

ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505
 2013 MAY - 3 P 2:25



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

1255

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]

Chevron USA

- [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
- [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

BF Harrison B1 & B2
 20 wells
 T235, R37E
 (BF Harrison B #13, #2,
 #3, #4, #5, #6, #7,
 #12, #15, #17, #23,
 #25, #26, #27, #28,
 #8, #10, #11, #18 & #14H)
 Three DHC orders
 (DHC-2490 & DHC-1180
 & DHC-2342)

[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

Petroleum Engineering TA
 Title

5-1-13
 Date

chay@chevron.com
 e-mail Address



Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

May 1, 2013

New Mexico Oil Conservations Division
1220 South San Francis Drive
Santa Fe, New Mexico 87504

RE: Application to Surface Commingle
Oil and Gas Department

Chevron U.S.A., Inc. respectfully requests administrative approval to allow for the surface commingling of oil, gas, and water production from the B.F. Harrison 2 lease into the existing B.F. Harrison 1 Battery. The commingled production from the two (2) batteries will include the following pools:

NW TEAGUE DEVONIAN, pool # 58365; N TEAGUE WOLFCAMP, pool # 96961; N TEAGUE TUBB, pool # 96315; N TEAGUE DRK-ABO, pool # 96313; N TEAGUE LOWER PADDOCK-BLINEBRY, pool # 85980; LANGLEIE MATTIX N, 7RVR QN G/B, pool # 37240; N TEAGUE FUSSELLMAN, pool # 58590; SW TEAGUE GLORIETA UPPER PADDOCK, pool # 58595; N TEAGUE LOWER PADDOCK-BLINEBRY ASSOC, pool # 96314.

Chevron is the operator with 100% working interest and royalty interest owners, in both leases. Chevron plans to pipe production from the B.F. Harrison 2 header to the B.F. Harrison 1 header. The oil, water, and gas production at the B.F. Harrison 2 will thus be combined, separated, and sold with production from the B.F. Harrison 1. A 3-phase tester separator will remain at the B.F. Harrison 2 for regulatory well testing, and the remaining facilities equipment will be removed. The once 'Sweet', B.F. Harrison B1 Battery, now 'Sour', can easily handle the fluid production from both batteries.

If you require additional information, please contact me by telephone at 432-687-7261, or by email at chay@chevron.com.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant
Enclosure

