



Carolyn Haynie
Petroleum Engineering
Technical Assistance

Permian Business Unit
Chevron U.S.A. Inc.
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Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

November 7, 2007

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

RE: Application to Pool Commingle Production
Oil and Gas Department

Chevron U.S.A., Inc respectfully requests administrative approval to surface commingle the oil, gas, and water production from the Morrow, Bone Springs, and Brushy Canyon Pools, on the Chevron's Pardue Farms 26-1 Battery located at Pardue Farms 26, well # 1; 1980' FNL & 660' FWL, Section 26, T23S, R28E, Eddy County, New Mexico.

The wells included in this battery, currently produce into four separate tanks, of which are badly in need of repair. Pending administrative approval, Chevron proposes to upgrade and rebuild Pardue Farms 26-1 Battery, by removing the four tanks and installing 2 new tanks. The production from the Pardue Farms well # 1 will continue to go through a separate Gas Production Unit, and the Pardue Farms # 2, # 3, and # 4 production, will go into the two new tanks. Well # 2 is down hole commingled by Administrative Order DHC-2756 in the Brushy-Canyon and the Bone Springs, and is allocated respectively, by oil-53% /gas-34% and oil-47% and gas-66%.

Chevron is the operator with varying working interest, in the Pardue Farms wells # 1, # 2, # 3, and # 4. All working interest owners, royalty interest owners, and over-riding royalty interest owners, have been notified. Attached in support of this request is a copy of the notification letter; a table showing oil production volumes, gravities, and monetary values for each of the wells, and a proposed schematic diagram and a lease plat. Production will be allocated to each well with the use of metering separators, located at the Pardue Farms 26-1 Commingled Battery and will be installed in accordance with applicable provisions of the NMOCD's "Manual for the installation and Operation of Commingling Facilities. Commingling will not be significantly impacted by the proposed action. 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 432-687-7261, or by email at chay@chevron.com

Sincerely,

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

Carolyn Haynie
NM PE Technical Assistant

Enclosure

Page 2

cc: NMOCD -- District 2; Artesia
Lease File
Susan Brownlee
Chris Irle
Danny Lovell
Denise Pinkerton
Stephanie Lugo

New Mexico Area			Pardue Farms 26-1 Commingle									
API No.	Lease	Well No.	Status	Pool	Pool Code	Unit Letter	Section	Twntship	Range	Location	Co.	TD
30-015-22627	Pardue Farms	26-1	FL	Morrow	76140	E	26	23S	28E	1980' FNL & 660' FWL	Eddy	13,117
30-015-22647	Pardue Farms	26-2	FL	Bone Springs &	15011	D	26	23S	28E	760' FNL 7 990' FWL	Eddy	9777
"	"	26-2	FL	Brushy Canyon,	40350	D	26	23S	28E	760' FNL 7 990' FWL	Eddy	"
30-015-23612	Pardue Farms	26-3	FL	DHC -2756	40350	F	26	23S	28E	2080' FNL & 1980' FWL	Eddy	8000
30-015-26862	Pardue Farms	26-4	FL	Brushy Canyon	40350	C	26	23S	28E	560' FNL & 2100' FWL	Eddy	6800

**Proposed Surface Commingling Order
Pardue Farms Commingled Battery 26-1
Section 26, T23S, R28E
Eddy County, New Mexico**

Pardue Farms, Section 26, Battery 1, (Current State)

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks	Battery
Morrow	Pardue Farms 26 #1	0.0	0	\$ -	\$ -	Gas Well	1
Bone Springs/Brushy Canyon	Pardue Farms 26 #2	4.0	40.8	\$ 79.42	\$ 317.68	DHC-2756	1
Brushy Canyon	Pardue Farms 26 #3	7.0	42.7	\$ 62.24	\$ 435.68		1
Brushy Canyon	Pardue Farms 26 #4	8.0	41.8	\$ 63.02	\$ 504.16		1
Totals		19.0			\$1,257.52		

