

DATE IN 5,20,11	SUSPENSE 6/10/11	ENGINEER RE	LOGGED IN 5,20,11	TYPE PLC	APP NO 1114041957
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Chevron USA
RECEIVED OCD 4323

MAY 18 A 11:51

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

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]

[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

[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

Signature

Petroleum Engineering TA
Title

5-3-11
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, 2011

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

RE: Application to Amend PLC-243-A
Oil and Gas Department

Chevron U.S.A., Inc. respectfully requests administrative approval to amend PLC-243-A to allow for the surface commingling of oil and water production from the L.E. Grizzell Lease, the R.L. Clifton well No. 2 and the E.A. Sticher leases in the existing Sticher Commingled Battery. PLC-243-A granted authority to commingle production from the Texaco E.A. Sticher wells # 1, 2, 3, 4, & 5, and the R.L. Clifton well No. 2, which consists of Penrose Skelly (Grayburg) (Oil - 50350) Pool, Eunice San Andres; SW (Oil - 24180) Pool, the Tub6 Oil & Gas (Oil - 60240) pool, and the Paddock (Oil - 49210) Pool production. The surface commingling of the L. E. Grizzell lease will add production from the Drinkard (Oil - 19190) and Blinebry Oil & Gas (Oil - 6660) Pools.

Chevron is the operator of all three leases with varying working interest. Therefore, notification of this proposed action was sent to all working interest owners. Also, the royalty interest owners are different, so notification was sent to the royalty owners as well, (list included with the attachments). Also included in the attachments is a copy of the notification letter; a table showing oil production volumes, gravities, and monetary values for each of the wells, and a proposed schematic diagram and a lease plat.

Current plans are to produce the Grizzell wells into a 3-phase separator with meters for oil, water, and gas, in accordance with applicable provisions of the NMOCD's "Manual for the installation and Operation of Commingling Facilities, located on the L. E. Grizzell lease. The Grizzell gas will also be sold at this site. The Grizzell oil and water will be measured and then pumped to the E.A. Sticher Commingled Battery for processing. This commingling is necessary because the existing L. E. Grizzell Battery is in poor condition and the wells are too marginal to justify a battery upgrade. The nearby E.A. Sticher Commingled Battery can easily handle the fluid production from the L. E. Grizzell lease. The fluids to be commingled are compatible, and as shown on the attached table, the sales value of the crude oil will not be significantly affected.

For your convenience, I have enclosed an envelope with my return address, so the decision for this application can be sent directly to me. If you require additional information, please contact me by telephone at 432-687-7261, or by email at chay@chevron.com.

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

NM OCD District 1, Hobbs

Mike Howell

Danny Lovell

Central Files

Well List for Proposed E.A. Sticher & L.E. Grizzell Pool Lease Commingled Battery							Commingling Order PLC-243-A					
Section 4 & Section 8, T22S, R37E, Lea County, NM												
Well	API	Status	Lease	Pool	Pool #	Unit Letter	Sec	Location	Twncshp	Rng	Co	TD
L. E. Grizzell #1	30-025-10099	PR	L.E. Grizzell	Penrose Skelly Grayburg	50350	B	8	600' FNL & 1980' FEL	22S	37E	Lea	6576'
L. E. Grizzell #2	30-025-10102	PR	L.E. Grizzell	Paddock	49210	A	8	600' FNL & 660' FEL	22S	37E	Lea	3765'
L. E. Grizzell #3	30-025-10100	PR	L.E. Grizzell	Drinkard	19190	A	8	750' FNL & 760' FEL	22S	37E	Lea	6545'
L. E. Grizzell #4	30-025-26765	PR	L.E. Grizzell	Drinkard	19190	A	8	810' FNL & 410' FEL	22S	37E	Lea	7297'
R. L Clifton # 2	30-025-10046	PR	Clifton, R. L.	Penrose Skelly Grayburg	50350	M	4	660' FSL & 810' FWL	22S	37E	Lea	8097'
Texaco E.A. Sticher #1	30-025-10038	PR	Sticher, E.A.	Paddock	49210	K	4	1980' FSL & 660' FEL	22S	37E	Lea	8053'
Texaco E.A. Sticher #2	30-025-10039	PR	Sticher, E.A.	Penrose Skelly Grayburg	50350	L	4	1980' FSL & 660' FWL	22S	37E	Lea	6580'
Texaco E.A. Sticher #3	30-025-10040	PR	Sticher, E.A.	Penrose Skelly Grayburg	50350	K	4	1830' FSL & 1830' FWL	22S	37E	Lea	8030'
Texaco E.A. Sticher #4	30-025-10041	TA	Sticher, E.A.	Eunice, Southwest, San Andres	24180	L	4	2310' FSL & 810' FWL	22S	37E	Lea	8110'
Texaco E.A. Sticher #5	30-025-38340	PR	Sticher, E.A.	Penrose Skelly Grayburg	50350	L	4	2310' FSL & 1310' FWL	22S	37E	Lea	4070'

L. E. Grizzell Battery***
Oil API Gravity*

Date	API Gravity	BO	Product
7/10/2010	33.8	171.5	5796.7
7/24/2010	33.7	172.6	5816.6
8/15/2010	34.1	176.1	6005.0
9/1/2010	34.0	177.2	6024.8
10/31/2010	33.0	184.9	6101.7
11/15/2010	34.7	175.3	6082.9
12/5/2010	37.3	180.0	6714.0
7/1/2010	33.9	184.9	6268.1
7/17/2010	34.7	176.6	6128.0
8/3/2010	34.2	181.0	6190.2
8/23/2010	33.1	182.9	6054.0
9/12/2010	33.9	177.3	6010.5
11/8/2010	34.5	178.3	6151.4
11/24/2010	36.4	181.9	6621.2
12/17/2010	36.2	179.9	6512.4
		<u>2,680.4</u>	<u>92,477.4</u>

Avg API Gravity = 34.5

* Data Is From Run Tickets.

Avg Oil & Gas Prices**

Period	Oil Price	Gas Price
2010	\$75.77	\$4.35

** Data Is From Net Trend Report.

*** Used data from Eaves Lease (similar API gravity)
 due to lack of Grizzell oil price data.

E. A. Sticher Battery***
Oil API Gravity*

Date	API Gravity	BO	Product
1/26/2010	35.4	168.3	5957.8
2/22/2010	35.8	169.2	6057.4
3/16/2010	37.0	173.6	6423.2
4/21/2010	34.1	168.7	5752.7
5/17/2010	33.5	176.2	5902.7
6/4/2010	32.7	170.2	5565.5
6/30/2010	32.8	168.5	5526.8
7/4/2010	32.4	173.5	5621.4
7/16/2010	34.6	173.8	6013.5
7/27/2010	32.8	164.3	5389.0
8/2/2010	32.5	169.6	5512.0
8/21/2010	32.5	164.4	5343.0
9/11/2010	35.5	174.0	6177.0
11/16/2010	31.4	166.2	5218.7
12/5/2010	34.3	173.7	5957.9
12/25/2010	34.0	166.6	5664.4
1/7/2010	35.4	169.2	5989.7
2/8/2010	35.6	167.7	5970.1
3/6/2010	35.6	173.1	6162.4
3/30/2010	34.7	165.9	5756.7
5/4/2010	33.4	166.4	5557.8
5/24/2010	33.2	172.4	5723.7
6/15/2010	32.3	163.8	5290.7
6/30/2010	33.0	165.4	5458.2
7/18/2010	32.8	170.4	5589.1
8/2/2010	33.0	170.0	5610.0
8/14/2010	32.2	165.6	5332.3
8/27/2010	32.7	172.3	5634.2
11/8/2010	31.5	166.0	5229.0
11/22/2010	34.1	174.0	5933.4
12/20/2010	34.6	167.0	5778.2
12/31/2010	34.7	169.0	5864.3
		<u>5,419.0</u>	<u>182,962.8</u>

Avg API Gravity = 33.8

* Data Is From Run Tickets.

Avg Oil & Gas Prices**

Period	Oil Price	Gas Price
2010	\$75.14	\$4.28

** Data Is From Net Trend Report.

*** Used data from Eaves Lease (similar API gravity)
due to lack of Grizzell oil price data.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER PC-1044

ROC Energy, Inc.
P.O. Box 51008
Midland, Texas 79710

Attention: Ms. Pamela D. Inskeep

Lease: L. E. Grizzell Lease

Description: N/2 NE/4 of Section 8, Township 22 South, Range 37 East, NMPM, Lea
County, New Mexico

The above-named company is hereby authorized to commingle Penrose Skelly (Grayburg) (Oil – 50350), Paddock (Oil – 49210) and Drinkard (Oil – 19190) Pool production from the above mentioned lease and to determine production from each pool by monthly well tests.

