

DATE 12/2/02	SUBMITTED 12/22/02	ENGINEER	LOGGED IN <i>MN</i>	TYPE <i>PLC</i>	APP NO. 233729794
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



221

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 X PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [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 11-22-02
 Title Date

CAROLYN.HAYNIE@CHEVRONTECHACO.COM
 e-mail Address

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

RECEIVED

DEC 02 2002

OIL CONSERVATION
DIVISION

ChevronTexaco

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

Re: Application for Surface Lease Commingling
NM "DF" State & Federal 33 Com Leases
Sections 32 & 33, T-212S, R-23E
Eddy County, NM

Dear Ms. Wrotenbery:

ChevronTexaco Exploration & Production Company, a division of Chevron U.S.A. Inc., is requesting administrative approval from the New Mexico Oil Conservation Division to Surface (pool) commingle the oil, gas, and water production from the New Mexico "DF" State Com wells # 1, (API 30-015-10723; # 3, (API 30-015-29284); and # 4, (API 30-015-31853) with the Federal 33 Com wells # 1, (API 30-015-10580); # 2, (API 30-015-28953), and the new well # 3, (API 30-015-32180) which is currently being drilled.

Commingling Order PC-1049 (copy attached), currently provides for the surface (pool) commingle of production from the New Mexico "DF" State Com Lease, in the Indian Basin-Upper Pennsylvanian Pool and the Indian Basin – Morrow Pool. The Gas, condensate, and water produced from any horizon on this lease is dedicated to Marathon Oil Co. as per the life of lease gas processing agreement that established the Indian Basin Gas Plant in 1966.

The wells on both the NM "DF" State and the Federal 33 Com are equipped with a metering test separator for monthly allocation of production, in accordance with applicable provisions of the NMOCD's "Manual for the Installation and Operation of Commingling Facilities".

ChevronTexaco is the operator of both leases, and owns 100% ownership of the Federal 33 Com Lease, and 75% ownership of the New Mexico "DF" State Com Lease, with Encore Operating, L.P. holding the remaining 25% ownership. Commingling will not reduce the actual commercial value of gas or condensate sold from each pool.

In support of this request attachments also include, an oil and gas production table, well test, well location information, a lease plat, and a proposed schematic diagram for the subject facility.

If you have any questions or require additional information, please contact me at 915-687-7384, at the ChevronTexaco, Midland office.

Sincerely,

A handwritten signature in black ink, reading "Carolyn J. Haynie". The signature is fluid and cursive, with the first name "Carolyn" being more prominent than the last name "Haynie".

Carolyn J. Haynie
New Mexico Waterflood
PE Technical Assistant
Tel 915-687-7384

Attachments

CC: Encore Operating, L.P.
NM Oil & Gas Division District Office
Reggie Holzer
Scott Ingram
Darrell Carriger
Danny Lovell
Karen Jackson
Denise Mohar
Central Files



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

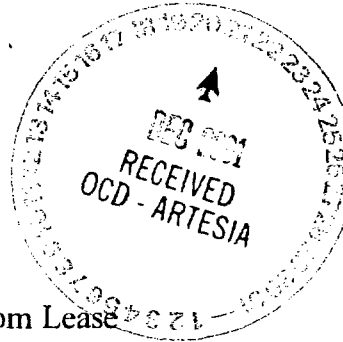
Director

Oil Conservation Division

COMINGLING ORDER PC-1049

Texaco Exploration & Production, Inc.
P.O. Box 3109
Midland, Texas 79702

Attention: Mr. Jason Wacker



Lease: New Mexico "DF" State Com Lease
Description: All of Section 32, Township 21 South, Range 23 East, NMPM, Eddy
County, New Mexico

New Mexico "DF" State Com No. 1 (API No. 30-015-10723)
Unit J, Section 32
Indian Basin-Upper Pennsylvanian Pool

New Mexico "DF" State Com No. 3 (API No. 30-015-29284)
Unit G, Section 32
Indian Basin-Upper Pennsylvanian Pool

New Mexico "DF" State Com No. 4 (API No. 30-015-31853)
Unit J, Section 32
Indian Basin-Morrow Pool

The above-named company is hereby authorized to commingle Indian Basin-Upper Pennsylvanian (Gas – 79050) and Indian Basin-Morrow (Gas – 78960) Pool production from the above-described lease and to determine the production from each pool by separately metering the production from each well prior to commingling.

