

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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 J. Haynie Print or Type Name	 Signature	PE Technical Assistant Title	08-27-02 Date
CarolynHaynie@ChevronTexaco.com e-mail Address			

02 AUG 30 PM 1:05
OIL CONSERVATION DIV

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

*WC Fren; Morrow, NE (G) 96996
Fren; Morrow 96663*

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. 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.

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

*ST-62 1
Fed 11 1
ST (2) 2
ST (36) 1*



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87605
(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.

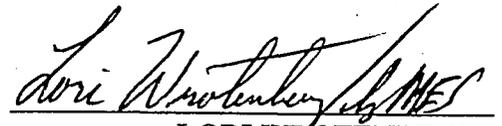
Production shall be allocated by separately metering the production from each lease prior to commingling.

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 <input type="checkbox"/> Oil <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Other	7. If Unit or CA, Agreement Designation
2. Name of Operator CHEVRON U.S.A. PRODUCTION CO., INC.	8. Well Name and No. Texmack 11 Federal #1
3. Address and Telephone No. P. O. BOX 1150, MIDLAND, TX 79705	9. API Well No. 30-015-29720
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Section 11, T17S - R31E 990 FNL - 1,650 FWL	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	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Surface Commingle Gas</u>	<input type="checkbox"/> 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 RA [Signature] 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.

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

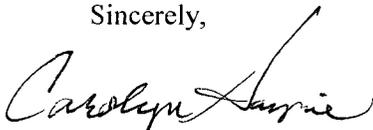
Working Interest Owners:

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. 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.

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
1400 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
Commingling 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 Commingling Order. The OCD Commingling 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.

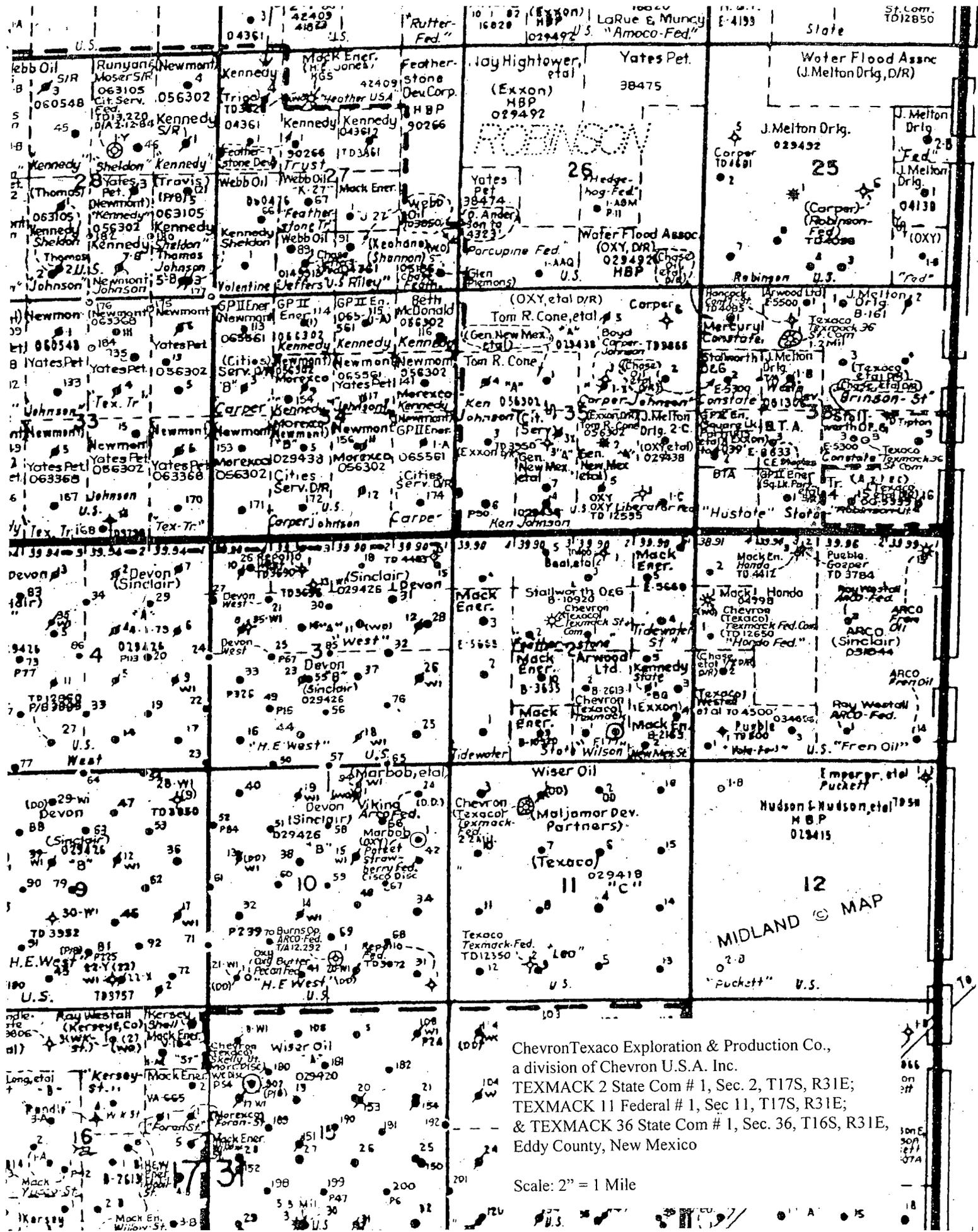
Attached in support of this request is a copy of all documentation submitted to the BLM, & OCD, and the working interest and royalty interest owners. A \$30.00 filing fee to the Commissioner of Public Lands, State of New Mexico, is included. If you have any questions concerning this application, please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