Pardue Farms, Sec. 26, Production-Commingled Into the Upgraded Battery # 26-1

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks	Battery
Morrow	Pardue Farms 26 #1	0.0	0.0	\$ -	\$ -	Calculated API gravity of commingled oil	1
Bone Springs/Brushy Canyon	Pardue Farms 26 #2	4.0	41.9	63.02	252.08	Calculated API gravity of commingled oil	1
Brushy Canyon	Pardue Farms 26 #3	7.0	41.9	63.02	441.14	Calculated API gravity of commingled oil	1
Brushy Canyon	Pardue Farms 26 #4	8.0	41.9	63.02	504.16	Calculated API gravity of commingled oil	1
Totals		19.0			\$1,197.38		



PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

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

ANALYTICAL RESULTS FOR
CHEVRON
ATTN. LARRY WILLIAMS
P.O. BOX 1949
EUNICE, NM 88231
FAX TO: 394-1293

Receiving Date: 7/20/07
Reporting Date: 7/25/07
Project Number: NONE GIVEN
Project Name: PARDUE FARMS
Project Location: LOVING, NM

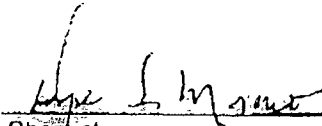
Sampling Date: NONE GIVEN
Sample Type: OIL
Sample Condition: INTACT
Sample Received By: BC

Laboratory No.	Sample ID	API grav. @ 60°F	Weight % Sulfur
H12950-1	26 #2 PARDUE FARM	40.8	0.1360
H12950-2	26 #3 PARDUE FARM	42.7	0.1214
H12950-3	26 #4 PARDUE FARM	41.8	0.1303
H12950-4	27 #4 PARDUE FARM	41.6	0.1343
H12950-5	27 #5 PARDUE FARM	41.9	0.1322
H12950-6	27 #6 PARDUE FARM	42.7	0.1319
H12950-7	27 #9 PARDUE FARM	40.4	0.1369
H12950-8	27 #10 PARDUE FARM	40.2	0.1371
H12950-9	27 #11 PARDUE FARM	41.8	0.1314
H12950-10	27 #12 PARDUE FARM	42.8	0.1311

METHODS: ASTM

D287

D4294


Chemist

07-25-07
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 the service. 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 service. Cardinal shall not be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries or successors arising out of or related to the performance of service hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

[illegible]

WELL TEST REPORT									
Lease: PARDUE FARMS #26-2		Field: CULEBRA BLUFF SOUTH			Reservoir: BONE SPRINGS				
Well: 26-2 CUL		Field Code: EC6			Resv Code: 0000004540				
		Unique Code: BCEC60400			Battery: PRDU FM 26-2				
		Wellbore: 359391			API No: 300152264700				

[illegible]

WELL TEST REPORT

Lease: **PARDUE FARMS #26-3**

Field:	LOVING EAST		

[illegible]

