           | 19      | 21S    | 37E   | 1980' FSL & 1980' FEL | Lea |       |
| "               | L. G. Warlick | A 2      | Shut -In -scheduled to P&A              | Grayburg                | 50350     | J           | 19      | 21S    | 37E   | 1980' FSL & 1980' FEL | Lea |       |
| "               | L. G. Warlick | A 2      | Shut -In -scheduled to P&A              | Blinebry                | 6660      | J           | 19      | 21S    | 37E   | 1980' FSL & 1980' FEL | Lea |       |
| 30-025-34504    | L. G. Warlick | A 3      | ABDN                                    | Drinkard                | 19190     | I           | 19      | 21S    | 37E   | 1880' FSL & 760' FEL  | Lea | 7200' |
| 30-025-34504    | L. G. Warlick | A 3      | SI - W/O                                | Grayburg                | 50350     | I           | 19      | 21S    | 37E   | 1880' FSL & 760' FEL  | Lea | 7200' |
| 30-025-06665    | L. G. Warlick | B 1      | T&A'd                                   | Blinebry                | 6660      | H           | 19      | 21S    | 37E   | 1980' FNL & 660' FEL  | Lea | 6715' |
| 30-025-06666    | L. G. Warlick | B 1      | PR                                      | Grayburg                | 50350     | H           | 19      | 21S    | 37E   | 1980' FNL & 660' FEL  | Lea |       |
| 30-025-20368    | L. G. Warlick | B 2      | On P&A rig schedule                     | Drinkard                | 19190     | G           | 19      | 21S    | 37E   | 1980' FNL & 1980' FEL | Lea | 6750' |
| 30-025-20368    | L. G. Warlick | B 2      | On P&A rig schedule                     | Paddock                 | 5990      | G           | 19      | 21S    | 37E   | 1980' FNL & 1980' FEL | Lea | 6750' |
| 30-025-20368    | L. G. Warlick | B 2      | On P&A rig schedule                     | Blinebry                | 6660      | G           | 19      | 21S    | 37E   | 1980' FNL & 1980' FEL | Lea | 6750' |



**CHEVRON MIDCONTINENT, L.P.**  
**WARLICK BATTERY # 1**  
**SEC. 19, T21S, R37E**  
**Lea County, New Mexico**



**Carolyn Haynie**  
Petroleum Engineering  
Technical Assistance

**Permian Business Unit**  
Chevron MidContinent, L.P.  
15 Smith Road  
Midland, TX 79705  
Tel 432-687-7261  
Fax 432-687-7558  
chay@chevron.com

February 8, 2007

Pool Lease Commingle  
L.G. Warlick, Warlick A, & Warlick B Leases  
Section 18 & 19, T21S, R37E,  
Lea County, New Mexico

RE: Notice of Intent to Pool Lease Commingle Oil, Gas, & Water Production

Working Interest, Royalty Interest, and Overriding Royalty Interest Owners:

Chevron MidContinent, L.P., formerly Pure Resources, L.P., respectfully gives notice of intent to commingle the oil, gas, and water production from the Drinkard, Blinbry, Paddock, and Grayburg formations, from the Warlick Battery # 1 and Warlick Battery # 3, to the existing L.G. Warlick # 1 Battery, located at L.G. Warlick # 1 well, Sec. 19, T21S, R37E, 990' FNL & 330' FEL, Lea Co., NM. Chevron will upgrade the Warlick # 1 battery and eliminate the Warlick # 3 battery.

Chevron is the operator of the Warlick Leases with working interest in the following wells: Warlick # 1, #2, #3, #4, #5, Warlick A #1, A # 2, A # 3; Warlick B # 1, & B #2. A table listing the wells proposed for commingling is enclosed. The product value will not be significantly impacted by the proposed action, and the operating costs will be reduced with fewer tank storage facilities to operate and maintain. All oil and gas production from the different leases will be measured prior to commingling.

Any objections to this commingle must be sent to the **New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504**, within 20 days of receipt of this notification.

If you require additional information or have any questions, please contact me by telephone at 432-687-7261, or by email at [chay@chevron.com](mailto:chay@chevron.com).