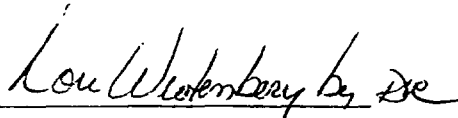
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

Total gas production from the lease shall be measured at a gas sales meter located on the New Mexico "DF" State Com Lease. Oil and water production shall be commingled and stored at a tank battery located on the New Mexico "DF" State Com Lease.

FURTHER: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Remarks: The commingling authority for the New Mexico "DF" State Com Lease shall apply to additional wells that may be drilled on the lease in the future and produced from the Indian Basin-Upper Pennsylvanian or Indian Basin-Morrow Gas Pools, provided that such production shall be separately metered prior to commingling.

DONE at Santa Fe, New Mexico, on this 10th day of December, 2001.



LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division- Artesia /
State Land Office-Oil & Gas Division

Well Information Lease	#	TUS	POOL	POOL NUMBERS	Unit	Section	Township	Range	Location	COUNTY	WI	API #
FEDERAL 33 GAS COM	1	FL	Indian Basin Upper Penn	79040	J	33	21S	23E	1980' FSL & 2080' FWL	EDDY	100.00	30-015-10580
FEDERAL 33 GAS COM	2	FL	Indian Basin Upper Penn	79040	G	33	21S	23E	1959' FNL & 1802' FEL	EDDY	100.00	30-015-28953
FEDERAL 33 GAS COM	3	New well/Dual Completion	Indian Basin Upper Penn & Loافر Draw Morrow SE	79040 & 97181	K	33	21S	23E	1980' FSL & 2080' FWL	EDDY	100.00	30-015-32180
NM DF STATE COM	1	NA	Indian Basin Upper Penn	79040	J	32	21S	23E	1650' FSL & 1650' FEL	EDDY	0.75	30-015-10723
NM DF STATE COM	3	NA	Indian Basin Upper Penn	79040	G	32	21S	23E	2000' FNL & 1650' FEL	EDDY	0.75	30-015-29284
NM DF STATE COM	4	FL	Loافر Draw Morrow SE	80300	J	32	21S	23E	2310' FSL & 1650' FEL	EDDY	0.75	30-015-31853

Proposed Surface Commingle
New Mexico DF State Wells and
Federal 33 Com Wells
Section 32 & 33, T21S, R23E
Eddy County, New Mexico

New Mexico DF State Wells Oil Production

Pool	Well	BOPD	API Gravity	Avg YTD \$/BBL	\$/Day	Remarks
Indian Basin Upper Penn	New Mexico DF State # 1	1	54.6	22.22	22.22	Average Indian Basin Gravity
Indian Basin Upper Penn	New Mexico DF State # 3	0	54.6	22.22	0	Average Indian Basin Gravity
Loafer Draw Morrow SE	New Mexico DF State # 4	1	54.6	22.22	22.22	Average Indian Basin Gravity
Totals		2			\$44.44	

Federal 33 Com Wells Oil Production

Pool	Well	BOPD	API Gravity	Avg YTD \$/BBL	\$/Day	Remarks
Indian Basin Upper Penn	Federal Com 33 # 1	1	54.6	22.22	22.22	Average Indian Basin Gravity
Indian Basin Upper Penn	Federal Com 33 # 2	1	54.6	22.22	22.22	Average Indian Basin Gravity
Indian Basin Upper Penn	Federal Com 33 # 3	0			0	Currently drilling
Loafer Draw Morrow SE	Federal Com 33 # 3	0			0	Currently drilling
Totals		2			\$44.44	

**Proposed Surface Commingle
New Mexico DF State Wells and
Federal 33 Com Wells
Section 32 & 33, T21S, R23E
Eddy County, New Mexico**

New Mexico DF State Wells Gas Production

Pool	Well	MCFPD	Gas Co- Efficient	\$/MCF	\$/Day	Remarks
Indian Basin Upper Penn	New Mexico DF State # 1	1577	1.072	2.82	4447.14	
Indian Basin Upper Penn	New Mexico DF State # 3	152	1.072	2.82	428.64	
Loafer Draw Morrow SE	New Mexico DF State # 4	1637	1.028	2.82	4616.34	
Totals		3366			\$9,492.12	