NM OCD District 1, Hobbs
Jennifer Welsh
Danny Lovell
Bobby Hill
Central Files

B.F. Harrison B1 & B2 Well List												
Well	API	Status	Lease	Pool	Pool #	Unit Letter	Sec	Location	Twnshp	Rng	Co	TD
B.F. Harrison B # 13	30-025-32175	Active Oil	B.F. Harrison B	NW Teague Devonian	58365	D	9	513' FNL & 556' FWL	23S	37E	LEA	7,700'
B.F. Harrison B # 2	30-025-30568	TA'd	B.F. Harrison B	N Teague Wolfcamp	96961	F	9	1980' FNL & 1800' FWL	23S	37E	LEA	10,258'
B.F. Harrison B # 3	30-025-31199	Active Oil	B.F. Harrison B	NW Teague Devonian	58365	C	9	340' FNL & 1700' FWL	23S	37E	LEA	8,907'
B.F. Harrison B # 4 - DHC-2490	30-025-31200	Inactive Oil	B.F. Harrison B	N Teague-Tubb/ N Teague DRK-Abo	96315/ 96313	D	9	660' FNL & 800' FWL	23S	37E	LEA	10,402'
B.F. Harrison B # 5	30-025-31201	Active Gas	B.F. Harrison B	N Teague Lower Paddock-Blinbr	85980	E	9	1950' FNL & 560' FWL	23S	37E	LEA	10,307'
B.F. Harrison B # 6	30-025-31539	Active Oil	B.F. Harrison B	Langlie Mattix N, 7RVR QN G/B	37240	F	9	1654' FNL & 1700' FWL	23S	37E	LEA	8,950'
B.F. Harrison B # 7	30-025-31794	TA'd	B.F. Harrison B	Langlie Mattix N, 7RVR QN G/B	37240	D	9	510' FNL & 800' FWL	23S	37E	LEA	9000'
B.F. Harrison B # 12	30-025-32172	Injection Oil & Inj	B.F. Harrison B	N. Teague Fusselman	58590	C	9	760' FNL & 2100' FWL	23S	37E	LEA	8,950'
B.F. Harrison B # 15 - DHC-1180	30-025-32496	Active Oil	B.F. Harrison B	N. Teague DRK-Abo	96313	P	5	500' FSL & 500' FEL	23S	37E	LEA	7,800'
B.F. Harrison B # 17-DHC-2342	30-025-32497	Active Oil	B.F. Harrison B	N. Teague DRK-Abo	96313	D	9	990' FNL & 910' FWL	23S	37E	LEA	7,250'
B.F. Harrison B # 23	30-025-32498	Active Oil	B.F. Harrison B	N. Teague DRK-Abo	96313	F	9	1815' FNL & 1815' FWL	23S	37E	LEA	7,150'
B.F. Harrison B # 25	30-025-32499	Active Oil	B.F. Harrison B	N Teague Lower Paddock-Blinebry Assoc.	96314	C	9	825' FNL & 1980' FWL	23S	37E	LEA	7,150'
B.F. Harrison B # 26	30-025-32943	Inactive Oil	B.F. Harrison B	SW Teague Glorieta Upper Paddock	58595	P	5	700' FSL & 500' FEL	23S	37E	LEA	6,200'
B.F. Harrison B # 27	30-025-34995	Active Oil	B.F. Harrison B	N Teague Lower Paddock-Blinebry Assoc.	96314	O	5	330' FSL & 1650' FEL	23S	37E	LEA	7,750'
B.F. Harrison B # 28	30-025-35643	Active Oil	B.F. Harrison B	Langlie Mattix N, 7RVR QN G/B	37240	I	5	1650' FSL & 840' FEL	23S	37E	LEA	7,200'

Wells from the B.F. Harrison B 2 Battery												
B.F. Harrison B # 8	30-025-31955	Active Oil	B.F. Harrison B	SW Teague Glorieta Upper Paddock	58595	D	9	510' FNL & 660' FWL	23S	37E	LEA	5,400'
B.F. Harrison B # 10	30-025-32106	Active Oil	B.F. Harrison B	SW Teague Glorieta Upper Paddock	58595	E	9	1780' FNL & 660' FWL	23S	37E	LEA	5,448'
B.F. Harrison B # 11	30-025-32107	Active Oil	B.F. Harrison B	Langlie Mattix N, 7RVR QN G/B	37240	C	9	560' FNL 7 2100' FWL	23S	37E	LEA	5,400'
B.F. Harrison B # 18	30-025-32159	Active Oil	B.F. Harrison B	SW Teague Glorieta Upper Paddock	58595	D	9	990' FNL & 660' FWL	23S	37E	LEA	6,150'
B.F. Harrison B # 14H	30-025-32173	TA'd	B.F. Harrison B	SW Teague Glorieta Upper Paddock	58595	F	9	1800' FNL & 1650' FWL	23S	37E	LEA	5,450'