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Haynie".

Carolyn Haynie  
PE Technical Assistant  
Enclosure

cc: NMOCD – Hobbs District 2  
Lease File  
Jesse Williams  
Mike Howell  
Danny Lovell



Warlick Wells to be commingled  
List of:  
Working Interest Owners,  
Royalty Interest Owners, &  
Overriding Royalty Interest Owners

J.G. ARMSTRONG  
BESSIE MAE ARMSTRONG  
420 S. FAIRWAY DR.  
PUEBLO WEST, CO 81007

LUTHER FRANKLIN  
207 HEIGHTS RD.  
TOPEKA, KS 66609-0107

CORINNE COWAN STAACKE TRUST  
JAMES V. STAACKE TRUSTEE  
527 COUNTRY LANE  
SAN ANTONIO, TX 78209

ROY G. BARTON SR. & OPAL BARTON  
REV TR-ROY G. BARTON JR TTEE  
1919 N. TURNER STREET  
HOBBS, NM 88240-2712

JIMI SAUNDERS GADZIA  
2508 CORTEZ COURT  
ROSWELL, NM 88201-3407

PATSY HINCHEY FAMILY  
PARTNERSHIP  
CATOICO CAPITAL CARE LLC AGENT  
P.O. BOX 3142  
MIDLAND, TX 79702

EMMA GALE BARTLET TRUST  
BANK OF AMERICA NA TRUSTEE  
P.O. BOX 840738  
DALLAS, TX 75284-0738

GENA GILMER  
C/O WAYNE McFALL  
4807 HWY 284  
FORREST CITY, AR 72335

ELIZABETH J. JACKSON TR #25-16  
NATIONAL CITY BANK OF PA TTEE  
20 STANWIX ST  
PITTSBURG, PA 15222-4802

SUSIE G. BAUDER TRUST  
NATIONAL CITY BANK OF PA – TTEE  
1900 EAST 9<sup>TH</sup> ST  
LOC 01-3030  
CLEVELAND, OH 44114-3404

MICHAEL GILMER  
C/O WAYNE McFALL  
4807 HWY 284  
FORREST CITY, AR 72335

MICHAEL L. KLIEN  
500 W. TEXAS  
SUITE 1230  
MIDLAND, TX 79701-4271

TONI H. BEARE  
189 SOUTH REMBERT  
MEMPHIS, TN 38104

GLASS-GLEN BURNIE FOUNDATION  
JAMES A ARNOLD & DAVID DENHAM  
CO-TTEES  
P.O. BOX 587  
NOWATA, OK 74048-0587

TX COMPTROLLER OF PUBLIC ACCT  
FAO VIRGINIA BELL LANE ESTATE  
P.O. BOX 12019  
AUSTIN, TX 78711-2019

BARBARA BLEWETT TRUST  
WILMA M. PHILLIPS TRUSTEE  
P.O. BOX 4539  
SEDONA, AZ 86340-4539

BROOK H GRAHAM  
4600 WEST 63<sup>RD</sup> PLACE  
ARVADA, CO 80003

J. HIRAM MOORE TRUST  
BETTY JANE & MICHAEL MOORE TRS  
P.O. BOX 910833  
DALLAS, TX 75391-0833

CATHY BLOTTER  
P.O. BOX 3546  
LAKE JACKSON, TX 77566

CURTIS S GRAHAM  
#58 AVENIDA DE VISTA  
ROSWELL, NM 88201

STANLEY F. PARR  
RT 2 BOX 169  
LIBERAL, KS 67901

MARK BONER  
3728 JAMES ROAD  
MEMPHIS, TN 38128

ROBERT L. GRAHAM JR  
C/O JIMI S GADZIA  
2508 CORTEZ CT  
ROSWELL, NM 88201

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A.S. PATTERSON EXECUTOR  
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HOUSTON, TX 77088

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213 REDBAY RD.  
ELGIN, SC 29045