Federal 33 Com Wells Gas Production

Pool	Well	MCFPD	Gas Co- Efficient	\$/MCF	\$/Day	Remarks
Indian Basin Upper Penn	Federal Com 33 # 1	2272	1.075	2.76	6270.72	
Indian Basin Upper Penn	Federal Com 33 # 2	2009	1.075	2.76	5544.84	
Indian Basin Upper Penn	Federal Com 33 # 3				0	Currently drilling
Loafer Draw Morrow SE	Federal Com 33 # 3				0	Currently drilling
Totals		4281			\$11,815.56	

WELL TEST REPORT

Lease: **FEDERAL 33 GAS COM**Field: **INDIAN BASIN**Reservoir: **PENN UPPER**Well: **1**Field Code: **H33**Resv Code: **GF**Unique Code: **PH331010**Battery: **INDIAN BASIN FED**Wellbore: **028450**API No: **300151058000**

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fid Lvl Date	BTFPD	% Runtime
	0	0	0	320			01	FL	Indian Basin Upper Penn				
	0	0	0	320			01	FL	Indian Basin Upper Penn				
	0	0	0	270			01	FL	Indian Basin Upper Penn				
	0	0	0	260			01	FL	Indian Basin Upper Penn		6/16/99		0.0
	0	0	0	160			01	FL	Indian Basin Upper Penn		6/16/99		0.0
	0	0	0	330			01	FL	Indian Basin Upper Penn				
	0	0	0	160			01	FL	Indian Basin Upper Penn		6/16/99		0.0
	0	0	0	320			01	FL	Indian Basin Upper Penn				
	0	0	0	330			01	FL	Indian Basin Upper Penn				
	0	0	0	320			01	FL	Indian Basin Upper Penn				
10/17/02	1	1	2272	75	2271850	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
9/5/02	1	1	2261	75	2261120	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
8/8/02	2	1	2388	75	1193940	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
7/10/02	2	1	2381	75	1190525	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
6/24/02	2	1	2395	75	1197350	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
5/20/02	2	1	2455	75	1227575	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
5/20/02	2	1	2455	75	1227575	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
4/15/02	2	1	2414	75	1207100	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
3/11/02	2	1	2574	75	1287055	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
2/11/02	2	1	2642	75	1321180	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
1/22/02	2	1	2652	75	1326055	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
12/28/01	2	2	2584	75	1291930	50.0	01	FL	Indian Basin Upper Penn		6/16/99	4	0.0
11/7/01	3	2	2725	75	908413	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
10/15/01	2	1	2745	75	1372370	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
9/9/01	2	1	2779	75	1389435	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
8/21/01	1	1	2813	75	2813000	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
7/18/01	2	1	2876	75	1438185	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
6/18/01	2	1	2940	75	1469875	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
5/27/01	3	1	2413	150	804410	75.0	01	FL	Indian Basin Upper Penn		6/16/99	4	0.0
5/27/01	3	1	2413	150	804410	75.0	01	FL	Indian Basin Upper Penn		6/16/99	4	0.0
4/10/01	4	2	2486	150	621590	66.7	01	FL	Indian Basin Upper Penn		6/16/99	6	0.0
3/19/01	2	6	2520	150	1260240	25.0	01	FL	Indian Basin Upper Penn		6/16/99	8	0.0
2/19/01	3	2	2564	150	854787	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
1/12/01	3	2	2623	150	874287	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
12/25/00	3	2	2613	150	871037	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
11/27/00	4	1	2403	150	600870	80.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
10/9/00	2	2	2842	150	1421125	50.0	01	FL	Indian Basin Upper Penn		6/16/99	4	0.0
9/12/00	3	3	2935	150	978293	50.0	01	FL	Indian Basin Upper Penn		6/16/99	6	0.0
9/12/00	3	3	2935	150	978293	50.0	01	FL	Indian Basin Upper Penn		6/16/99	6	0.0
8/10/00	2	2	3340	160	1669760	50.0	01	FL	Indian Basin Upper Penn		6/16/99	4	0.0
8/10/00	2	2	3340	160	1669760	50.0	01	FL	Indian Basin Upper Penn		6/16/99	4	0.0
7/5/00	3	2	2896	160	965290	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
7/5/00	3	2	2896	160	965290	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
6/19/00	3	2	2993	160	997793	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
6/19/00	3	2	2993	160	997793	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
5/9/00	3	2	2935	160	978293	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
5/9/00	3	2	2935	160	978293	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
4/12/00	3	2	3052	160	1017293	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
4/12/00	3	2	3052	160	1017293	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
3/7/00	3	1	3198	160	1066047	75.0	01	FL	Indian Basin Upper Penn		6/16/99	4	0.0
3/7/00	3	1	3198	160	1066047	75.0	01	FL	Indian Basin Upper Penn		6/16/99	4	0.0
2/16/00	3	2	3120	160	1040043	60.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0