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.

Production shall be measured and stored at a tank battery located in the NE/4 NE/4 of Section 8, Township 22 South, Range 37 East, NMPM.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 19th day of October, 2001.

LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division- Hobbs

Location:

660' FNL & 1980' FEL
 Section: 8
 Township: 22S
 Range: 37E Unit: B
 County: Lea State: NM
 Status: Active Gas Well

Elevations:

GL:
 KB:
 DF: 3425'

Log Formation Tops

T. Salt	
Yates	
Seven Rivers	
Queen	
Penrose	
Grayburg	
San Andres	3820'
San Angelo	5075'
Drinkard	6405'
Blinbry	
Tubb	
Abo	

TUBING DETAIL 7/9/1990

2-3/8" set @ 3725'

Intermediate Csg: 8-5/8", 32 # Csg

Set: @ 1245' w/175 sxs
 Hole Size: 12-1/2" to 1245'
 Circ: TOC: Surf
 TOC By: filed record

Production Csg: 7", 22# Csg

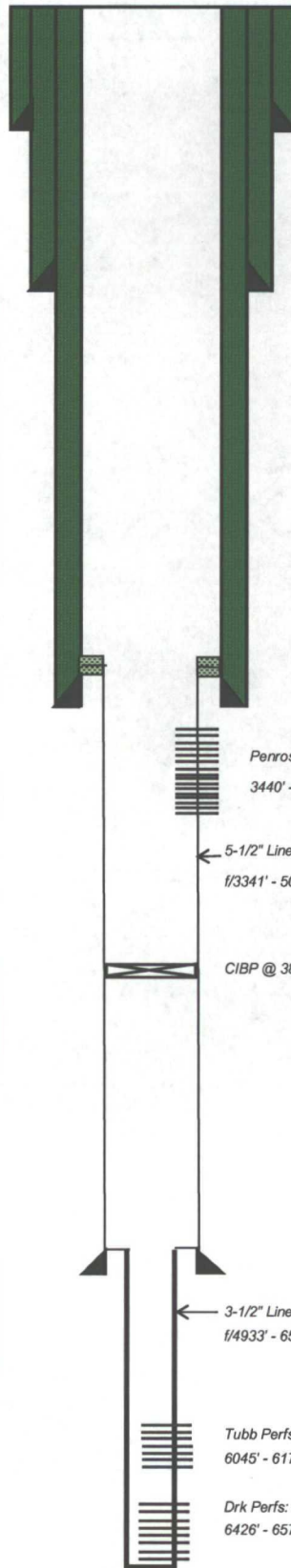
Set: @ 3493' w/100 sxs
 Hole Size: 8-1/4" to 3493'
 Circ: TOC: 2854'
 TOC By: Calculation

Prod. Liner Csg: 5-1/2", 15-5# J-55 Liner

Set: 3341' to 5085' w/200 sxs
 Hole Size: 6-1/4" to 5085'
 Circ: TOC: Top of Liner
 TOC By:

Prod. Liner Csg: 3-1/2" liner

Set: @ 4933' - 6576' w/100 sxs
 Hole Size: NA to 6576'
 Circ: TOC: Top of Liner
 TOC By:

Current Wellbore Diagram**Well ID Info:** Wellbore #

Chevno: FB1107
 API No: 30-025-10099
 Cost Center U41Z219
 Spud Date: 2/2/1937
 Rig Released: NA
 Compl. Date: 4/16/1937

Surface Csg: 13", 50# csg

Set: @ 320', w/150 sxs cmt
 Hole Size: 15-1/2"
 Circ: TOC: Surface
 TOC By: Calculation

Initial Completion:

4/1937 Initial Penrose completion, OH f/3493' - 3736'. Acdz w/3000 gals.
 IPF 18 BO/hr for 6 hrs.

Subsequent Work

9/1948 Dpn & comp in Paddock. OH 5085' - 5220'. Acdz w/4500 gals. IP: 86 BO, 114 WTR, 56 MCF. Sqz ToL w/122 sxs cmt,
 4/1950: Dpn & comp in DRK. Perfs 6426' - 6575', Acdz w/2000 gals
 8/9/61 reported Tubb zone completion, w/bad results, recommended to PB to Penrose-Skelly zone.
 10/1988: PB to Penrose Skelly. Perf 3504' - 3586'. Acdz w/2000 gals
 Swab 100 % wtr. Sqz Top of Lnr w/100 sxs
 11/1/1989: Repref Penrose 3440' - 3733', acdz w/2400 gals, 20 holes.
 Install Pmp unit. Test: 2 BO, Trace Wtr, 9 MCF.
 1/5/90 Found 2 split collars, repr, tst, RTP. Tst: 2 Oil, 9 MCF, Wtr- trace
 8/29/90 Rec'd Pool Commingle - PC-778 for the Grizzell to commingle the Paddock & Penrose Skelly Grayburg pool in a common tank battery.
 10/19/01: Rec'd PC-1044 for Grayburg,

Well: L.E. Grizzell #2

Field: L.E. Grizzell

Reservoir: Paddock

Location:
 660' FNL & 660' FEL
 Section: 8
 Township: 22S
 Range: 37E Unit: A
 County: Lea State: NM
 Status: Active Paddock Oil Well

Elevations:
 GL: 3430'
 KB:
 DF: 3446'

Log Formation Tops

T. Salt	
Yates	
Seven Rivers	
Queen	
Penrose	
T/Grayburg	3357'
San Andres	
Glorieta	
Drinkard	
Blinbry	
Tubb	
Abo	

TUBING DETAIL 7/30/2004

167 jts of 2-3/8" set @ 5172'
 SN = 1.10'; Perf Nipple 1.10'
 Perf Nipple 3.75'
 MA w/BP 10.0'

Intermediate Csg: 8-5/8" 28# Csg

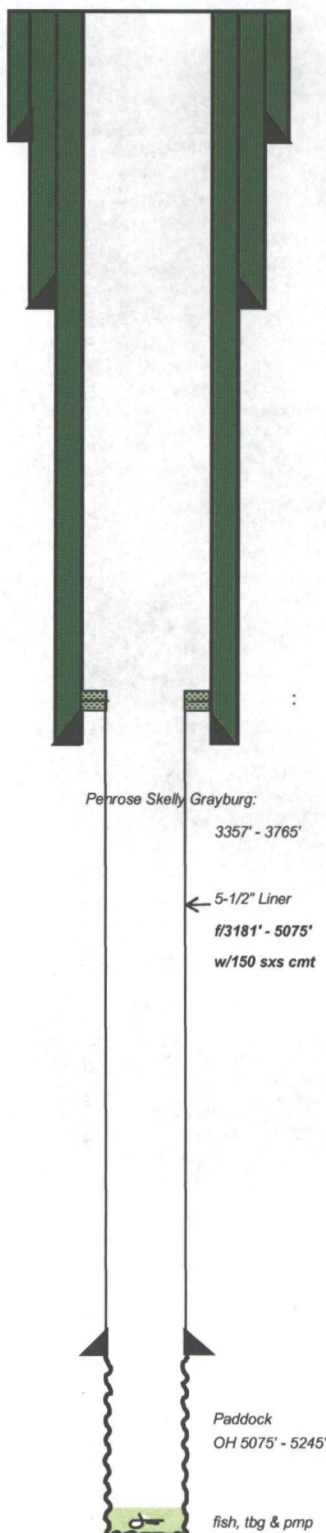
Set: @ 1260' w/135 sxs
 Hole Size: 10" to 1260' (est'd per intent)
 Circ: TOC: Surface
 TOC By: Calculation

Production Csg: 7" 22 & 24# Csg

Set: @ 3493' w/100 sxs
 Hole Size: 8-1/4" to 3493' (est'd per well #1)
 Circ: TOC: 2854'
 TOC By: Calculation

Prod. Liner Csg: 5-1/2" liner

Set: 3181' to 5057' w/150 sxs
 Hole Size: 6-1/4" to 5075' (est)
 Circ: TOC: TOL
 TOC By:

Current Wellbore Diagram

Well ID Info: Wellbore # NA
 Cheveno: FB4767
 API No: 30-025-10102
 Cost Center U412219
 Spud Date: 7/14/1937
 Rig Released: 9/28/1937
 Compl. Date: 10/14/1937

Surface Csg: 13" 50# csg

Set: @ 300', w/200 sxs cmt
 Hole Size: 15-1/2" (est. per intent)
 Circ: TOC: Surface
 TOC By: Calculation

Initial Completion:

Orig Penrose Completion, OH 3357' - 3765'. Acdz w/5000 gals.XX acid.

