

Chevron USA Production Company Inc.
Carolyn J. Haynie
Waterflood Technical Assistant
15 Smith Road
Midland, TX 79705

ChevronTexaco

August 28, 2002

Proposed Amendment of Lease
Commingling Order CTB-474
Tex-Mack 11 Federal # 1 CTB
Section 11, T17S, R31E
Eddy County, New Mexico

New Mexico Oil Conservation Division
Attn: Lori Wrotenbery, Directory
1220 South St. Francis Drive
Santa Fe, NM 87504

Dear Ms. Wrotenbery:

ChevronTexaco, Inc., formerly Chevron U.S.A. Production Co., Inc., respectfully requests administrative approval to amend Commingling Order CTB-474, allowing for the lease commingling of gas production from the Tex Mack 36 State # 1, from the Fren Morrow Pool, to be added. Commingling Order # CTB-474, (copy attached), currently provides for the gas production surface commingling from the Fren Morrow Pool (# 96663), from the Texmack '2' State Well No. 1 and the Texmack '11' Federal Well No. 1.

The gas production will be metered from each location, as shown on the attached schematic diagram. The Texmack 36 State Com #1 currently produces through the high pressure Conoco gas pipeline that is located adjacent to the Texmack 11 Federal #1 compressor facility. With only minimal piping modifications near the compressor, on the existing caliche pad, the Texmack 36 State Com #1 can be connected to the suction of the compressor and productivity increased. The existing compressor has sufficient capacity to handle production from the Texmack 36 State Com #1. Oil and water for the Texmack 36 State Com #1 will continue to be separated and custody transferred on Texmack 36 State Com #1 well site.

Attached in support of this request is a proposed schematic diagram for the subject facility, a lease plat, and copies of the correspondence to the working interest owners, the Commissioner of Public Lands, State of New Mexico, and the Bureau of Land Management. Permission to commingle the batteries would substantially lower operating costs to ChevronTexaco. If you have any questions concerning this application, please contact me, at (915) 687-7384.

Sincerely,



Carolyn Haynie
Technical Assistant

Cc: NMOCD – Artesia District 2
Lease File
David Crawford
Scott Ingram
Danny Lovell



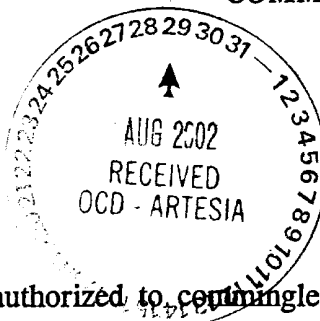
NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER CTB-474

Texaco Exploration & Production, Inc.
205 East Bender St.
Hobbs, New Mexico 88240

Attention: Mr. Bobby J. Hill



The above named company is hereby authorized to commingle Fren Morrow (96663) Pool production from the following leases:

Lease: Texmack '2' State Well No.1(State Lease No.912634)
Description: SW/4 SE/4 of Section 2, and;

Lease: Texmack '11' Federal Well No.1 (Federal Lease No.LC-029418-B)
Description: NE/4 NW4, of Section 11,

both located Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

Production shall be allocated by separately metering the production from each lease prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored in a common tank battery facility located in Unit Letter 'C', Section 11, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

FURTHER: The operator shall notify the Artesia district office of the Division prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 31st day of July, 1998.

LORI WROTENBERY,
Division Director

LW/BES/kv

cc: Oil Conservation Division - Hobbs
State Land Office - Oil & Gas Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of well

☐ Oil

☒ Gas

☐ Other

2. Name of Operator

CHEVRON U.S.A. PRODUCTION CO., INC.

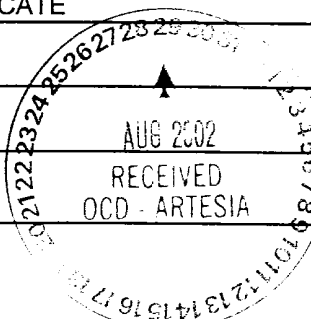
3. Address and Telephone No.

P. O. BOX 1150, MIDLAND, TX 79705

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Section 11, T17S - R31E

990 FNL - 1,650 FWL



5. Lease Designation and Serial No.

LC-029418B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Texmack 11 Federal #1

9. API Well No.

30-015-29720

10. Field and Pool, or Exploratory Area

Fren Morrow

11. County or Parish, State

Eddy County, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

12 TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other Surface Commingle Gas

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimate date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

ChevronTexaco submits for your approval the commingling of gas production from the Texmack 36 State Com #1 (Lease E-5300, 1,143 FNL, 1,980 FWL, Section 36, T16S, R31E) with the Texmack 11 Federal #1 compression facility. The Texmack 11 Federal #1 compression facility is currently commingled with the Texmack 2 State Com #1 (Lease 912634, 660'FSL and 1,650' FEL, Section 2, T17S, R31E) per Commingling Order #CTB-474, approved on August 13, 1998. The Texmack 36 State Com #1 currently produces through the high pressure Conoco gas pipeline that is located adjacent to the Texmack 11 Federal #1 compressor facility. With only minimal piping modifications near the compressor, on the existing caliche pad, the Texmack 36 State Com #1 can be connected to the suction of the compressor and productivity increased. The existing compressor has sufficient capacity to handle production from the Texmack 36 State Com #1. Oil and water for the Texmack 36 State Com #1 will continue to be separated and custody transferred on Texmack 36 State Com #1 well site.

