

DATE IN 8/11/03	SUSPENSE 9/1/03	ENGINEER WJS	LOGGED <del>WJS</del>	PDC0322525656
-----------------	-----------------	--------------	-----------------------	---------------

RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

AUG 11 2003

OIL CONSERVATION  
DIVISION

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [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 - Directional Drilling  
NSL      NSP      DD      SD

Check One Only for [B] and [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

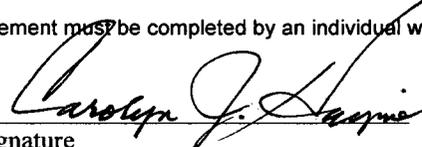
[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

CAROLYN J. HAYNIE		PE TECH. ASSISTANT	8-7-03
Print or Type Name	Signature	Title	Date

Chevron USA Production Company Inc.  
Carolyn J. Haynie  
New Mexico Waterflood  
Technical Assistant  
15 Smith Road  
Midland, TX 79705  
432-687-7384

# ChevronTexaco

August 7, 2003

Proposed Amendment of Pool  
Lease Surface Commingling  
Order PLC-54  
State "BB" Lease; State "L" Lease; and  
NM "BZ" State (NCT) 10 Lease  
Unit letter E, Section 2, T25S, R37E  
Lea County, New Mexico

New Mexico Oil Conservation Division  
Attn: Will Jones  
1220 South St. Francis Drive  
Santa Fe, NM 87504

Dear Mr. Jones:

ChevronTexaco, Inc., formerly Chevron U.S.A. Production Co., Inc., respectfully requests administrative approval for an amendment to Commingling Order PLC-54, allowing for the addition of the Langlie Mattix, Seven Rivers Queen Grayburg to the battery.

Currently Commingling Order PLC-54 is authorized to commingle the production from the Justis Blinebry (34200) Pool and Justis Tubb-Drinkard (35280) Pool production from the following leases:

Lease:	State 'BB' Lease (B-1556)
Description:	NW/4 NW/4, and;
Lease:	State 'Lease' Lease (B-1328)
Description:	S/2 NW/4, and ;
Lease:	NM "BZ" State (NCT) 10 Lease (B-1583)
Description:	SW/4

All in Section 2, Township 25 South, Range 37 East, Lea County, New Mexico.

The recompletion of the NM 'BZ' State (NCT) 10 well # 7 is proposed in the Langlie Mattix, Seven Rivers Queen Grayburg reservoir and will result in a working interest change from 100% to 75% for ChevronTexaco, and 25% for Mildred Baker Trust Corp. All other wells in the above-mentioned Leases are ChevronTexaco's wholly owned leases. The State of NM owns the royalty and Texaco was the overriding royalty owner for this zone. Letters are enclosed to the State of New Mexico, Commissioner of Public Lands, and Mildred Baker Trust Corp., requesting their approval to add the Langlie Mattix, Seven Rivers Queen Grayburg. For additional clarification, a well list with locations, pool numbers, and API numbers, is included with the attachments.

The production from the State "BB" and State "L" leases will continue to be metered separately from the NM "BZ" State (NCT) 10 Lease. The NM 'BZ' State (NCT) 10 well # 7 is currently TA'd, and will be the first recompletion in the Langlie Mattix, Seven Rivers Queen Grayburg zone. In August of 1998, well # 7 was temporarily abandoned with a CIBP set @ 5220' and is capped with a 20' cement plug. A copy of the C103 is

included in the attachments, for your information. Well # 7 will be tested through a test separator and production will be allocated with the other wells in the NM "BZ" State 10 lease.

Attached in support of this request is a table showing oil production volumes, 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, commingling the batteries would lower operating costs and the cost to add the additional facilities to accommodate the new production from the well # 7.

For your convenience, I have enclosed a stamped self-addressed envelope. If you have any questions concerning this application, please contact Carolyn Haynie at (432) 687-7384, or project engineer, Mark Wakefield, at (432) 687-7287.

Sincerely,



Carolyn J. Haynie  
NM Waterflood Technical Assistant

Cc: NMOCD – Hobbs District I

Lease File  
Reggie Holzer  
Mark Wakefield  
Nathan Mouser  
Kent Coggan



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-54

KLH *[Handwritten Signature]*

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

Attention: Mr. Russell S. Pool

The above-named company is hereby authorized to commingle Justis Blinbry (34200) Pool and Justis Tubb-Drinkard (35280) Pool production from the following leases:

Lease: State 'BB' Lease (B-1556)  
Description: NW/4 NW/4, and;

Lease: State 'L' Lease (B-1328)  
Description: S/2 NW/4, and;

Lease: NM 'BZ' State NCT-10 Lease (B-1583)  
Description: SW/4;

all in Section 2, Township 25 South, Range 37 East, 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 Hobbs District Office of the Division upon implementation of the commingling process.

FURTHER: 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.

NOTE: Validation of this authority shall be accomplished with like approval by the State Land Office.

DONE at Santa Fe, New Mexico, on this 11th day of March, 1996.