Subsequent Work

6/5/48 - 6/23/48: Dpn f/3181' to 5075' (Penrose Skelly to Paddock)

7/19/48 - 7/28/48: Trt OH f/5075' - 5245' w/3000 gals 15%.

4/10/51 thru 4/22/51: Trt the 4-3/4" OH f/5075' to 5200' w/3500 gals

15% acid. Tst: 83 oil, 12 bbls wtr. GOR 1060 CFPB.

5/8/56: Trt OH w/500 gals 5% acid 7 55 gals Che-Plex.

11/1970: Well shut-in for one year due to tbg lks.

10/12/73: CO form & jnk f/5120' - 5200' w/1000 gals acid.

Did not recover fish.

7/1/74: Found tbg Lk, Replaced,tst, RTP.

10/14/1986: well will not press up @ surf. Pmp hot oil dwn tg.

Acdz w/500 gals 15%. RTP.

1/22/90: Pmp 15 gals CO 104 aromatic sol dwn csg. Trt dwn csg

w/300 gals & 3 bbls flush.

3/31/90: Trt w/4 gals 104 solv & 600 gals Acid

7/19/90: Req Surface commingle for Grizzell # 1 & # 2. Penrose

Skelly Grayburg & Paddock. App'd PC-778, 8/29/90

6/21/94: Trt dwn csg w/30 gals 15%, & 68 bbls wtr & Chem. RTP

12/3/94: Trt dwn csg w/30 bbls wtr & paraf soap. RTP

6/6/01: Trt dwn csg w/25 bbls wtr & 7 gals chem. Acdz w/800 gals 15%

1 gal emulsion, paraf fls, wtr & solv. RTP

1/21/02: Lots of paraffin, bad pmp part. Tbg stuck. RU hot oil trk.

Pmp 1050 gals fr wtr w/chem @ 220 deg.Ld tbg, good action.

Pmp 1260 gals hot oil dwn csg. Rpr pmp & damaged rods & tbg.

7/30/04: RU, tst tbg, found hole in bottom jlt.Rpr, RTP. 8' gas anchor

had bad pitting @ perms - -should repl next time.Bottom 6 jts, SN & MA have turned down collars.

6/25/2006: Tbg Lk, Rpl 2 jts of Tbg, tst, RTP.

By: 11-10-10 By chay

PBTD: 5200'
 TD: 5245'

Well: L.E. Grizzell # 3

Field: L.E. Grizzell

Reservoir: Drinkard

Location:

750' FNL & 760' FEL
 Section: 8
 Township: 22S
 Range: 37E Unit: A
 County: Lea State: NM
 Status: DRK Gas Well

Elevations:

GL:
 KB:
 DF: 3446'

Log Formation Tops

T. Salt	1230'
Yates	
Seven Rivers	
Queen	
Penrose	
T/Grayburg	
San Andres	3815'
Glorieta	5060'
Drinkard	
Blinbry	
Tubb	6000'
Abo	

TUBING DETAIL 10/9/1974

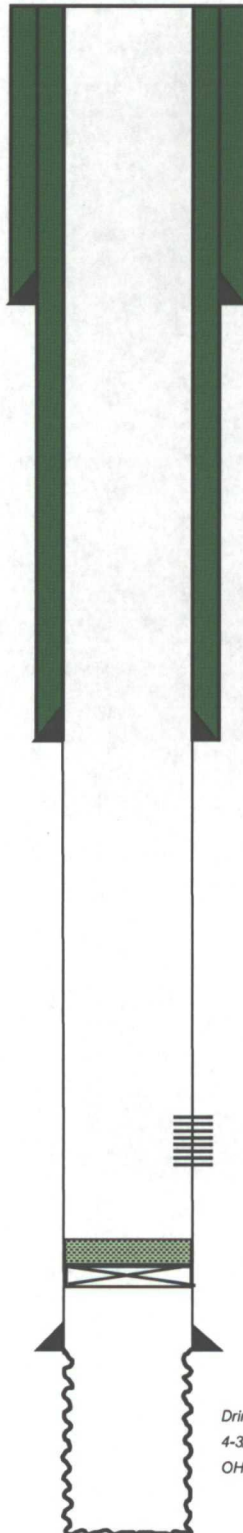
2-3/8" w/pkr set @ 6145'

Intermediate Csg: 7-5/8" 24# Csg

Set: @ 2808' w/1200 sxs
 Hole Size: 9-7/8" to 2808'
 Circ: TOC:
 TOC By: Calculation

Production Csg: 5-1/2" 14 # Csg

Set: @ 6438' w/350 sxs
 Hole Size: 6-3/4" to 6438'
 Circ: TOC:
 TOC By: Calculation

Current Wellbore Diagram**Well ID Info:** Wellbore # NA

Chevno: FB1108
 API No: 30-025-10100
 Cost Center: U41Z219
 Spud Date: 12/13/1951
 Rig Released:
 Compl. Date: 1/18/1952

Surface Csg: 10-3/4" 32.75 # csg

Set: @ 253', w/250 sxs cmt
 Hole Size: 15" TO 253'
 Circ: TOC: Surface
 TOC By: Calculation

Initial Completion:

Orig Drinkard OH Completion, OH 6438' - 6545'. Acdz w/3000 gals 15% acid. Set formation PKR @ 6485' w/tbg perms below pkr.
 Acdz f/6485' to 6545' w/2200 gals 15% acid. GOR @ 655

Subsequent Work

5/12/53: Set form pkr in 4-3/4" OH @ 6478', acdz w/5000 gals 15%.
 7/16/53: Attempt to set dbl pkr @ 6464' to reduce GOR. Unsuccessful.
 3/16/54: Set a special comb hook-wall & form pkr @ 6458' w/perfs below pkr. To reduce GOR. GOR f/30,000 to 8,653 CFPB
 10/9/74: Set CIBP @ 6410', top w/20' cmt. PBTD @ 6390'. Perf Drk f/6251' - 6376', 16 holes. Acdz w/1500 gals 15% & frac w/40,000 gals gell wtr & 40,000 # sd. Ran 2-3/8" w/pkr set @ 6145'
 11-29-89: See Well history tab for Paraffin treatment.
 6-21-94: Trt w/ 1 bbl Ziolene @ 200 degs. 5 g foamer, 5 bbls wtr w/ foamer @ 230 degs, 5 g foamer fl w/1 b wtr w/ foamer @ 200 degs. Rtn to sales.
 10/19/2001: Rec'd PC-1044 for Grayburg/Paddock/Drk oil, for the Grizzell Lease.

Drk Perfs: 6 holes
 6251' - 6376'

CIBP @ 6410'
 TOC @ 6390'

Drinkard
 4-3/4" OH
 OH 6438' - 6545'

By: 11-15-10 By chay

PBTD: 6390'
 TD: 6545'

Well: L.E. Grizzell # 4

Field: L.E. Grizzell

Reservoir: Drinkard

Location:

801' FNL & 410' FEL

Section: 8

Township: 22S

Range: 37E Unit: A

County: Lea State: NM

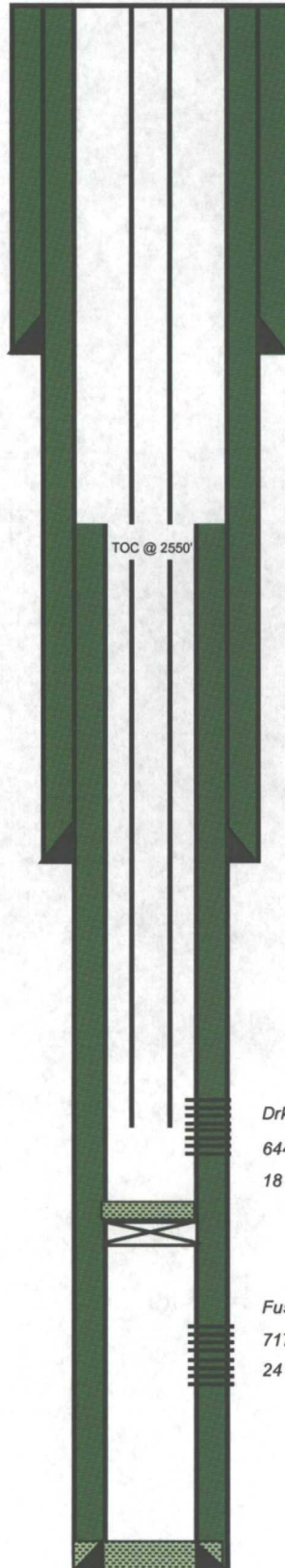
Status:

