

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

August 26, 1996

Administrative Application for
Surface Commingling
North Monument Field
Monument "12" State No. 3
1650' FSL, 1650' FWL, Unit K,
Section 12, T19S, R36E
Monument "14" State No. 2
2227' FSL, 2006' FEL, Unit J,
Section 14, T19S, R36E
Lea County, New Mexico

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William J. LeMay - Director


Dear Mr. LeMay:

Chevron U.S.A. Inc. respectfully requests administrative approval for surface commingling of the production from the two above described wells.

The Monument "14" State No. 2 well is completed in the Abo formation. The IP was 36 bopd, 143 bwpd, and 16 mcfpd. The API gravity is 40.4° at 60° F. The Monument "12" State No. 3 will be completed in the Abo formation. Testing on the Abo is being done now. The commingling of these two wells will allow the producing of the wells with one battery at a savings of approximately \$50,000. The oils are from the same zone and will be compatible. The value of the oil will be the same as the individual oils. The working interest owners and the royalty owners are the same on the two leases. Attached are the waivers from the interest owners and the oil and gas purchasers. Also attached is a schematic diagram of the production facility.

If you have any questions, or if you require further information, please contact Lloyd Trautman at (915) 687-7152.

Sincerely,

A handwritten signature in black ink that reads "Lloyd V. Trautman". The signature is fluid and cursive, with the first name "Lloyd" and last name "Trautman" clearly legible, and a middle initial "V." in the center.

Lloyd V. Trautman
Senior Petroleum Engineer
New Mexico Area

Attachments

cc: NMOCD - Hobbs, New Mexico
NM State Land Office,
N. V. Mouser
L. V. Trautman
Central Files - Lease and Well Files

V-1

48' X 20'-0" VERTICAL
HEATER TREATER
NATCO 1995
50 PSIG WP

V-2

12' D.D. X 36' VERTICAL
GAS SCRUBBER
NATCO
50 PSI WP

I-1

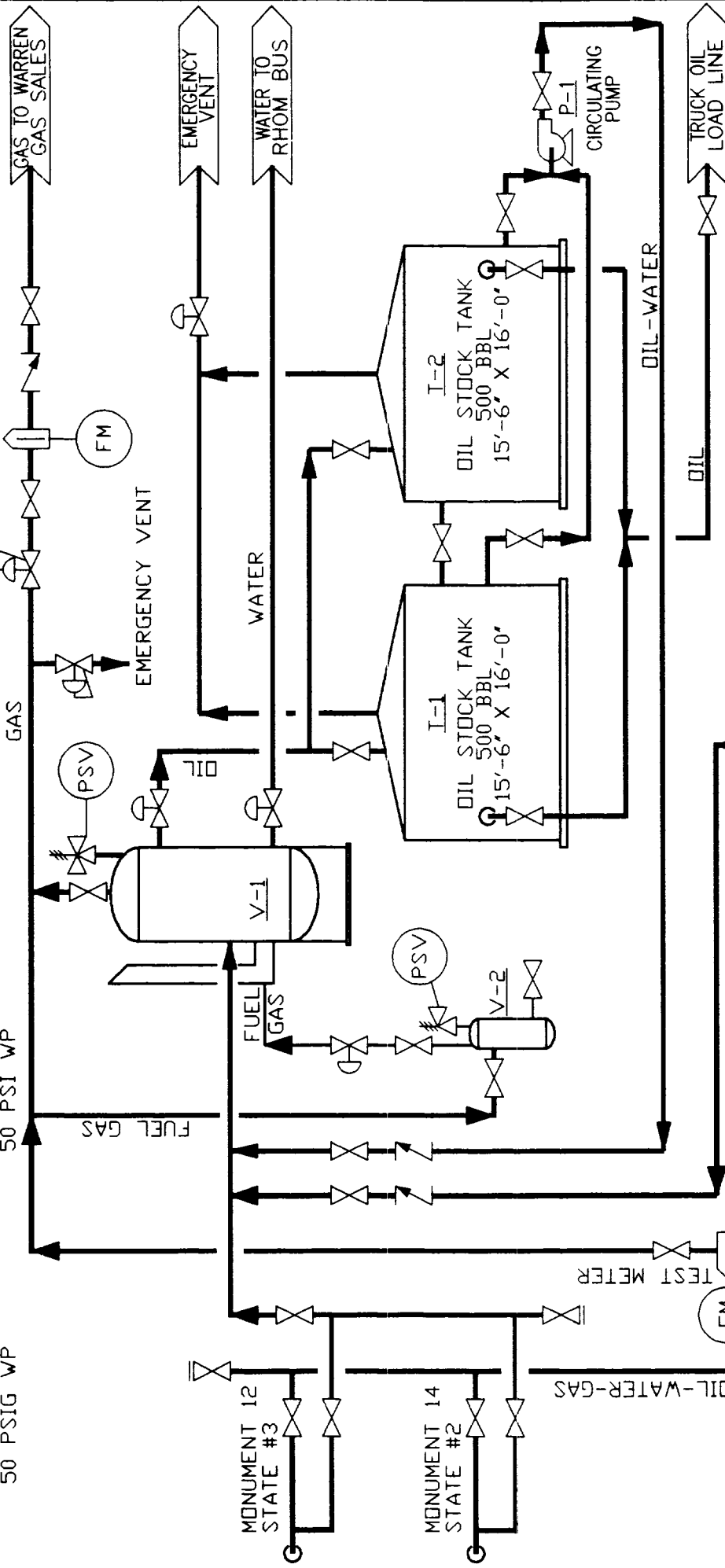
15'-6" X 16'-0" STEEL
OIL STOCK TANK
1996