*[Handwritten Signature]*  
WILLIAM J. LEMAY,  
Division Director

*Amended Commingling Order PLC-54*  
*Texaco Exploration & Production, Inc.*  
*March 11, 1996*  
*Page 2*

---

WJL/BES

cc: Oil Conservation Division - Hobbs  
State Land Office - Oil & Gas Division  
File PLC-54

Submit 3 copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I P.O. Box 1980, Hobbs, NM 88240
DISTRICT II P.O. Box Drawer DD, Artesia, NM 88210
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

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

WELL API NO. 30-025-33952
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil / Gas Lease No.
7. Lease Name or Unit Agreement Name NEW MEXICO 'BZ' STATE NCT-10
8. Well No. 7
9. Pool Name or Wildcat JUSTIS; BLINEBRY
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3154'

SUNDRY NOTICES AND REPORTS ON WELL (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: OIL WELL [X] GAS WELL [ ] OTHER [ ]
2. Name of Operator TEXACO EXPLORATION & PRODUCTION INC.
3. Address of Operator 205 E. Bender, HOBBS, NM 88240
4. Well Location Unit Letter L 1700 Feet From The SOUTH Line and 330 Feet From The WEST Line
Section 2 Township 25-S Range 37-E NMPM LEA COUNTY

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ]
TEMPORARILY ABANDON [ ] CHANGE PLANS [ ]
PULL OR ALTER CASING [ ]
OTHER: [ ]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPERATION [ ] PLUG AND ABANDONMENT [ ]
CASING TEST AND CEMENT JOB [ ]
OTHER: REQUEST TA STATUS [X]

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.
8-17-98: MIRU. UNHUNG WELL & WRK STUCK PUMP. LD RDS. BLED CSG DN & UNFLANGED WH & NUBOP. UNSET TAC & TOH W/TBG.
8-18-98: BLED DN WELL & RU SWAB. SWAB TBG DN CSG. TOH W/25 STDS & SWAB. TOH W/32 STDS & BACKED OFF RDS. LD 56 3/4" RDS. SWAB TBG DN CSG. TOH W/REST OF TBG & LD PUMP. PUMP STUCK IN BTM JT OF TBG. PU BIT & SCRAPER & TIH TO 5263'. LD BIT & SCRAPER. NOTIFIED NMOCD OF INTEGRITY TEST.
8-19-98: SET CIBP @ 5220' & DUMPED 20' OF CMT ON PLUG. PBTD @ 5200'. TITE SPOT IN CSG @ 3850-3890'. LOAD HLE & TEST PLUG W/1000 PSI. TIH W/TBG TO 5144' & DISPL CSG W/INHIB FLUID. LD 213 JTS 2 3/8" WC-50 TBG. NDBOP & FLANGE UP WELL.
8-20-98: PUMP 13 BBLs INHIB FLUID & PRESS UP CSG W/500 PSI & RECORDED ON CHART FOR 30 MIN-OK. RIG DOWN.

(ORIGINAL CHART ATTACHED & COPY OF CHART ON BACK)

Temp Approval of Temporary Abandonment Expires 5-19-2004

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE [Signature] TITLE Engineering Assistant DATE 9/2/98
TYPE OR PRINT NAME J. Denise Leake Telephone No. 397-0405

(This space for State Use)
APPROVED BY [Signature] TITLE DATE
CONDITIONS OF APPROVAL, IF ANY:

Well: **New Mexico 'BZ' State (NCT-10) #7**

Field: **Justis**

Reservoir: **Tubb-Drinkard**

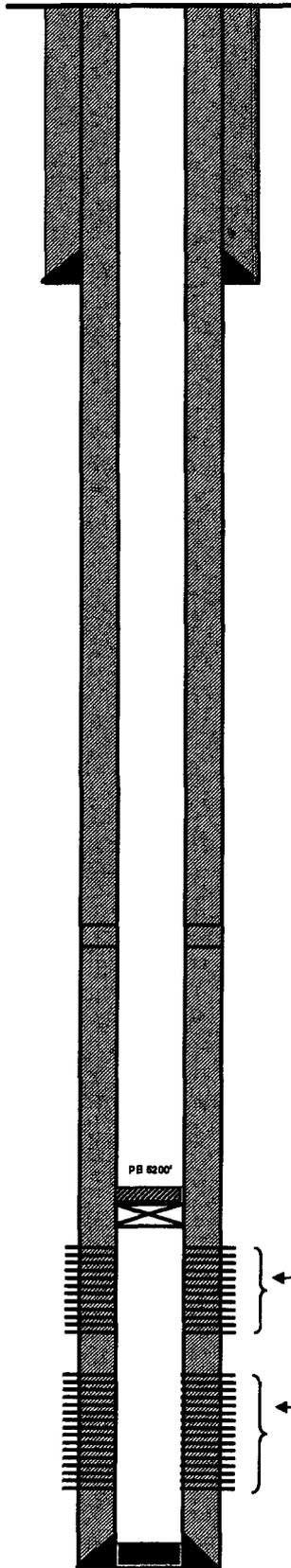
**Location:**

1700' FSL & 330' FWL  
Section: 2 (NW/4 SW/4)  
Township: 25S  
Range: 37E Lot: L  
County: Lea State: NM

**Elevations:**

GL: 3154'  
KB: 3168'  
DF: 3167'

**Wellbore Diagram**



**Well ID Info:**

Chevno:  
API No: 30-025-33952  
L5/L6: BCU802300  
Spud Date: 7/17/97  
Compl. Date: 8/9/97

**Surface Csg: 8-5/8", 24#, WC-50**

Set: @ 944' w/ 525 sx cmt  
Hole Size: 11"  
Circ: Yes TOC: Surface  
TOC By: Circulation (113 sx)

**Workovers/Reconditionings/Repairs:**

**8/23/1997**

Perf Tubb-Drinkard interval as follows: 5998-6000', 6048-54', 6070-74', 6086-90', 6120-24', 6128-30', 6240-44', 6258-68', 6272-74', 6278-90', 6304-10', and 6340-50' w/2 JHPF (132 holes).  
Acidz w/3300 15% NE acid.