Elevations:

GL: 3423'

KB:

DF: 3438'

**Current
Wellbore Diagram****Well ID Info:**

Wellbore # NA

Chevno:

FI7993

API No:

30-025-26765

Cost Center

U41Z219

Spud Date:

5/11/1980

Rig Released:

5/30/1980

Compl. Date:

6/10/1980

Surface Csg: 13-3/8" 48 # H-40 csg

Set: @ 423', w/400 sxs cmt

Hole Size: 17-1/2" TO 423'

Circ: TOC: Surface

TOC By: Circulation

Log Formation Tops

B/ Salt	2420'
Yates	2560'
Seven Rivers	2826'
Queen	3320'
T/Grayburg	3575'
San Andres	3806'
Paddock	5160'
Blaineby	5500'
Drinkard	6240'
Abo	6667'
Fusselman	7176'

TUBING DETAIL

6/9/2009

209 jts 2-3/8" EUE, 4.7# J-55 tbgr set

SN @ 6609.06' 1.1

Tbg Anchor 2.75'

Perf Nipple 3.10'

MA w/BP 31.68'

Bottom @ 6646.59'

Intermediate Csg: 8-5/8" 32 & 24#, K-55 Csg

Set: @ 3865' w/1475 sxs

Hole Size: 12-1/4" to 3865'

Circ: TOC: Surface

TOC By: Circulation

Production Csg: 5-1/2" 15.5 & 14# Csg

Set: @ 7290' w/700 sxs

Hole Size: 7-7/8" to '

Circ: TOC: 2550'

TOC By: TS

Initial Completion:

Initial Completion: Fusselman, 7174' - 86'. Acdz w/1000 gals 15%.

221 BOPD. GOR 1810.

Subsequent Work

8/5/83: Install Lufkin Mod 228-D Pmp Equip.

4/3/85 - 8/22/85 Repl rods 11 times during this time frame. See Well

History tab for details.

1/18/86: pull rods & pmp, pmp ok. Found hole 12 jts above SN. Rod

wear on bend in tbgr. RIH w/ rods & pmp, RTP

5/24/86: Parted rod, fish, rpl, RTP.

9/8/86: Rpl Tbg w/hole.

10/8/86: Stuck Pmp, crack in anchor body. RIH w/rods & pmp, rpl'd

standing valve, load tbgr, RTP.

10/12/86: Not pmp'g, Lk in Heater trlr.- Fire tube. Patch'ed, rpr'd. Tbg

Anchor lk, repl, RTP.

1/22/90: Pmp 10 g CO 104 solv dwn csg. & 250 gals acid, fl w/2 bbls.

4/26/90: Rpl valve in Compressor. RTP

10/31/90 - 11/6/90: Rpl connections to Hrt Tr, and Ran new pmp.

3/7/91: Part'd rod, fish, pull out, change pmp, rods, and RTP.

7/2/92: Part's rods & burn'd motor. Rpr, RTP.

8/19/92-9/30/92: Part'd tbg above tbg anchor. Rpr, RTP. Rod part'd

Rpl 11 rods, ran new pmp.

5/30/93: Rpl split jt of tbg.

1/24/94: Rpl 2 jts of split tbg. 205 jts f/surf.

6/22/94: Rpl 5 jts of split tbg @ 156 jts f/surf.

12/2/94: Fnd split in 4th jt, Rpl 5 jts of tbg @ 225 jts f/surf. Fd Paraffin.

10/14/95: Fnd 3 holes in tbg. H2S is an issue.

11/7/96: Bad Paraffin & split jt. Bonnet broke @ top tng thr. Rpr. RTP

6/9/01: PB & recom to Drk. Set CIBP @ 7000' top w/35' cmt. Perf:

6448' - 6664', 18 holes. Acdz w/9000 gals 15% HCL, Dropping 22 balls.

8/10/2009: Rpr Tbg Lk. Bottom jt had split. RIH w/Rebuilt pmp. RTP

PBSD: 6965'

TD: 7290'

By: 11-30-10 By chay

Proposed Amendment Of Surface
Commingling Order PLC-243-A
E. A. Sticher Commingled Battery
Section 4, T22S, R37E
Lea County, New Mexico

Production From All Wells Sold Separately						
Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks
Penrose Skelly Grayburg (50350)	R. L. Clifton # 2	6	33.8	75.14	450.84	Measured API Gravity fr/Comgld Sticher Battery
Paddock (49210)	E. A. Sticher # 1	4	33.8	75.14	300.56	Measured API Gravity fr/Comgld Sticher Battery
Penrose Skelly Grayburg (50350)	E. A. Sticher # 2	3	33.8	75.14	225.42	Measured API Gravity fr/Comgld Sticher Battery
Penrose Skelly Grayburg (50350)	E. A. Sticher # 3	9	33.8	75.14	676.26	Measured API Gravity fr/Comgld Sticher Battery
Penrose Skelly Grayburg (50350)	E. A. Sticher # 4		33.8	75.14	0	Well TA'd
Penrose Skelly Grayburg (50350)	E. A. Sticher # 5	23	33.8	75.14	1728.22	Measured API Gravity fr/Comgld Sticher Battery
Penrose Skelly Grayburg (50350)	L. E. Grizzell # 1	1	34.5	75.77	75.77	Measured API Gravity fr/Grizzell Battery
Paddock (49210)	L. E. Grizzell # 2	2	34.5	75.14	150.28	Measured API Gravity fr/Grizzell Battery
Proposed WO: Blinebry O & G (06660) & Tubb Oil & Gas (Oil - 60240) (DHC)	L. E. Grizzell # 3	19	34.5	75.77	1439.63	Measured API Gravity fr/Grizzell Battery
Drinkard (19190)	L. E. Grizzell # 4	1	34.5	75.77	75.77	Measured API Gravity fr/Grizzell Battery
Totals		68			\$5,122.75	

Production From All Wells Commingled Into E. A. Sticher Commingled Tank Battery						
Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks
Penrose Skelly Grayburg (50350)	R. L. Clifton # 2	6	34.0	75.14	450.84	Calculated gravity of commingled oil
Paddock (49210)	E. A. Sticher # 1	4	34.0	75.14	300.56	Calculated gravity of commingled oil
Penrose Skelly Grayburg (50350)	E. A. Sticher # 2	3	34.0	75.14	225.42	Calculated gravity of commingled oil
Penrose Skelly Grayburg (50350)	E. A. Sticher # 3	9	34.0	75.14	676.26	Calculated gravity of commingled oil
Penrose Skelly Grayburg (50350)	E. A. Sticher # 4		34.0	75.14	0	Well TA'd
Penrose Skelly Grayburg (50350)	E. A. Sticher # 5	23	34.0	75.14	1728.22	Calculated gravity of commingled oil
Penrose Skelly Grayburg (50350)	L. E. Grizzell # 1	1	34.0	75.14	75.14	Calculated gravity of commingled oil
Paddock (49210)	L. E. Grizzell # 2	2	34.0	75.14	150.28	Calculated gravity of commingled oil
Proposed WO: Bliebry O & G (06660) & Tubb Oil & Gas (Oil - 60240) (DHC)	L. E. Grizzell # 3	19	34.0	75.14	1427.66	Calculated gravity of commingled oil
Drinkard (19190)	L. E. Grizzell # 4	1	34.0	75.14	75.14	Calculated gravity of commingled oil
Totals		68			\$5,109.52	



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COMMINGLING ORDER PLC-243-A

Chevron U.S.A., Inc.
15 Smith Road
Midland, Texas 79705

Attention: Ms. Denise Pinkerton

The above named company is hereby authorized to surface commingle Penrose-Skelly (Grayburg) (Oil - 50350), Paddock (Oil - 49210), Southwest Eunice-San Andres (Oil - 24180) and Tubb Oil & Gas (Oil - 60240) Pool production from the following-described wells located on the Texaco E. A. Sticher and R. L. Clifton Fee Leases within the SW/4 of Section 4, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico:

Well: Texaco E.A. Sticher Well No. 1 (API: 30-025-10038)
Dedicated Acreage: NE/4 SW/4 of Section 4
Pool: Paddock Pool

Well: Texaco E.A. Sticher Well No. 2 (API: 30-025-10039)
Dedicated Acreage: NW/4 SW/4 of Section 4
Pool: Penrose-Skelly (Grayburg) Pool

Well: Texaco E.A. Sticher Well No. 3 (API: 30-025-10040)
Dedicated Acreage: NE/4 SW/4 of Section 4
Pool: Penrose-Skelly (Grayburg) Pool

Well: Texaco E.A. Sticher Well No. 4 (API: 30-025-10041)
Dedicated Acreage: NW/4 SW/4 of Section 4
Pool: Southwest Eunice-San Andres Pool

Well: R. L. Clifton Well No. 2 (API: 30-025-10046)
Dedicated Acreage: SW/4 SW/4 of Section 4
Pool: Tubb Oil & Gas Pool

Production from the wells shall be determined as follows:

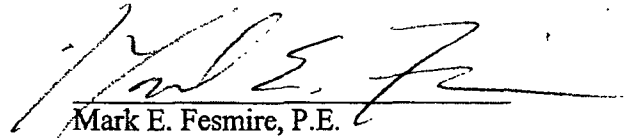
Each grouping of wells with identical ownership shall be continuously metered prior to commingling and sales. Within each identically owned set of wells, allocation of production may be made on the basis of periodic well tests.

