

DATE <u>2.11.11</u>	SUSPENSE <u>None</u>	ENGINEER <u>RE</u>	LOGGED IN <u>2.11.11</u>	TYPE <u>PTC</u>	APP NO <u>1104255809</u>
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4/5/11

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



Chevron
RECEIVED OGD 4323
3/4/11

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]**

Lea State

[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 _____

Cancelled 3/24/11
Data Request 3/24/11
Data Complete 4/5/11

[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

Carolyn Haynie
Signature

Petroleum Engineering TA
Title

1-19-11
Date

chay@chevron.com
e-mail Address

432-681-7380



Carolyn Haynie
Production Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

February 8, 2011

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Pool Lease Commingle
Oil and Gas Department

Chevron U.S.A. Inc. respectfully request administrative approval to add the following Lea County wells production, to the Monument 12/13 Abo Battery.

Monument 12 State #10, 30-025-33998
Pool # 97750, Delaware gas production WILDCAT
677' FSL & 791' FWL, Unit M, Sec. 12, T19S, R36E

N. MON. DEL (97750)
DELAWARE OIL (40 acres)

Monument 23 State #28 30-025-35067
Pool # 20070, Yeso production
2310' FNL & 990' FWL, Unit E, Sec. 23, T19S, R36E

NW Monument Yeso (40 acres) 97089
Monument ABO (40 acres) 46970
TAE

Monument 12 State #4 30-025-33635
Pool # 96971, Drinkard production
1650' FSL & 990' FWL, Unit L, Sec. 12, T19S, R36E

N. Monument (Eos) (160 acres) 96971
N. DRINKARD

Chevron is the operator with 55.73% working interest, and the Commissioner of Public Lands is the Royalty Owner. The WIO's and RIO have been notified and attachments include the information needed to approve this commingle. It is proposed to commingle the Monument; Delaware, North, formation production with the existing Drinkard formation and the Yeso production to the Monument 12/13 Battery. The attached table shows that there will be no negative change in the value of the oil production from the comingling. Approval of this request will allow for further lease development.

Chevron will continue to comply with in accordance with applicable provisions of the NMOCD's "Manual for the installation and Operation of Commingling Facilities.

If you require additional information, please contact the Alex Moore, the Project Engineer, by telephone at 432-687-7346, or email at: aoht@chevron.com, or me at 432-687-7261, or by email at: chay@chevron.com.

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

cc: NMOCD – District 1, Hobbs

Lease File

Danny Lovell

Alex Moore

Denise Pinkerton

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: CHEVRON U.S.A. INC.

OPERATOR ADDRESS: 15 SMITH ROAD, MIDLAND, TX 79705

APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
ABO/ 46980 (N. MON. ABO)	40.1/	POSSIBLE (N. MON. DEL)	40.4	
Delaware/ 97750 WC (DEL)	41.2/	Please see attachment	40.4	Please see attachment
Drinkard/ 96971 N. MON. DRKD GAS			40.4	
Yeso/ 20070 (NW MON. YESO)	40.4/		40.4	

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E. Please see attachments

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

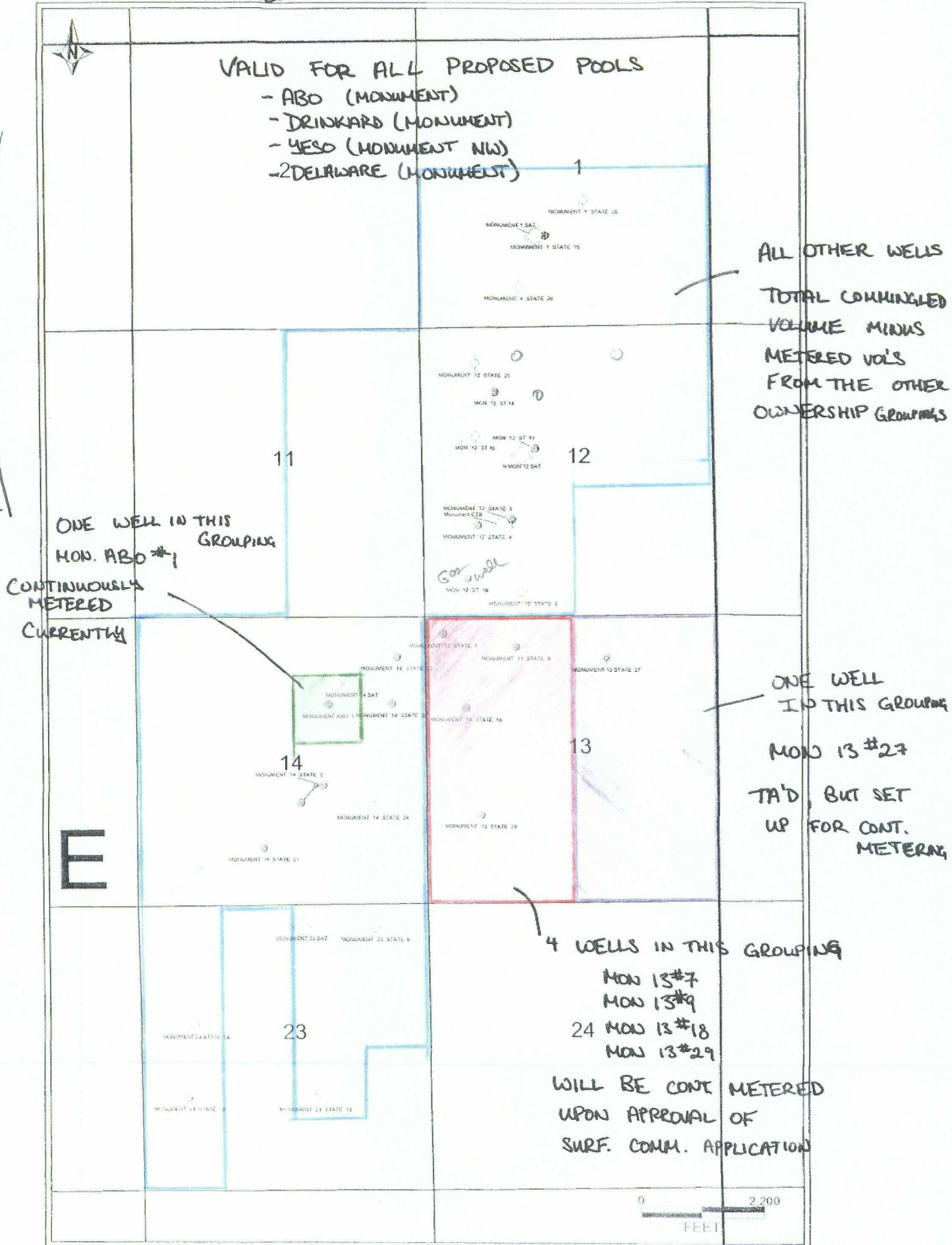
SIGNATURE: Carolyn Haynie TITLE: Petroleum Engineering Tech Assistant DATE: 2-8-11

