ChevronTexaco MidContinent Business Unit

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ChevronTexaco

November 2, 2004

EOR STATUS REPORT

Order # R -5530 -E Central Vacuum Unit Lea County, NM

State of New Mexico Oil Conservation Division New Mexico Department of Energy, Minerals, and Natural Resources 1220 South St. Francis Dr. Santa Fe, NM 87505

Gentlemen:

Chevron USA Inc., as operator of the Central Vacuum Unit, submits its annual production report on the Central Vacuum Unit as required by Rule F1a of the Rules and Procedures for Qualifications of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate. The project is still a viable EOR project as approved by Division Order No. R-5530-E on April 30, 1997. The Certification of a Positive Production Response was issued on July 5, 2000. The date positive response occurred was September 1, 1998.

Attached are production curves of oil, gas, and water production spanning a time period prior to CO2 response and all years since.

If you have any questions, please call me at (432) 687-7114.

Sincerely,

Mike Reeves **Technical Assistant** New Mexico Team

MidContinent Business Unit

Attachment