Production from each of the subject wells shall be stored at a central tank battery located on the Texaco E. A. Sticher Lease within the SW/4 of Section 4, Township 22 South, Range 37 East, NMPM.

The producer is responsible for notifying the transporter of this commingling authority.

The operator shall notify the Hobbs district office of the Division prior to implementing commingling operations.

DONE at Santa Fe, New Mexico, on this 18th day of August, 2005.


Mark E. Fesmire, P.E.
Division Director

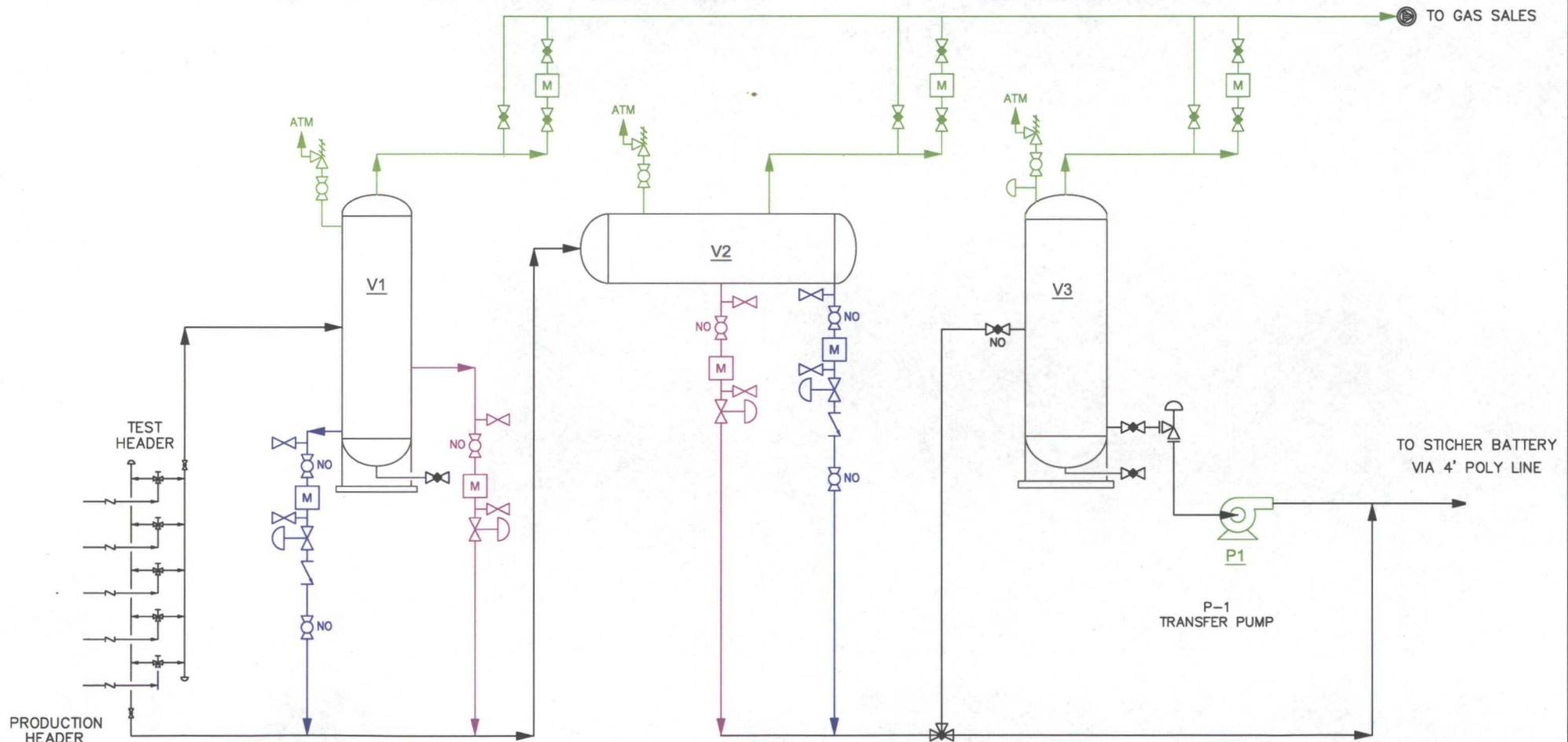
MEF/drc

cc: Oil Conservation Division – Hobbs

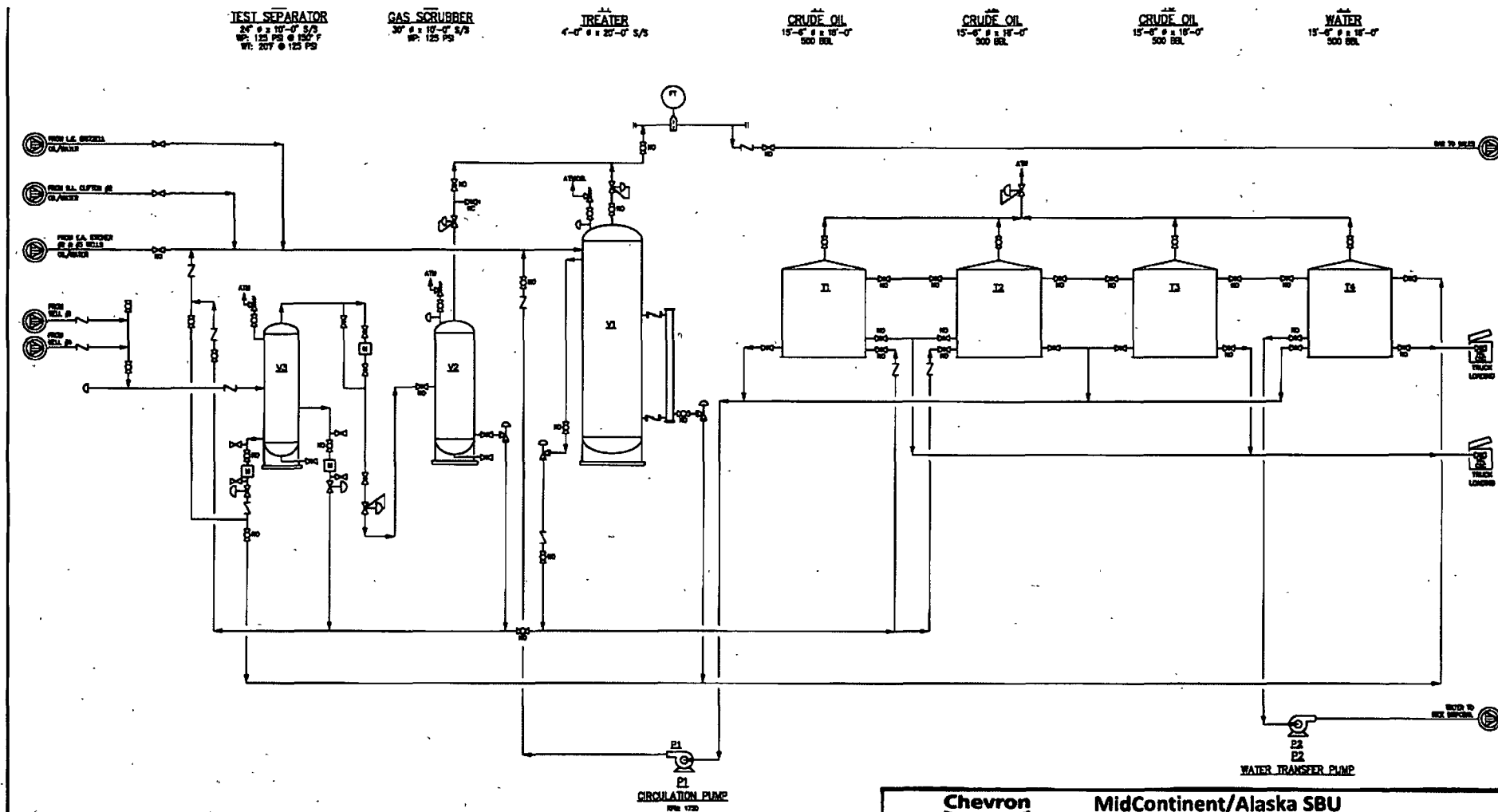
V-1
TEST SEPARATOR
36" O.D. X 10' S.S.
DESIGN: 125 PISG @ 200F