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121

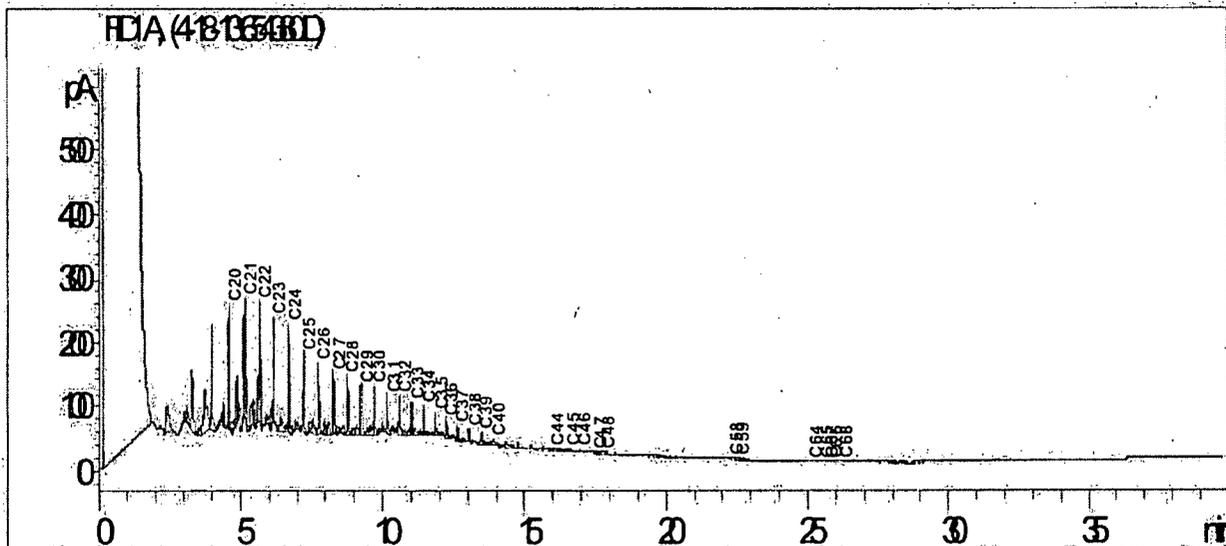
Lab Team Leader - Sheila Hernandez
(432) 495-7240

OIL ANALYSIS

Company:	CHEVRON MID CONTINENT LP	Sales RDT:	33518
Region:	PERMIAN BASIN	Account Manager:	DEXTER NICHOLS (575) 390-4356
Area:	EUNICE, NM	Analysis ID #:	6968
Lease/Platform:	B. F. HARRISON 'B'	Sample #:	654380
Entity (or well #):	BATTERY 2	Analyst:	SHEILA HERNANDEZ
Formation:	UNKNOWN	Analysis Date:	04/22/13
Sample Point:	SEPARATOR	Analysis Cost:	\$125.00
Sample Date:	04/05/13		

Cloud Point:	<u><68 ° F</u>
Weight Percent Paraffin (by GC):	<u>4.10%</u>
Weight Percent Asphaltenes:	<u>0.42%</u>
Weight Percent Oily Constituents:	<u>95.40%</u>
Weight Percent Inorganic Solids:	<u>0.08%</u>

*Weight percent paraffin and peak carbon number includes only n-alkanes (straight chain hydrocarbons) greater than or equal to C20H42.



North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121

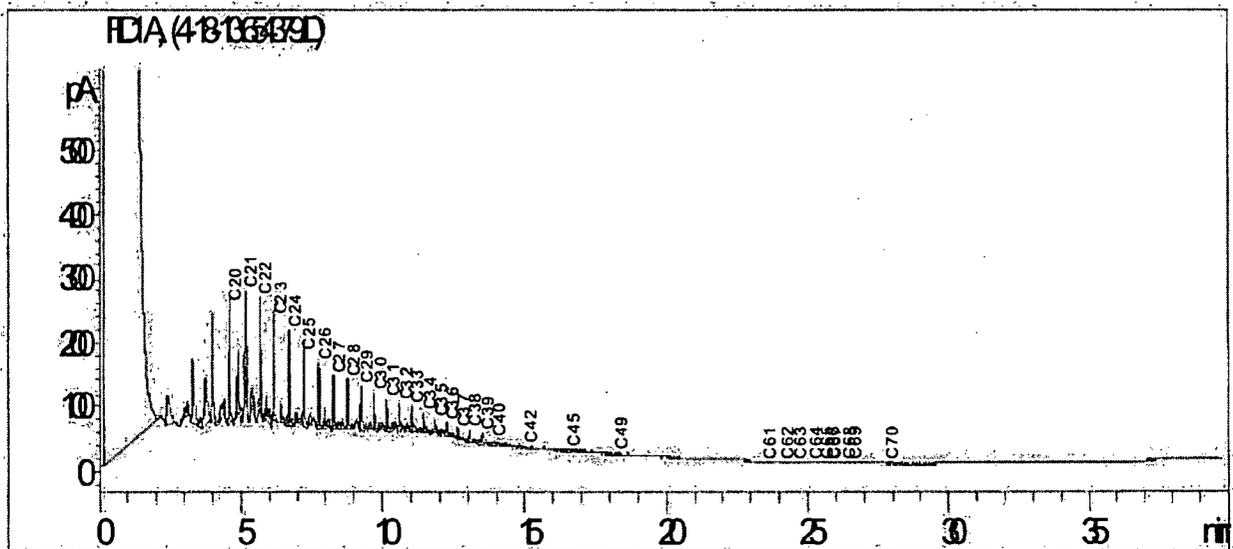
Lab Team Leader: Sheila Hernandez
(432) 495-7240