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OSBORN, KS 67473

E.S. PATTERSON TRUST INV LLC  
C/O BANK OF OKLAHOMA NA AGENT  
P.O. BOX 1588  
TULSA, OK 74101-1588

JOYCE BORDAGES  
5090 DAWN DR.  
BEAUMONT, TX 77706

IVA MAXINE HAYNES  
9335 GLOXINIA DR  
GARDEN RIDGE, TX 78266

PHILIP J. PENNINGTON  
9239 ROWAN LANE  
HOUSTON, TX 77036

BENJAMIN SCOTT COWAN TRUST  
P.O. BOX 690696  
SAN ANTONIO, TX 78269

JERRY D. HAYNES  
16124 SE 65<sup>TH</sup> ST RD  
OCKLAWAHA, FL 32179

PETCO LIMITED  
P.O. BOX 911  
BRECKENRIDGE, TX 76424

JACK V. COWAN TRUST  
P.O. BOX 690696  
SAN ANTONIO, TX 78269

JOSEPH LEROY HAYNES  
1226 E. WALNUT ST.  
GALION, OH 44833

JOHN W. PHILLIPS  
P.O. BOX 1059  
MENLO PARK, CA 94026-1059

JOHN W. CROTTY  
18064 S. SHORE DR.  
FLINT, TX 75762

BAREN HEALEY 1988 TURST  
BAREN HEALEY TRUSTEE  
P.O. BOX 888  
DAVIS, OK 73030

PIERRE D PHILLIPS TRUST 1  
LYNNE W PHILLIPS TRUSTEE  
P.O. BOX 2448  
IDYLLWILD, CA 92549-2448

ROBERT B. CROTTY  
3521 SOUTHWESTERN  
DALLAS, TX 75225

BURKE HEALEY TRUST  
BURKE HEALEY TRUSTEE  
P.O. BOX 100  
DAVIS, OK 73030

WILMA M PHILLIPS  
P.O. BOX 4539  
SEDONA, AZ 86340-4539

JUDITH CRUZ TRUST  
WILMA M PHILLIPS TRUSTEE  
P.O. BOX 4539  
SEDONA, AZ 86340-4539

MARY LOU HEARD  
5920 N. 86<sup>TH</sup>  
SCOTTSDALE, AZ 85253

MARY L. REESE  
P.O. BOX 58531  
SALT LAKE CITY, UT 84158-0531

DORCHESTER MINERALS LP  
P.O. BOX 840127  
DALLAS, TX 75284-0127

JOHN H. HENDRIX CORP  
P.O. BOX 3040  
MIDLAND, TX 79702-3040

SEVENWAYS VENTURE CAPITAL LTD  
214 W. TEXAS  
SUITE 200  
MIDLAND, TX 79701-4621

DORCHESTER MINERALS ACQ LP  
P.O. BOX 841341  
DALLAS, TX 75284-1341

CHARLOTTE G. HENRIKSON  
1101 DELHI ST.  
BOSSIER CITY, LA 71111

STATES ROYALTY LTD  
PARTNERSHIP  
P.O. BOX 911  
BRECKENRIDGE, TX 76424-0911

FIRST BAPTIST CHURCH  
ATTN: DIANE  
507 N. ROSSER STREET  
FORREST CITY, AR 72335

TIMOTHY CHRISTIAN WILLIAMS  
7467 KINGSLAND DR.  
MEMPHIS, TN 38125

YEAGER RESOURCES  
P.O. BOX 990  
MIDLAND, TX 79702

REVELLE CRISTINA PHILLIPS  
P.O. BOX 4038  
SANTA FE, NM 87502

PAUL & BETTY PHILLIPS TRUST  
PAUL G. PHILLIPS & MARK O PHILLIPS  
CO-TRUSTEES  
6210 MESITA DRIVE  
SAN DIEGO, CA 92115

RED WING OIL LLC  
P.O. BOX 30277  
WINSTON-SALEM, NC 27130

JOHN RENICK  
3832 PARKSIDE DR.  
VALRICO, FL 33594

PATRICIA RENICK AGENCY  
C/O NATIONAL CITY BANK OF PA  
ATTN: BRIAN MORRIS IDC #25-158  
801 STATE ST. 2<sup>ND</sup> FLR  
EERIE, PA 15222-4802