WELL TEST REPORT

Lease: **FEDERAL 33 COM**Field: **INDIAN BASIN**Reservoir: **PENN UPPER**Well: **2**Field Code: **H33**Resv Code: **GF**Unique Code: **PH331010**Battery: **INDIAN BASIN FED**Wellbore: **100681**API No: **300152895300**

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fld Lvl Date	BTFPD	% Runtime
	0	0	0	490			01	FL	Indian Basin Upper Penn				
	0	0	0	270			01	FL	Indian Basin Upper Penn				
	0	0	0	490			01	FL	Indian Basin Upper Penn				
	0	0	0	550			01	FL	Indian Basin Upper Penn				
	0	0	0	260			01	FL	Indian Basin Upper Penn				
	0	0	0	150			01	FL	Indian Basin Upper Penn		6/16/99		0.0
	0	0	0	255			01	FL	Indian Basin Upper Penn		6/16/99		0.0
	0	0	0	490			01	FL	Indian Basin Upper Penn				
	0	0	0	270			01	FL	Indian Basin Upper Penn				
	0	0	0	550			01	FL	Indian Basin Upper Penn				
	0	0	0	490			01	FL	Indian Basin Upper Penn				
	0	0	0	255			01	FL	Indian Basin Upper Penn		6/16/99		0.0
	0	0	0	230			01	FL	Indian Basin Upper Penn		6/16/99		0.0
10/17/02	1	1	2009	77	2008590	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
9/5/02	1	1	2082	77	2081710	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
8/8/02	1	1	1804	77	1803830	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
7/10/02	1	1	2121	77	2120720	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
6/24/02	1	1	2096	77	2096340	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
5/20/02	1	1	2179	77	2179220	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
5/20/02	1	1	2179	77	2179220	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
4/11/02	1	1	2210	77	2210420	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
3/11/02	1	1	2282	77	2281600	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
2/11/02	1	1	2267	77	2266970	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
1/22/02	1	1	2312	77	2311820	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
12/28/01	1	1	2330	77	2330350	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
11/7/01	1	1	2374	77	2374230	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
10/14/01	1	1	2418	77	2418100	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
9/9/01	1	1	2399	77	2398600	50.0	01	FL	Indian Basin Upper Penn		6/16/99	2	0.0
8/21/01	2	1	2428	77	1213925	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
7/18/01	2	1	2511	77	1255365	66.7	01	FL	Indian Basin Upper Penn		6/16/99	3	0.0
6/18/01	3	1	2564	80	854787	75.0	01	FL	Indian Basin Upper Penn		6/16/99	4	0.0
5/31/01	3	1	2194	150	731280	75.0	01	FL	Indian Basin Upper Penn		6/16/99	4	0.0
5/31/01	3	1	2194	150	731280	75.0	01	FL	Indian Basin Upper Penn		6/16/99	4	0.0
4/10/01	5	2	2272	150	454370	71.4	01	FL	Indian Basin Upper Penn		6/16/99	7	0.0
3/19/01	5	2	2282	150	456320	71.4	01	FL	Indian Basin Upper Penn		6/16/99	7	0.0
2/19/01	8	2	2321	150	290075	80.0	01	FL	Indian Basin Upper Penn		6/16/99	10	0.0
1/12/01	8	2	2345	150	293123	80.0	01	FL	Indian Basin Upper Penn		6/16/99	10	0.0
12/25/00	8	2	2379	150	297388	80.0	01	FL	Indian Basin Upper Penn		6/16/99	10	0.0
11/24/00	8	1	2374	150	296779	88.9	01	FL	Indian Basin Upper Penn		6/16/99	9	0.0
10/3/00	5	2	2374	150	474846	71.4	01	FL	Indian Basin Upper Penn		6/16/99	7	0.0
9/20/00	8	2	2496	150	312014	80.0	01	FL	Indian Basin Upper Penn		6/16/99	10	0.0
8/10/00	4	1	2496	150	624028	80.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
8/10/00	4	1	2496	150	624028	80.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
7/5/00	4	1	2399	150	599650	80.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
7/5/00	4	1	2399	150	599650	80.0	01	FL	Indian Basin Upper Penn		6/16/99	5	0.0
6/19/00	4	2	2652	150	663028	66.7	01	FL	Indian Basin Upper Penn		6/16/99	6	0.0
6/19/00	4	2	2652	150	663028	66.7	01	FL	Indian Basin Upper Penn		6/16/99	6	0.0
4/12/00	6	1	2711	150	451770	85.7	01	FL	Indian Basin Upper Penn		6/16/99	7	0.0
4/12/00	6	1	2711	150	451770	85.7	01	FL	Indian Basin Upper Penn		6/16/99	7	0.0
3/7/00	6	1	2594	150	432268	85.7	01	FL	Indian Basin Upper Penn		6/16/99	7	0.0
3/7/00	6	1	2594	150	432268	85.7	01	FL	Indian Basin Upper Penn		6/16/99	7	0.0
2/16/00	7	2	2272	230	324550	77.8	01	FL	Indian Basin Upper Penn		6/16/99	9	0.0