Well: **26-3**

Field Code: US1

Resv Code: 0000004559

		Unique Code: BCUS10300
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IS10300	Battery: PRDU FM 26-3
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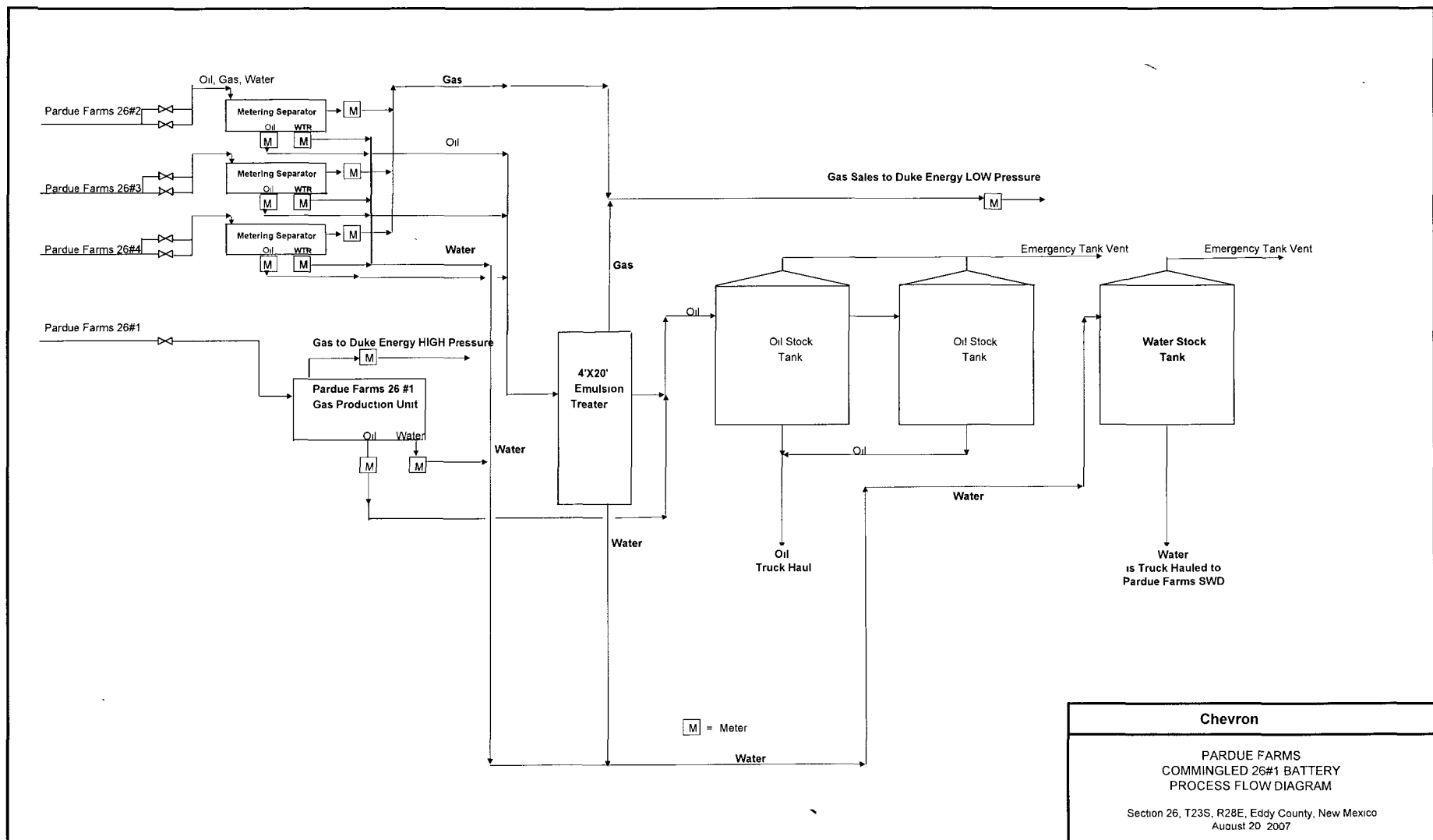
			Wellbore:	359392
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392	API No: 300152361200
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[illegible]

WELL TEST REPORT									
Lease: PARDUE FARMS #26-4		Field: LOVING EAST			Reservoir: BRUSHY CANYON				
Well: 26-4		Field Code: US1			Resv Code: 0000004559				
		Unique Code: BCUS10400			Battery: PRDU FM 26-4				
		Wellbore: 359393			API No: 300152686200				

[illegible]