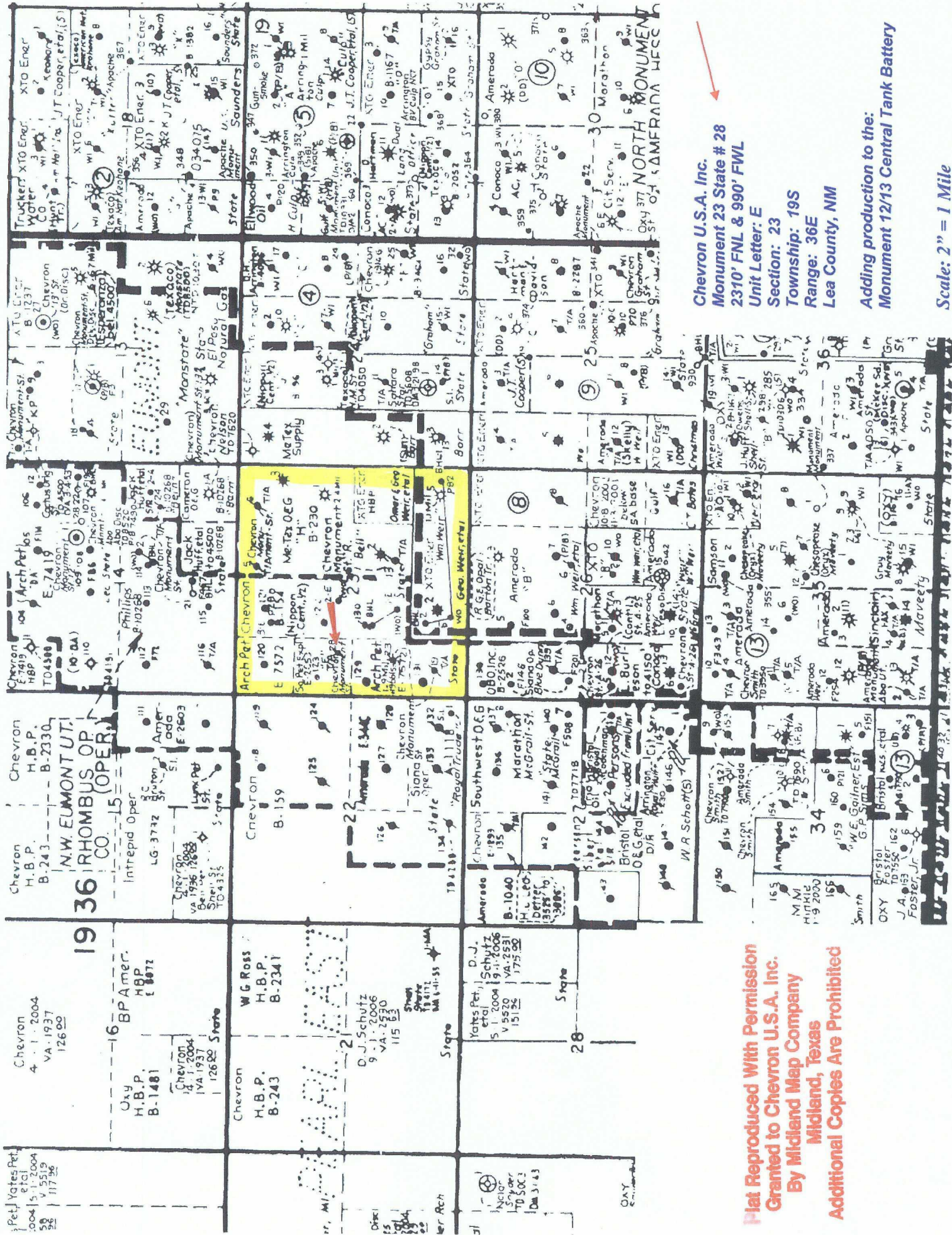
TYPE OR PRINT NAME Carolyn Haynie TELEPHONE NO.: 432-687-7261

E-MAIL ADDRESS: chay@chevron.com

MONUMENT CTB OWNERSHIP GROUPINGS

From Alex Moore





Chevron U.S.A. Inc.
Monument 23 State # 28
2310' FNL & 990' FWL

Unit Letter: E
Section: 23
Township: 19S
Range: 36E
Lea County, NM

Adding production to the:
Monument 12/13 Central Tank Battery

Scale: 2" = 1 Mile

Not Reproduced With Permission
Granted to Chevron U.S.A. Inc.
By Midland Map Company
Midland, Texas
Additional Copies Are Prohibited

Jones, William V., EMNRD

From: Haynie, Carolyn (CHaynie) [Beeline] [CHAY@chevron.com]
Sent: Monday, April 04, 2011 10:57 AM
To: Jones, William V., EMNRD
Cc: Moore, Alex Stephen; Wann, Denise
Subject: Monument Commingling Permit
Attachments: monu_23-28_map.pdf

Hi Will,

I've attached a divided map from the engineer that will show the well / lease locations. I've also attached this to the email with the ongoing conversations between you and Trudy to help eliminate any confusion.

The last comment in the email below is from the project engineer, which will hopefully clear up any questions about the ownership.

Please let me know if you have any questions,. I work on Monday, Tuesday, and Wednesday, but I'm here every week, so I'm a full time, part time employee. Ha!

Thanks for all your help,

Carolyn Haynie
Chevron U.S.A. Inc.
New Mexico PE TA
For Eunice, Vacuum,
Dollarhide, And Facilities
Room 5232
Midland, TX
432-687-7261

From: Moore, Alex Stephen
Sent: Monday, April 04, 2011 10:54 AM
To: Haynie, Carolyn (CHaynie) [Kelly Services]
Subject: RE: Monument Commingling Permit

Four different groupings of identical ownership

Monument 13 wells have different ownership than all of the rest. They will be metered separately before going into the CTB. This work will need to be done upon approval, but it is quick and cheap to get that accommodated.

Monument Abo #1 is a different ownership than all of the rest. It currently has its own metering vessel so nothing will need to be changed.

Monument 13 #27 well is a different ownership than all of the rest. It is currently TA'd, but facilities are ready for separate metering.

The rest will be metered at the main production separator at the Monument CTB.

I will give you a map showing the four ownership groups. The groupings do not change with respect to the producing formation, so we should be able to allocate by well test **within each of these individual groupings**.

-Alex

From: Morris, Trudy (TKMO)
Sent: Thursday, March 31, 2011 7:02 AM
To: William.V.Jones@state.nm.us
Cc: Wann, Denise; Moore, Alex Stephen; Haynie, Carolyn (CHaynie) [Beeline]
Subject: FW: Monument Commingling Permit

Will,

Carolyn will be back on Monday. Her email is listed above under the CC, as is Alex Moore, the PE, in charge of this area. Their numbers are:

Carolyn – 432-687-7261
Alex – 432-687-7346

Thanks for your help!!

Trudy

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Wednesday, March 30, 2011 4:21 PM
To: Morris, Trudy (TKMO)
Subject: RE: Monument Commingling Permit

Hello Trudy:

Richard asked me to finish this up....

Would you send Carolyn's contact info? Pass this email onto Carolyn if she is still around to work on it.

Anyway, I looked this over again and.. all the previous OCD permits have specified that separately owned production must be continuously metered – well tests can only be used for allocation on leases between wells, but no well tests between separate leases – hope I stated that the right way....???