Sincerely,



Carolyn Haynie
Technical Assistant

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

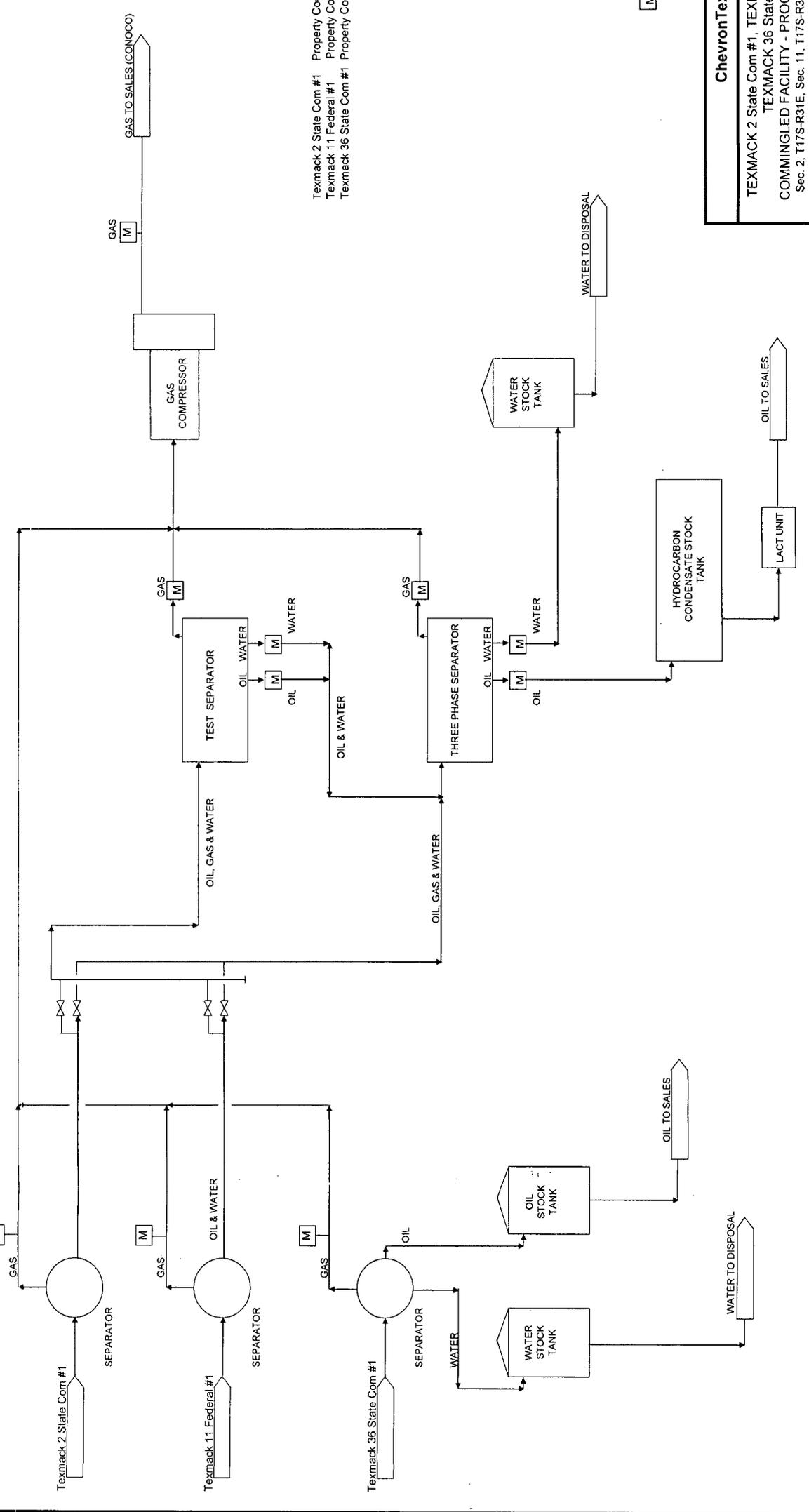


ChevronTexaco Exploration & Production Co.,
 a division of Chevron U.S.A. Inc.
 TEXMACK 2 State Com # 1, Sec. 2, T17S, R31E;
 TEXMACK 11 Federal # 1, Sec 11, T17S, R31E;
 & TEXMACK 36 State Com # 1, Sec. 36, T16S, R31E,
 Eddy County, New Mexico

Scale: 2" = 1 Mile

MIDLAND MAP

Texmack 2 State Com #1 Property Code - 23066
 Texmack 11 Federal #1 Property Code - 21094
 Texmack 36 State Com #1 Property Code - 24849



[M] = Meter

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

API	WellName	Operator	NS	EW	UL1	UL2	Sec	Tsp	Rge	TVD	OGRID	L	T	W	I	FORMANDNOTES	LAST PROD/DNU	Comp	Stat	2002Prod/Pool	POOL	DAYS2002	GAS2002	OIL2002	WAT2002
36-015-30512	TEMMACK 1 FEDERAL COM #001	Chevron	1650N	330W	E	E		1175	31E	0	4323	F	G		MORROW	NONE		NO COMPL		0		0	0	0	0
