

PC

N/R

942

Chevron



Chevron

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

October 10, 1996

Administrative Application for Surface Commingling
Keel "A" Federal #1 (Young; San Andres, South) -- 96416
1980' FSL & 2080' FEL, J-33-T18S-R32E
Keel "A" Federal #2 (Wildcat Grayburg) -- 96626
660' FSL & 1980' FEL, O-33-T18S-R32
Keel "A" Federal #4 (Young; San Andres, South)
1980' FSL & 800' FEL, I-33-T18S-R32E
Lea County, New Mexico

State of New Mexico
Energy, Minerals & Natural Resources Department
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 three above described wells.

Keel "A" Federal #1 produces 107 bopd w/an API gravity of 25.3° @ 60° F. Keel "A" Federal #2 IP was 65 bopd, 9 bwpd and 45 mcfpd w/an API gravity of 25.3° @ 60° F. Keel "A" Federal #4 IP was 51 bopd, 94 bwpd and 7 mdcpd w/an API gravity of 23.6° @ 60° F. The commingling of these three wells will allow the producing of the wells into one battery at a savings of approximately \$50,000. The oil produced will be compatible. The value of the commingled oil will be the same as the individual oils. The wells are located on the same lease; therefore, the working interest owners and royalty owners are the same.

Attached are waivers from the working interest owners and 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.