OIL ANALYSIS

Company:	CHEVRON MID CONTINENT LP	Sales RDT:	33518
Region:	PERMIAN BASIN	Account Manager:	DEXTER NICHOLS (575) 390-4356
Area:	EUNICE, NM	Analysis ID #:	6967
Lease/Platform:	B. F. HARRISON 'B'	Sample #:	654379
Entity (or well #):	BATTERY 1	Analyst:	SHEILA HERNANDEZ
Formation:	UNKNOWN	Analysis Date:	04/22/13
Sample Point:	HEATER TREATER	Analysis Cost:	\$125.00
Sample Date:	04/05/13		

Cloud Point:	72 ^o F
Weight Percent Paraffin (by GC)*:	3.50%
Weight Percent Asphaltenes:	0.13%
Weight Percent Oily Constituents:	96.27%
Weight Percent Inorganic Solids:	0.10%

*Weight percent paraffin and peak carbon number includes only n-alkanes (straight chain hydrocarbons) greater than or equal to C20H42.



MITCHELL ANALYTICAL LABORATORY

2638 Faudree Road
Odessa, Texas 79765
561-5579

Ms. Sheila Hernandez
Baker Hughes
10520 W. I-20 E.
Odessa, Texas 79765

April 30, 2013

The following is the results on 2 Chevron oil samples for Sulfur content, dated 4-25-13, Lab No. 13-APR-W38948:

Sample: Chevron	Wt% Sulfur
Harrison B #2 Battery Sep.	1.6568
Harrison B #1 Battery Heater	1.0296

Method: ASTM D4294
Unfiltered Crude Oil

Analyst,
George Roberts

BAKER HUGHES



Josh Gautreau
Land Representative

Mid-Continent Business Unit
Chevron North America
Exploration and Production Company,
a division of Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705
Tel 432 687 7827
Fax 432 687 7448
JoshGautreau@chevron.com

May 1, 2013

RE: BF Harrison Tank Battery Commingling

This letter concerns the commingling of the B.F. Harrison B #1 and B.F. Harrison B #2 Tank Batteries, located in the NW/4 of Section 9, T-23-S, R-37-E, Lea County, New Mexico (the "Batteries").