36-015-28720	TEMMACK 11 FEDERAL #001	Chevron	990N	1650W	C	C		1175	31E	1239	4323	F	G		MORROW	06-2002		ACTIVE		0		143	385010	1598	804
36-015-30312	TEMMACK 11 FEDERAL #002	TEPI	800S	1750W	N	N		1175	31E	1239	23351	F	G		WOLFCAMP P&A 2-3-00	NONE		ZONE ABAN		0		0	0	0	0
36-015-30162	TEMMACK 2 STATE COM #001	Chevron	660S	1650E	O	O		2775	31E	12430	4323	S	G		MORROW	06-2002		ACTIVE		0		143	116193	542	6843
36-015-30789	TEMMACK 2 STATE COM #002	Chevron	1980N	2180W	F	F		2775	31E	12500	4323	S	G		MORROW	06-2002		ACTIVE		0		151	2932	554	387
36-015-30743	TEMMACK 36 STATE COM #001	Chevron	1143N	1980W	C	C		36165	31E	12775	4323	S	G		MORROW	06-2002		ACTIVE		0		151	281220	13300	100
36-015-30947	TEMMACK 36 STATE COM #003	Chevron	1980S	1880E	J	J		36165	31E	12650	4323	S	G		NE FREN MORROW	06-2002		SHUT IN		0		133	1061	124	51

N/2

N/2

N/2