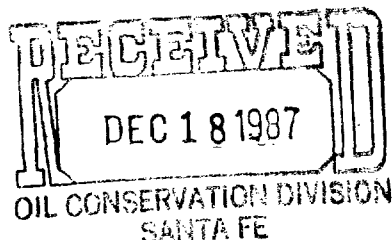




Chevron U.S.A. Inc.
P.O. Box 670, Hobbs, NM 88240

R. C. Anderson
Division Manager
Production Department
Hobbs Division

December 14, 1987



SURFACE COMMINGLING
LEA YH STATE LEASE
SECTION 25, T-18-S, R-34-E
LEA COUNTY, NEW MEXICO

William J. LeMay
Energy and Minerals Dept.
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

To eliminate the considerable expense of maintaining two tank batteries on the subject lease, we request an amendment to administrative order PC-277. We request the order be amended to include the Airstrip Wolfcamp production from Well No. 1. All wells on the above lease were 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 one month period. The calculated revenue from the commingled production is approximately 27 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,

R. C. Anderson
R. C. ANDERSON

RKM/cjw

Attachment

cc: OCD - Hobbs

Lea YH State Lease, Tank Battery
Section 25, T18S - R34E
Lea County, New Mexico

<u>Wells & Pools</u>	<u>Nov. 87</u>	<u>Average BOPD</u>
Lea YH State #1		
Airstrip Bone Springs & Wolfcamp	1620	54
Lea YH State #2, #3, & #4		
Airstrip Bone Springs	480	16

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/BBL</u>	<u>\$/Day</u>
Airstrip Bone Springs	27	34.3	\$17.10	\$461.70
Airstrip Wolfcamp	43	35.9	\$17.11	\$735.73
TOTAL				\$1,197.43
Commingled	70	35.3	\$17.11	\$1,197.70
			Difference	+.27

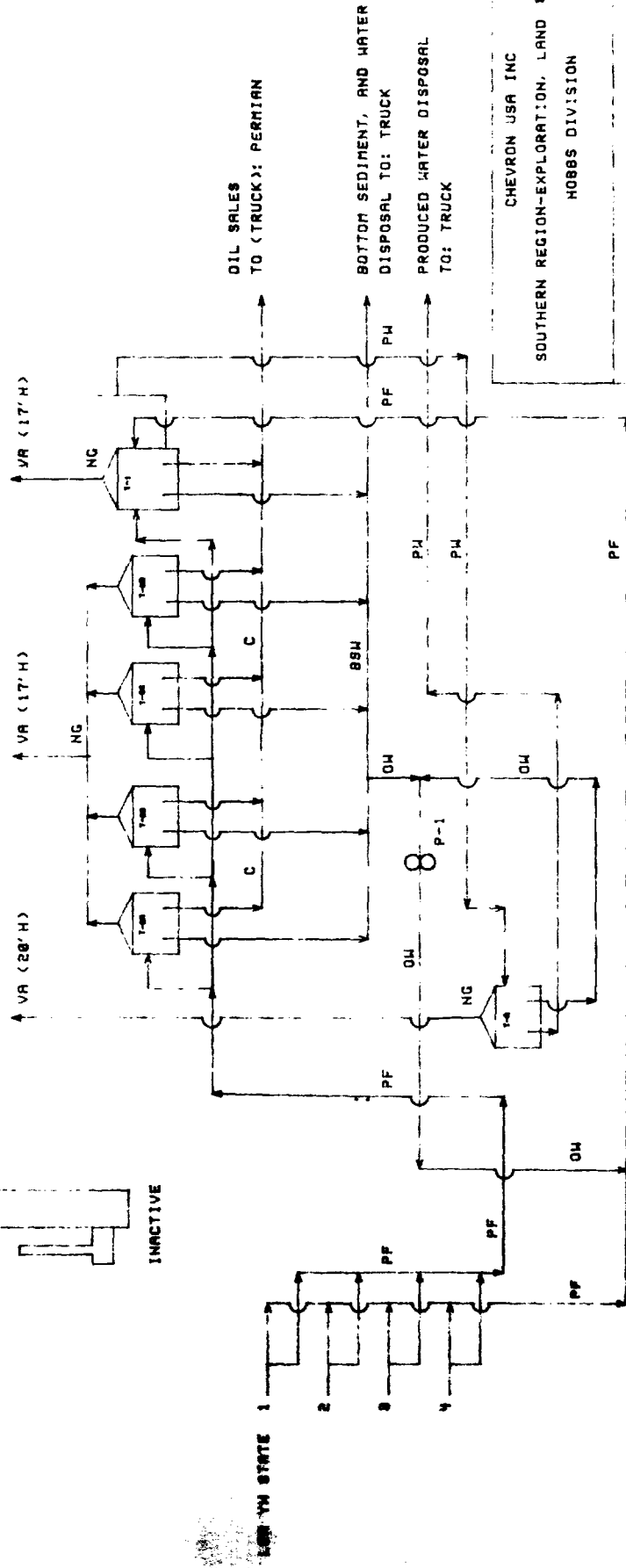
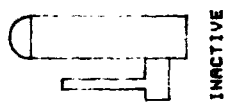
T-1
PUMP TANK
15' 6" x 18' 4" H. 50088L