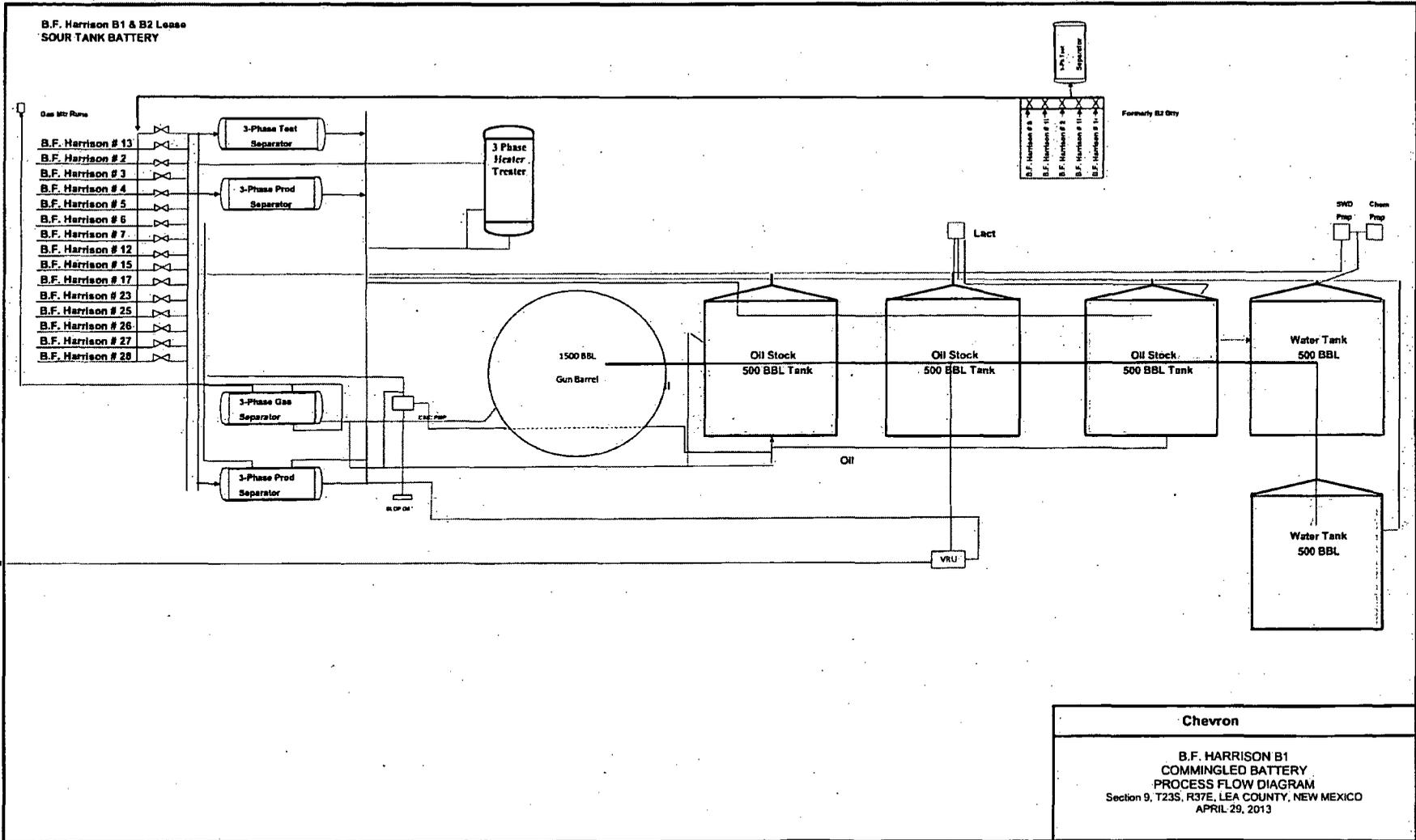
All of the wells producing into the Batteries are governed by that certain Oil and Gas Lease dated 04/01/1926, and recorded in Book 4, Page 151, of the Official Public Records of Lea County, New Mexico (the "Lease"), therefore all royalty interest owners are identical between the Batteries.

Further, Chevron U.S.A. Inc. owns a 100% Working Interest in the wells producing into the Batteries, therefore Chevron U.S.A. Inc. owns a 100% Working Interest in the Batteries.