PARDUE FARMS

CULEBRA BLUFF SOUTH 23 14

1
MCDONALD 1

2
JASSO '22' 2

3
SOUTH CULEBRA BLUFF '23' 3

1
BRANTLEY COM 1

9
SOUTH CULEBRA

2
FLYER 2

2
PARDUE FARMS '27' BTY 2 2

7
PARDUE FARMS '27' 7

4
PARDUE FARMS '26' BTY 2 4

2
PARDUE FARMS '26' BTY 2 2

23S-28E

1
FLYER 1

9
PARDUE FARMS '27' 9

1
PARDUE FARMS '27' 1



WD-8

PARDUE FARMS '27' WD-8

P.F. 27 #1



PARDUE FARMS 26 1



P.F. 26 #1

3
PARDUE FARMS '26' BTY 3 3



PARDUE FARMS

27

26

5
PRDU FRMS '27' BTRY 5 5

12
PARDUE FARMS '27' 12

3
PARDUE FARMS '27' BTY 1 3

10
PARDUE FARMS '27' 10

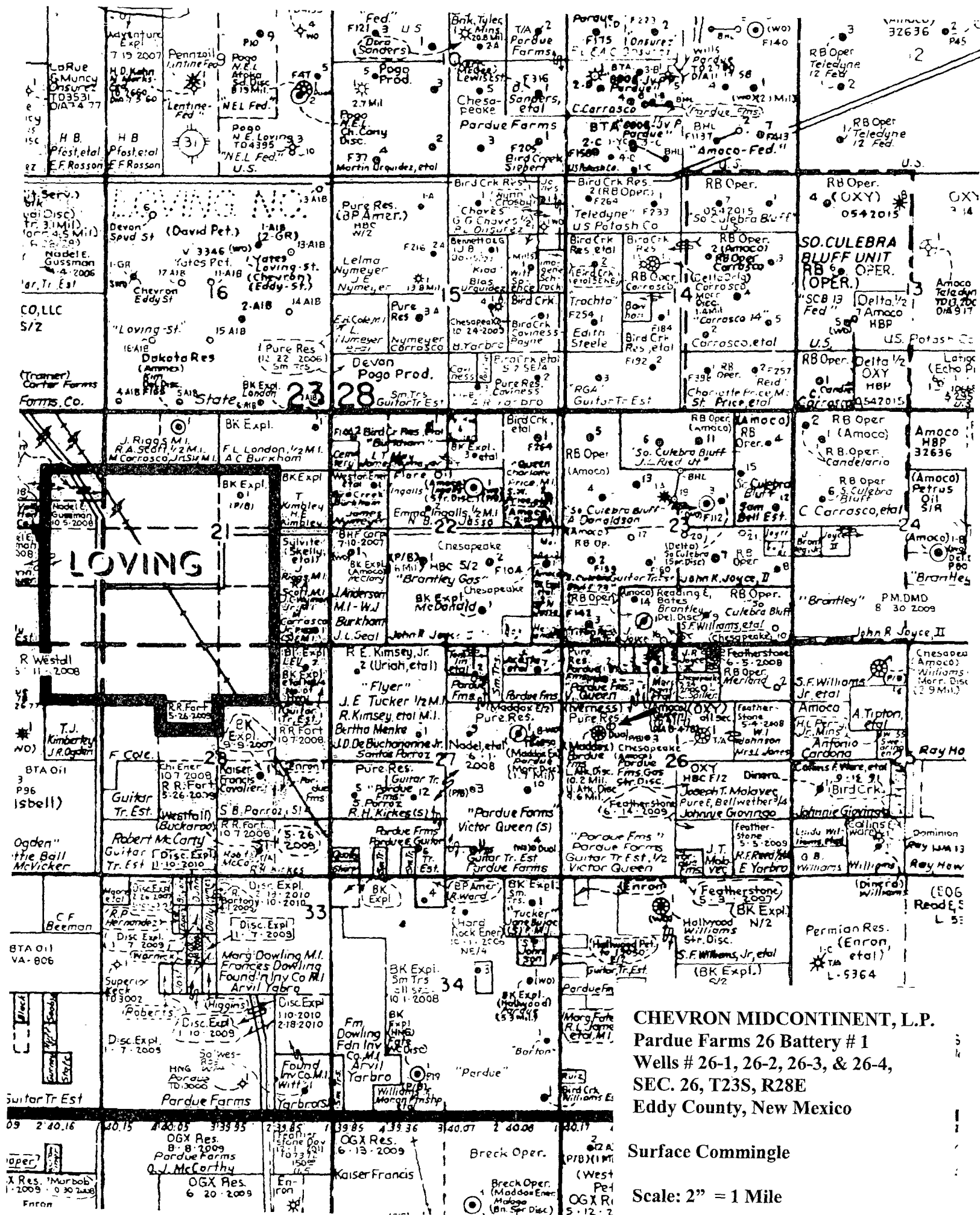
6
PARDUE FARMS '27' BTY 6 6

11
PARDUE FARMS '27' BATTERY 1 11

4
PARDUE FARMS '27' BTY 1 4

4

1





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

November 5, 2007

Pool Lease Commingle
Pardue Farms 26-1 Lease
Section 26, T23S, R28E,
Eddy 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 Morrow, Bone Springs, and Brushy Canyon formations, from the Pardue Farms 26-1 Battery, located at Pardue Farms 26 well # 1; 1980' FNL & 660' FWL, Section 26, T23S, R28E, Eddy County, NM.

Chevron is the operator of the Pardue Farms Lease with working interest in the following wells: Pardue Farms 26 #1, #2, #3, and #4. A table listing the wells proposed for commingling, and a plat of the lease is enclosed, for your information. The wells included in this battery, currently produce into four separate tanks, of which are badly in need of repair. Pending administrative approval, Chevron proposes to upgrade and rebuild Pardue Farms 26-1 Battery by removing the four tanks and installing two new tanks. Gas and oil production will be allocated to each of the wells with the use of the metering separators, prior to commingling, and in accordance with the applicable provisions of the NMOCD's "Manual for the Installation and Operation of Commingling Facilities". The production from the Pardue Farms 26 wells (# 1, # 2, # 3, & # 4), will be re-routed to the new battery and surface commingled. This proposal is the most economical process for the Pardue Farms 26-1 Battery, to correct the potential of environmental leaks. Commingling will not reduce the actual commercial value of the production and will substantially lower operating cost.

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, please contact me, by telephone at 432-687-7261, or by email at: chay@chevron.com.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carolyn Haynie", written over a horizontal line.