New Mexico Well Tests

Well Name	TEST DATE	TEST LENGTH	BOPD	BWPD	MCFPD	GOR	TBG PRESS
NMX DF ST CM 1 IBP	10/18/2002	24	1	0	1577	1,577,000	
NMX DF ST CM 1 IBP	9/15/2002	24	1	1	1561	1,561,000	
NMX DF ST CM 1 IBP	8/19/2002	24	2	1	1854	927,000	
NMX DF ST CM 1 IBP	7/10/2002	24	2	0	1991	995,500	
NMX DF ST CM 1 IBP	6/20/2002	24	1	0	2090	2,090,000	
NMX DF ST CM 1 IBP	5/17/2002	24	1	0	2057	2,057,000	
NMX DF ST CM 1 IBP	4/15/2002	24	2	0	2247	1,123,500	
NMX DF ST CM 1 IBP	3/12/2002	24	2	0	2344	1,172,000	
NMX DF ST CM 1 IBP	2/11/2002	24	2	0	2351	1,175,500	
NMX DF ST CM 1 IBP	1/21/2002	24	2	0	2417	1,208,500	
NMX DF ST CM 1 IBP	12/18/2001	24	1	4	2400	2,400,000	130
NMX DF ST CM 1 IBP	11/18/2001	24	2.2	1.3	2473	1,124,091	130
NMX DF ST CM 1 IBP	10/4/2001	24	1	1	2360	2,360,000	140
NMX DF ST CM 1 IBP	9/16/2001	24	2	1	2520	1,260,000	140
NMX DF ST CM 1 IBP	8/11/2001	24	1.5	1	2567	1,711,333	120
NMX DF ST CM 1 IBP	7/30/2001	24	1	1	2440	2,440,000	120

New Mexico Well Tests

Well Name	TEST DATE	TEST LENGTH	BOPD	BWPD	MCFPD	GOR	TBG PRESS
NMX DF ST CM 3 IBP	10/18/2002	24	0	100	152	0	
NMX DF ST CM 3 IBP	9/15/2002	24	0	70	235	0	
NMX DF ST CM 3 IBP	8/19/2002	24	0	85	202	0	
NMX DF ST CM 3 IBP	7/10/2002	24	0	71	232	0	
NMX DF ST CM 3 IBP	6/20/2002	24	0	90	230	0	
NMX DF ST CM 3 IBP	5/17/2002	24	0	90	247	0	
NMX DF ST CM 3 IBP	4/15/2002	24	0	76	245	0	
NMX DF ST CM 3 IBP	3/12/2002	24	0	50	165	0	
NMX DF ST CM 3 IBP	2/11/2002	24	0	130	225	0	
NMX DF ST CM 3 IBP	1/14/2002	24	0	42	139	0	
NMX DF ST CM 3 IBP	12/18/2001	24	0	35	148	0	130
NMX DF ST CM 3 IBP	11/18/2001	24	0	37.4	184	0	135
NMX DF ST CM 3 IBP	10/3/2001	24	0	62	157	0	140
NMX DF ST CM 3 IBP	9/16/2001	24	0	68	320	0	140
NMX DF ST CM 3 IBP	8/7/2001	24	0	50	20	0	140
NMX DF ST CM 3 IBP	7/30/2001	24	0	100	345	0	130