All three wells produce from the Fren Morrow field.

All tie-in work to the gas gathering pipeline will be done on the existing caliche pad and does not disturb additional surface.

14. I hereby certify that the foregoing is true and correct

Signed

Title

FACIL. ENGR

Date

August 20, 2002

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions on Reverse Side

Chevron U.S.A. Production Company
Carolyn J. Haynie
Technical Assistant
Eunice Waterflood
15 Smith Road
Midland, TX 79705

August 28, 2002

ChevronTexaco

Proposed Amendment of Lease
Commingling Order CTB-474
Tex-Mack 11 Federal # 1 CTB
Section 11, T17S, R31E
Eddy County, New Mexico

Re: Notice of Intent to Lease Commingle Gas Production

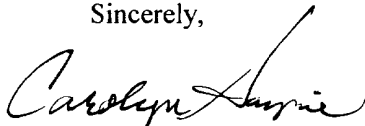
Working Interest Owners:

ChevronTexaco Exploration & Production Company, formerly Chevron U.S.A. Production Company, respectfully gives notice of intent, pending regulatory approval, to amend the Commingling Order CTB-474 by allowing for the lease commingling of gas production from the Tex Mack 36 State # 1, from the Fren Morrow Pool. Commingle Order # CTB-474, (copy attached), currently provides for the gas production surface commingling from the Fren Morrow Pool (# 96663), from the Texmack '2' State Well No. 1 and the Texmack '11' Federal Well No. 1.

ChevronTexaco is the operator of these wells with a 43.75% ownership. The gas production will be metered from each location, so adding the Texmack 36 #1 to the existing commingle, will not reduce the actual commercial value of gas production. Oil and water for the Texmack 36 State Com #1 will continue to be separated and custody transferred on the Texmack 36 State Com # 1 well site. Commingling the well would substantially lower operating costs to ChevronTexaco and will extend the economic life of the lease.

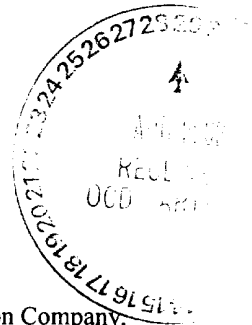
If you have any questions or need additional information, please contact me at 915-687-7384.

Sincerely,



Carolyn Haynie
New Mexico Waterflood
Petroleum Eng. Technical Assistant

Cc: NMOCD
Commissioner of Public Lands,
Lease File
David Crawford
Scott Ingram
Reggie Holzer



TEXMACK WORKING INTEREST OWNERS

CHASE OIL CORPORATION
P.O. BOX 1767
ARTESIA, NM 88211

DOMINION OKLAHOMA TX EXPLOR
ATTN: JOE HAMMOND
14000 QUAIL SPRINGS PARKWAY
SUITE 600
OKLAHOMA, CITY, OK 73134

CHASE OIL CORPORATION
ATTN: GERENE D. CHASE CROUCH
P.O. BOX 1767
ARTESIA, NM 88211

MARATHON OIL COMPANY
ATTN: JOE RUSNAK
P O BOX 552
MIDLAND TX 79702

CHASE OIL CORPORATION
ATTN: MACK & MARILYN CHASE
P.O. BOX 1767
ARTESIA, NM 88211

CHASE OIL CORPORATION
ATTN: RICHARD & KARLA CHASE
P.O. BOX 1767
ARTESIA, NM 88211

CHASE OIL CORPORATION
ATTN: ROBERT C. & DEB E CHASE
P.O. BOX 1767
ARTESIA, NM 88211

Chevron USA Production Company Inc.
Carolyn J. Haynie
NM Waterflood Technical Assistant
15 Smith Road
Midland, TX 79705

ChevronTexaco

August 27, 2002

Proposed Amendment of Lease
Commingle Order CTB-474
Tex-Mack 11 Federal # 1 CTB
Section 11, T17S, R31E
Eddy County, New Mexico

Commissioner of Public Lands,
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504
Attn: Pete Martinez




Dear Mr. Martinez,

ChevronTexaco Exploration & Production Company, a division of Chevron U.S.A. Inc., is requesting approval from the Commissioner of Public Lands, State of New Mexico, allowing for the addition of the Tex Mack 36 State # 1, gas production from the Fren Morrow Pool, to the existing , OCD Commingle Order. The OCD Commingle Order # CTB-474, (copy attached), currently provides for the gas production lease commingling from the Fren Morrow Pool (# 96663), from the Texmack '2' State Well No. 1 and the Texmack '11' Federal Well No. 1.