Carolyn Haynie
NM PE Technical Assistant

Enclosure

cc: Lease file

Agreement Name	Agreement/Subs Num	Participant Name Line 1	Address Line 1	City	State	Zip Code	Type of Interest
PARDUE FARMS 26 #1 BPO	820043 003	BK EXPLORATION CORP	10159 E 11TH STREET SUITE 401	TULSA	OK	74128-0000	WI
PARDUE FARMS 26 #1 BPO	820043 003	CHEVRON MIDCONTINENT LP	NO ADDRESS	HOUSTON	TX	77236-0000	WI
PARDUE FARMS 26 #1 BPO	820043 003	DEBRA H KUNKEL ROLAND	PO BOX 456	GARDENDALE	TX	79758-0000	WI
PARDUE FARMS 26 #1 BPO	820043 003	ERICH F KLEIN JR EST	PO BOX 96	NECHES	TX	75779-0000	Nonconsent WI
PARDUE FARMS 26 #1 BPO	820043 003	FAITH OIL CO LP	PO BOX 2213	ABILENE	TX	79604-0000	WI
PARDUE FARMS 26 #1 BPO	820043 003	GEORGE W ZAHN	701 ROYCE DR	EULESS	TX	76040-0000	WI
PARDUE FARMS 26 #1 BPO	820043 003	HAROLD L HENSLEY	PO BOX 3580	MIDLAND	TX	79702-0000	WI
PARDUE FARMS 26 #1 BPO	820043 003	JOANNE BRINGHAM	1201 SNOWDEN FARM CV	COLLIERVILLE	TN	38017-0000	WI
PARDUE FARMS 26 #1 BPO	820043 003	MERLAND INC	PO BOX 548	CARLSBAD	NM	88220-0000	WI
PARDUE FARMS 26 #1 BPO	820043 003	MICHELE E REYNOLDS	420 THROCKMORTON STE 630	FORT WORTH	TX	76102-3723	WI
PARDUE FARMS 26 #1 BPO	820043 003	NADEL AND GUSSMAN PERMIAN LLC	15 E 5TH ST STE 3200	TULSA	OK	74103-0000	WI
PARDUE FARMS 26 #1 BPO	820043 003	NORMA J BARTON	PO BOX 728	HOBBS	NM	88241-0000	WI
PARDUE FARMS 26 #1 BPO	820043 003	PARDUE LIMITED CO	PO BOX 2018	CARLSBAD	NM	88221-0000	WI
PARDUE FARMS 26 #1 BPO	820043 003	ROY G BARTON JR	1919 N TURNER ST	HOBBS	NM	88240-2712	WI
PARDUE FARMS 26 #1 BPO	820043 003	S J MANSFIELD III	412 SHADOW BEND DRIVE	RICHARDSON	TX	75081-0000	Nonconsent WI
PARDUE FARMS 26 #1 BPO	820043 003	YATES PETROLEUM CORP	PO BOX 840611	DALLAS	TX	75284-0611	WI
PARDUE FARMS 26 #2	820043 000	BK EXPLORATION CORP	10159 E 11TH STREET SUITE 401	TULSA	OK	74128-0000	WI
PARDUE FARMS 26 #2	820043 000	CHEVRON MIDCONTINENT LP	NO ADDRESS	HOUSTON	TX	77236-0000	WI
PARDUE FARMS 26 #2	820043 000	DEBRA H KUNKEL ROLAND	PO BOX 456	GARDENDALE	TX	79758-0000	WI
PARDUE FARMS 26 #2	820043 000	ERICH F KLEIN JR EST	PO BOX 96	NECHES	TX	75779-0000	WI