Please give the list [of wells and formations in this Monument 12/13 Central Tank Battery] to your "land" manager and ask them to identify the separate, identically owned production and then send maps outlining these separate "leases" (as leases are defined in the OCD rules for surface commingling). You may need to send separate maps for each producing horizon. It appears to me that this is either 40 acre oil wells or 160 acre gas wells. Let me know if any pools in this commingle are spaced differently.

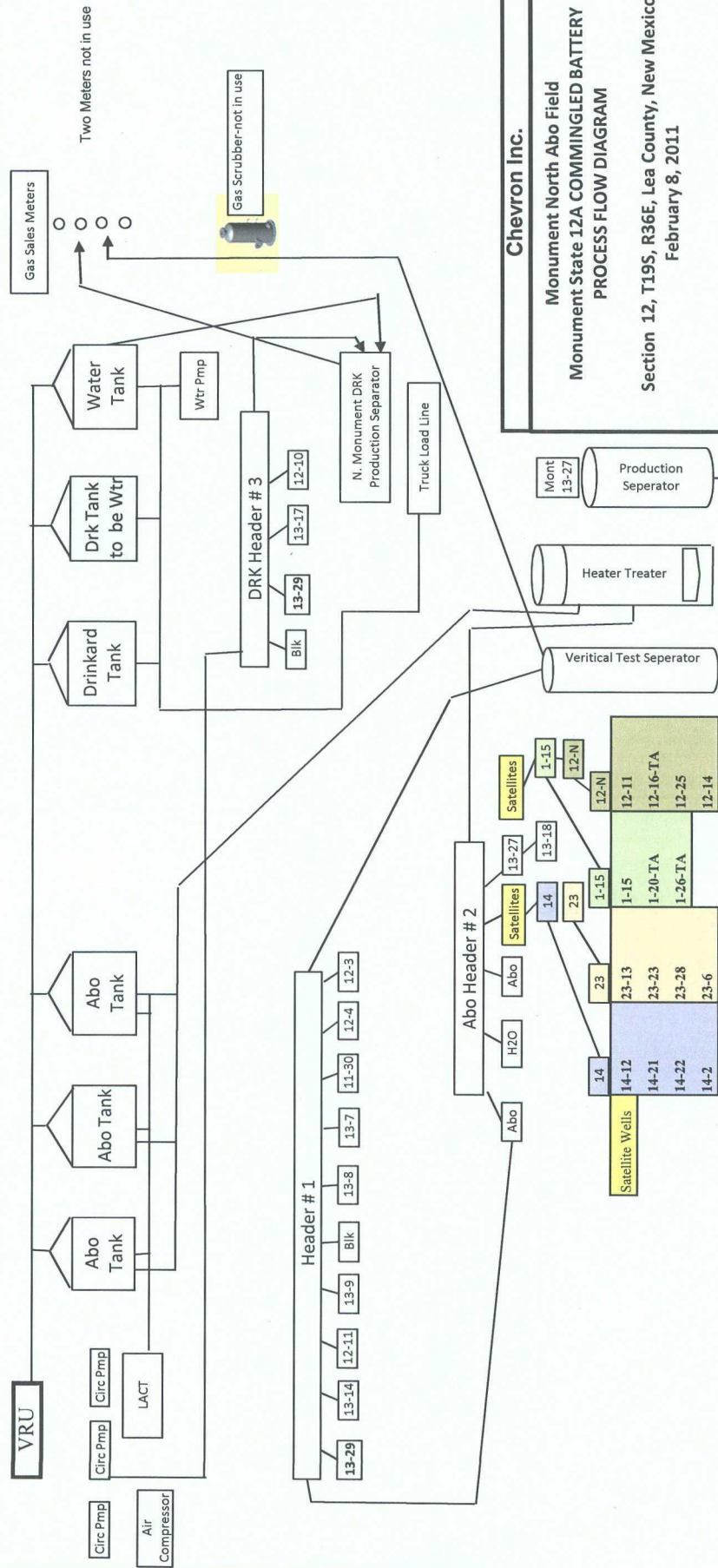
What I am looking for is a list of all wells [and the spacing sizes for those wells] that go (or will go) into this tank battery and that list split out into identically owned groups.

Thank You in Advance!!

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: Jones, William V., EMNRD
Sent: Thursday, March 24, 2011 3:15 PM
To: 'Morris, Trudy (TKMO)'
Cc: Ezeanyim, Richard, EMNRD
Subject: RE: Monument Commingling Permit

Monument 12-13 Commingled Tank Battery



Chevron Inc.

Monument North Abo Field
Monument State 12A COMMINGLED BATTERY
PROCESS FLOW DIAGRAM
Section 12, T19S, R36E, Lea County, New Mexico
February 8, 2011

Working Interest Owners:
4,500'–8,700' (except SW/4 NE/4 of Section 14)

Apache Corporation
Attn: Michelle Hanson
303 Veterans Airpark Lane, Suite 3000
Midland, TX 79705

Leede Operating Company, L.L.C.
6400 S. Fiddlers Green Cir, Suite 2100
Englewood, CO 80111

Viersen Oil & Gas Company
P.O. BOX 702708
Tulsa, OK 74170-2708

Working Interest Owners:
8,700'–COE (except SW/4 NE/4 of Section 14)

Apache Corporation
Attn: Michelle Hanson
303 Veterans Airpark Lane, Suite 3000
Midland, TX 79705

Craig M. McDonnold
505 N. Big Spring, Suite 204
Midland, TX 79701

McDonnold Producing Inc.
505 N. Big Spring, Suite 204
Midland, TX 79701

OGA 92-1
P.O. BOX 162810
Austin, TX 78716-2807

Viersen Oil & Gas Company
P.O. BOX 702708
Tulsa, OK 74170-2708

Working Interest Owners:
SW/4 NE/4 of Section 14 (4,500'–COE)

Craig M. McDonnold
505 N. Big Spring, Suite 204
Midland, TX 79701

Apache Corporation
Attn: Michelle Hanson
303 Veterans Airpark Lane, Suite 3000
Midland, TX 79705

McDonnold Producing Inc.
505 N. Big Spring, Suite 204
Midland, TX 79701

OGA 92-1
P.O. BOX 162810
Austin, TX 78716-2807

Nicholas F. Mirabile
P.O. BOX 610086
Dallas, TX 74170-2708



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 432-687-7558
chay@chevron.com

February 8, 2011

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

Re: Pool Lease Commingle

Chevron U.S.A. Inc. respectfully gives notice on intent to add the following Lea County wells production, to the Monument 12/13 Abo Battery.

Monument 12 State #10,
Pool # 97750, Delaware gas production
677' FSL & 791' FWL, Unit M, Sec. 12, T19S, R36E

Monument 23 State #28
Pool # 20070, Yeso production
2310' FNL & 990' FWL, Unit E, Sec. 23, T19S, R36E

Monument 12 State #4
Pool # 96971, Drinkard production
1650' FSL & 990' FWL, Unit L, Sec. 12, T19S, R36E

It is proposed to commingle the Monument; Delaware, North, formation production with the existing Drinkard formation and the Yeso production to the Monument 12/13 Battery. The attached table shows that there will be no negative change in the value of the oil production from the comingling. Approval of this request will allow for further lease development.

Chevron will continue to comply with in accordance with applicable provisions of the NMOCD's "Manual for the installation and Operation of Commingling Facilities.