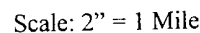
The gas production will be metered from each location, as shown on the attached schematic diagram. The Texmack 36 State Com #1 currently produces through the high pressure Conoco gas pipeline that is located adjacent to the Texmack 11 Federal #1 compressor facility. With only minimal piping modifications near the compressor, on the existing caliche pad, the Texmack 36 State Com #1 can be connected to the suction of the compressor and productivity increased. The existing compressor has sufficient capacity to handle production from the Texmack 36 State Com #1. Oil and water for the Texmack 36 State Com #1 will continue to be separated and custody transferred on Texmack 36 State Com #1 well site.

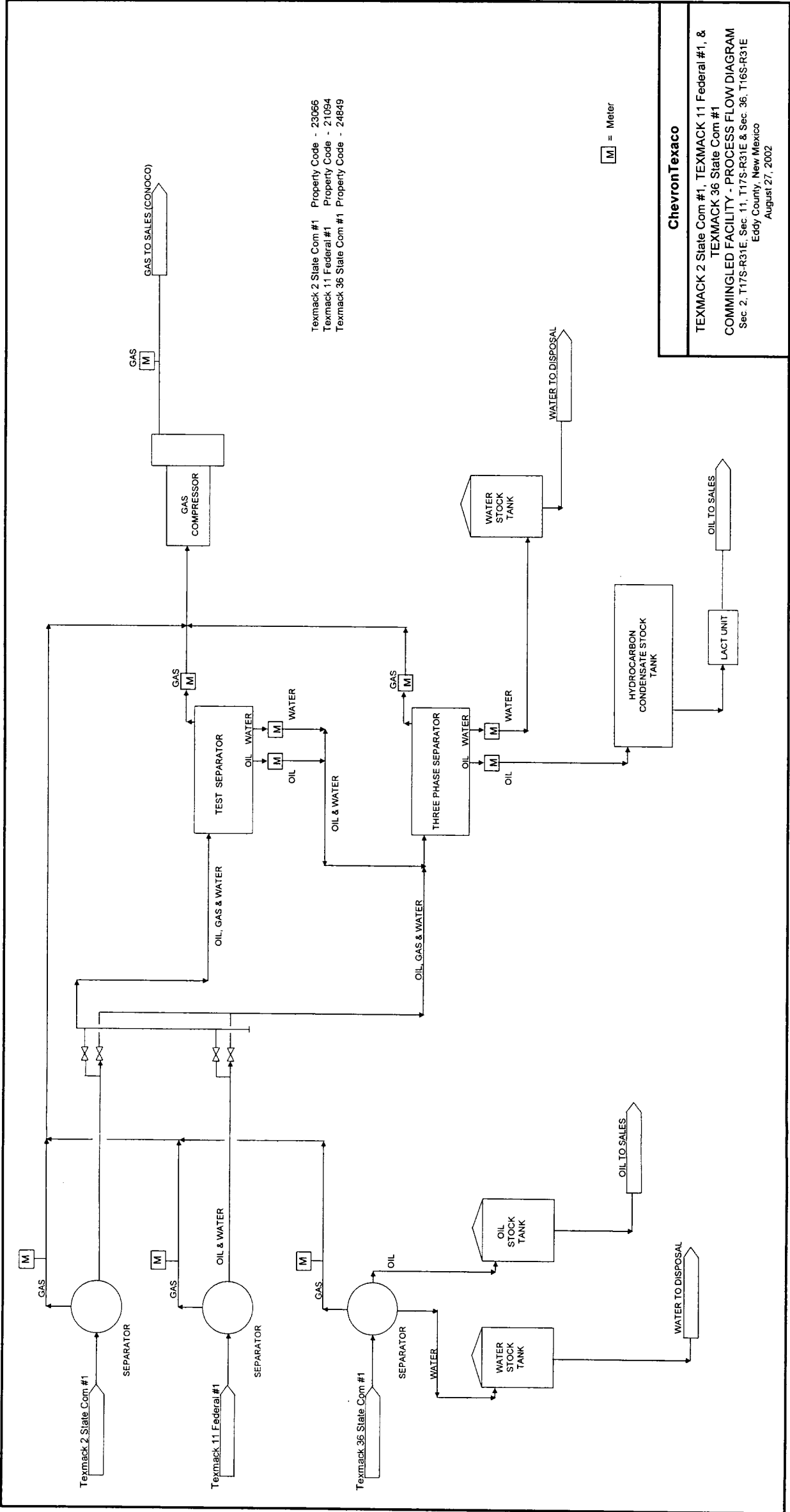
Attached in support of this request is a copy of all documentation submitted to the BLM, & OCD, and the working interest and royalty interest owners. A \$30.00 filing fee to the Commissioner of Public Lands, State of New Mexico, is included. If you have any questions concerning this application, please contact me, at (915) 687-7384.

Sincerely,


Carolyn Haynie
Technical Assistant

Cc: NMOCD Santa Fe, NM
Lease File
David Crawford
Scott Ingram
Danny Lovell





ChevronTexaco

TEXMACK 2 State Com #1, TEXMACK 11 Federal #1, &
TEXMACK 36 State Com #1
COMMINGLED FACILITY - PROCESS FLOW DIAGRAM
Sec 2, T17S-R31E, Sec 11, T17S-R31E & Sec 36, T16S-R31E
Eddy County, New Mexico
August 27, 2002