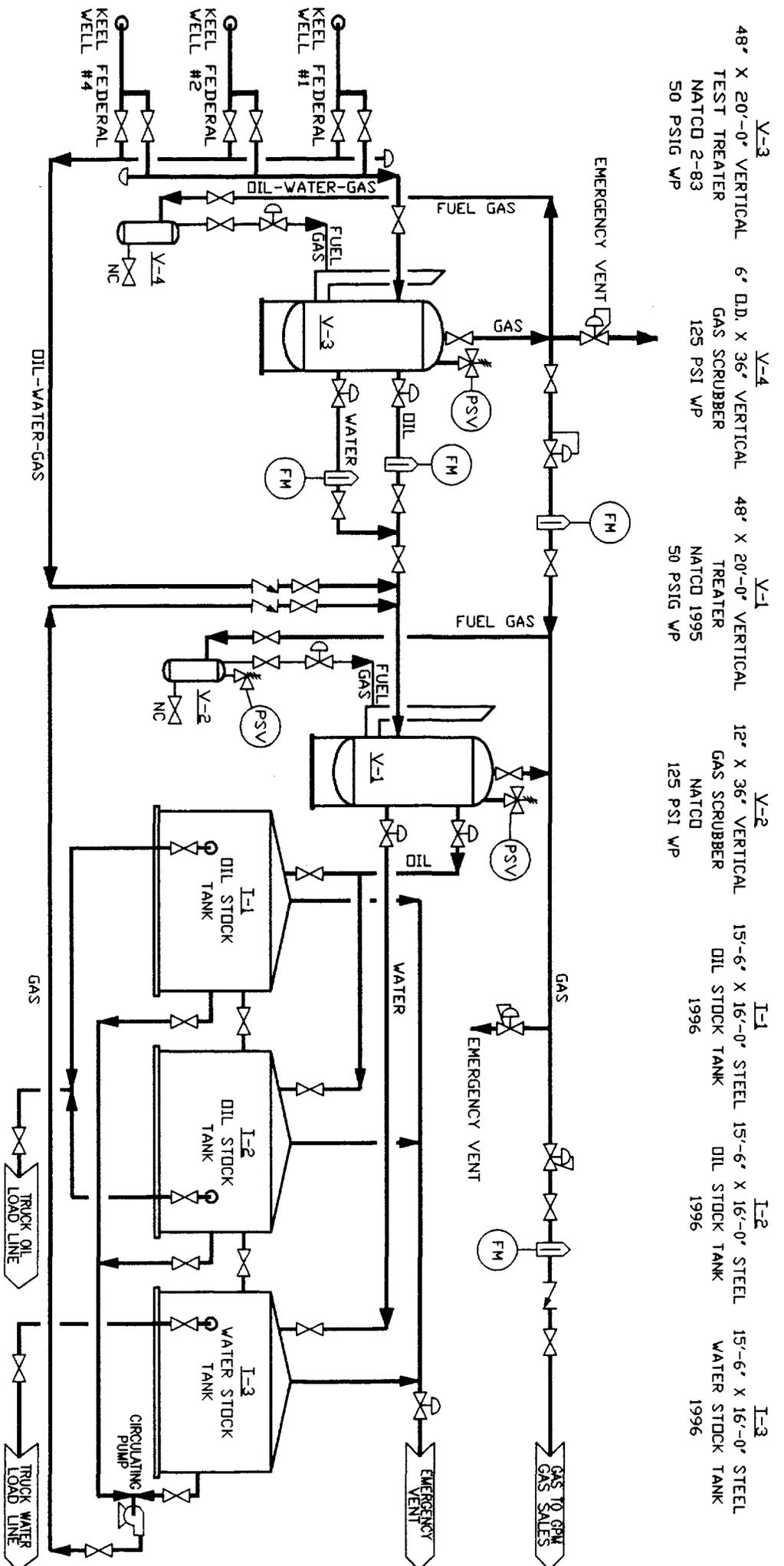
Sincerely,

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

Lloyd V. Trautman
Senior Petroleum Engineer
New Mexico Area

Attachments

cc: NMOCD - Hobbs, NM
NM State Land Office - Santa Fe, NM
N. V. Mouser
L. V. Trautman
Central Files



- V-3 48' X 20'-0" VERTICAL TEST TREATER NATC0 2-83 50 PSIG WP
- V-4 6' D.D. X 36' VERTICAL GAS SCRUBBER 125 PSI WP
- V-1 48' X 20'-0" VERTICAL TREATER NATC0 1995 50 PSIG WP
- V-2 12' X 36' VERTICAL GAS SCRUBBER NATC0 1996 125 PSI WP
- I-1 15'-6" X 16'-0" STEEL DIL STOCK TANK 1996
- I-2 15'-6" X 16'-0" STEEL DIL STOCK TANK 1996
- I-3 15'-6" X 16'-0" STEEL WATER STOCK TANK 1996

LEASE: NM-24161

Permian Oil & Gas Profit Center	
KEEL A FEDERAL #1 TANK BATTERY	
1980' FSL, 2080' FEL	
SECTION 35, T18S - R32E	
PROCESS FLOW DIAGRAM	
Lead County, New Mexico	
DATE: 6/19/96	BY: N.T.S.
SHEET: 1	OF: 1
ACCESS: WOLAN-B-VAR0101	D-KAF-01-01

WAIVER OF OBJECTION

CHEVRON U.S.A., INC.

Surface Commingling
Keel "A" Federal #1 (Young; San Andres, South)
Keel "A" Federal #2 (Lusk; North Yates 7R)
Keel "A" Federal #4 (Young; San Andres, South)
Section 33, T18S-R32E
Lea County, New Mexico

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Keel "A" Federal #1, Keel "A" Federal #2, and Keel "A" Federal #4. The location of the battery is Section 33, T18S, R32E, Lea County, New Mexico.

Signature: Doralea S. Bean

Title: Personal Representative

Company: Estate of Thomas Truman Sanders, Jr.

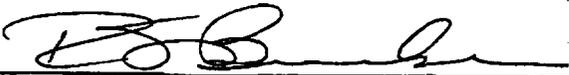
Date: 10/7/96

WAIVER OF OBJECTION

CHEVRON U.S.A., INC.

Surface Commingling
Keel "A" Federal #1 (Young; San Andres, South)
Keel "A" Federal #2 (Lusk; North Yates 7R)
Keel "A" Federal #4 (Young; San Andres, South)
Section 33, T18S-R32E
Lea County, New Mexico

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Keel "A" Federal #1, Keel "A" Federal #2, and Keel "A" Federal #4. The location of the battery is Section 33, T18S, R32E, Lea County, New Mexico.

Signature: 
Title: OPERATIONS MGR
Company: MATADOR PETROLEUM CORPORATION
Date: 10-10-96

AUG 28 '96 01:15PM CHEVRON MIDLAND

P.3/3

WAIVER OF OBJECTION

CHEVRON U.S.A., INC.

Surface Commingling
Keel "A" Federal #1 (Young; San Andres, South)
Keel "A" Federal #2 (Lusk; North Yates 7R)
Keel "A" Federal #4 (Young; San Andres, South)
Section 33, T18S-R32E
Lea County, New Mexico

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Keel "A" Federal #1, Keel "A" Federal #2, and Keel "A" Federal #4. The location of the battery is Section 33, T18S, R32E, Lea County, New Mexico.