New Mexico Well Tests

Well Name	TEST DATE	TEST LENGTH	BOPD	BWPD	MCFPD	GOR	TBG PRESS
NMX DF ST CM 4 WM	10/18/2002	24	1	10	1637	1,637,000	
NMX DF ST CM 4 WM	9/15/2002	24	1	10	1654	1,654,000	
NMX DF ST CM 4 WM	8/19/2002	24	1	13	1913	1,913,000	
NMX DF ST CM 4 WM	7/10/2002	24	0	12	1865	0	
NMX DF ST CM 4 WM	6/20/2002	24	0	34	1080	0	
NMX DF ST CM 4 WM	5/17/2002	24	0	20	1131	0	
NMX DF ST CM 4 WM	4/15/2002	24	0	40	1156	0	
NMX DF ST CM 4 WM	3/12/2002	24	0	38	1198	0	
NMX DF ST CM 4 WM	2/11/2002	24	0	40	1401	0	

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

November 22, 2002

ChevronTexaco

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

Re: Application for Surface Pool Lease Commingling
NM D.F. State Wells & Federal 33 Com Wells

Dear Mr. Martinez,

ChevronTexaco Exploration & Production Company, a division of Chevron U.S.A. Inc., is requesting administrative approval from the Commissioner of Public Lands, State of New Mexico, to Surface (pool) commingle the oil, gas, and water production from the New Mexico "DF" State Com wells # 1, (API 30-015-10723; # 3, (API 30-015-29284); and # 4, (API 30-015-31853) with the Federal 33 Com wells # 1, (API 30-015-10580); # 2, (API 30-015-28953), and the new well # 3, (API 30-015-32180) which is currently being drilled.

ChevronTexaco is the operator of both leases, and owns 100% ownership of the Federal 33 Com Lease, and 75% ownership of the New Mexico "DF" State Com Lease, with Encore Operating, L.P. holding the remaining 25% ownership. Commingling will not reduce the actual commercial value of gas or condensate sold from each pool. The wells on both the NM "DF" State and the Federal 33 Com Leases are equipped with a metering test separator for monthly allocation of production, in accordance with applicable provisions of the NMOCD's "Manual for the Installation and Operation of Commingling Facilities". Produced gas, condensate, and water are being sold by pipeline to Marathon Oil Co. as written in the Indian Basin Gas Plant gas processing agreement.

In support of this request attachments include, a copy of the package sent to the New Mexico Oil & Gas Division, a copy of the Bureau of Land Management, Sundry Notice, and the commingling filing fee, in the amount of \$30.00. If you have any questions or require additional information, please contact me at 915-687-7384, at the ChevronTexaco, Midland office.

Sincerely,



Carolyn Haynie
ChevronTexaco
Attachments

Cc: Encore Operating, L.P.
NM Oil & Gas Division District Office

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir

Use "APPLICATION FOR PERMIT-" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of well

☐ Oil

☒ Gas

☐ Other

2. Name of Operator

CHEVRONTExACO INC.

3. Address and Telephone No.

P. O. BOX 1150, MIDLAND, TX 79702

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sections 32, 33

T21S - R23E

5. Lease Designation and Serial No.

See Attached

6. If Indian, Allottee or Tribe Name

N/A

SLM
ROSWell, NM

7. If Unit or CA Agreement Designation

8. Well Name and No

Federal 33 Com and NM DF State Com

9. API Well No

See Attached

10. Field and Pool, or Exploratory Area

Indian Basin

11. County or Parish, State

Eddy County, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

12	TYPE OF SUBMISSION	TYPE OF ACTION
	☒ Notice of Intent	☐ Abandonment
	☐ Subsequent Report	☐ Recompletion
	☐ Final Abandonment Notice	☐ Plugging Back
		☐ Casing Repair
		☐ Altering Casing
		☒ Commingling, Off Lease Storage & Measurement
		☐ Change of Plans
		☐ New Construction
		☐ Non-Routine Fracturing
		☐ Water Shut-Off
		☐ Conversion to Injection
		☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimate date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

As required by 43 CFR 3162.7-2 and Onshore Oil and Gas Order No. 4, ChevronTexaco is requesting approval of the amendment for off lease measurement, storage & sales, alternate measurement method, and surface commingling of liquid hydrocarbon production. Also, as required by 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 5, we are requesting approval of surface commingling and off-lease measurement and sales of gas production.