V-2
HEATER TREATER
8' D x 28' H
800,000 BTU/HR.
(INACTIVE)

T-2A, B, C, D
STOCK TANK
15' 6" x 18' 4" H. 50088L

T-3
WATER TANK
15' 6" x 18' 4" H. 50088L

P-1
RECIRCULATING PUMP
ELECTRIC DRIVEN, 2HP



WELL NAME	NO.	STATUS	OIL SALES	GAS SALES
LEA YH STATE	1	P-EM	PERMIAN	WARREN
	2	P-EM	PERMIAN	WARREN
	3	P-EM	PERMIAN	WARREN
	4	P-EM	PERMIAN	WARREN

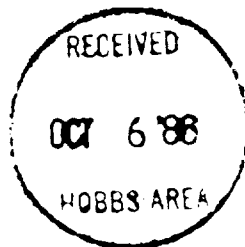
CHEVRON USA INC
SOUTHERN REGION-EXPLORATION, LAND & PRODUCTION
HOBBS DIVISION

LEA YH STATE TANK BATTERY

SEC:25 TT:18S RR:34E LEA, COUNTY N.M.

FACILITY PROCESS FLOW DIAGRAM

890093



1509 W. WALL P. O. BOX 3119
MIDLAND, TEXAS 79702

915-683-4711

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

RE: Chevron Operated Leas YH State
Lease, Lea County, New Mexico
Permian No. 562254

Gentlemen:

This will confirm my conversation with Beryl Ragsdale in Chevron's Midland office in which she advised Permian that Chevron will commingle Wolfcamp and Bone Springs production on the above referenced lease in the Airstrip field, Lea County, New Mexico. Please note your records that Permian will continue to purchase this crude oil under the same Permian Lease Number as listed above, which is No. 562254.

Yours very truly,

THE PERMIAN CORPORATION

THE PERMIAN CORPORATION

Steve Whiteside

Steve Whiteside

/1h

CC:

Ms. Beryle Ragsdale
Chevron U.S.A. Inc.
P.O. Box 1150
Midland, TX 79702

HOBBS DIVISION			
1	2	3	4
NO	COPY	DISCUSS	HANDLE
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X			DIV ORIG MOR
X			DIV PET ENR STAA
X			DIV REV GED CLM
			TRANSPT NM
			TRANSPT TX
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			DIV ISSUING
			ADVISOR
			CA ETS DURING
X			ADMIN ASST DATE
X			DC Horse RCD
			FILE Leave 7/6

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MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-12
 Effective 1-1-65

All distances must be from the outer boundaries of the Section

Gulf Oil Corp.		Lea Y H State		Well No. 1
Section 0	Section 25	Township 18 South	Range 34 East	County Lea

Actual Well Location of Well: 760 feet from the South line and 1980 feet from the East line		Producing Formation Wolfcamp / Box Springs	Pool Airstrip - Box Springs Airstrip - Wolfcamp	Dedicated Acreage: 40 Acres
Surface Level Elev 3948.5				

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

R. C. Anderson

Name _____

R. C. ANDERSON

Position _____

Area Production Manager

Company _____

GULF OIL CORPORATION

Date _____

10-09-78

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____

September 28, 1973

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **John W. West 678**

Ronald J. Eldson 3239