Frac w/37,000 gal 35# Borate XLG; w/88,000# 20/40 Ottawa & 20,000# 20/40 Brady resin-coated sand.

Perf Blinbry interval as follows: 5252-60', 5268-78', 5282-88', 5376-84', 5390-96', 5416-20', 5470-74', 5478-83', 5530-35', 5580-84', and 5628-32' w/2 JHPF (120 holes).

Acidz w/3200 gal 15% HCl.

Frac w/35,200 gal 35# Borate XLG; w/90,000# 16/30 Ottawa & 12,920# 16/30 Brady resin-coated sand.

**8/19/98: TA'd well**

Tight spot in csg  
w/ 3850-3890'

CIBP set @ 5220'  
w/20' cmt on top

**Perfs**      **Status**  
5252-5632      Blinbry - open

**Perfs**      **Status**  
5998-6350'      Tubb-Drinkard - open

PBTD: 5200'  
TD: 6650'

Updated: 5/30/02

By: K. M. Jackson

**Prod. Csg: 4-1/2", 11.6#**  
Set: @ 6650' w/ 1400 sx cmt  
Hole Size: 7-7/8"  
Circ: No TOC: 550'  
TOC By: Calculation

**New Mexico BZ State NCT-10 No. 7  
Grayburg Completion Procedure  
Lea County, New Mexico**

API NO: 30-025-33952

Well: New Mexico BZ State NCT-10 No. 7

WBS Number(s):	UWPNM-R3043-EXP	\$94,800
	UWPNM-R3043-CAP	\$62,100
	UWPNM-	\$

**Well Location:**

**Section: 2 Township: 25S Range: 37E**

**Surface Location: 1700' FSL & 330' FWL**

Lea County, New Mexico

**Current Status:**

**Status: TA**

**Production:**

**Formation: Tubb-Drinkard**

**Objectives**

1. Perforate Grayburg and break down with acid.
2. Swab test the Grayburg to determine fluid entry rate.
3. Fracture stimulate Grayburg and swab test.
4. Run production equipment and turn well over to operations.

**Procedure**

**NOTE: Use 2% KCL water for all operations.**

1. MIRU PU. NDWH. NU BOP and EPA. Pressure test BOP to 1,500 psi.
2. PU and RIH with 3-7/8" bit on a 2-7/8" work string and CO to PBTD @ 5200'. Circulate hole clean using 2% KCL water. Pressure test plug to 1000 psi. POOH with tubing.
3. MIRU Baker Atlas. Tie into Schlumberger CNL/GR/CCL dated 7/28/97. Perforate the following intervals using Baker's 3-1/8" Slick Guns loaded with 4 SPF, premium charge, at 120° phasing:

3,490' – 3,504'

3,558' – 3,572'

3,598' – 3,614'

4. PU and RIH with 4-1/2" PPI packer (with 30' element spacing) and SCV on 2-7/8" tubing to approximately 3614'.

**New Mexico BZ State NCT-10 No. 7  
Grayburg Completion Procedure  
Lea County, New Mexico**

**API NO:** 30-025-33952

5. MI & RU DS Services. Acidize perfs 3490-3614' with 2,100 gals anti-sludge 15% HCL acid \* at a maximum rate as shown below and a maximum surface pressure of 2,000 PSI. Spot acid to bottom of tubing at beginning of each stage. Pump job as follows:

<u>Interval</u>	<u>Amt. Acid</u>	<u>Max Rate</u>	<u>PPI Setting</u>
3598-3614	700 gals	½ BPM	3590-3620
3558-3572	700 gals	½ BPM	3550-3580
3490-3504	700 gals	½ BPM	3482-3512

Displace acid with 2% KCl water -- do not over displace. Use a SCV to control displacement fluid. Record ISIP, 5 & 10 minute SIP's. RD and release DS services. **Note: If communication occurs during treatment of any interval, move to the next setting and combine treatment volumes.**

* Acid system is to contain:	1 GPT A264	Corrosion Inhibitor
	8 GPT L63	Iron Control Agent
	3 PPT A179	Iron Control Aid
	2 GPT W53	Non-Emulsifier Agent
	5 GPT L55	Clay Control
	2 GPT M38B	Silicate Control

6. Release PPI packer and PUH to approximately 3480'. Swab back all intervals together. Recover 100% of treatment and load volumes before shutting well in for night, if possible. Report recovered fluid volumes, pressures, and/or swabbing fluid levels. Note: Selectively swab perfs as directed by Engineering if excessive water is produced.
7. Open well. Release PPI packer. POH with tbg and PPI packer.
8. RIH w/ 4-1/2" treating packer and On-Off tool w/2.25" F profile and 2-7/8" tubing, testing to 7,500 psi. Set pkr at 3,475'. Install frac head. Pressure annulus to 500 psi to test csg and pkr. Leave pressure on csg during frac job to observe for communication.
9. MI & RU DS Services. Frac well down 2-7/8" tubing at 35 BPM with 43,000 gals of YF135ST, 73,000 lbs of 16/30 Jordan Sand and 24,000 lbs 16/30 resin-coated sand. Observe a maximum surface treating pressure of 7,400 psi. Pump job as per the attached FracCADE design.
10. Leave well SI over night.
11. Open well. Release pkr and POH with 2-7/8" work string.

