

February 29, 2000

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

Administrative Application for Surface Commingling Wildcat; Drinkard

Monument 13 State #17
1912' FNL & 1732' FWL, Unit F, Sec. 13, T19S, R36E
13 State #27
785' FNL & 1980' FEL, Unit B, Sec. 13, T19S, R36E
Monument 12 State #10
677' FSL & 791' FWL, Unit M, Sec. 12, T19S, R36E
Monument 13 State #29
1650' FSL & 990' FWL, Unit L, Sec. 13, T19S, R36E
Lea County, New Mexico

State of New Mexico
Energy, Minerals & Natural Resources Department
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 of the above described wells.

Monument 13 State #17 has been recompleted in Wildcat; Drinkard. Initial potential was 3 BOPD, 2200 MCFPD, 0 BWPD. 13 State #27 was initially drilled in Wildcat; Drinkard. Initial potential was 17 BOPD, 23 MCFPD, 216 BWPD. Monument 12 State #10 has been recompleted in Wildcat; Drinkard. Initial potential was 1 BOPD, 774 MCFPD, 1 BWPD. Monument 13 State #29 was initially drilled in Wildcat; Drinkard. Initial potential was 6 BOPD, 663 MCFPD, 96 BWPD.

The commingling of these wells will allow producing the wells into one battery at a considerable savings. The oils are from the same zone and will be compatible. The value of the commingled oil will be the same as the individual oils.

Monument; Abo and Monument; Abo, North production is also commingled at the battery location. However, there is a complete and separate Drinkard battery that the captioned wells produce into. Gas is being metered separately for each well since working interest owners are not the same.

Location of the battery is F-12-19S-36E, Lea County. A schematic of the battery is attached.

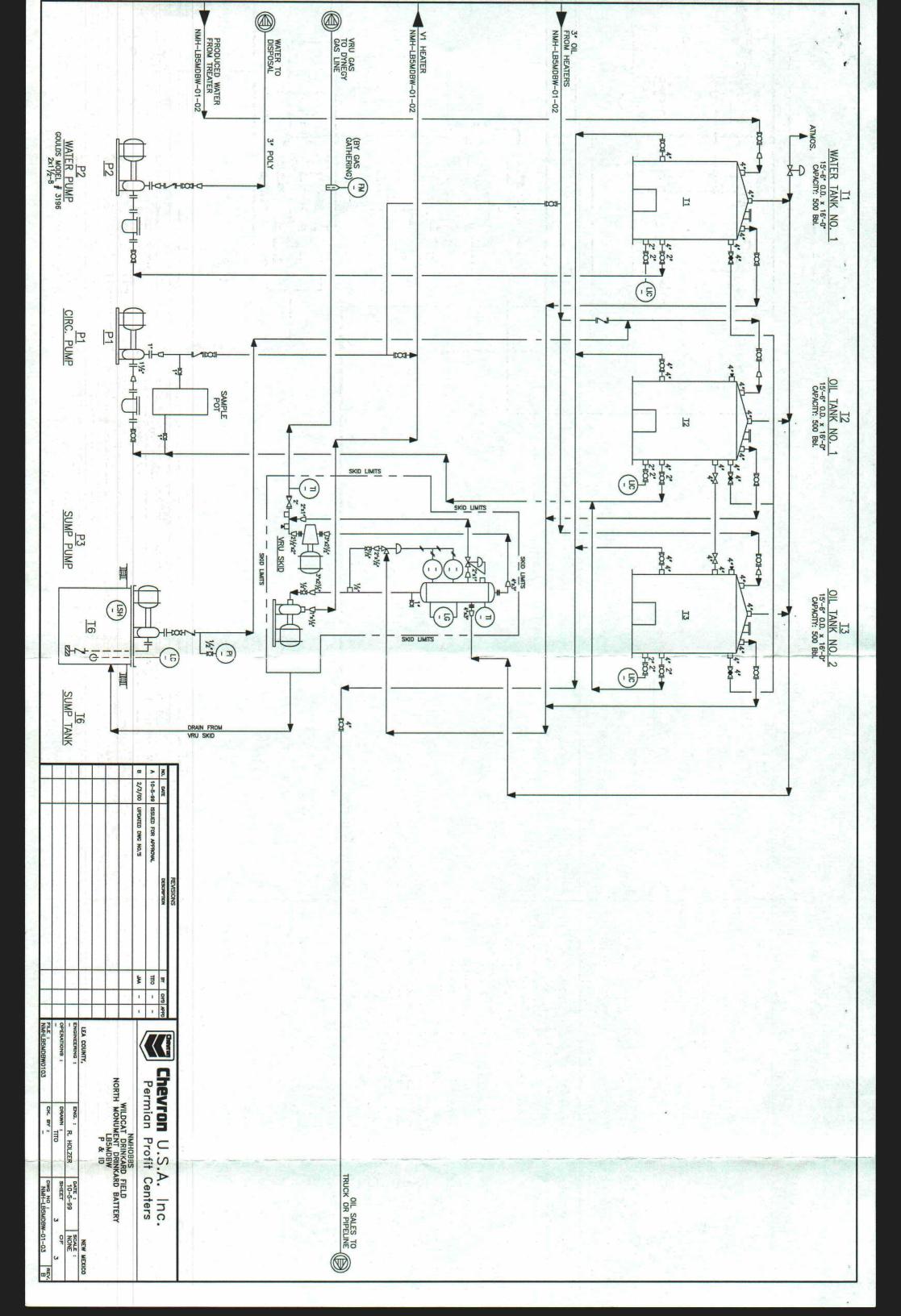
If you have any questions, or if you require further information, please contact Lloyd Trautman at (915) 687-7152