PARDUE FARMS 26 #2	820043 000	FAITH OIL CO LP	PO BOX 2213	ABILENE	TX	79604-0000	WI
PARDUE FARMS 26 #2	820043 000	GEORGE W ZAHN	701 ROYCE DR	EULESS	TX	76040-0000	WI
PARDUE FARMS 26 #2	820043 000	HAROLD L HENSLEY	PO BOX 3580	MIDLAND	TX	79702-0000	WI
PARDUE FARMS 26 #2	820043 000	JOANNE BRINGHAM	1201 SNOWDEN FARM CV	COLLIERVILLE	TN	38017-0000	WI
PARDUE FARMS 26 #2	820043 000	MERLAND INC	PO BOX 548	CARLSBAD	NM	88220-0000	WI
PARDUE FARMS 26 #2	820043 000	MICHELE E REYNOLDS	420 THROCKMORTON STE 630	FORT WORTH	TX	76102-3723	WI
PARDUE FARMS 26 #2	820043 000	NADEL AND GUSSMAN PERMIAN LLC	15 E 5TH ST STE 3200	TULSA	OK	74103-0000	WI
PARDUE FARMS 26 #2	820043 000	NORMA J BARTON	PO BOX 728	HOBBS	NM	88241-0000	WI
PARDUE FARMS 26 #2	820043 000	PARDUE LIMITED CO	PO BOX 2018	CARLSBAD	NM	88221-0000	WI
PARDUE FARMS 26 #2	820043 000	ROY G BARTON JR	1919 N TURNER ST	HOBBS	NM	88240-2712	WI
PARDUE FARMS 26 #2	820043 000	S J MANSFIELD III	412 SHADOW BEND DRIVE	RICHARDSON	TX	75081-0000	WI
PARDUE FARMS 26 #2	820043 000	YATES PETROLEUM CORP	PO BOX 840611	DALLAS	TX	75284-0611	WI
PARDUE FARMS 26 #3 BPO	820043 001	BK EXPLORATION CORP	10159 E 11TH STREET SUITE 401	TULSA	OK	74128-0000	WI
PARDUE FARMS 26 #3 BPO	820043 001	CHEVRON MIDCONTINENT LP	NO ADDRESS	HOUSTON	TX	77236-0000	WI
PARDUE FARMS 26 #3 BPO	820043 001	DEBRA H KUNKEL ROLAND	PO BOX 456	GARDENDALE	TX	79758-0000	WI
PARDUE FARMS 26 #3 BPO	820043 001	ERICH F KLEIN JR EST	PO BOX 96	NECHES	TX	75779-0000	WI
PARDUE FARMS 26 #3 BPO	820043 001	FAITH OIL CO LP	PO BOX 2213	ABILENE	TX	79604-0000	WI
PARDUE FARMS 26 #3 BPO	820043 001	GEORGE W ZAHN	701 ROYCE DR	EULESS	TX	76040-0000	WI
PARDUE FARMS 26 #3 BPO	820043 001	HAROLD L HENSLEY	PO BOX 3580	MIDLAND	TX	79702-0000	WI
PARDUE FARMS 26 #3 BPO	820043 001	JOANNE BRINGHAM	1201 SNOWDEN FARM CV	COLLIERVILLE	TN	38017-0000	WI
PARDUE FARMS 26 #3 BPO	820043 001	MERLAND INC	PO BOX 548	CARLSBAD	NM	88220-0000	WI
PARDUE FARMS 26 #3 BPO	820043 001	MICHELE E REYNOLDS	420 THROCKMORTON STE 630	FORT WORTH	TX	76102-3723	WI

