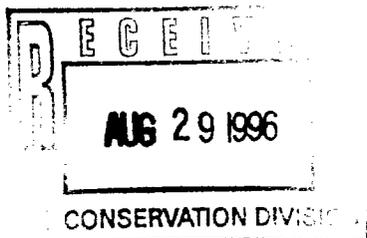


CTB

9/18/96

437



Chevron

Chevron U.S.A. Production Company

P.O. Box 1160
Midland, TX 79702

August 26, 1996

Administrative Application for
Surface Commingling
North Monument Field
Monument "12" State No. 3
1650' FSL, 1650' FWL, Unit K,
Section 12, T19S, R36E
Monument "14" State No. 2
2227' FSL, 2006' FEL, Unit J,
Section 14, T19S, R36E
Lea County, New Mexico

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William J. LeMay - Director

Dear Mr. LeMay:

Chevron U.S.A. Inc. respectfully requests administrative approval for surface commingling of the production from the two above described wells.

The Monument "14" State No. 2 well is completed in the Abo formation. The IP was 36 bopd, 143 bwpd, and 16 mcfpd. The API gravity is 40.4^o at 60^o F. The Monument "12" State No. 3 will be completed in the Abo formation. Testing on the Abo is being done now. The commingling of these two wells will allow the producing of the wells with one battery at a savings of approximately \$50,000. The oils are from the same zone and will be compatible. The value of the oil will be the same as the individual oils. The working interest owners and the royalty owners are the same on the two leases. Attached are the waivers from the interest owners and the oil and gas purchasers. Also attached is a schematic diagram of the production facility.

If you have any questions, or if you require further information, please contact Lloyd Trautman at (915) 687-7152.

Sincerely,

A handwritten signature in black ink that reads "Lloyd V. Trautman". The signature is written in a cursive style with a large, prominent initial "L".

Lloyd V. Trautman
Senior Petroleum Engineer
New Mexico Area

Attachments

cc: NMOCD - Hobbs, New Mexico
NM State Land Office,
N. V. Mouser
L. V. Trautman
Central Files - Lease and Well Files

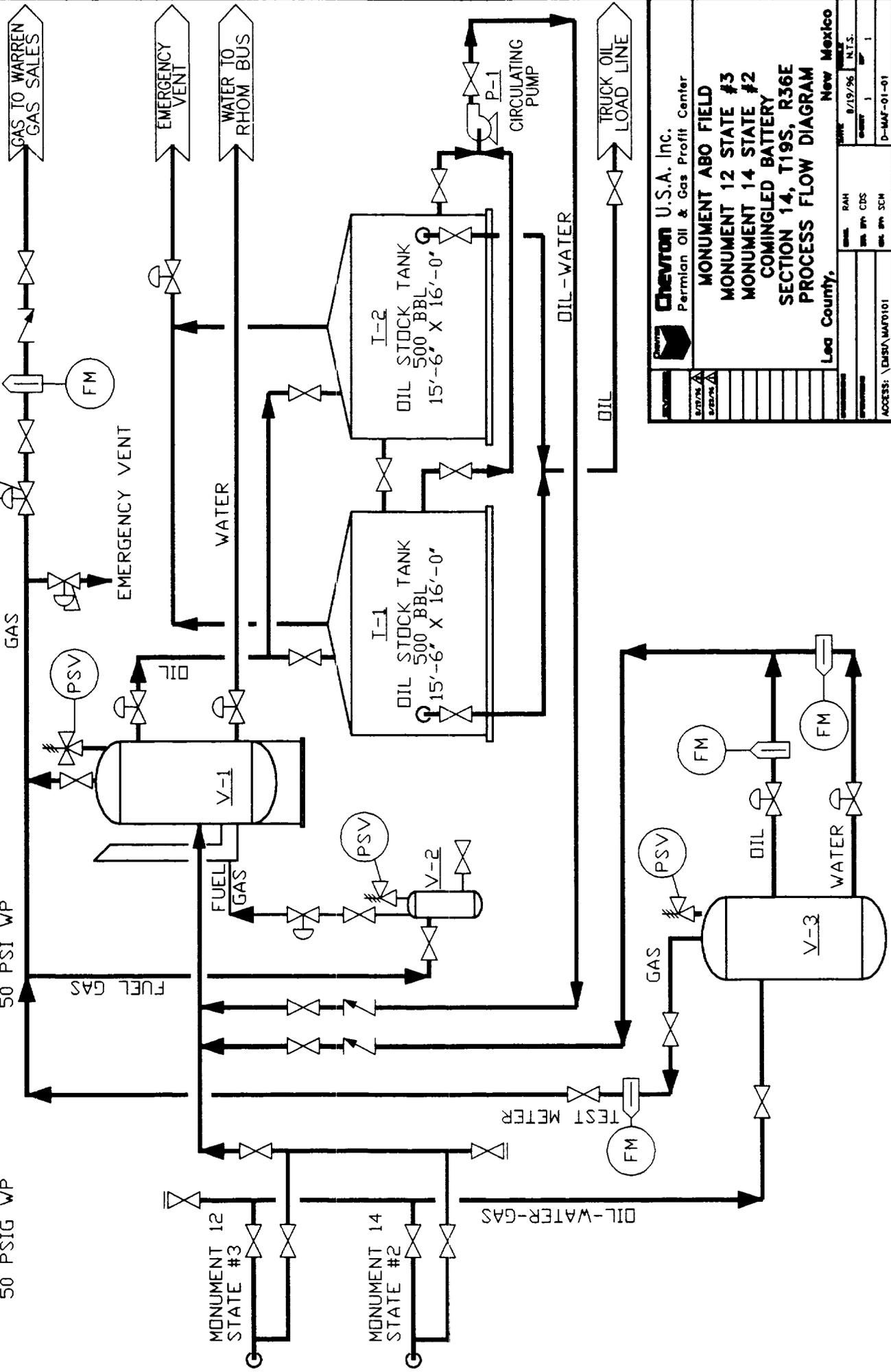
V-1
48' X 20'-0" VERTICAL
HEATER TREATER
NATCO 1995
50 PSIG WP

