

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [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

- [D] Other: Specify _____

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 TO VOLVO 00 TO

[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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Carolyn Haynie
 Print or Type Name

Carolyn Haynie
 Signature

PE Technical Assistant
 Title

9-5-02
 Date

carolynhaynie@chevrontexaco.com
 e-mail Address

Chevron USA Production Company Inc.
Carolyn J. Haynie
PE Technical Assistant
Eunice Waterflood
15 Smith Road
Midland, TX 79705

ChevronTexaco

September 5, 2002

New Mexico Oil Conservation Division
Attn: Lori Wrotenbery, Directory
1220 South St. Francis Drive
Santa Fe, NM 87504

Surface Commingling Request
New Mexico "EA" State # 2
Unit A, Section 24, T18S, R37E
Lea County, New Mexico

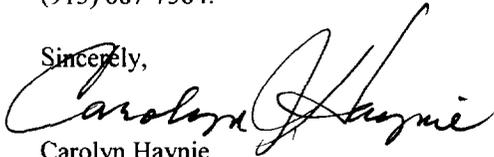
Dear Ms. Wrotenbery:

ChevronTexaco Exploration & Production Company, a division of Chevron U.S.A. Inc., respectfully requests administrative approval to pool surface commingle the New Mexico "EA" State wells # 1 & # 2, production. The NM "EA" State # 2 well is being drilled, therefore, actual production data is currently unavailable. ChevronTexaco is requesting approval based on data from the New Mexico EA State #1, which was drilled and completed December of 2001.

Three reservoirs are currently downhole commingled on Administrative Order DHC-2963-A, which allows for the NM "EA" State # 1 to commingle the production from the Wildcat Drinkard, the Wildcat Abo, and the Wildcat Tubb. The NM "EA" State #2 well is currently being drilled and a downhole commingling permit has been submitted for approval. It is proposed to surface commingle production from both wells in a common tank battery located at the NM "EA" State #1. The proposed facility will be equipped with a metering test separator for monthly allocation of production to each well.

Attached in support of this request is a proposed schematic diagram for the subject facility, and a lease plat., a copy of the letter to the Commissioner of Public Lands, State of New Mexico. Since both wells will ultimately be completed in the same pools, the production gravities and monetary values will be similar. ChevronTexaco has 100% working interest in both wells. Permission to commingle the wells would substantially lower operating costs to ChevronTexaco. If you have any questions concerning this application, please contact me, at (915) 687-7384.