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 cc: NMOCD – District 1; Hobbs
Lease File



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 432-687-7558
chay@chevron.com

February 9, 2011

Monument 12/13 Central Tank Battery
Re: Pool Lease Commingle

Working Interest Owners:

Chevron U.S.A. Inc. respectfully gives notice on intent to add the following Lea County wells production, to the Monument 12/13 Abo Battery.

**Monument 12 State #10,
Pool # 97750, Delaware gas production
677' FSL & 791' FWL, Unit M, Sec. 12, T19S, R36E**

**Monument 23 State #28
Pool # 20070, Yeso production
2310' FNL & 990' FWL, Unit E, Sec. 23, T19S, R36E**

**Monument 12 State #4
Pool # 96971, Drinkard production
1650' FSL & 990' FWL, Unit L, Sec. 12, T19S, R36E**

It is proposed to commingle the Monument; Delaware, North, formation production with the existing Drinkard formation and the Yeso production to the Monument 12/13 Battery. The attached table shows that there will be no negative change in the value of the oil production from the comingling. Approval of this request will allow for further lease development. Chevron will continue to comply with in accordance with applicable provisions of the NMOCD's "Manual for the installation and Operation of Commingling Facilities.

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,

A handwritten signature in cursive script that reads "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant

Enclosure cc: NMOCD – District 1; Hobbs
Lease File
Alex Moore

Proposed Surface Commingling Order
Monument Commingled Tank Battery
Sections 1, 12, 13, 14 & 23, T19S, R36E
Lea County, New Mexico

11

Sections 1, 12, 13, 14 & 23 Monument Production Into 2 Batteries (Unable to sell Drinkard without new facility)

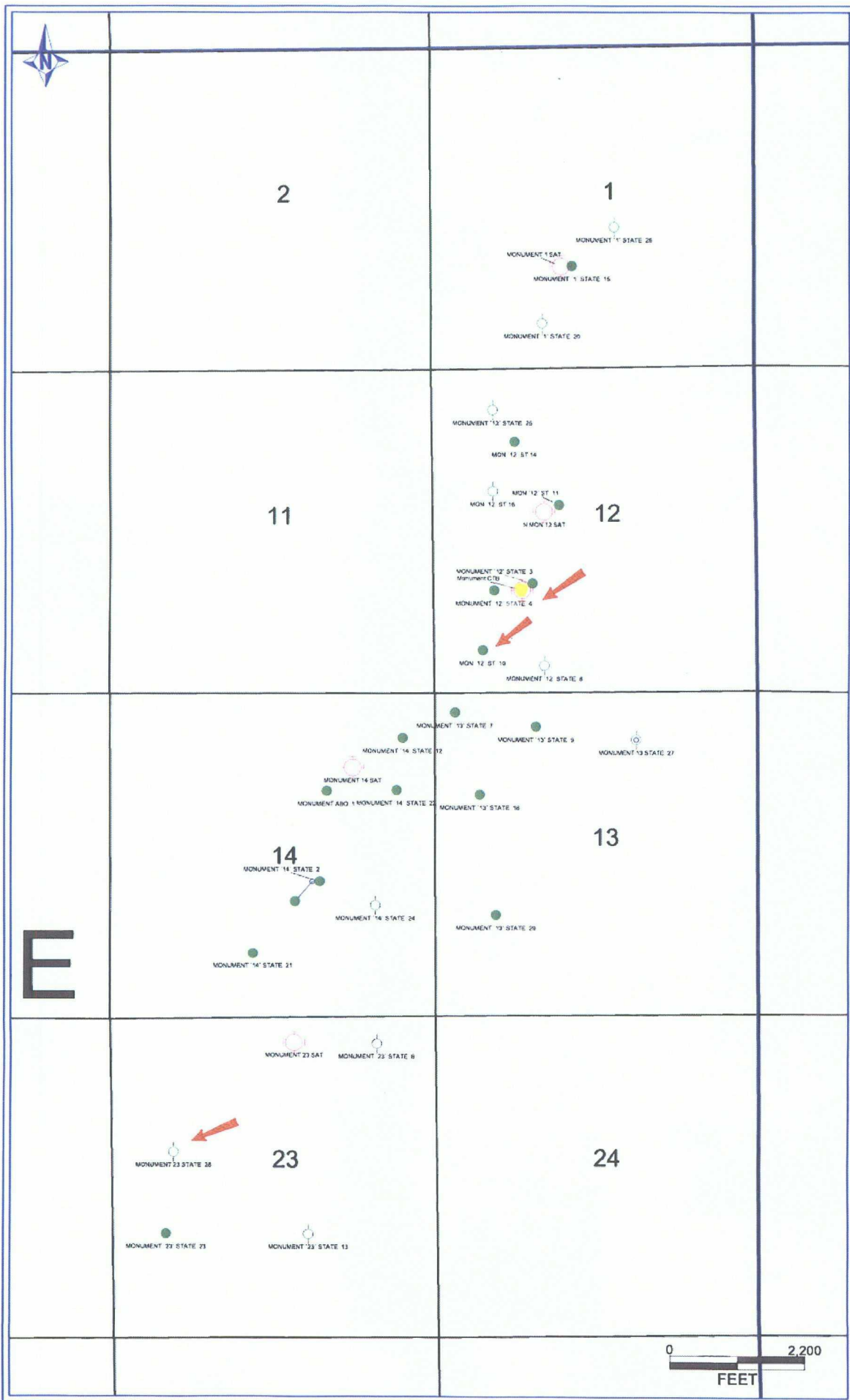
Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks	Battery
Abo	Monument 1 State #15	25.0	40.1	70.66	1766.50		M. Abo CTB
Abo	Monument 1 State #20	0.0	40.1	70.66	0.00	TA'd	M. Abo CTB
Abo	Monument 1 State #26	0.0	40.1	70.66	0.00	TA'd	M. Abo CTB
Abo	Monument 12 State #3	10.0	40.1	70.55	705.50		M. Abo CTB
Abo	Monument 12 State #4	3.0	40.1	70.55	211.65	Well to be worked over to Drinkard	M. Abo CTB
Abo	Monument 12 State #8	0.0	40.1	70.55	0.00	TA'd	M. Abo CTB
Delaware	Monument 12 State #10	3.0	41.2	72.18	216.54		Delaware TB
Abo	Monument 12 State #11	10.0	40.1	70.55	705.50		M. Abo CTB
Abo	Monument 12 State #14	9.0	40.1	70.55	634.95		M. Abo CTB
Abo	Monument 12 State #16	0.0	40.1	70.55	0.00	TA'd	M. Abo CTB
Abo	Monument 12 State #25	0.0	40.1	70.55	0.00	TA'd	M. Abo CTB
Abo	Monument 13 State #7	11.0	40.1	70.38	774.18		M. Abo CTB
Abo	Monument 13 State #9	7.0	40.1	70.38	492.66		M. Abo CTB
Abo	Monument 13 State #18	2.0	40.1	70.38	140.76		M. Abo CTB
Abo	Monument 13 State #27	0.0	40.1	70.80	0.00	TA'd	M. Abo CTB
Abo	Monument 13 State #29	1.0	40.1	70.38	70.38		M. Abo CTB
Abo	Monument 14 State #2	3.0	40.1	70.89	212.67		M. Abo CTB
Abo	Monument 14 State #12	9.0	40.1	70.89	638.01		M. Abo CTB
Abo	Monument 14 State #21	16.0	40.1	70.89	1134.24		M. Abo CTB
Abo	Monument 14 State #22	23.0	40.1	70.89	1630.47		M. Abo CTB
Abo	Monument 14 State #24	0.0	40.1	70.89	0.00	TA'd	M. Abo CTB
Abo	Monument 23 State #6	0.0	40.1	70.89	0.00	TA'd	M. Abo CTB
Abo	Monument 23 State #13	0.0	40.1	70.89	0.00	TA'd	M. Abo CTB
Abo	Monument 23 State #23	1.0	40.1	70.89	70.89		M. Abo CTB
Abo	Monument 23 State #28	0.0	40.1	70.89	0.00	Well to be worked over to Yeso	M. Abo CTB
Abo	Monument Abo #1	16.0	40.1	70.67	1130.72		M. Abo CTB
Totals		149.0			\$10,535.62		