**New Mexico BZ State NCT-10 No. 7  
Grayburg Completion Procedure  
Lea County, New Mexico**

**API NO:** 30-025-33952

12. PU 3-7/8" bit and GIH with 2-7/8" tubing string to top of sand fill. Establish circulation using 2% KCL water. CO well bore to 3700'. POH w/ bit and tubing.
13. Run production equipment as per ALS recommendation.
14. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

**Mark S. Wakefield**  
June 4, 2003

**Proposed Amendment Of Surface  
 Commingling Order PLC-54  
 NM BB, & L/BZ NCT 10 Commingled Tank  
 Section 2, T25S, R37E  
 Lea County, New Mexico**

**NM BB, L, & BZ NCT 10 Commingled Tank**

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks
Blinebry/Tubb-Drk	BB # 3	7	35.5	26.68	186.76	Gravity of comingled oil fr/ # 10 Battery
Blinebry/Tubb-Drk	L # 3	8	35.5	26.68	213.44	Gravity of comingled oil fr/ # 10 Battery
Blinebry/Tubb-Drk	L # 4	11	35.5	26.68	293.48	Gravity of comingled oil fr/ # 10 Battery
Blinebry/Tubb-Drk	L # 5	12	35.5	26.68	320.16	Gravity of comingled oil fr/ # 10 Battery
Blinebry/Tubb-Drk	L # 6	15	35.5	26.68	400.2	Gravity of comingled oil fr/ # 10 Battery
Blinebry/Tubb-Drk	BZ # 5	5	35.5	26.68	133.4	Gravity of comingled oil fr/ # 10 Battery
Blinebry/Tubb-Drk	BZ # 6	5	35.5	26.68	133.4	Gravity of comingled oil fr/ # 10 Battery
Tubb-Drk	BZ # 7	0	0	26.68	0	Shut-In
LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	BZ # 7		35.2	26.68	0	New Recompletion Production Estimate, & Gravity from an Area Grayburg well, (within a half of a mile)..
<b>Totals</b>		<b>63</b>			<b>\$1,680.84</b>	

**Production From All Wells Commingled Into NM BB, & L/BZ NCT 10 Commingled Tank**

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks
Blinebry/Tubb-Drk	BB # 3	7	35.4	26.68	186.76	Calculated gravity of commingled oil
Blinebry/Tubb-Drk	L # 3	8	35.4	26.68	213.44	Calculated gravity of commingled oil
Blinebry/Tubb-Drk	L # 4	11	35.4	26.68	293.48	Calculated gravity of commingled oil
Blinebry/Tubb-Drk	L # 5	12	35.4	26.68	320.16	Calculated gravity of commingled oil
Blinebry/Tubb-Drk	L # 6	15	35.4	26.68	400.2	Calculated gravity of commingled oil
Blinebry/Tubb-Drk	BZ # 5	5	35.4	26.68	133.4	Calculated gravity of commingled oil
Blinebry/Tubb-Drk	BZ # 6	5	35.4	26.68	133.4	Calculated gravity of commingled oil
LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	BZ # 7	29	35.4	26.68	773.72	Calculated gravity of commingled oil
<b>Totals</b>		<b>92</b>			<b>\$2,454.56</b>	

**NM, BB, & L/BZ NCT 10 COMMINGLED TANK**

Lease	WELL #	STATUS	API #	Field	Pool	Location	U	SS	TT	RR	WI	POOL
STATE BB	3-DHC	PR	30-025-33169	JUSTIS	BLINEBRY	990' FNL & 330' FWL	D	02	25S	37E	100%	34200
STATE BB	3-DHC	PR	30-025-33169	JUSTIS	TUBB/DRINKARD		D	02	25S	37E		35280
STATE L	3-DHC	PR	30-025-11417	JUSTIS	BLINEBRY	2310' FNL & 1650' FWL	F	02	25S	37E	100%	34200
STATE L	3-DHC	PR	30-025-11417	JUSTIS	TUBB/DRINKARD		F	02	25S	37E		35280
STATE L	4-DHC	FL	30-025-11419	JUSTIS	BLINEBRY	1655' FNL & 990' FWL	E	02	25S	37E	100%	34200
STATE L	4-DHC	FL	30-025-11419	JUSTIS	TUBB/DRINKARD		E	02	25S	37E		35280
STATE L	5-DHC	PR	30-025-32911	JUSTIS	BLINEBRY	2260' FNL & 1800' FWL	F	02	25S	37E	100%	34200
STATE L	5-DHC	PR	30-025-32911	JUSTIS	TUBB/DRINKARD		F	02	25S	37E		35280
STATE L	6-DHC	PR	30-025-33725	JUSTIS	BLINEBRY	2310' FNL & 450' FWL	E	02	25S	37E	100%	34200
STATE L	6-DHC	PR	30-025-33725	JUSTIS	TUBB/DRINKARD		E	02	25S	37E		35280
NM BZ STATE (NCT) 10	5-DHC	PR	30-025-33089	JUSTIS	BLINEBRY	1650' FSL & 1650' FWL	K	02	25S	37E	100%	34200
NM BZ STATE (NCT) 10	5-DHC	PR	30-025-33089	JUSTIS	TUBB/DRINKARD		K	02	25S	37E		35280
NM BZ STATE (NCT) 10	6-DHC	PR	30-025-33168	JUSTIS	BLINEBRY	480' FSL & 1650' FWL	N	02	25S	37E	100%	34200
NM BZ STATE (NCT) 10	6-DHC	PR	30-025-33168	JUSTIS	TUBB/DRINKARD		N	02	25S	37E		35280
NM BZ STATE (NCT) 10	7	SI	30-025-33952	JUSTIS	TUBB/DRINKARD	1700' FSL & 330' FWL	L	02	25S	37E	100%	35280
NM BZ STATE (NCT) 10	7	NEW RECOMPLETION	30-025-33952	JUSTIS	LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	1700' FSL & 330' FWL	L	02	25S	37E	75%	37240