PARDUE FARMS WELLS WI OWNERSHIP_6-20-2007.xls

Agreement Name	Agreement/Subs Num	Participant Name Line 1	Address Line 1	City	State	Zip Code	Type of Interest
PARDUE FARMS 26 #3 BPO	820043 001	NADEL AND GUSSMAN PERMIAN LLC	15 E 5TH ST STE 3200	TULSA	OK	74103-0000	WI
PARDUE FARMS 26 #3 BPO	820043 001	NORMA J BARTON	PO BOX 728	HOBBS	NM	88241-0000	Nonconsent WI
PARDUE FARMS 26 #3 BPO	820043 001	PARDUE LIMITED CO	PO BOX 2018	CARLSBAD	NM	88221-0000	WI
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PARDUE FARMS 26 #3 BPO	820043 001	S J MANSFIELD III	412 SHADOW BEND DRIVE	RICHARDSON	TX	75081-0000	WI
PARDUE FARMS 26 #3 BPO	820043 001	YATES PETROLEUM CORP	PO BOX 840611	DALLAS	TX	75284-0611	Nonconsent WI
PARDUE FARMS 26 #4 BPO	820043 002	BK EXPLORATION CORP	10159 E 11TH STREET SUITE 401	TULSA	OK	74128-0000	WI
PARDUE FARMS 26 #4 BPO	820043 002	CHEVRON MIDCONTINENT LP	NO ADDRESS	HOUSTON	TX	77236-0000	WI
PARDUE FARMS 26 #4 BPO	820043 002	DEBRA H KUNKEL ROLAND	PO BOX 456	GARDENDALE	TX	79758-0000	WI
PARDUE FARMS 26 #4 BPO	820043 002	FAITH OIL CO LP	PO BOX 2213	ABILENE	TX	79604-0000	WI
PARDUE FARMS 26 #4 BPO	820043 002	GEORGE W ZAHN	701 ROYCE DR	EULESS	TX	76040-0000	WI
PARDUE FARMS 26 #4 BPO	820043 002	HAROLD L HENSLEY	PO BOX 3580	MIDLAND	TX	79702-0000	WI
PARDUE FARMS 26 #4 BPO	820043 002	JOANNE BRINGHAM	1201 SNOWDEN FARM CV	COLLIERVILLE	TN	38017-0000	WI
PARDUE FARMS 26 #4 BPO	820043 002	MERLAND INC	PO BOX 548	CARLSBAD	NM	88220-0000	WI
PARDUE FARMS 26 #4 BPO	820043 002	MICHELE E REYNOLDS	420 THROCKMORTON STE 630	FORT WORTH	TX	76102-3723	WI
PARDUE FARMS 26 #4 BPO	820043 002	NADEL AND GUSSMAN PERMIAN LLC	15 E 5TH ST STE 3200	TULSA	OK	74103-0000	WI
PARDUE FARMS 26 #4 BPO	820043 002	PARDUE LIMITED CO	PO BOX 2018	CARLSBAD	NM	88221-0000	WI
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PARDUE FARMS 26 #4 BPO	820043 002	YATES PETROLEUM CORP	PO BOX 840611	DALLAS	TX	75284-0611	WI