V-2
METERING SEPARATOR
36" O.D. X 10' S.S.
DESIGN: 125 PISG @ 200F

V-3
PUMP-OUT (2-PHASE) VERTICAL SEPARATOR
36" O.D. X 10' S.F.
DESIGN: 125 PISG @ 200F



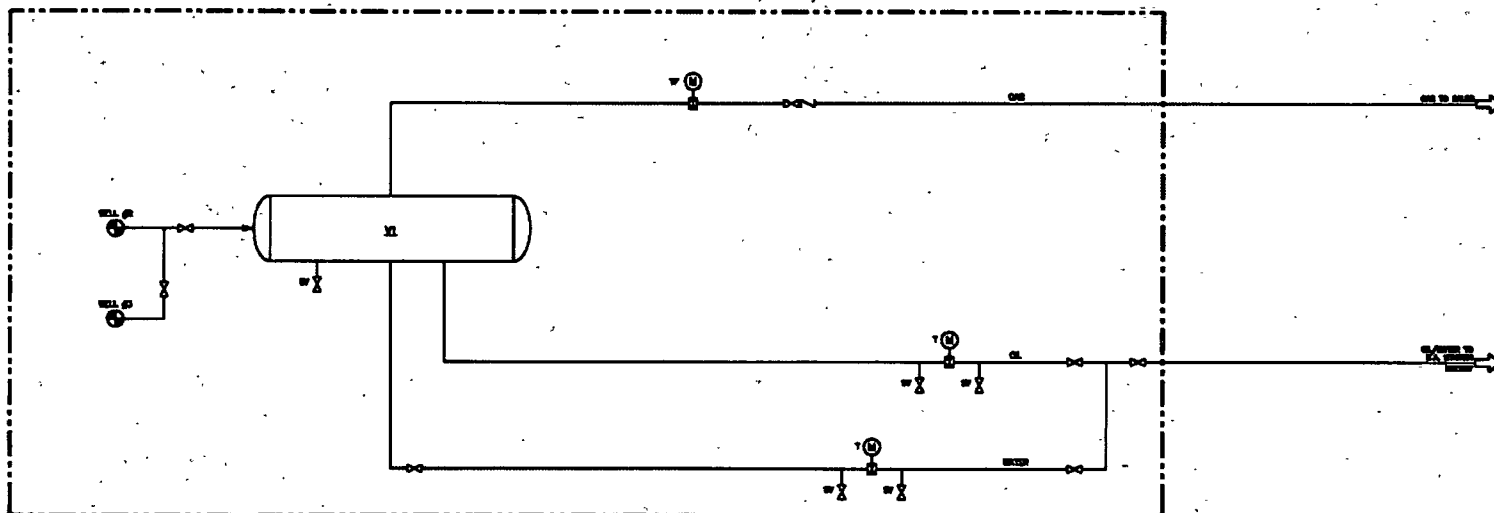
Methanex/Alaska SML Chevron North America Exploration and Production			
EUNICE FMT LE GRIZZELL FIELD PUMP-OUT SATELLITE Process Flow Diagram			
LEA	FE	FUDTIES	MM
OPERATIONS	DESIGN	DATE	SCALE
FILE	FILE	3/29/2010	SCALE
		OK BY	SHEET
		OK BY	SHEET
		DWG_NO	REV



MidContinent/Alaska SBU
Chevron North America
Exploration and Production

NM EUNICE
E.A. STICHER WELL BATTERY
SEC. 4, T22S, R37E
PROCESS FLOW DIAGRAM
LEA COUNTY, NEW MEXICO

VI
METERING SEPARATOR



- NOTES:
1. D-DRAWN TYPE SEALS (WELLS)
2. SP-SEALS, FLOW OUT SEALS
3. ALL VALVES OPEN DURING PRODUCTION PHASE
4. D-DRAWN CLOSED DURING PRODUCTION PHASE
(WELLS OPEN DURING TRUCK DELIVER)



MidContinent/Alaska SBU
Chevron North America
Exploration and Production

NM EUNICE

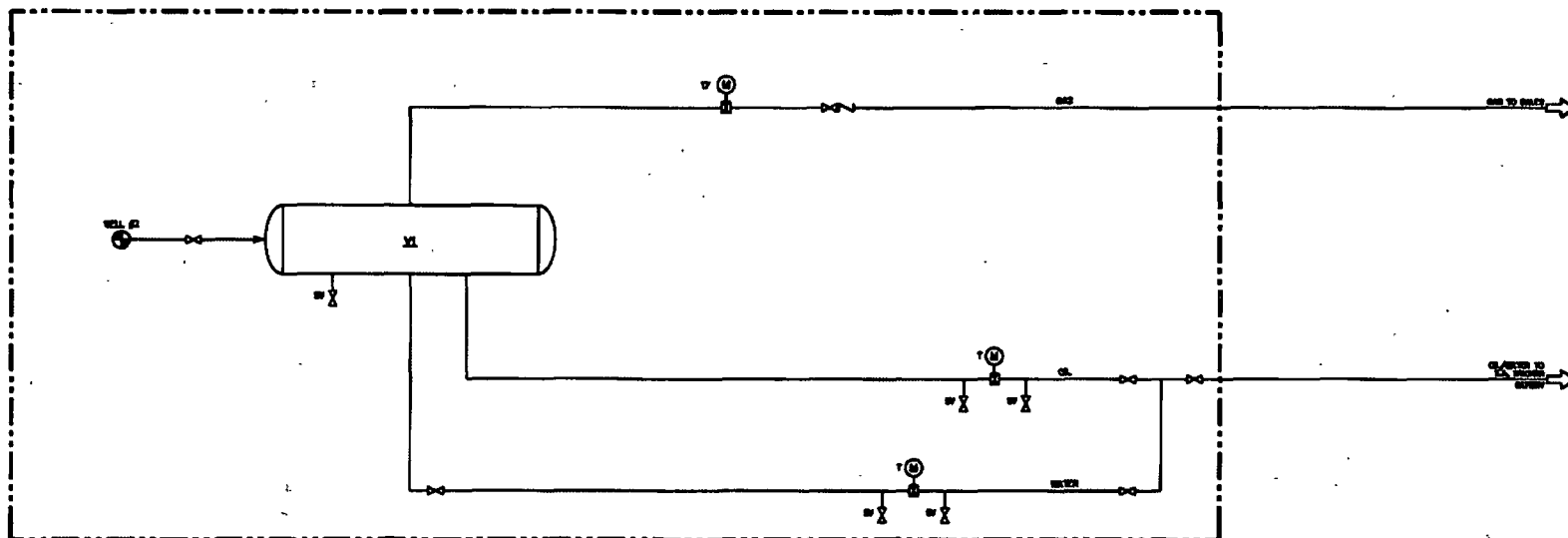
E.A. STICHER METERING SEPARATOR for #2 & #3

SEC. 4, T22S, R37E

PROCESS FLOW DIAGRAM

LEA COUNTY, NEW MEXICO

VI
3 PHASE SEPARATOR



NOTES:
1. C-COUNTS THE WELLS (WELLS)
2. WELLS PUMP AND WELLS
3. ALL WELLS OPEN DURING PRODUCTION PHASE
4. WELLS NOT OPENED DURING PRODUCTION PHASE
5. WELLS CLOSED DURING PRODUCTION PHASE
6. WELLS OPEN DURING PRODUCTION PHASE



MidContinent/Alaska SBU
Chevron North America
Exploration and Production

NM EUNICE

R.L. CLIFTON WELL # 2

SEC. 4, T22S, R37E

PROCESS FLOW DIAGRAM
LEA COUNTY, NEW MEXICO



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 2, 2011

Chevron MidContinent, L.P.
15 Smith Road
Midland, TX 79705

RE: Amend PLC-243-A
Sticher Commingled Battery

Royalty Interest Owners,

Chevron U.S.A., Inc. has requested administrative approval to amend PLC-243-A to allow for the surface commingling of oil and water production from the L.E. Grizzell Lease, the R.L. Clifton well No. 2 and the E.A. Sticher leases in the existing Sticher Commingled Battery. PLC-243-A granted authority to commingle production from the Texaco E.A. Sticher wells # 1,2,3, 4, & 5, and the R.L. Clifton well No. 2, which consists of Penrose Skelly (Grayburg) (Oil - 50350) Pool, Eunice San Andres; SW (Oil - 24180) Pool, the Tubb Oil & Gas (Oil - 60240) pool, and the Paddock (Oil - 49210) Pool production. The surface commingling of the L. E. Grizzell lease will add production from the Drinkard (Oil - 19190) and Blinebry Oil & Gas (Oil - 6660) Pools.

