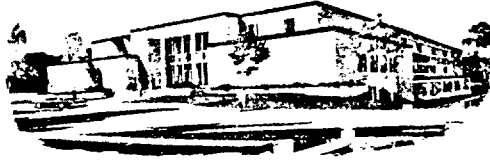


State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-307

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

July 31, 1987

Chevron, U.S.A. Inc.
Attn: Mr. R. C. Anderson
P. O. Box 670
Hobbs, New Mexico 88240

Re: Request for Administrative Approval,
Lease Commingling Chevron's Heasley
State and Bell Ramsay (NCT-A) leases
Lea County, New Mexico

Gentlemen:

Reference is made to your letter dated July 22, 1987 wherein you have requested our approval for an exception to permit commingling of production from two leases, Chevron's Heasley State, located in Section 5-T21S-36E to the Bell Ramsay (NCT-A) Tank Battery. In your application you state that when approved, the Heasley State Battery will be dismantled and production from the Heasley State lease will be sent to the Bell Ramsay (NCT-A) Battery located in Section 4, T21S, R36E, Lea County, New Mexico.

It is our understanding that all production is from a common source, the Blinbry and that all wells will be tested monthly to determine correct production. Also, a letter of consent has been received from the purchaser and approval to commingle will prevent waste and unnecessary production expense by eliminating the need to replace the Heasley State Tank Battery.

You are hereby given approval to the above request. This approval is subject to being withdrawn at the discretion of the Commissioner of Public Lands, if in his opinion, the operation proves to be unsound or otherwise against the best interest of the State of New Mexico. Our approval is also subject to like approval by the New Mexico Oil Conservation Division.

Chevron U.S.A. Inc.
July 31, 1987
Page 2

Your filing fee in the amount of Thirty (\$30.00) Dollars has been received.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

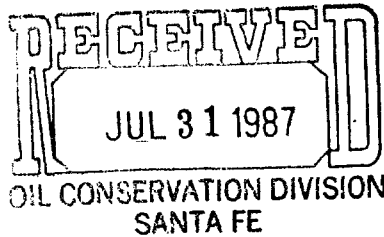
WRH/FOP/pm

cc: OCD-Santa Fe, New Mexico Attention: Mr. David Catanach
State Lease No. B16414
State Lease No. B2301
OGAD-Santa Fe



Chevron U.S.A. Inc.
P.O. Box 670, Hobbs, NM 88240

R. C. Anderson
Division Manager
Production Department
Hobbs Division



July 22, 1987

REQUEST FOR ADMINISTRATIVE
APPROVAL, LEASE COMMINGLING

W. J. LEMAY
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Chevron U.S.A. Inc. respectfully requests administrative approval for an exception to Rule 309-A to permit commingling of production from two leases, Chevron's Heasley State and Bell Ramsay (NCT-A). If approved, the Heasley State Battery will be dismantled and production from the Heasley State lease will be sent to the Bell Ramsay (NCT-A) Battery located in Section 4, T21S, R36E, Lea County, New Mexico.

In support of this application, Chevron U.S.A. Inc. states the following facts:

1. All production is from a common source, the Blinebry.
2. All wells will be tested monthly to determine correct production allocation.
3. A letter of consent was received from the purchaser and is attached.
4. Permission to commingle will prevent waste and unnecessary production expense by eliminating the need to replace the Heasley State Tank Battery.

Also included with this application is a battery schematic, diagraming the test and production facilities and a lease plat to reference the location.

In view of the facts submitted, Chevron U.S.A. Inc. requests that administrative approval of the lease commingling be granted.

Yours very truly,

R. C. ANDERSON

RKM/cjw

Attachment

Heasley State and Bell Ramsay (NCT-A) State Lease
Section 4 & 5, T21S, R36E
Lea County, New Mexico

1. Heasley State Lease

- a. State Lease No. B-1641-4
- b. Legal Description: N/2 of Section 5, T21S, R36E,
Lea County, New Mexico.
- c. Lessee of Record: Chevron U.S.A. Inc. (Formerly
Gulf Oil Corporation).

2. Bell Ramsay (NCT-A) Lease

- a. State Lease No. B-230
- b. Legal Description: W/4 of Section 4, T21S, R36E,
Lea County, New Mexico.
- c. Lessee of Record: Chevron U.S.A. Inc. (Formerly
Gulf Oil Corporation).

PRODUCTION SUMMARY

<u>Lease</u>	<u>May 1987</u>	<u>June 1987</u>	<u>Average BOPD</u>
Heasley State #8	140 BO	198 BO	5.55
Bell Ramsay (NCT-A)	841 BO	870 BO	28.05
			TOTAL = 33.60

RKM - What is this about! Please advise (verbally).

7/17/87

Memorandum

HOBBS DIVISION			
INFO	COPY	DISCUSSION	HANDLER
X			DIV. MGR
			DIV. ORLG. MGR
		X	DIV. PET. ENG
			DIV. DEV. GEO.
			AREA SUPT. N.M.
			AREA SUPT. TX.
			DIV. D&C ENG.
			DIV. G&C ENG.
			NOJV COORD.
			SAFETY COORD.
			ADMIN. ASST.
		X	RKM
X			DCH
			FILE

P. O. Box 3976
Houston, TX 77253-3976
July 13, 1987

Chevron - Heasley State
Bell-Ramsay (NCT-A)
Oil Center Blinrby Pool
Lea County, New Mexico

Mr. R. C. Anderson
Hobbs Office

Attention: Rick Mitchell

Chevron USA Inc. (Supply and Distribution) is purchasing the production from the above referenced leases with connection by Shell Pipe Line Corporation's Sour facilities.

We have been advised that for economic reasons it is desirable to commingle the production from these leases.

Supply and Distribution Department is agreeable to purchasing the commingled production.

Beryl Ragsdale

B. M. Ragsdale
Area Representative

BMR:mrđ