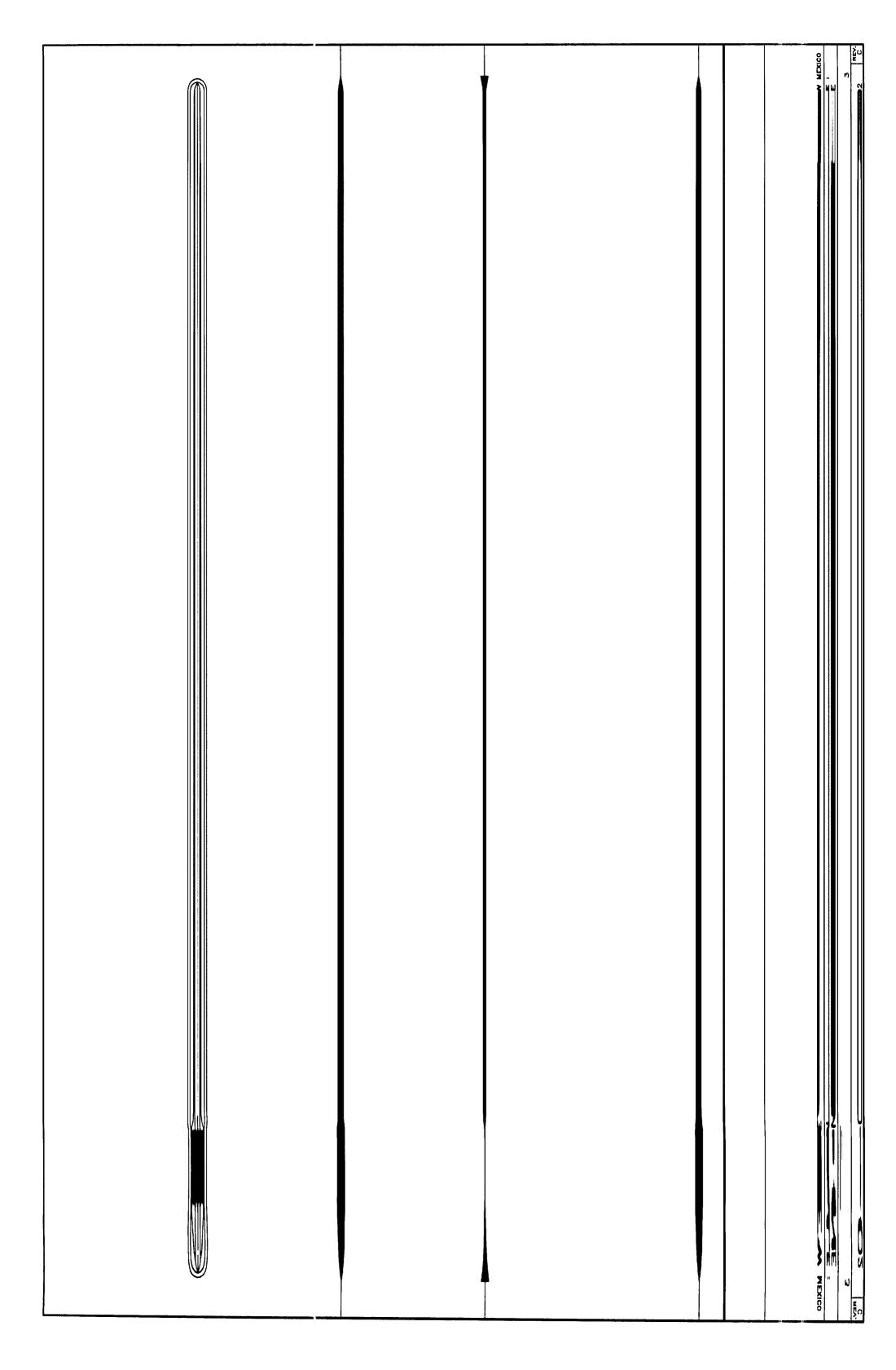
Sincerely,

Attachment

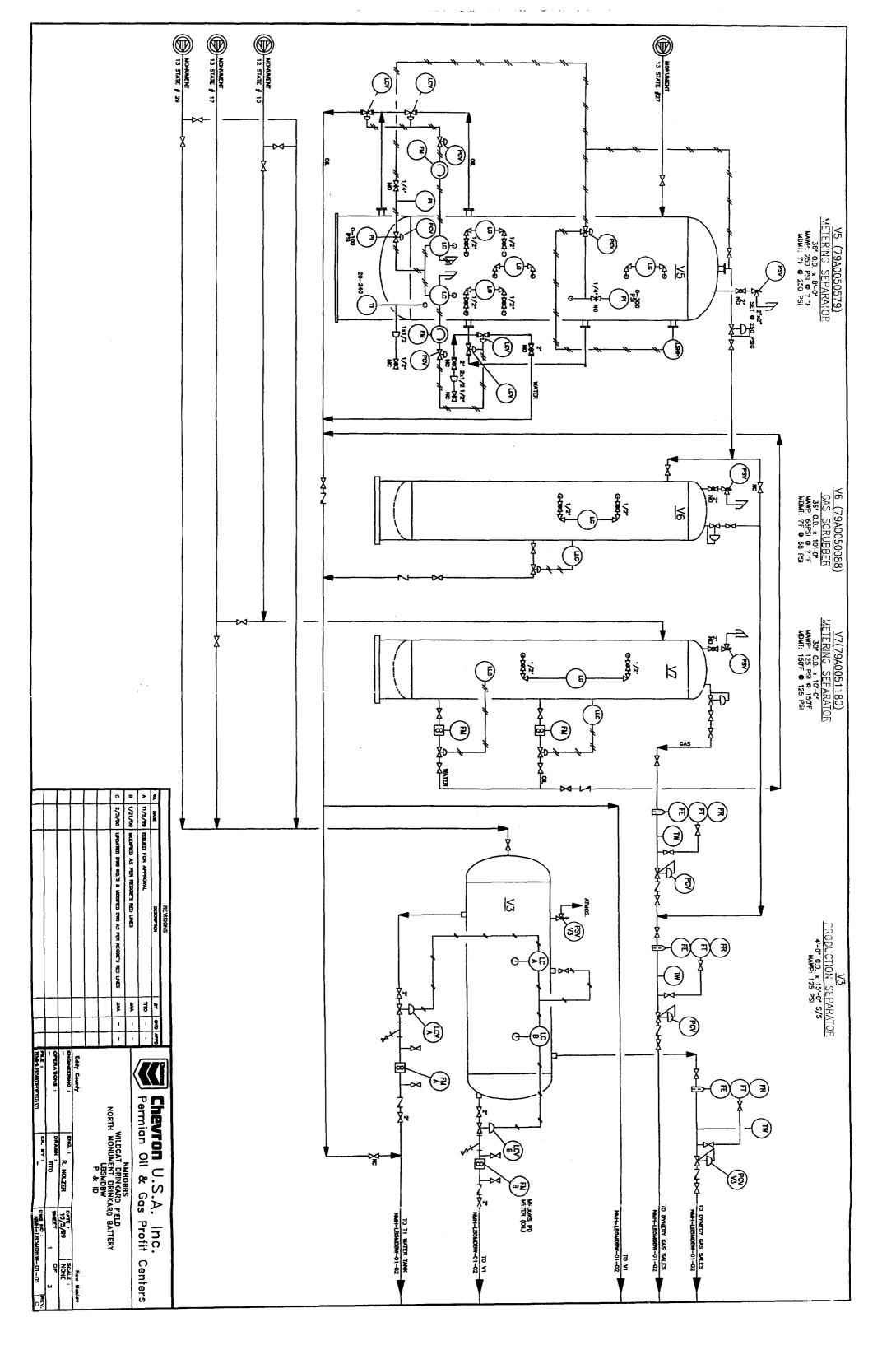
cc: NMOCD - Hobbs, NM

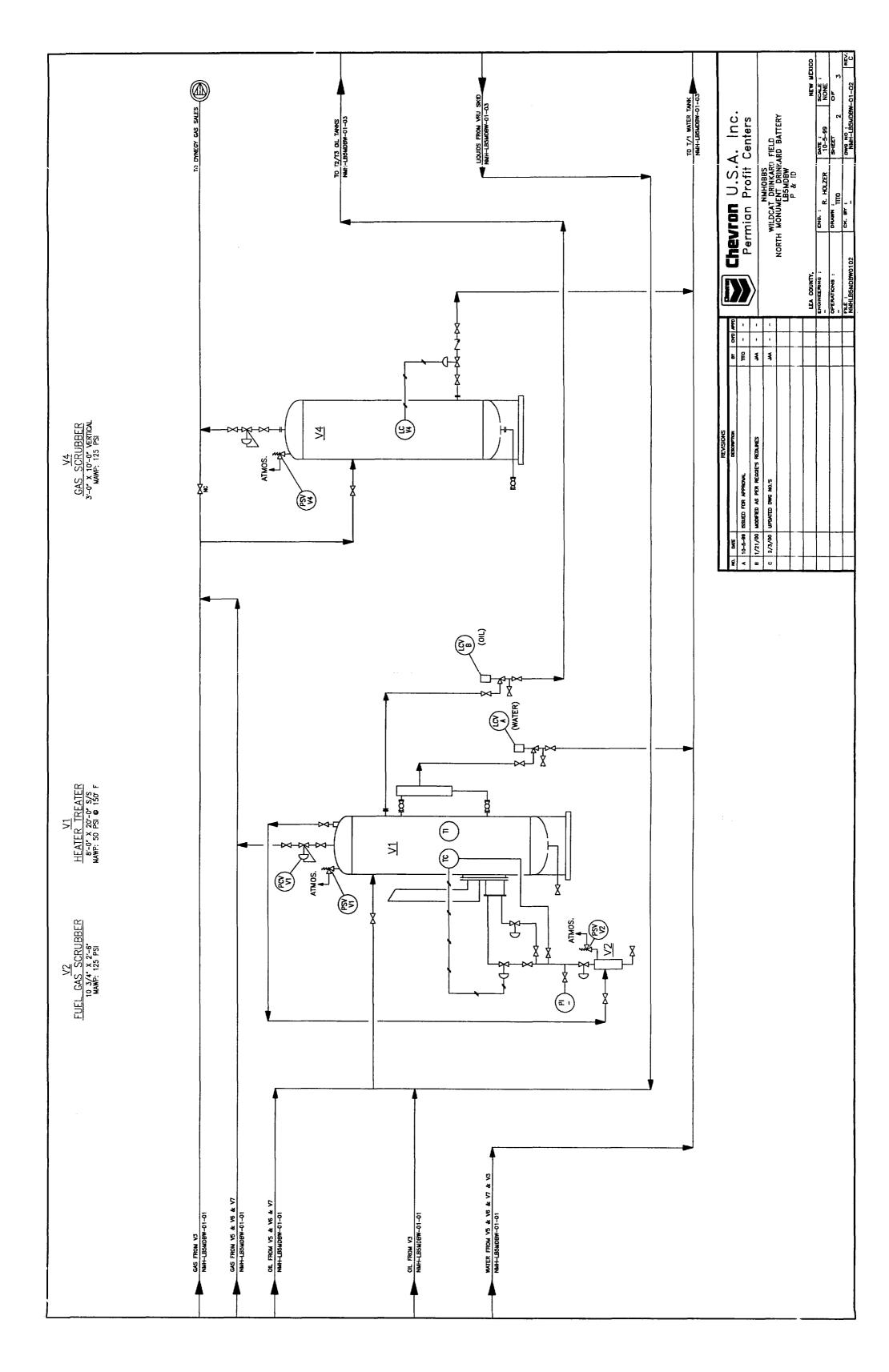
NM State Land Office - Santa Fe, NM

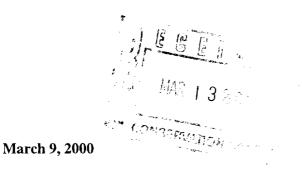














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State of New Mexico
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Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attention: Lori Wrotenberry - Director

Dear Ms. Wrotenberry:

Mark Ashley contacted Lloyd Trautman on March 8, 2000, requesting additional information relating to this commingle request. The following is in response to that request.

Working Interest Owners for Monument 13 State #29, Monument 13 State #17 and Monument 12 State #10 are Chevron, Amerada Hess Corporation, Leede Operating Company and Phillips