HAZEL HAYNES RIFFEL FKA  
HAZEL HOGAN  
9335 GLOXINIA DR.  
GARDEN RIDGE, TX 78266

PATRICIA P SCHIEFFER TEST TR  
BANK OF AMERICA NA AGENT  
P.O. BOX 840738  
DALLAS, TX 75284-0738

EDWIN H. SCHMIDT  
P.O. BOX 45348  
TULSA, OK 74145

MERTICE E. SCHMIDT  
1030 SCOTT DR #C-23  
PRESCOTT, AZ 86301

SEETON REVOCABLE PROPERTY TR.  
FRANK SEETON TRUSTEE  
1815 UNION DR.  
LAKEWOOD, CO 80215

SPINDLETOP EXPLORATION CO. INC.  
P.O. BOX 25163  
DALLAS, TX 75225

STANDARD ROYALTY COMPANY  
LARRY HAYNES  
4160 BURNING TREE LANE S.  
JACKSONVILLE, FL 32223

LOIS M. THORNE  
1204 S. BORDER # 614  
WESLACO, TX 78596-7447

THE TOLES COMPANY  
P.O. BOX 1300  
ROSWELL, NM 88202

ROBERT W. WARD ESTATE  
FIRST INTERSTATE BK OF LEA CO,  
PERSONAL REP  
P.O. BOX 400  
HOBBS, NM 88240

LEWIS MARTIN WARLICK  
416 N. CECIL STREET  
HOBBS, NM 88240

WILLS ROYALTY INC.  
P.O. BOX 1658  
CARLSBAD, NM 88221-1658

DARLA GROFF CHRISTIANSEN  
580 TRUELOVE TRAIL  
SOUTHLAKE, TX 76092-9060

THALA R. HINSHAW  
815 TWELVE ACRE LANE  
DUNCAN, OK 73533

JANET KAY JACKSON  
44719 AVOCADO CT  
INDIO, CA 92201

JILL ANN JACKSON  
2909 SUNRISE DR.  
ROWLETT, TX 75088

MARATHON OIL COMPANY  
DEPT 0882  
P.O. BOX 120001  
DALLAS, TX 75312-0882

JOAN ELAINE JACKSON MORGAN  
RT 3 BOX 94  
DUNCAN, OK 73533

JERRI LYNN JACKSON WILSON  
HC 64 BOX 1600  
LOCO, OK 73442

THE FASKEN FOUNDATION  
P.O. BOX 162786  
AUSTIN, TX 78716-2786

RANDY GEISELMAN  
2700 RACQUET CLUB DRIVE  
MIDLAND, TX 79705

MAECENAS MINERALS LLP  
P.O. BOX 176  
ABILENE, TX 79604-0176

KERR-MCGEE CORPORATION  
P.O. BOX 840638  
DALLAS, TX 75284-0638

WC HENTZLER  
2718 KANSAS AVE  
TOPEKA, KS 66611

VIRGINIA BELL LANE ESTATE  
ROBERT O LANE INDP EXEC  
13118 ROARING SPRINGS  
DALLAS, TX 75240

JOHN E MCCOOL  
EDWARDS OIL COMPANY  
P.O. BOX 202  
YOUNGSVILLE, PA 16371-3040

REEDE CHRISTMAN ROSS  
615 BAYSHORE DR., APT 1106  
PENSACOLA, FL 32507

SAMSON RESOURCES COMPANY  
TWO WEST SECOND STREET  
TULSA, OK 74103-3103

BETTY BELL CROTTY  
C/O ROBERT B. CROTTY  
3521 SOUTHWESTERN  
DALLAS, TX 75225

WARD N. ADKINS JR.  
5519 TUPPER LAKE  
HOUSTON, TX 77056

CAMPBELL ESTATE PARTNERSHIP  
ATTN: SCOTT CAMPBELL  
P.O. BOX 2503  
MIDLAND, TX 79702

D. MICHAEL PHILLIPS  
P.O. BOX 30277  
WINSTON-SALEM, NC 27130

DANIEL L. VIERS  
1209 W. CUTHBERT AVE.  
MIDLAND, TX 79701

DONALDSON BROWN ROYALTY TST  
MERCANTILE SAFE DEP & TRST  
P.O. BOX 1183  
ABINGDON, MD 21009

JON M. MORGAN PENSION PLAN  
P.O. BOX 1015  
MIDLAND, TX 79702-1015

KANSAS STATE TREASURER  
FAO FLOSSIR SPIELMAN ESTATE  
900 SW JACKSON # 201  
TOPEKA, KS 66612-1235

KEN PERKINS OIL & GAS INC.  
P.O. BOX 1109  
INGRAM, TX 78025-1109

MARK L. SHIDLER & WIFE  