Current plans are to produce the Grizzell wells into a 3-phase separator with meters for oil, water, and gas, in accordance with applicable provisions of the NMOCD's "Manual for the installation and Operation of Commingling Facilities, located on the L. E. Grizzell lease. The Grizzell gas will also be sold at this site. The Grizzell oil and water will be measured and then pumped to the E.A. Sticher Commingled Battery for processing. This commingling is necessary because the existing L. E. Grizzell Battery is in poor condition and the wells are too marginal to justify a battery upgrade. The nearby E.A. Sticher Commingled Battery can easily handle the fluid production from the L. E. Grizzell lease. The fluids to be commingled are compatible, and as shown on the attached table, the sales value of the crude oil will not be significantly affected.

Any objections to this commingling must be sent to the **New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504**, within 20 days of receipt of this notification.

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

Mike Howell
Danny Lovell
Central Files

E.A. STICHER Royalty and Over Riding Royalty						
Interest Type	Owner Number	Name	Address Line 1	City	State	Zip Code
OR	8052082	BRAD D BLISS	1301 E HIGHLAND DR	HOBBS	NM	88240
OR	8052083	PAULA K WHITE	1834 N MCKINLEY	HOBBS	NM	88240
RI	8007389	ANADARKO E&P CO	PO BOX 730875	DALLAS	TX	75373-0875
RI	8037646	BARBARA BLEWETT TRST WILMA M	PO BOX 4539	SEDONA	AR	86340-4539
RI	8041209	BASS TRUST THREE PARTNERSHIP	P.O. BOX 439	WINNSBORO	TX	75494
RI	8028143	BETTY LOU HALL	1310 CHIPPEWA	RICHARDSON	TX	75080-3707
RI	8045082	BP AMERICA PRODUCTION CO	PO BOX 848103	DALLAS	TX	75284-8103
RI	8023564	CHARLOTTE G HENRIKSON	1101 DELHI ST	BOSSIER CITY	LA	71111-4622
RI	8088862	CHERRIE L CLIFTON ANDERSON	5712 ODESSA	BEL AIRE	KS	67220
RI	8024530	DEANNA J BENSINGER	4536 FOXFIRE WAY	FORT WORTH	TX	76133-6249
RI	8080961	DEANNA SPICKELMIER KNOTTS	4536 FOXFIRE WAY	FORT WORTH	TX	76133
RI	8086469	DIANE WOODWARD-FROST R/L TRUST	7441 SO. WINSTON AVE	TULSA	OK	74136
RI	8051305	DORCHESTER MINERALS LP	3838 OAK LAWN AVE, STE 300	DALLAS	TX	75219-4541
RI	8086184	DORIS B RENICK	3832 PARKSIDE DR	VALRICO	FL	33594
RI	8089792	DOROTHY CLIFTON HEARN ESTATE	P O BOX 581	KIRKLAND	WA	98083
RI	8034742	ELIZABETH J JACKSON TRUST	620 LIBERY AVE, 5TH FL	PGH.	OH	15222-2719
RI	8025021	ELLEN BETH PRATT	2825 SW 79TH	OKLAHOMA CITY	OK	73159-4705
RI	8032335	GLASS GLEN BURNIE FOUNDATION	PO BOX 587	NOWATA	OK	74048-0587
RI	8022772	HELEN CLIFTON EDDY	1100 PEMBRIDGE DR APT 269	LAKE FOREST	IL	60045
RI	8024196	JAMES C ORBISON	PO BOX 1046	TULSA	OK	74101-1046
RI	8088861	JODI L MOSS	3158 N CRANBERRY	WICHITA	KS	67226
RI	8024661	JOHN M COLLIN III	2022 E EUCALYPTUS	ENID	OK	73701-3610
RI	8019202	JOHN W PHILLIPS	PO BOX 1059	MENLO PARK	CA	94026-1059
RI	8019221	JUDITH CRUZ TRST	PO BOX 4539	SEDONA	AR	86340-4539
RI	8035189	JULIA ORBISON BYRD	2850 E 85TH ST	TULSA	OK	74137
RI	8024904	K PHILLIP COOK	5625 SO MADISON AVE	TULSA	OK	74105-7712
RI	8024813	LISA H COOK	PO BOX 392	HENRYETTA	OK	74437-0392
RI	8080955	LYNN BUTLER	2100 FARMINGDALE CT	MANHATTAN	KS	66503-2114
RI	8086467	LYNNE W PHILLIPS TRST DATED 5/11/99	P O BOX 369	GUERNEVILLE	CA	95446
RI	8040227	MAECENAS MINERALS LLP	3838 OAK LAWN AVE STE 300	DALLAS	TX	75219-4541
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RI	8024124	PATRICIA L BUTLER	2100 FARMINGDALE CT	MANHATTEN	KS	66502-2114
RI	8054356	PAUL AND BETTY PHILLIPS TRST	6210 MESITA DR	SAN DEIGO	CA	92115

RI	8086468	PHILLIPS-MURRAY REV TR - 8/20/99	3625 LAKE MICHEL COURT	GRETN	LA	70056
RI	8072167	RED WING OIL LLC	P O BOX 30277	WINSTON SALEM	NC	27130
RI	8042221	REVELLE CRISTINA PHILLIPS	PO BOX 4038	SANTA FE	NM	87502
RI	8033359	RICHARD D BASS RESIDUARY TRUST	P O BOX 439	WINNSBORO	TX	75494
RI	8024531	ROBERT V SPICKELMIER	10229 MOCKINGBIRD LN	DARDANELLA	AK	72834
RI	8019038	ROGER K COOK	30 PRIVATEER DR	MONKEY ISLAND	OK	74331
RI	8085464	RSG PROPERTIES LTD	2700 RACQUET CLUB DR	MIDLAND	TX	79705
RI	8043202	RUSSELL T RUDY ENERGY LLC	5701 WOODWAY DR STE 222	HOUSTON	TX	77057
RI	8043202	RUSSELL T RUDY ENERGY LLC	5701 WOODWAY DR STE 222	HOUSTON	TX	77057
RI	8041570	SEMINOLE INVESTMENTS LLC	PO BOX 439	WINNSBORO	TX	75494
RI	8079651	THE FASKEN FOUNDATION	PO BOX 2024	MIDLAND	TX	79702-2024
RI	8026271	VIOLET JOYCE BEATTY	315 RANDY LEE LN	MCKINNEY	TX	75071
RI	8019230	WILMA M PHILLIPS	PO BOX 4539	SEDONA	AR	86340-4539

CLIFTON # 2 Royalty and Over Riding Royalty						
Interest Type	Owner Number	Name	Address Line 1	City	State	Zip Code
RI	8007389	ANADARKO E&P CO	PO BOX 730875	DALLAS	TX	75373-0875
RI	8037646	BARBARA BLEWETT TRST WILMA M	PO BOX 4539	SEDONA	AR	86340-4539
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RI	8088861	JODI L MOSS	3158 N CRANBERRY	WICHITA	KS	67226
RI	8024661	JOHN M COLLIN III	2022 E EUCALYPTUS	ENID	OK	73701-3610
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RI	8080955	LYNN BUTLER	2100 FARMINGDALE CT	MANHATTAN	KS	66503-2114
RI	8086467	LYNNE W PHILLIPS TRST DATED 5/11/99	P O BOX 369	GUERNEVILLE	CA	95446
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RI	8040227	MAECENAS MINERALS LLP	3838 OAK LAWN AVE STE 300	DALLAS	TX	75219-4541
RI	8024124	PATRICIA L BUTLER	2100 FARMINGDALE CT	MANHATTEN	KS	66502-2114
RI	8054356	PAUL AND BETTY PHILLIPS TRST	6210 MESITA DR	SAN DEIGO	CA	92115
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RI	8026271	VIOLET JOYCE BEATTY	315 RANDY LEE LN	MCKINNEY	TX	75071
RI	8019230	WILMA M PHILLIPS	PO BOX 4539	SEDONA	AR	86340-4539