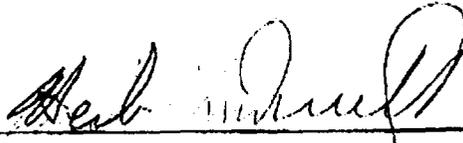
Signature: 
Title: V.P.
Company: SNOW OIL & CHEMICALS
Date: 9/8/96

WAIVER OF OBJECTION

CHEVRON U.S.A., INC.

Surface Commingling
Keel "A" Federal #1 (Young; San Andres, South)
Keel "A" Federal #2 (Lusk; North Yates 7R)
Keel "A" Federal #4 (Young; San Andres, South)
Section 33, T18S-R32E
Lea County, New Mexico

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Keel "A" Federal #1, Keel "A" Federal #2, and Keel "A" Federal #4. The location of the battery is Section 33, T18S, R32E, Lea County, New Mexico.

Signature: 
Title: WT OWNER
Company: McNULT
Date: 8-31

WAIVER OF OBJECTION

CHEVRON U.S.A., INC.

Surface Commingling
Keel "A" Federal #1 (Young; San Andres, South)
Keel "A" Federal #2 (Lusk; North Yates 7R)
Keel "A" Federal #4 (Young; San Andres, South)
Section 33, T18S-R32E
Lea County, New Mexico

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Keel "A" Federal #1, Keel "A" Federal #2, and Keel "A" Federal #4. The location of the battery is Section 33, T18S, R32E, Lea County, New Mexico.

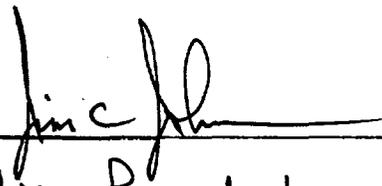
Signature: J. B. Roberts
Title: owner
Company: _____
Date: 8-30-96

WAIVER OF OBJECTION

CHEVRON U.S.A., INC.

Surface Commingling
Keel "A" Federal #1 (Young; San Andres, South)
Keel "A" Federal #2 (Lusk; North Yates 7R)
Keel "A" Federal #4 (Young; San Andres, South)
Section 33, T18S-R32E
Lea County, New Mexico

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Keel "A" Federal #1, Keel "A" Federal #2, and Keel "A" Federal #4. The location of the battery is Section 33, T18S, R32E, Lea County, New Mexico.

Signature: 
Title: Vice President
Company: Petroleum Development Corp.
Date: 8/28/96

WAIVER OF OBJECTION

CHEVRON U.S.A., INC.

Surface Commingling
Keel "A" Federal #1 (Young; San Andres, South)
Keel "A" Federal #2 (Lusk; North Yates 7R)
Keel "A" Federal #4 (Young; San Andres, South)
Section 33, T18S-R32E
Lea County, New Mexico

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Keel "A" Federal #1, Keel "A" Federal #2, and Keel "A" Federal #4. The location of the battery is Section 33, T18S, R32E, Lea County, New Mexico.

Signature: Stuart D. Cook
Title: PRESIDENT
Company: S&C OPERATING
Date: 9/5/96

WAIVER OF OBJECTION

CHEVRON U.S.A., INC.

Surface Commingling
Keel "A" Federal #1 (Young; San Andres, South)
Keel "A" Federal #2 (Lusk; North Yates 7R)
Keel "A" Federal #4 (Young; San Andres, South)
Section 33, T18S-R32E
Lea County, New Mexico

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Keel "A" Federal #1, Keel "A" Federal #2, and Keel "A" Federal #4. The location of the battery is Section 33, T18S, R32E, Lea County, New Mexico.

Signature: Bill Bradshaw
Title: Exploration Manager
Company: Read + Stevens Inc.
Date: 8/29/96

WAIVER OF OBJECTION**CHEVRON U.S.A., INC.**

Surface Commingling
Keel "A" Federal #1 (Young, San Andres, South)
Keel "A" Federal #2 (Lusk, North Yates 7R)
Keel "A" Federal #4 (Young, San Andres, South)
Section 33, T18S-R32E
Lea County, New Mexico

We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Keel "A" Federal #1, Keel "A" Federal #2, and Keel "A" Federal #4. The location of the battery is Section 33, T18S, R32E, Lea County, New Mexico.

Signature: _____



Title: _____

GAS ACQUISITION MANAGER

Company: _____

GPM GAS SERVICES CO.

Date: _____

9/3/96