1010 LAMAR, SUITE 500  
HOUSTON, TX 77002

ORPHA Z CAMPBELL ESTATE  
SCOTT CAMPBELL IND EXECUTOR  
P.O. BOX 11086  
MIDLAND, TX 79702

PARTIN PETROLEUM INC.  
2201B NANTUCKET  
HOUSTON, TX 75284-0738

PHILLIP CHRISTMAN  
C/O DELORES GILMER  
619 VIRGINIA CIRCLE  
FORREST CITY, AR 92335

RONNIE H. WESTBROOK  
P.O. BOX 3171  
MIDLAND, TX 79702

SIX AECHES COMPANY  
P.O. BOX 481  
MIDLAND, TX 79702

SUE SAUNDERS GRAHAM  
P.O. BOX 987  
ROSWELL, NM 88201

WARD N. ADKINS JR.  
5519 TUPPER LAKE  
HOUSTON, TX 77056

WINFRED H. HANYES  
5190 OLD SAN JOSE RD.  
SANTA CRUZ, CA 95065

SAMUEL T & BETTY B BEARE

**Catanach, David, EMNRD**

---

**From:** Haynie, Carolyn (CHaynie) [Preferred Personnel] [CHAY@chevron.com]  
**Sent:** Monday, March 19, 2007 7:35 AM  
**To:** Catanach, David, EMNRD  
**Subject:** FW: Warlick Leases  
**Attachments:** Warlick 1-#5\_Battery PFD.xls

David,  
Jesse our facility engineer, has revised the schematic for the Warlick. I'll also send you a hard copy.

Please let us know if you need additional clarification.

Thanks,

*Carolyn Haynie*  
*Petroleum Engineer TA*  
*Room 3320*  
*687-7261*

---

**From:** Williams, Jesse (JesseWilliams)  
**Sent:** Monday, March 19, 2007 8:23 AM  
**To:** Haynie, Carolyn (CHaynie) [Preferred Personnel]  
**Subject:** RE: Warlick Leases

Carolyn,  
I believe that this PFD will do the job.

---

**From:** Haynie, Carolyn (CHaynie) [Preferred Personnel]  
**Sent:** Monday, March 12, 2007 9:50 AM  
**To:** Holzer, Reginald (ReggieHolzer); Howell, Mike (MAHO)  
**Cc:** Williams, Jesse (JesseWilliams)  
**Subject:** FW: Warlick Leases

FYI,  
I've sent this to Jesse, but he isn't in the office this morning.

*Carolyn Haynie*  
*Petroleum Engineer TA*  
*Room 3320*  
*687-7261*

---

**From:** Catanach, David, EMNRD [mailto:david.catanach@state.nm.us]  
**Sent:** Thursday, March 08, 2007 11:46 AM  
**To:** Haynie, Carolyn (CHaynie) [Preferred Personnel]

3/19/2007

**Subject:** Warlick Leases

Carolyn,

I've reviewed your application for surface commingling of the Warlick, Warlick A and Warlick B Leases. As you know, since the interest ownership is different among the three leases, the production from each lease has to be continuously separately metered prior to commingling.

Although you state in your application that the production will be separately metered, the schematic diagram for the proposed commingled tank battery does not clearly identify how this measurement is going to occur. Could you please get some clarification on this diagram and re-submit it clearly showing all oil and gas production meters.

Thanks,

David

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3/19/2007