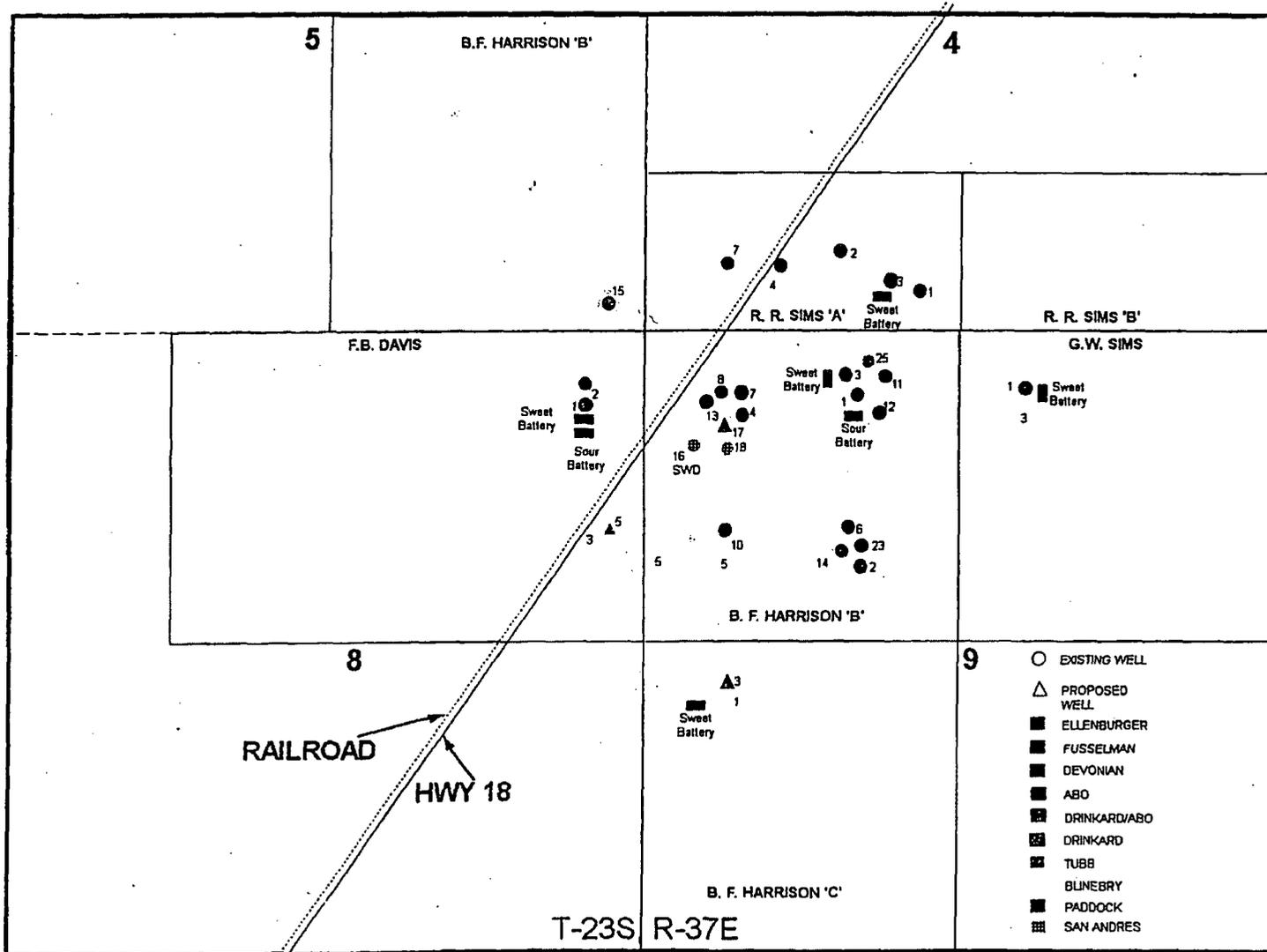
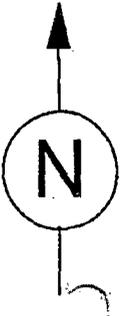
Sincerely,

A handwritten signature in black ink that reads "Josh Gautreau". The signature is written in a cursive style with a large, sweeping initial "J".

Josh Gautreau
Land Representative



NORTH TEAGUE FIELD



Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, May 13, 2013 11:43 AM
To: 'CHAY@chevron.com'
Cc: Ezeanyim, Richard, EMNRD
Subject: BFHarrison B1 and B2 batteries; surface commingle application

Good morning, Ms. Haynie

This application was received on May 3.

It appears to be a proposed commingle of leases and pools with identical ownership. However both your letter and the land representative's statement address only the working interest and the royalty. We need an amended statement from the land representative stating either that there are no overriding royalties or other interests paid out of production, or that if there are, they apply equally to both leases and all applicable pools.

Sincerely

David K. Brooks

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, May 14, 2013 8:42 AM
To: 'Gautreau, Josh P'
Subject: RE: BFHarrison B1 and B2 batteries; surface commingle application

Good morning, Mr. Gaitreau

Your suggested language will suffice.