**WELL TEST REPORT**

<b>Lease:</b> STATE BB 3	<b>Field:</b> FLD-JUSTIS	<b>Reservoir:</b> ALL POOLS - NEW MEXICO
<b>Well:</b>	<b>Field Code:</b> U80	<b>Resv Code:</b> 0000004056
	<b>Unique Code:</b> PU802100	<b>Battery:</b> BB & L - BZ
	<b>Wellbore:</b> 429008	<b>API No:</b> 300253316900

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fld Lvl Date	BTFPD	% Runtime
	0	0	0				99	PR			2/9/03		45.0
7/7/03	7	64	45		6443	9.9	99	PR		5774	4/2/03	71	48.0
6/7/03	10	39	34		3431	20.4	99	PR		5774	4/2/03	49	32.0
5/3/03	6	40	50		8333	13.0	99	PR		5774	4/2/03	46	38.0
4/3/03	12	49	78		6536	19.7	99	PR		5774	4/2/03	61	44.0
3/9/03	8	62	49		6128	11.4	99	PR			2/9/03	70	50.0
2/2/03	8	47	78		9804	14.5	99	PR			2/9/03	55	45.0
12/1/02	7	43	69		9804	14.0	99	PR				50	
11/1/02	7	43	69		9804	14.0	99	PR				50	
11/1/02	7	43	69		9804	14.0	99	PR				50	
10/1/02	2	10	17		9250	15.4	02	PR				12	
10/1/02	6	34	57		9250	15.4	01	PR				40	

**WELL TEST REPORT**

<b>Lease:</b> STATE L 3	<b>Field:</b> FLD-JUSTIS	<b>Reservoir:</b> ALL POOLS - NEW MEXICO
<b>Well:</b>	<b>Field Code:</b> U80	<b>Resv Code:</b> 0000004056
	<b>Unique Code:</b> PU801800	<b>Battery:</b> BB & L - BZ
	<b>Wellbore:</b> 428065	<b>API No:</b> 300251141700

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fld Lvl Date	BTFPD	% Runtime
	0	0	0				99	PR			1/14/03		11.0
7/6/03	8	4	57		7108	66.7	99	PR		5925	4/4/03	12	17.0
6/3/03	7	3	54		7703	70.0	99	PR		5925	4/4/03	10	15.0
5/5/03	7	3	54		7703	70.0	99	PR		5925	4/4/03	10	15.0
4/4/03	9	3	88		9803	75.0	99	PR		5925	4/4/03	12	15.0
3/7/03	7	1	63		8963	87.5	99	PR			1/14/03	8	11.0
3/1/03	7	1	63		8963	87.5	99	PR			1/14/03	8	11.0
2/1/03	7	4	54		7703	63.6	99	PR			1/14/03	11	11.0
1/14/03	7	2	59		8403	77.8	99	PR			1/14/03	9	11.0
12/2/02	6	2	70		11602	75.0	99	PR				8	
11/2/02	6	2	69		11438	75.0	99	PR				8	
11/2/02	6	2	69		11438	75.0	99	PR				8	
10/2/02	2	1	36		22137	69.7	02	PR				2	
10/2/02	5	2	45		8416	70.1	01	PR				8	



**WELL TEST REPORT**

<b>Lease:</b> STATE L 5	<b>Field:</b> FLD-JUSTIS	<b>Reservoir:</b> ALL POOLS - NEW MEXICO
<b>Well:</b>	<b>Field Code:</b> U80	<b>Resv Code:</b> 0000004056
	<b>Unique Code:</b> PU801800	<b>Battery:</b> BB & L - BZ
	<b>Wellbore:</b> 428985	<b>API No:</b> 300253291100