As a result of a recent centralized compressor project, a change has been made in the gathering and transporting liquid hydrocarbon and gas for the Federal 33 Com, Section 33, and the NM DF State Com, Section 32, T-21-S, R-23-E in Eddy County, NM. ChevronTexaco has installed both a liquid and gas gathering system, which connects each well to the new compressor station located at Federal 33 Com #1. As done in the past liquid hydrocarbon, water, and gas are measured at each well site. The liquid hydrocarbon and water are transported, in a Chevron operated pipeline, to storage a tank located on the compressor site.

The liquid hydrocarbon is metered before being transported to the Marathon Gas Plant in the plant liquid gathering system.

As stated earlier, the natural gas is metered at each well, then transported in a ChevronTexaco operated pipeline to the compressor site. All gas from the wells in the pipeline is pressurized, dehydrated, and measured before being transported to the Marathon Gas Plant in the plant gas gathering system.

The Marathon Oil Company Gas Plant is located in SW/NE, Section 23, T21S, R23E, Eddy County, NM.

A form is attached showing the leases and wells addressed by this request and describing the proposed operation in detail. Also attached is a schematic showing the flow and metering of condensate and gas at Indian Basin field.

APPROVED

14. I hereby certify that the foregoing is true and correct

Signed

[Signature]

Title

Sr. Facilities Engineer

Date

March 11, 2002

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

LES BANYAK

The gas is collected from the wells at three centralized compressor stations, dehydrated and compressed for delivery into the Marathon Plant gas gathering system. The dehydrated gas is measured using an orifice meter tube and electronic flow computer before delivery, via pipeline, to the Marathon Indian Basin Gas Plant. The liquid hydrocarbon and water is collected and is metered using a turbine meter before delivery, via pipeline, to the Marathon Storage and Measurement Facility located at the Indian Basin Gas Plant (SW/NE, Section 23 T21S, R23E, Eddy County, New Mexico) where it will be metered again sold through a LACT unit. After processing, the gas and NGL's will be metered at the tail-gate of the plant and enter the transportation pipeline for delivery to various sales points.

The proposed commingling of production is in the best interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal Leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

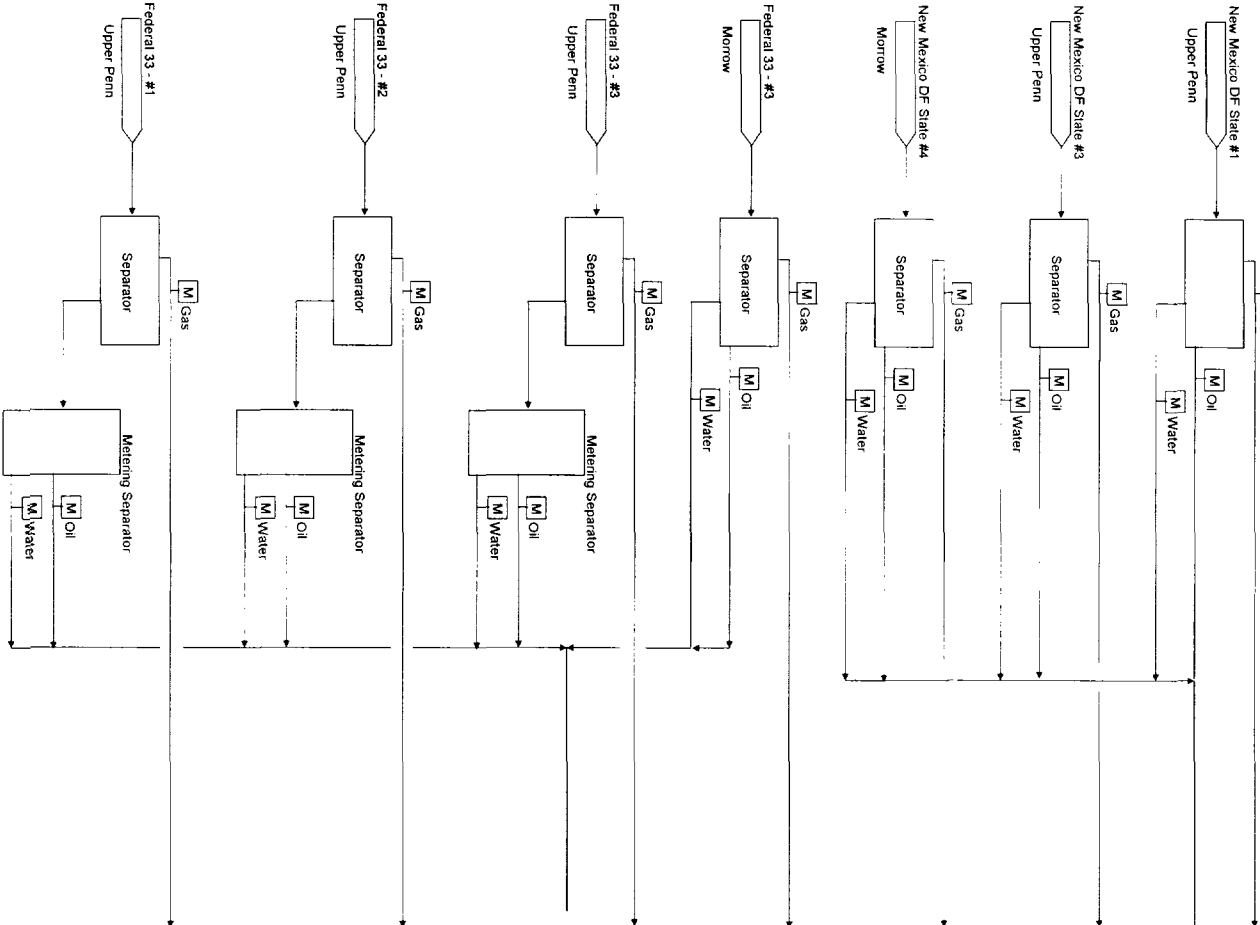
Additional wells require additional commingling approvals.