David K. Brooks

From: Gautreau, Josh P [<mailto:JoshGautreau@chevron.com>]
Sent: Tuesday, May 14, 2013 6:27 AM
To: Brooks, David K., EMNRD
Subject: RE: BFHarrison B1 and B2 batteries; surface commingle application

David,

If I include at the bottom of my letter, "There are no overriding royalties or other interests paid out of production from the wells to be commingled," will that be sufficient?

If not, do you have a model version of exactly what it is you're looking for, because I'm not sure what else to say here.

Josh Gautreau
Land Representative
Permian New Mexico & Ft. Stockton

Mid-Continent Business Unit
Chevron North America Exploration and Production Co.,
a division of Chevron U.S.A. Inc.
15 Smith Road
Midland, TX 79705
Tel: (432) 687-7827
Fax: (432) 687-7448
Email: JoshGautreau@Chevron.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, May 13, 2013 12:43 PM
To: Haynie, Carolyn (CHaynie) [Kelly Services]
Cc: Ezeanyim, Richard, EMNRD
Subject: BFHarrison B1 and B2 batteries; surface commingle application

Good morning, Ms. Haynie

This application was received on May 3.

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Brooks, David K., EMNRD

From: Haynie, Carolyn (CHaynie) [Kelly Services] <CHAY@chevron.com>
Sent: Tuesday, May 14, 2013 7:20 AM
To: Brooks, David K., EMNRD
Subject: RE: BFHarrison B1 and B2 batteries; surface commingle application

Good morning David,

I have asked the Landman for additional information.

Thanks,

Carolyn Haynie
Chevron U.S.A. Inc.
New Mexico PE TA
For Eunice, Vacuum,
Dollarhide, And Facilities
Room 2242A
Midland, TX
432-687-7261



From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, May 13, 2013 12:43 PM
To: Haynie, Carolyn (CHaynie) [Kelly Services]
Cc: Ezeanyim, Richard, EMNRD
Subject: BFHarrison B1 and B2 batteries; surface commingle application

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Sincerely

David K. Brooks

Brooks, David K., EMNRD

From: Haynie, Carolyn (CHaynie) [Kelly Services] <CHAY@chevron.com>
Sent: Tuesday, May 14, 2013 9:51 AM
To: Brooks, David K., EMNRD
Cc: Ezeanyim, Richard, EMNRD
Subject: FW: Scanned from a Xerox multifunction device
Attachments: Scanned from a Xerox multifunction device.pdf

Good Morning David,

Please let me know if you need additional information.

Thanks,

Carolyn Haynie
Chevron U.S.A. Inc.
New Mexico PE TA
For Eunice, Vacuum,
Dollarhide, And Facilities
Room 2242A
Midland, TX
432-687-7261

Please open the attached document. It was scanned and sent to you using a Xerox multifunction device.

Attachment File Type: pdf, Multi-Page

multifunction device Location: 15 Smith Rd, Midland, TX, 79705
Device Name: XRX_9C934E1D0AC0

For more information regarding Chevron's Smart print program, please visit <http://smartprint.chevron.com> For Service or Supplies please contact the Central IT Help Desk at 8765



Josh Gautreau
Land Representative

Mid-Continent Business Unit
Chevron North America
Exploration and Production Company,
a division of Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705
Tel 432 687 7827
Fax 432 687 7448
JoshGautreau@chevron.com

May 14, 2013

RE: BF Harrison Tank Battery Commingling

This letter concerns the commingling of the B.F. Harrison B #1 and B.F. Harrison B #2 Tank Batteries, located in the NW/4 of Section 9, T-23-S, R-37-E, Lea County, New Mexico (the "Batteries").

All of the wells producing into the Batteries are governed by that certain Oil and Gas Lease dated 04/01/1926, and recorded in Book 4, Page 151, of the Official Public Records of Lea County, New Mexico (the "Lease"), therefore all royalty interest owners are identical between the Batteries.

Further, Chevron U.S.A. Inc. owns a 100% Working Interest in the wells producing into the Batteries, therefore Chevron U.S.A. Inc. owns a 100% Working Interest in the Batteries.

There are no overriding royalties or other interests paid out of production from the wells to be commingled.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Gautreau", written over a horizontal line.

Josh Gautreau
Land Representative