V-3

36' D.D. X 10'-0" VERTICAL
3 PHASE SEPARATOR
125 PSIG WP

I-2

15'-6" X 16'-0" STEEL
WATER STOCK TANK
1996



Chevron U.S.A. Inc.
 Permian Oil & Gas Profit Center

MONUMENT ABO FIELD
 MONUMENT 12 STATE #3
 MONUMENT 14 STATE #2
 COMINGLED BATTERY
 SECTION 14, T19S, R36E
 PROCESS FLOW DIAGRAM
 Lea County, New Mexico

DATE	8/19/96	NTS	1
BY	RAH	CDS	1
APP	RAH	SCM	
ACCESS	\\DUSA\MAP0101		
D-MAT-01-01			

Waiver of Objection

Chevron USA Inc.

**Surface Commingling
Monument "12" State # 3
Monument "14" State # 2
North Monument Field
Section 12 & 14, T19S, R36E
Lea County, New Mexico**


We do hereby waive any objections to Chevron's request for NMOCD Administrative approval of the surface commingling of the Monument "12" State # 3 and the Monument "14" State # 2. The location of the battery is in Section 14, T19S, R36E.

Signature:

Title:

Company:

Date:


W. S. Lehmann
AMERADA HESS CORPORATION - U.S., Onshore
AMERADA HESS CORPORATION
August 22, 1996

Waiver of Objection**Chevron USA Inc.**

Surface Commingling
Monument "12" State # 3
Monument "14" State # 2
North Monument Field
Section 12 & 14, T19S, R36E
Lea County, New Mexico

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Title:

Company:

Date:



LAND DIRECTOR

PHILLIPS PETROLEUM COMPANY

19 AUGUST 1996

Waiver of Objection

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Section 12 & 14, T19S, R36E
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Signature:

Title:

Company:

Date:

John S. Leeds
Manager
Leeds Operating Co., LLC
8/19/96

* subject to the metering and reporting of
production on a well by well basis

Waiver of Objection

Chevron USA Inc.

Surface Commingling
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Monument "14" State # 2
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Section 12 & 14, T19S, R36E
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Signature:

Mike Chase

Title:

District Manager

Company:

Pride Pipeline Company

Date:

August 22, 1996