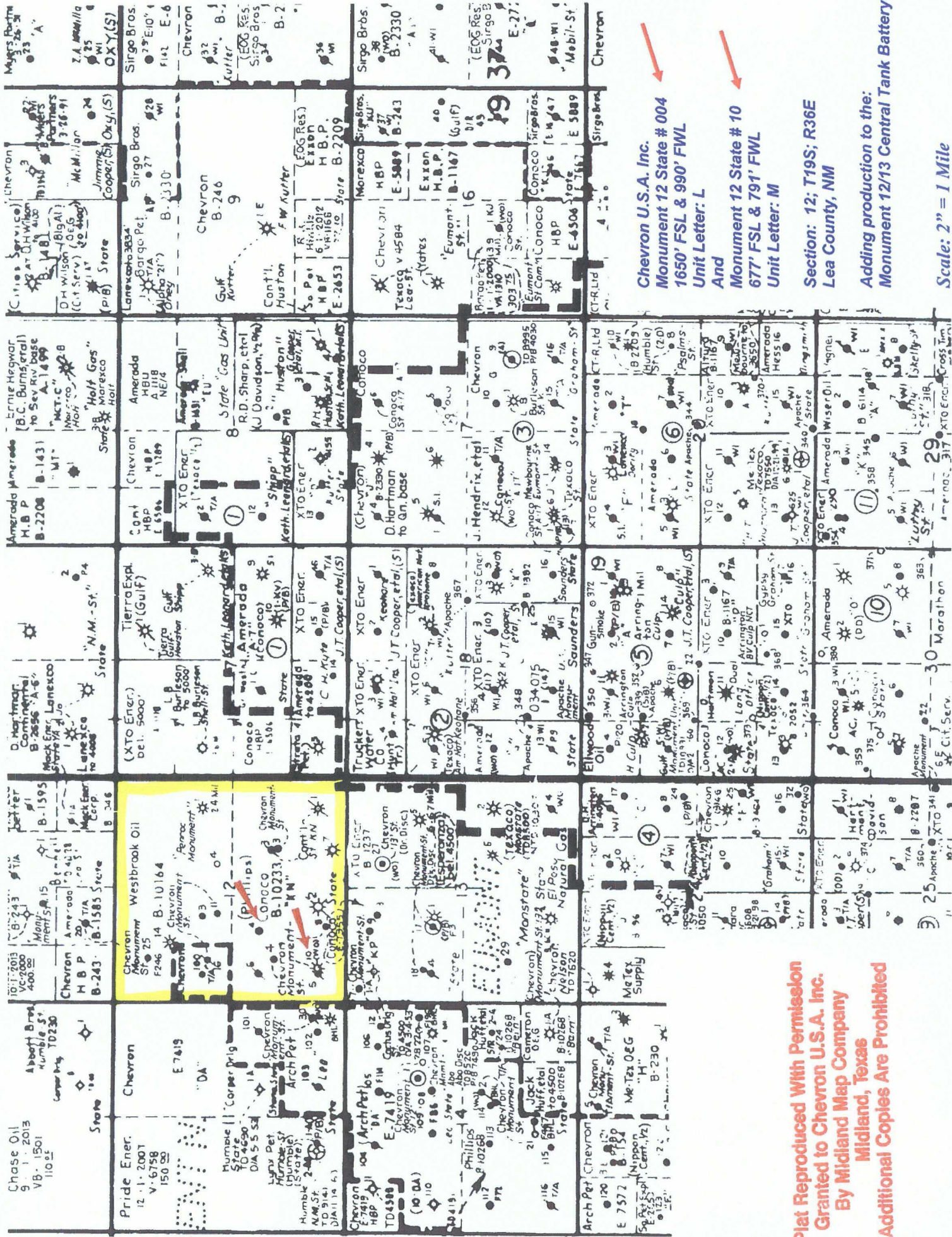
Sections 1, 12, 13, 14 & 23 Monument Production Into 3 Batteries (Assuming a new Drinkard and Yeso facility)

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks	Battery
Abo	Monument 1 State #15	25.0	40.1	70.66	1766.50		M. Abo CTB
Abo	Monument 1 State #20	0.0	40.1	70.66	0.00	TA'd	M. Abo CTB
Abo	Monument 1 State #26	0.0	40.1	70.66	0.00	TA'd	M. Abo CTB
Abo	Monument 12 State #3	10.0	40.1	70.55	705.50		M. Abo CTB
Drinkard	Monument 12 State #4	20.0	43.0	74.85	1497.00	Well to be worked over to Drinkard	Drinkard Bat
Abo	Monument 12 State #8	0.0	40.1	70.55	0.00	TA'd	M. Abo CTB
Delaware	Monument 12 State #10	3.0	41.2	72.18	216.54		Delaware TB
Abo	Monument 12 State #11	10.0	40.1	70.55	705.50		M. Abo CTB
Abo	Monument 12 State #14	9.0	40.1	70.55	634.95		M. Abo CTB
Abo	Monument 12 State #16	0.0	40.1	70.55	0.00	TA'd	M. Abo CTB
Abo	Monument 12 State #25	0.0	40.1	70.55	0.00	TA'd	M. Abo CTB
Abo	Monument 13 State #7	11.0	40.1	70.38	774.18		M. Abo CTB
Abo	Monument 13 State #9	7.0	40.1	70.38	492.66		M. Abo CTB
Abo	Monument 13 State #18	2.0	40.1	70.38	140.76		M. Abo CTB
Abo	Monument 13 State #27	0.0	40.1	70.80	0.00	TA'd	M. Abo CTB
Abo	Monument 13 State #29	1.0	40.1	70.38	70.38		M. Abo CTB
Abo	Monument 14 State #2	3.0	40.1	70.89	212.67		M. Abo CTB
Abo	Monument 14 State #12	9.0	40.1	70.89	638.01		M. Abo CTB
Abo	Monument 14 State #21	16.0	40.1	70.89	1134.24		M. Abo CTB
Abo	Monument 14 State #22	23.0	40.1	70.89	1630.47		M. Abo CTB
Abo	Monument 14 State #24	0.0	40.1	70.89	0.00	TA'd	M. Abo CTB
Abo	Monument 23 State #6	0.0	40.1	70.89	0.00	TA'd	M. Abo CTB
Abo	Monument 23 State #13	0.0	40.1	70.89	0.00	TA'd	M. Abo CTB
Abo	Monument 23 State #23	0.0	40.1	70.89	0.00	Well currently down	M. Abo CTB
Yeso	Monument 23 State #28	10.0	42.2	73.66	736.60	Well to be worked over to Yeso	Yeso Bat
Abo	Monument Abo #1	16.0	40.1	70.67	1130.72		M. Abo CTB
Totals		175.0			\$12,486.68		

