



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

November 11, 1985

R. C. Anderson
Division Manager
Hobbs Division
Production Department

LEE STEBBINS (NCT-B) LEASE
TANK BATTERY
SECTION 5-T22S-R37E
LEA COUNTY, NEW MEXICO
SURFACE COMMINGLING

Mr. Richard Stamets
Energy and Minerals Dept.
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

To avoid the considerable expense of constructing and maintaining an additional tank battery on the subject lease, we request an amendment to administrative order PC-400. This order originally granted permission to surface commingle production from the Drinkard, and Tubb Pools. We request the order be amended to include the Blinebry production from Well No. 3. All wells on the lease will be tested to insure proper allocation of production.

The attached tabulation shows the volumes, gravities, and monetary values of the hydrocarbons from individual pools, and commingled production. The tabulation also shows total average daily production for a 2 month period. The calculated revenue from the commingled production is approximately 10 cents per day more than the total revenue from the individual pools. Also attached is a schematic of the commingled facility, a lease plat, and Chevron's letter of agreement to purchase the commingled production.

The commingling proposal is in the interest of conservation in that it prevents unnecessary waste and production expense.

Yours very truly,


for - R. C. ANDERSON

MWC/jc

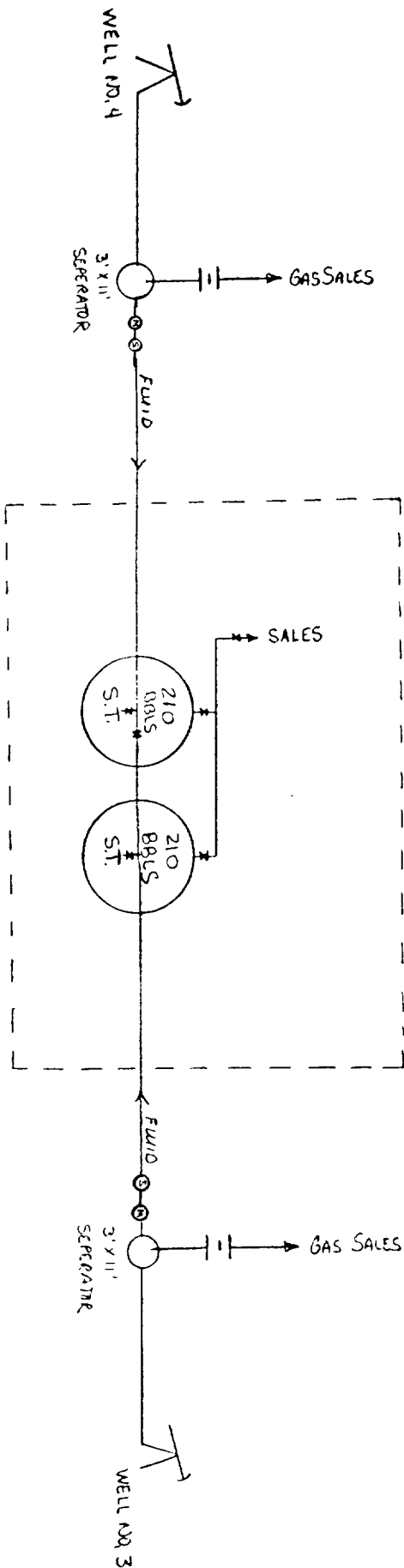
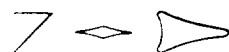
Attachments

cc: OCD-Hobbs

LEE STEBBINS (NCT-B) LEASE, TANK BATTERY
SECTION 5-T22S-R37E
LEA COUNTY, NEW MEXICO

<u>Wells and Pools</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Aug. 85</u>	<u>Sept. 85</u>		
Lee Stebbins B #4 Drinkard	16	18	34	0.6
Lee Stebbins B #3 Blinebry	---	---	---	10.0
Lee Stebbins B #3 Tubb	-0-	-0-	-0-	-0-

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/BBL</u>	<u>\$/Day</u>
Drinkard	0.6	35.3	27.30	16.38
Blinebry	10.0	34.8	27.28	272.80
Tubb	-0-	----	-----	-----
Total				289.18
Commingled	10.6	35.05	27.29	289.28
			Difference	+ 0.10



CHEVRON U.S.A. INC.
Lee Stebbins (NCT-B) Lease
Commingle Facilities
Section 5-T22S-R37E
Lea County, New Mexico