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fld Lvl Date	BTFPD	% Runtime
	0	0	0	30			99	PR		5736	12/4/02		30.0
7/4/03	12	17	157	30	13072	41.4	99	PR		5877	4/8/03	29	33.0
6/5/03	19	6	196	30	10319	76.0	99	PR		5877	4/8/03	25	22.0
5/1/03	15	12	157	30	10457	55.6	99	PR		5877	4/8/03	27	22.0
4/8/03	15	17	137	30	9150	46.9	99	PR		5877	4/8/03	32	39.0
3/5/03	16	21	196	30	12254	43.2	99	PR		5736	12/4/02	37	34.0
3/3/03	16	21	196	30	12254	43.2	99	PR		5736	12/4/02	37	30.0
2/4/03	12	14	206	30	17157	46.2	99	PR		5736	12/4/02	26	30.0
1/13/03	14	17	186	30	13305	45.2	99	PR		5736	12/4/02	31	30.0
12/4/02	10	9	119	30	11862	52.6	99	PR		5736	12/4/02	19	25.0
12/4/02	10	9	119	30	11862	52.6	99	PR		5736	12/4/02	19	25.0
11/4/02	12	8	118		9803	60.0	99	PR				20	
10/4/02	6	2	71		11071	78.2	02	PR				8	
10/4/02	8	2	84		11071	77.5	01	PR				10	