Sections 1, 12, 13, 14 & 23 Monument, Commingled into Monument CTB

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks	Battery
Abo	Monument 1 State #15	25.0	40.4	70.99	1774.75	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 1 State #20	0.0	40.4	70.99	0.00	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 1 State #26	0.0	40.4	70.99	0.00	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 12 State #3	10.0	40.4	70.99	709.90	Calculated API gravity of commingled oil	Mon. CTB
Drinkard	Monument 12 State #4	20.0	40.4	70.99	1419.80	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 12 State #8	0.0	40.4	70.99	0.00	Calculated API gravity of commingled oil	Mon. CTB
Delaware	Monument 12 State #10	3.0	40.4	70.99	212.97	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 12 State #11	10.0	40.4	70.99	709.90	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 12 State #14	9.0	40.4	70.99	638.91	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 12 State #16	0.0	40.4	70.99	0.00	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 12 State #25	0.0	40.4	70.99	0.00	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 13 State #7	11.0	40.4	70.99	780.89	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 13 State #9	7.0	40.4	70.99	496.93	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 13 State #18	2.0	40.4	70.99	141.98	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 13 State #27	0.0	40.4	70.99	0.00	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 13 State #29	1.0	40.4	70.99	70.99	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 14 State #2	3.0	40.4	70.99	212.97	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 14 State #12	9.0	40.4	70.99	638.91	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 14 State #21	16.0	40.4	70.99	1135.84	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 14 State #22	23.0	40.4	70.99	1632.77	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 14 State #24	0.0	40.4	70.99	0.00	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 23 State #6	0.0	40.4	70.99	0.00	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument 23 State #13	0.0	40.4	70.99	0.00	Calculated API gravity of commingled oil	Mon. CTB
Yeso	Monument 23 State #23	0.0	40.4	70.99	0.00	Calculated API gravity of commingled oil	Mon. CTB
Yeso	Monument 23 State #28	10.0	40.4	70.99	709.90	Calculated API gravity of commingled oil	Mon. CTB
Abo	Monument Abo #1	16.0	40.4	70.99	1135.84	Calculated API gravity of commingled oil	Mon. CTB
Totals		175.0			\$12,423.25		





Chevron U.S.A. Inc.
Monument 12 State # 004
1650' FSL & 990' FWL
Unit Letter: L
And
Monument 12 State # 10
677' FSL & 791' FWL
Unit Letter: M

Section: 12; T19S; R36E
Lea County, NM

Adding production to the:
Monument 12/13 Central Tank Battery

Scale: 2" = 1 Mile

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Midland, Texas
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Monument 12/13 Central Tank Battery Wells

Includes Well status and Header

Well	API	Status	Lease	HEADER	Pool	Pool #	Unit Letter	Sec	Location	Twnshp	Rng	Co
Monument 1 State # 15	30-025-34167	PR	Monument '1' State	Header # 2	ABO	46980	K	✓ 1	1650' FSL & 2310' FWL	19S	36E	LEA
Monument 1 State # 20	30-025-34310	TA'd 2/11/09	Monument '1' State	Header # 2 - Sat 1-15	ABO	46980	N	✓ 1	651' FSL & 1815' FWL	19S	36E	LEA
Monument 1 State # 26	30-025-34477	TA'd 2/11/09	Monument '1' State	Header # 2 - Sat 1-15	ABO	46980	J	✓ 1	2279' FSL & 2276' FEL	19S	36E	LEA
Monument 12 State # 25	30-025-34470	TA'd 9/9/09	Monument 12 State	Header # 2 - Sat 12-N	ABO	46980	D	✓ 12	758' FNL & 990' FWL	19S	36E	LEA
Monument 12 State # 11	30-025-34055	PR	Monument 12 State	Header # 2 - Sat 12-N	ABO	46980	F	✓ 12	2310' FNL & 2060' FWL	19S	36E	LEA
Monument 12 State # 14	30-025-34191	PR	Monument 12 State	Header # 2 - Sat 12-N	ABO	46980	C	✓ 12	1200' FNL & 1350' FWL	19S	36E	LEA
Monument 12 State # 16	30-025-34152	TA'd -8/25/09	Monument 12 State	Header # 2 - Sat 12-N	ABO	46980	E	✓ 12	2083' FNL & 983' FWL	19S	36E	LEA
Monument 12 State # 3	30-025-33441	PR	Monument 12 State	Header # 1	ABO	46980	K	✓ 12	1650' FSL & 1650' FWL	19S	36E	LEA
Monument 12 State # 4	30-025-33635	PR	Monument 12 State	Header # 1	Drk <i>Creek</i>	96971	L	✓ 12	1650' FSL & 990' FWL	19S	36E	LEA
Monument 12 State # 8	30-025-33920	TA'd - 6/12/09	Monument 12 State	Header # 1	ABO	46980	N	✓ 12	419' FSL & 1801' FWL	19S	36E	LEA
Monument 12 State #10	30-025-33998	PR	Monument 12 State	Header # 3	Delaware-Gas	97750	M	✓ 12	677' FSL & 791' FWL	19S	36E	LEA
Monument 13 State # 18	30-025-34222	PR	Monument 13 State	Header # 1	ABO	46980	E	✓ 13	1739' FNL & 727' FWL	19S	36E	LEA
Monument 13 State # 27	30-025-34675	TA'd - 3/16/2010	Monument 13 State	Header # 2	ABO	46980	B	✓ 13	785' FNL & 1980' FEL	19S	36E	LEA
Monument 13 State # 29	30-025-34785	PR	Monument 13 State	Header # 1	ABO	46980	L	✓ 13	1650' FSL & 990' FWL	19S	36E	LEA
Monument 13 State # 7	30-025-33730	PR	Monument 13 State	Header # 1	ABO	46980	D	✓ 13	330' FNL & 330' FWL	19S	36E	LEA
Monument 13 State # 9	30-025-33957	PR	Monument 13 State	Header # 1	ABO	46980	C	✓ 13	569' FNL & 1650' FWL	19S	36E	LEA