Signature: RA Holzer

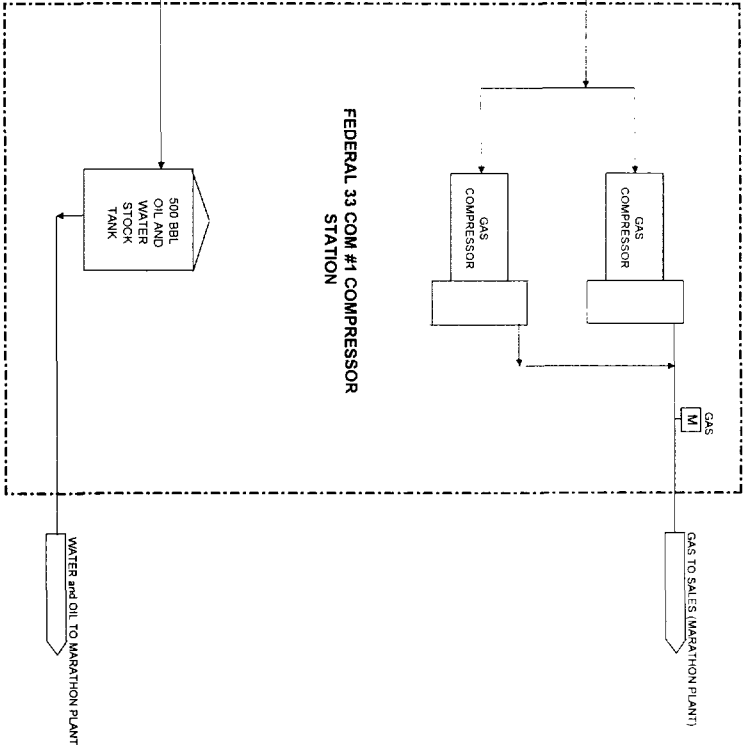
Name: R. A. HOLZER

Title: SR. FACIL. ENGR.

Date: 3-11-02



New Mexico DF State #1 Property Code - 11032
New Mexico DF State #3 Property Code - 11032
New Mexico DF State #4 Property Code - 11032
Federal 33 Com #1 Property Code - NNNM 0556590
Federal 33 Com #2 Property Code - NNNM 070522
Federal 33 Com #3 Property Code - NA



FEDERAL 33 COM #1 COMPRESSOR STATION

M = Meter

ChevronTexaco

NEW MEXICO DF STATE - FEDERAL 33 COM
SURFACE COMMINGLED FACILITY - PROCESS FLOW

DIAGRAM
Spc. 32 -33, T21S-R23E
Eddy County, New Mexico
November 22, 2002