**WELL TEST REPORT**

**Lease: NMX BZ NCT10 5**

**Field: FLD-JUSTIS**

**Reservoir: ALL POOLS - NEW MEXICO**

**Well:**

**Field Code: U80**

**Resv Code: 0000004056**

**Unique Code: PU802300**

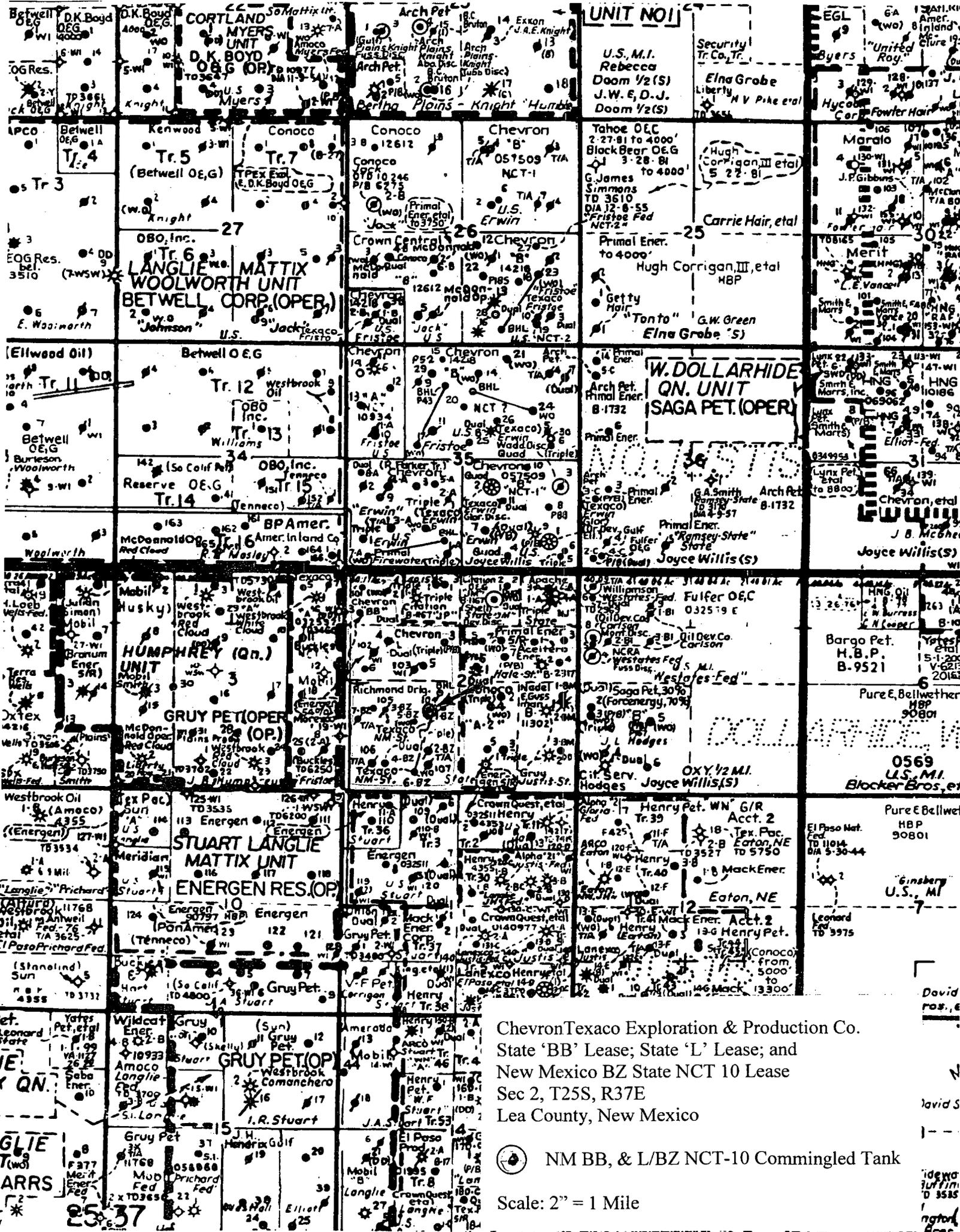
**Battery: BB & L - BZ**

**Wellbore: 429001**

**API No: 300253308900**

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fid Lvl Date	BTFPD	% Runtime
	0	0	0	30			99	PR			1/11/03		25.0
7/1/03	5	33	53	30	10588	13.2	99	PR		5890	4/17/03	38	24.0
6/2/03	9	29	52	30	5773	23.7	99	PR		5890	4/17/03	38	24.0
6/1/03	9	29	62	30	6862	23.7	99	PR		5890	4/17/03	38	25.0
5/6/03	7	28	50	30	7143	20.0	99	PR		5890	4/17/03	35	24.0
4/17/03	8	32	69	30	8579	20.0	99	PR		5890	4/17/03	40	26.0
4/9/03	7	33	105	30	14986	17.5	99	PR			1/11/03	40	25.0
3/5/03	8	25	40	30	5025	24.2	99	PR			1/11/03	33	25.0
2/6/03	9	29	73	30	8061	23.7	99	PR			1/11/03	38	25.0
1/11/03	11	28	71	30	6417	28.2	99	PR			1/11/03	39	25.0
12/6/02	10	27	70		6961	27.0	99	PR				37	
11/6/02	8	27	69		8579	22.9	99	PR				35	
11/6/02	8	27	69		8579	22.9	99	PR				35	
10/6/02	5	23	51		10000	18.2	02	PR				28	
10/6/02	3	13	29		10000	18.1	01	PR				16	





ChevronTexaco Exploration & Production Co.  
 State 'BB' Lease; State 'L' Lease; and  
 New Mexico BZ State NCT 10 Lease  
 Sec 2, T25S, R37E  
 Lea County, New Mexico

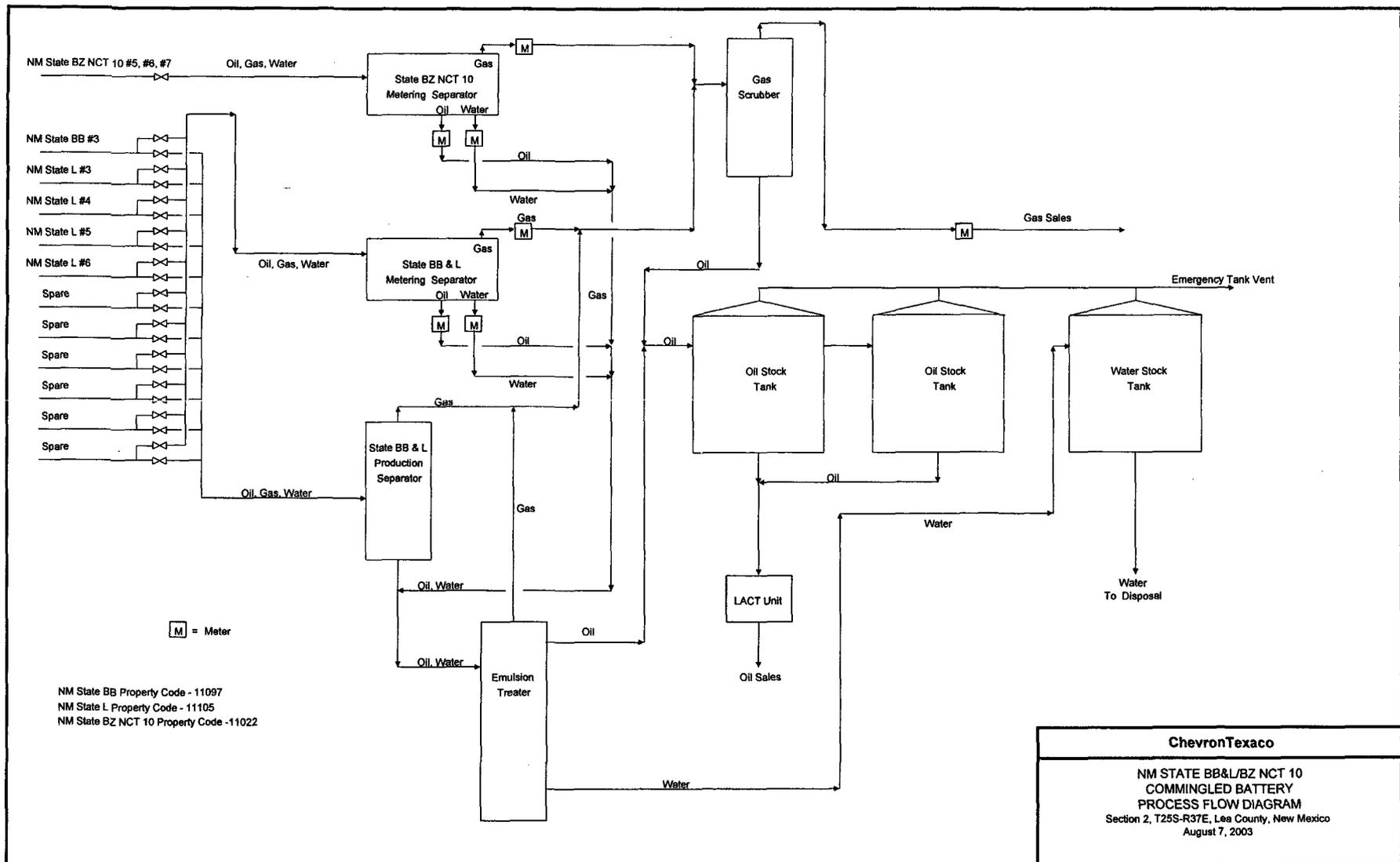
⊙ NM BB, & L/BZ NCT-10 Commingled Tank

Scale: 2" = 1 Mile

David  
 Ross, E

David S

idawa  
 Tuffin  
 D 3535  
 ngton  
 Brac



**ChevronTexaco**

NM STATE BB&L/BZ NCT 10  
 COMMINGLED BATTERY  
 PROCESS FLOW DIAGRAM  
 Section 2, T25S-R37E, Lea County, New Mexico  
 August 7, 2003

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

**ChevronTexaco**

August 7, 2003

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

Re: Amendment of Pool  
Lease Surface Commingle  
Order PLC-54  
New Mexico "BZ" State 10 Lease  
Section 2, T25S, 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 amend Pool Lease Surface Commingle Order PLC-54, allowing for the addition of the Langlie Mattix, Seven Rivers Queen Grayburg to the battery.