Monument 14 State # 21	30-025-34352	PR	Monument 14 State	Header # 2- Sat 14	ABO	46980	N	✓ 14	990' FSL & 2308' FWL	19S	36E	LEA
Monument 14 State # 12	30-025-34047	PL	Monument 14 State	Header # 2- Sat 14	ABO	46980	A	✓ 14	800' FNL & 525' FEL	19S	36E	LEA
Monument 14 State # 2	30-025-33313	PR	Monument 14 State	Header # 2- Sat 14	ABO	46980	J	✓ 14	2227' FSL & 2006' FEL	19S	36E	LEA
Monument 14 State # 22	30-025-34406	PR	Monument 14 State	Header # 2- Sat 14	ABO	46980	H	✓ 14	1650' FNL & 629' FEL	19S	36E	LEA
Monument 14 State # 24	30-025-34446	TA'd - 6/8/2010	Monument 14 State	Header # 2- Sat 14	ABO	46980	I	✓ 14	1760' FSL & 990' FEL	19S	36E	LEA
Monument 23 State # 13	30-025-34087	TA'd - 3/18/2009	Monument 23 State	Header # 2- Sat 23	ABO	46980	J	✓ 23	1688' FSL & 2107' FEL	19S	36E	LEA
Monument 23 State # 23	30-025-34407	PR	Monument 23 State	Header # 2- Sat 23	ABO	46980	L	✓ 23	1700' FSL & 869' FWL	19S	36E	LEA
Monument 23 State # 28	30-025-35067	TA'd - 3/28/3002	Monument 23 State	Header # 2- Sat 23	Yeso	20070	E	✓ 23	2310' FNL & 990' FWL	19S	36E	LEA
Monument 23 State # 6	30-025-33729	TA'd - 1/26/2010	Monument 23 State	Header # 2- Sat 23	ABO	46980	A	✓ 23	469' FNL & 958' FEL	19S	36E	LEA
Monument Abo # 1	30-025-25395	PR	Monument Abo	Header # 2 Sat 12- N - Metered Separately	ABO	46980	G	✓ 14	1650' FNL & 1700' FEL	19S	36E	LEA
Monument 11 State # 30	30-025-34778	P&A'd- 4-18-05	Monument 11 State	Header # 1	ABO	46980	P	✗ 11	754' FSL & 330' FEL	19S	36E	LEA
Monument 13 State # 17	30-025-34243	P&A'd- 2-9-06	Monument 13 State	Header # 3	ABO	46980	F	✗ 13	19912' FNL & 1732' FWL	19S	36E	LEA

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121

Lab Team Leader - Sheila Hernandez
(432) 495-7240

ANALYTICAL REPORT

Company:	CHEVRON MID CONTINENT LP	Report Date:	12/16/10
Region:	PERMIAN BASIN	Date Range:	12/15/09 - 12/17/10
Area:	EUNICE, NM	Sales RDT:	33518
Lease/Platform:	MONUMENT '12' STATE	Account Manager:	DEXTER NICHOLS (575) 390-4356
		Analysis Cost: (Per Reading)	\$15.00

Location	Sample Point	Sample		Reading	Units
		Date	Item		
14	WELLHEAD	12/13/10	API GRAVITY	43 @	60°F
14	WELLHEAD	12/13/10	SP. GRAV - OIL	0.8153 @	60°F

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]

Sent: Wednesday, March 30, 2011 4:21 PM

To: Morris, Trudy (TKMO)

Subject: RE: Monument Commingling Permit

Hello Trudy:

Richard asked me to finish this up....

Would you send Carolyn's contact info? Pass this email onto Carolyn if she is still around to work on it.

Anyway, I looked this over again and.. all the previous OCD permits have specified that separately owned production must be continuously metered – well tests can only be used for allocation on leases between wells, but no well tests between separate leases – hope I stated that the right way....???

Please give the list [of wells and formations in this Monument 12/13 Central Tank Battery] to your "land" manager and ask them to identify the separate, identically owned production and then send maps outlining these separate "leases" (as leases are defined in the OCD rules for surface commingling). You may need to send separate maps for each producing horizon. It appears to me that this is either 40 acre oil wells or 160 acre gas wells. Let me know if any pools in this commingle are spaced differently.

What I am looking for is a list of all wells [and the spacing sizes for those wells] that go (or will go) into this tank battery and that list split out into identically owned groups.

Thank You in Advance!!

Will Jones

New Mexico

Oil Conservation Division

[Images](#) [Contacts](#)

From: Jones, William V., EMNRD

Sent: Thursday, March 24, 2011 3:15 PM

To: 'Morris, Trudy (TKMO)'

Cc: Ezeanyim, Richard, EMNRD

Subject: RE: Monument Commingling Permit

Hello Trudy:

Richard will be doing this one and is gone this week.

To help get this done asap, here are some rambling comments:

I did look it over and if I were doing it, I would ask Carolyn to send an electronic spreadsheet of the existing and proposed Monument 12/13 Central Tank Battery wells by email – but first fill in the Pool Name column with each Pool name [only formation names are that column now] completed in each well. Also identify which wells can be grouped into "identical" ownership tracts.

Do any of the pools involved have special pool rules allowing more than 40 acres per proration unit? We actually commingle spacing/proration units and for convenience list the wells involved or producing in each of these spacing and proration units – so to do that, we must know the description of the lands to be commingled for each Pool in any request for commingling.

Is this a request to commingle Oil and Gas or just Oil? Where [legal description] are the sales points of Oil and of Gas? That may be in this application already....

If oil is to be commingled – the application should have a description or details of the separators and meters to be used. Are periodic well tests to be used or will each group of diversely owned wells have its own separation and metering system?

This application may already have most of these items or Richard may have other concerns.

Take Care,

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: Morris, Trudy (TKMO) [mailto:TKMO@chevron.com]
Sent: Thursday, March 24, 2011 9:20 AM
To: Jones, William V., EMNRD
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Not wanting to rush you at all, but just wondering if there is something we need to address since Carolyn is out.

Thanks so much,

Trudy

From: Morris, Trudy (TKMO)
Sent: Thursday, March 31, 2011 7:02 AM
To: William.V.Jones@state.nm.us
Cc: Wann, Denise; Moore, Alex Stephen; Haynie, Carolyn (CHaynie) [Beeline]
Subject: FW: Monument Commingling Permit

Will,

Carolyn will be back on Monday. Her email is listed above under the CC, as is Alex Moore, the PE, in charge of this area. Their numbers are:

Carolyn – 432-687-7261
Alex – 432-687-7346

Thanks for your help!!

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Oil Conservation Division
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Trudy

Jones, William V., EMNRD

From: Haynie, Carolyn (CHaynie) [Beeline] [CHAY@chevron.com]
Sent: Monday, April 04, 2011 10:57 AM
To: Jones, William V., EMNRD
Cc: Moore, Alex Stephen; Wann, Denise
Subject: Monument Commingling Permit
Attachments: monu_23-28_map.pdf

Hi Will,

I've attached a divided map from the engineer that will show the well / lease locations. I've also attached this to the email with the ongoing conversations between you and Trudy to help eliminate any confusion.

The last comment in the email below is from the project engineer, which will hopefully clear up any questions about the ownership.

Please let me know if you have any questions,. I work on Monday, Tuesday, and Wednesday, but I'm here every week, so I'm a full time, part time employee. Ha!

Thanks for all your help,

Carolyn Haynie
Chevron U.S.A. Inc.
New Mexico PE TA
For Eunice, Vacuum,
Dollarhide, And Facilities
Room 5232
Midland, TX
432-687-7261

From: Moore, Alex Stephen
Sent: Monday, April 04, 2011 10:54 AM
To: Haynie, Carolyn (CHaynie) [Kelly Services]
Subject: RE: Monument Commingling Permit

Four different groupings of identical ownership

Monument 13 wells have different ownership than all of the rest. They will be metered separately before going into the CTB. This work will need to be done upon approval, but it is quick and cheap to get that accommodated.