V-2
12' D.D. X 36' VERTICAL
GAS SCRUBBER
NATCO
50 PSI WP

I-1
15'-6" X 16'-0" STEEL
OIL STOCK TANK
1996

V-3
36' D.D. X 10'-0" VERTICAL
3 PHASE SEPARATOR
125 PSIG WP

I-2
15'-6" X 16'-0" STEEL
WATER STOCK TANK
1996



Chevron U.S.A. Inc.
Permian Oil & Gas Profit Center

MONUMENT ABO FIELD
MONUMENT 12 STATE #3
MONUMENT 14 STATE #2
COMINGLED BATTERY
SECTION 14, T19S, R36E
PROCESS FLOW DIAGRAM

Log County, New Mexico

DATE	8/19/96	N.T.S.
BY	RAH	1
CHECKED BY	CBS	
DESIGNED BY	SCM	

ACCESS: \ENR\MAF0101

D-MAF-01-01

Waiver of Objection

Chevron USA Inc.

**Surface Commingling
Monument "12" State # 3
Monument "14" State # 2
North Monument Field
Section 12 & 14, T19S, R36E
Lea County, New Mexico**

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Monument "12" State # 3 and the Monument "14" State # 2. The location of the battery is in Section 14, T19S, R36E.

Signature:



W. S. Lehmann

Title:

Asst. Mgr., North Ventura - O.S., Onshore

Company:

AMERADA HESS CORPORATION

Date:

August 22, 1996

Waiver of Objection

Chevron USA Inc.

**Surface Commingling
Monument "12" State # 3
Monument "14" State # 2
North Monument Field
Section 12 & 14, T19S, R36E
Lea County, New Mexico**

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Monument "12" State # 3 and the Monument "14" State # 2. The location of the battery is in Section 14, T19S, R36E.

Signature:	<u></u>
Title:	<u>LAND DIRECTOR</u>
Company:	<u>PHILLIPS PETROLEUM COMPANY</u>
Date:	<u>19 AUGUST 1996</u>

Waiver of Objection

Chevron USA Inc.

**Surface Commingling
Monument "12" State # 3
Monument "14" State # 2
North Monument Field
Section 12 & 14, T19S, R36E
Lea County, New Mexico**

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Monument "12" State # 3 and the Monument "14" State # 2. The location of the battery is in Section 14, T19S, R36E.

Signature: *John S. Leeds*
Title: Manager
Company: Leeds Operating Co., LLC
Date: 8/19/96

* subject to the metering and reporting of production on a well by well basis

AUG 22 '96 09:32AM CHEVRON MIDLAND

Waiver of Objection

Chevron USA Inc.

**Surface Commingling
Monument "12" State # 3
Monument "14" State # 2
North Monument Field
Section 12 & 14, T19S, R36E
Lea County, New Mexico**

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Monument "12" State # 3 and the Monument "14" State # 2. The location of the battery is in Section 14, T19S, R36E.

Signature:	<u>Mike Chase</u>
Title:	<u>District Manager</u>
Company:	<u>Pride Pipeline Company</u>
Date:	<u>August 22, 1996</u>