Attached in support is a complete package of the NMOCD Lease Surface commingle, 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  
Mark Wakefield  
Reggie Holzer  
Kent Coggan  
Nathan Mouser  
Denise Mohar  
Central Files



**RAY POWELL, M.S., D.V.M.  
COMMISSIONER**

**State of New Mexico  
Commissioner of Public Lands**

310 OLD SANTA FE TRAIL P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

February 16, 1996

Texaco Exploration & Production Inc.  
Post Office Box 730  
Hobbs, New Mexico 88240

Attn: Mr. Darrell Carriger

Re: Application for Lease Commingling  
State "BB", State "L", and N.M. "BZ" State NCT-10 Leases  
Section 2-25S-37E  
Lea County, New Mexico

Dear Mr. Carriger:

We have received your application your application requesting approval to commingle production from the State "BB", State "L" and N.M. "BZ" State NCT-10 leases. The production from the subject leases will be commingled in a common storage facility located in Unit Letter E, Section 2, Township 25S, Range 37E, Lea County, New Mexico, at the State "L" lease battery.

We understand that production from the State "BB" and State "L" leases will be metered separately from the N.M. "BZ" State NCT-10 lease.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Since the State "BB" wells and the N.M. "BZ" State NCT-10 wells are utilizing the tank battery on Lease B-1328-1, a right-of-way easement may be required for a portion of the SW/4NW/4 of Section 2-25S-37E. Please contact Ms. Debra Padilla of our Right-of-Way Section for further information regarding this easement. Ms. Padilla's telephone number is 827-5729.

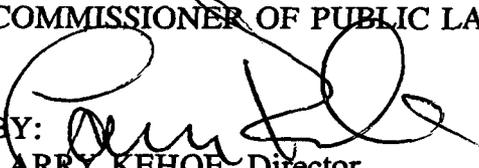
Our approval is contingent upon Texaco's obtaining any required rights-of-way.

Texaco Exploration & Production Inc.  
February 16, 1996  
Page 2

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
LARRY KEHOE, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File  
B-1328-1  
OCD--Attention: David Catanach and Ben Stone  
Debra Padilla  
Nick Mace

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

*Copy*

June 24, 2003

**ChevronTexaco**

Mildred Baker Trust Corp.  
Attn: Ms. Kathy M. Rangel  
P.O. Box 22577  
Hialeah, Florida 33002

Re: Amendment of Pool  
Lease Surface Commingle  
Order PLC-54  
New Mexico "BZ" State 10 Lease  
Section 2, T25S, R37E  
Lea County, New Mexico

Dear Ms. Rangel,

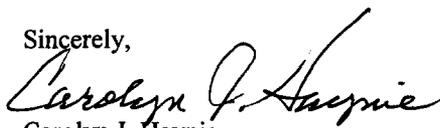
ChevronTexaco Exploration & Production Company, a division of Chevron U.S.A. Inc., is requesting approval from the New Mexico Oil Conservation Division to amend Pool Lease Surface Commingle Order PLC-54, allowing for the addition of the Langlie Mattix, Seven Rivers Queen Grayburg to the battery.

The recompletion of the NM "BZ" State (NCT) 10 well # 7 is proposed in the Langlie Mattix, Seven Rivers Queens Grayburg reservoir, of which the Mildred Baker Trust Corp. holds a working interest owner of 25%, and ChevronTexaco is 75%. Upon the successful recompletion, ChevronTexaco would like to commingle the # 7 well production with the NM BB, & L/BZ NCT-10 Commingled Tank battery.

The production from the State "BB" and State "L" is being metered separately from the NM "BZ" State NCT 10 Lease, and after the recompletion of the NM "BZ" State NCT 10 Lease # 7 well will be tested through a test separator and production will be allocated with other wells in the lease.

Please indicate your approval by signing in the appropriate space on the attachment. For you convenience and return, I have enclosed a stamped self-addressed envelope. If you require additional information, please contact me at (915) 687-7384.

Sincerely,



Carolyn J. Haynie  
New Mexico Waterflood  
PE Technical Assistant

CC: NMOCD Santa Fe, NM  
Mark Wakefield  
Central Files

June 24, 2003

**ChevronTexaco Inc.**  
**Amendment of Pool Lease Surface Commingling Order PLC-54**

**Approval to add the production from the NM 'BZ' State NCT 10 well # 7,  
in the Langlie Mattix, Sevens Rivers Queen Grayburg reservoir to the  
NM BB, & L/BZ NCT – 10 Commingled Tank**

Approved:

---

**Working Interest Owner**  
**Mildred Trust Corp.**  
**P.O. BOX 22577**  
**Hialeah, Florida 33002**