Grizzell RO and ORRI Owners List for All Wells		
Name	Address	State / ZIP
SPINDLETOP EXPLORATION CO. INC.	P.O. BOX 25163	DALLAS, TX 75225-1163
D M ROYALTIES, LTD	6300 RIDGLEA PLACE, STE 605	FT. WORTH, TX 76116-5732
BEN M FITZGERALD & BOOTS FITZGERALD	904 VISTA VERDE	BAKERSFIELD, CA 93309-2363
AMERICAN RED CROSS SANTA BARBARA CO. CHAPTER	2707 STATE STREET	SANTA BARBARA, CA 93105-3567
OXY USA WTP LTD PARTNERSHIP	LOCK BOX 841735	DALLAS, TX 75284
M. KATHLEEN BASHAW REVOCABLE TRUST	2225 E. 27 TH ST.	TULSA, OK 74114
MARJORIE B HAYNES	521 PRINCETON DR.	TYLER, TX 75703
VEDA E BROWN EST, CHARLES MCNALLEN, EXEC	P.O. BOX # 26	JOHNSON CITY, TX 78636
DOROTHY GRAY	1409 REYNOLDS ST.	MARSHALL, MO 65340
JANET BILYEU	3803 GOLF CART DRIVE	FORT MYERS, FL 33917
WHITE STAR ENERGY INC.	P.O. BOX 51108	MIDLAND, TX 79702
RITA FAYE WHARRY	165 SCENIC VALLEY RD, LOT 37	KERRVILLE, TX 78028
CLIFTON E PERRY	1210 N CAIN	LIBERAL, KS 67901
PATRICIA PENROSE SCHIEFFER AGNECY AGMT DTD 12/2/99	P.O. BOX 840738	DALLAS, TX 75284
SANDRA DOBSON LIVING TRST SOLE TRUSTEE	8318 WILLOW CREEK BLVD	OKLAHOMA CITY, OK 73162
PATRICIA MCNALLEN CLEMENS	5127 E. 102 ND PLACE SOUTH	TULSA, OK 74137
WILLIAM MCNALLEN	23635 OXNARD ST.	WOODLAND HILLS, CA 91367
KATHY LYNN DEGOLLADO	66210 E. 29 RD	QUAPAW, OK 74363
HOWARD A CROW JR	P.O. BOX 1031	SANDY, UT 84091-1031
ROC ENERGY INC.	P.O. BOX 51108	MIDLAND, TX 79701
YARBOROUGH OIL & GAS LP	200 N. LORRAINE, STE 1400	MIDLAND, TX 79701
FIRST CHURCH OF CHRIST SCIENTIST	P.O. BOX 840738	DALLAS, TX 75284
SANTA BARBARA HUMANE SOC.	5399 OVERPASS RD	SANTA BARBARA, CA 93111
DERRALD H BILYEU 1986 TRUST D K & NOAMI E -CO TRUSTEES	1414 FALLS DR	STILLWATER, OK 74075
BOLDRICK FAMILY PROP LP MILES BOLDRICK, MGE	P.O. BOX 0648	MIDLAND, TX 79702
MICHAEL J MCNALLEN	1427 B E 38 PL	TULSA, OK 74105
LIBERMAN FAMILY TRST date 8-12-99	5172 RENAISSANCE AVE.	SAN DIEGO, CA 92122
HOLLOWAY TRST GERALD & MERCEDES HOLLOWAY	TR # 4; BOX 1695	WAGONER, OK 74467



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 2, 2011

Chevron MidContinent, L.P.
15 Smith Road
Midland, TX 79705

RE: Amend PLC-243-A
Sticher Commingled Battery

Working Interest Owners,

Chevron U.S.A., Inc. has requested administrative approval to amend PLC-243-A to allow for the surface commingling of oil and water production from the L.E. Grizzell Lease, the R.L. Clifton well No. 2 and the E.A. Sticher leases in the existing Sticher Commingled Battery. PLC-243-A granted authority to commingle production from the Texaco E.A. Sticher wells # 1,2,3, 4,& 5, and the R.L. Clifton well No. 2, which consists of Penrose Skelly (Grayburg) (Oil – 50350) Pool, Eunice San Andres; SW (Oil – 24180) Pool, the Tubb Oil & Gas (Oil – 60240) pool, and the Paddock (Oil – 49210) Pool production. The surface commingling of the L. E. Grizzell lease will add production from the Drinkard (Oil – 19190) and Blinebry Oil & Gas (Oil – 6660) Pools.

Current plans are to produce the Grizzell wells into a 3-phase separator with meters for oil, water, and gas, in accordance with applicable provisions of the NMOCD's "Manual for the installation and Operation of Commingling Facilities, located on the L. E. Grizzell lease. The Grizzell gas will also be sold at this site. The Grizzell oil and water will be measured and then pumped to the E.A. Sticher Commingled Battery for processing. This commingling is necessary because the existing L. E. Grizzell Battery is in poor condition and the wells are too marginal to justify a battery upgrade. The nearby E.A. Sticher Commingled Battery can easily handle the fluid production from the L. E. Grizzell lease. The fluids to be commingled are compatible, and as shown on the attached table, the sales value of the crude oil will not be significantly affected.

Any objections to this commingle must be sent to the **New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504**, within 20 days of receipt of this notification.

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

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

NM OCD District 1, Hobbs

Mike Howell
Danny Lovell
Central Files

STICHER #1 and #4, and the GRIZZELL wells are wholly owned by Chevron U.S.A. Inc.

Working Interest Owners for the STICHER # 2, # 3, and # 5

E A STICHER	ACE LIMITED PARTNERSHIP		PO BOX 206	EUNICE	NM	88231-0000	0.03125000
E A STICHER	CATHLEEN MCCASLAND LAVERGNE		6916 SHALIMAR CT	COLLEYVILLE	TX	76034-6634	0.03125000
E A STICHER	CHEVRON USA INC		COMPANY ADDRESS	HOUSTON	TX	77236-0000	0.50000000
E A STICHER	O T MAXWELL IV	REBECCA A MAXWELL	3007 LOCKHEED	MIDLAND	TX	79701-0000	0.02500000
E A STICHER	ROBERT A MCCASLAND		PO BOX 206	EUNICE	NM	88231-0000	0.06250000
E A STICHER	S&B CORP		PO BOX 1392	MIDLAND	TX	79702-0000	0.35000000

WORKING INTEREST OWNERS FOR THE R.L. CLIFTON # 2

R. L. CLIFTON	ACE LIMITED PARTNERSHIP		PO BOX 206	EUNICE	NM	88231-0000	0.03125000
R. L. CLIFTON	ANN E ST CLAIR		9104 LEANING ROCK CIR	AUSTIN	TX	78730-0000	0.02083350
R. L. CLIFTON	CATHLEEN MCCASLAND LAVERGNE		6916 SHALIMAR CT	COLLEYVILLE	TX	76034-6634	0.03125000
R. L. CLIFTON	CHEVRON USA INC		COMPANY ADDRESS	HOUSTON	TX	77236-0000	0.50000000
R. L. CLIFTON	DONNA S MOORE		1698 W UNIVERSITY HEIGHTS DR N	FLAGSTAFF	AZ	86001-0000	0.02083330
R. L. CLIFTON	JEAN C ST CLAIR		5807 CEDAR CLIFF DR	AUSTIN	TX	78759-0000	0.02083330
R. L. CLIFTON	JOHN B ST CLAIR		PO BOX 12519	DALLAS	TX	75225-0000	0.02083330
R. L. CLIFTON	O T MAXWELL IV	REBECCA A MAXWELL	3007 LOCKHEED	MIDLAND	TX	79701-0000	0.02500000
R. L. CLIFTON	ROBERT A MCCASLAND		PO BOX 206	EUNICE	NM	88231-0000	0.06250000
R. L. CLIFTON	ROBERT A ST CLAIR		20 POCONO DR	ARNOLD	MD	21012-0000	0.02083330
R. L. CLIFTON	S&B CORP		PO BOX 1392	MIDLAND	TX	79702-0000	0.22500000
R. L. CLIFTON	WILLIAM C ST CLAIR		PO BOX 1392	MIDLAND	TX	79702-0000	0.02083330