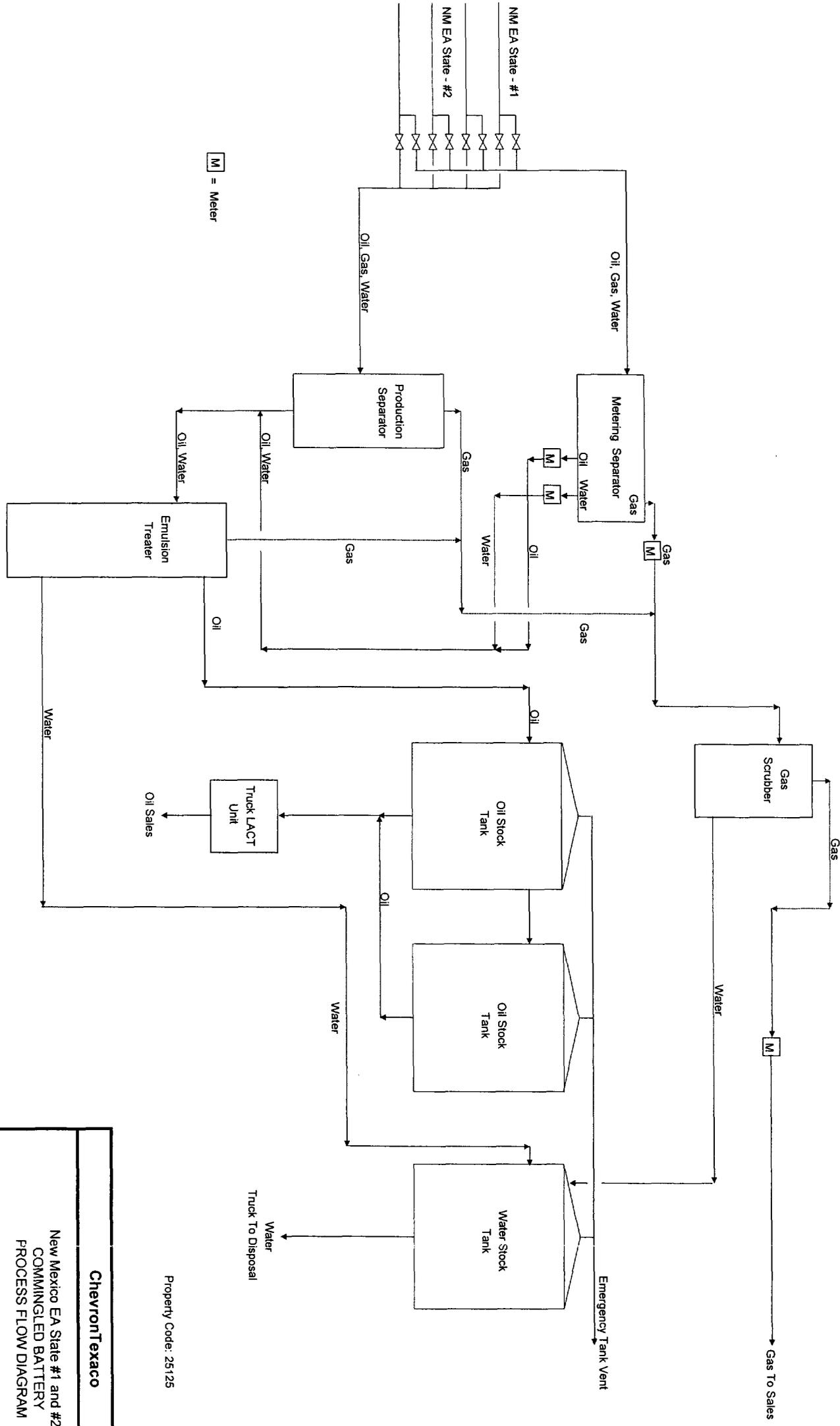
Sincerely,



Carolyn Haynie
PE Technical Assistant

Cc: NMOCD – Hobbs District I
Commissioner of Public Lands
Lease File
Denise Leake
Reggie Holzer
Nathan Mouser
Kent Coggan

API	Well Name	Unit	Section	Location	Township	Range	County
30-025-34788	New Mexico "EA" State # 1	A	24	410' FNL & 610' FEL	18S	37E	LEA
30-025-35953	New Mexico "EA" State # 2	B	24	330' FNL & 1733' FEL	18S	37E	LEA



Property Code: 25125

ChevronTexaco

New Mexico EA State #1 and #2
 COMMINGLED BATTERY
 PROCESS FLOW DIAGRAM

Section 24, T18S-R37E, Lea County, New Mexico
 September 4, 2002

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

ChevronTexaco

September 5, 2002

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

Re: Surface Commingling Request
New Mexico "EA" State #2
Unit A, Section 24, T18S, R37E
Lea County, New Mexico

Dear Mr. Martinez,

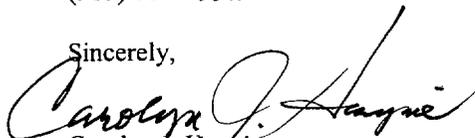
ChevronTexaco Exploration & Production Company, a division of Chevron U.S.A. Inc., is requesting approval from the Commissioner of Public Lands, State of New Mexico, to pool surface commingle the New Mexico "EA" State wells # 1 & # 2, production. The NM "EA" State # 2 well is being drilled, therefore, actual production data is currently unavailable. ChevronTexaco is requesting approval based on data from the New Mexico EA State #1, which was drilled and completed December of 2001.

Three reservoirs are currently downhole commingled on Administrative Order DHC-2963-A, which allows for the NM "EA" State # 1, API # 30-025-34788, to commingle the production from the Wildcat Drinkard, the Wildcat Abo, and the Wildcat Tubb. The NM "EA" State #2, API # 30-025-35953, is currently being drilled and a downhole commingling permit has been submitted for approval. It is proposed to surface commingle production from both wells in a common tank battery located at the NM "EA" State #1. The proposed facility will be equipped with a metering test separator for monthly allocation of production to each well.

Attached in support of this request is a proposed schematic diagram for the subject facility, and a lease plat, and the Commissioner of Public Lands, State of New Mexico, commingling filing fee, in the amount of \$30.00. Since both wells will ultimately be completed in the same pools, the production gravities and monetary values will be similar. ChevronTexaco has 100% working interest in both wells. Permission to commingle the wells would substantially lower operating costs to ChevronTexaco.

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
Mike Howell
Reggie Holzer
Kent Coggan
Nathan Mouser