Monument Abo #1 is a different ownership than all of the rest. It currently has its own metering vessel so nothing will need to be changed.

Monument 13 #27 well is a different ownership than all of the rest. It is currently TA'd, but facilities are ready for separate metering.

The rest will be metered at the main production separator at the Monument CTB.

I will give you a map showing the four ownership groups. The groupings do not change with respect to the producing formation, so we should be able to allocate by well test **within each of these individual groupings**.

-Alex

Jones, William V., EMNRD

From: Haynie, Carolyn (CHaynie) [Beeline] [CHAY@chevron.com]
Sent: Tuesday, April 05, 2011 7:46 AM
To: Jones, William V., EMNRD
Subject: RE: Monument Commingling Permit

Ok, Will, I have more information. The engineer said there are no other wells in the area producing in the Delaware. We applied for Monument North; Delaware. Can you tell me what we can do from here?

New Mexico Pools as of September 24, 2010						
Pool ID	Pool Name	Std Oil Spacing	Std Gas Spacing	Depth Allowable	Region of State	Pool Type
87750	WILDCAT G-01 S102612M;DELAWARE	40	0	4880	S	Oil

Carolyn Haynie
Chevron U.S.A. Inc.
New Mexico PE TA
For Eunice, Vacuum,
Dollarhide, And Facilities
Room 5232
Midland, TX
432-687-7261

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Monday, April 04, 2011 12:15 PM
To: Haynie, Carolyn (CHaynie) [Kelly Services]
Subject: RE: Monument Commingling Permit

Carolyn:
Thanks for this,
Your engineer appears to know the ownership.

The wells with Delaware completions seem to be still Wildcat. Has this Delaware production been placed into a Pool yet, do you know the name and spacing size?

Thank You,

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: Haynie, Carolyn (CHaynie) [Beeline] [mailto:CHAY@chevron.com]
Sent: Monday, April 04, 2011 10:57 AM
To: Jones, William V., EMNRD
Cc: Moore, Alex Stephen; Wann, Denise
Subject: Monument Commingling Permit

Hi Will,

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Room 5232
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-Alex

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Sent: Thursday, March 31, 2011 7:02 AM
To: William.V.Jones@state.nm.us
Cc: Wann, Denise; Moore, Alex Stephen; Haynie, Carolyn (CHaynie) [Beeline]
Subject: FW: Monument Commingling Permit

Will,

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Carolyn – 432-687-7261
Alex – 432-687-7346

Thanks for your help!!

Trudy

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, April 27, 2011 6:14 PM
To: 'Haynie, Carolyn (CHaynie) [Kelly Services]'
Subject: RE: Monument Commingling Permit

Hello Carolyn:

I have a permit written up including only the 3 wells but now have a couple more questions.

Looks like this application was simply to allow the additional 3 wells to be included in an existing surface commingle or tank battery?

Was your 'notices' geared towards only this? Did you notice other parties in this "lease" or all parties in the Monument 12/13 Tank Battery?

Or do you really want a new surface commingle permit that includes all 26 active or TAed wells listed as part of the Monument 12/13 Tank Battery?

The three former commingle permits included inside this application do not seem to include all the wells going into this tank battery. Are there other permits out there? Do you have an existing surface commingle permit that includes all wells in the tank battery except the 3 new ones listed in this application?

Where is this tank battery located? (Just give the Unit Letter and Section)

I apologize if this information is already in the application or correspondence....should really just call you, but here I am...

Thanks Again,

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

Jones, William V., EMNRD

From: Haynie, Carolyn (CHaynie) [Kelly Services] [CHAY@chevron.com]
Sent: Monday, May 02, 2011 8:51 AM
To: Jones, William V., EMNRD
Subject: FW: Monument Commingling Permit

Will,
Here are the comments from the engineer. Please let me know if you have questions. ☺

Thanks,

Carolyn Haynie
Chevron U.S.A. Inc.
New Mexico PE TA
For Eunice, Vacuum,
Dollarhide, And Facilities
Room 5232
Midland, TX
432-687-7261

From: Moore, Alex Stephen
Sent: Monday, May 02, 2011 9:22 AM
To: Haynie, Carolyn (CHaynie) [Kelly Services]
Subject: RE: Monument Commingling Permit

This application is for a lease commingled battery to become a pool-lease commingled battery (and the addition of two wells – Monument 12 St #10 and Monument 12 St # 4). The wells that are going into the battery have not changed; what has changed is that those three wells are now producing from different pools than the rest. The majority of the wells are producing from the Abo pool. We will be changing pools on three wells in the next month or so. These wells are the Monument 12 St #8 (TA'd), Monument 12 St #25 (TA'd) and the Monument 23 St #23 (going from Abo to Yeso).

Partners understand the production scenario and the proposed changes. Since WI's do not change with respect to pools, there will be no effect on revenue sharing.

Yes, we do want a "new" surface commingling permit that includes all 26 wells. The historical permits have been to allow a specific number of wells to be commingled into the main Monument Abo battery.

Battery located in Unit K – Section 12, T19S R36E

I think a phone call will help out. Would you like me to be up there for the phone call?

-Alex

From: Haynie, Carolyn (CHaynie) [Kelly Services]
Sent: Monday, May 02, 2011 7:14 AM
To: Moore, Alex Stephen
Subject: FW: Monument Commingling Permit

Carolyn Haynie
Chevron U.S.A. Inc.
New Mexico PE TA
For Eunice, Vacuum,

Jones, William V., EMNRD

From: Haynie, Carolyn (CHaynie) [Kelly Services] [CHAY@chevron.com]
Sent: Tuesday, May 03, 2011 7:45 AM
To: Jones, William V., EMNRD
Subject: RE: Monument Commingling Permit

Good morning Will,

I have spoken to the engineer, and his supervisor and 'yes', this is agreeable to us. If we can get approval for the three wells, then we can start production on the shut-in wells.

Then, as you mentioned, we plan to start on the commingling of the entire battery.

Have a great day Will, ☺

Thanks,

Carolyn Haynie
Chevron U.S.A. Inc.
New Mexico PE TA
For Eunice, Vacuum,
Dollarhide, And Facilities
Room 5232
Midland, TX
432-687-7261

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Monday, May 02, 2011 11:21 AM
To: Haynie, Carolyn (CHaynie) [Kelly Services]
Subject: RE: Monument Commingling Permit

Hello Carolyn:

Here is what I understand:

- a. All three of the wells on your latest application are in the same "ownership area" according to the latest maps sent.
- b. I don't know if a permit has ever been issued to cover this entire battery – probably no need until the new pools were produced, although even before it seems like it should have been a "central tank battery" with the various leases feeding in. Maybe this latest battery constructed by Chevron is intended to commingle the leases that stood apart before?
- c. Also, I don't know if the notices provided with this application would justify granting the entire battery as one "commingle" – and the application seems to say "add three wells to an existing battery". Let me know if that is correct or not about the Notices Provided.

Anyway, I am thinking of just doing a Pool Commingle on this lease – the "lease" where the three wells you mentioned are located.

And later, the entire battery should have one permit to cover all leases and pools and wells feeding into it – but that could be done on another application where all parties in wells feeding into that tank battery would be notified (RI, ORRI, WI) and the application would state that was the purpose.

Let me know if this works?

Will