Petroleum Company. Working Interest Owners for 13 State #27 are Chevron and Texaco. Lloyd Trautman verbally discussed the surface commingling with each Working Interest Owner. None of the Working Interest Owners had an objection.

I am also attaching a map showing the location of the captioned wells.

If you have any questions, or if you require further information, please contact Lloyd Trautman at $(915)\ 687\text{-}7152$

Sincerely,

J. K. Ripley

Attachment

cc: NMOCD – Hobbs, NM

COMMISSIONER'S OFFICE Phone (505) 827-5760 Fax (505) 827-5766

ADMINISTRATION Phone (505) 827-5700 Fax (505) 827-5853

GENERAL COUNSEL Phone (505) 827-5713 Fax (505) 827-4262

PUBLIC AFFAIRS Phone (505) 827-5765 Fax (505) 827-5766



New Mexico State Land Office Commissioner of Public Lands Ray Powell, M.S., D.V.M.

COMMERCAL RESOURCES Phone (505) 827-5724 Fax (505) 827-6157

MINERAL RESOURCES Phone (505) 827-5744 Fax (505) 827-4739

ROYALTY MANAGEMENT Phone (505) 827-5772 Fax (505) 827-4739

SURFACE RESOURCES Phone (505) 827-5793 Fax (505) 827-5711

April 11, 2000

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

Attn: Ms. J. K. Ripley

Re:

Surface Commingling Application

Wildcat; Drinkard

Monument 13 State # 17-F Sec. 13-19S-36E (E-7355-1) Monument 13 State # 27-B Sec. 13-19S-36E (B-1327-1) Monument 12 State # 10-M Sec. 12-19S-36E (B-1023-0) Monument 13 State # 29-L Sec. 13-19S-36E (B-10230-0) Monument Drinkard Tank Battery (F) Sec. 12-19S-36E

Lea County, New Mexico

Dear Ms. Ripley:

We are in receipt of your letter of February 29, 2000. Your letter requests our approval to surface commingle the production from the above captioned wells at the Monument Drinkard Tank battery facility located in the SE/4NW/4 of Section 12, Township 19 South, Range 36 East.

It is our understanding that the production will be allocated to each lease by separately metering the production from each lease prior to commingling.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please contact Ms. Debbie Padilla of our Right-of-Way Division at (505) 827-5729 for a right-of-way through Section 12, Township 19 South, Range 36 East. Our approval is contingent upon you acquiring the appropriate easements.

Your \$30.00 dollar filing fee has been received.

Chevron U.S.A. Production Company April 11, 2000 Page 2

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M. COMMISSIONER OF PUBLIC LANDS

FOC JAMI BAILEY, Director
Oil, Gas and Minerals Division

(505) 827-5744

RP/JB/pm Reader File pc:

OS Amenden. David Cataliach, Ben Stone,

Debbie Padilla