



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

APR _ 8 1998

OIL CONSERVATION DIVISION

(505) 827-5760
FAX (505) 827-5766

RAY POWELL, M.S., D.V.M.
COMMISSIONER

April 6, 1998

Chevron USA Production Company
P.O. Box 1150
Midland, Texas 79702

Attn: Mr. Mickey F. Cohlma

Re: Surface Commingling Application
Cable '26' Lease Well Nos. 1 and 2
Unit Letters B and D, Section 26- 25S-26E
Marquardt Federal Lease Well Nos. 4 and 7
Unit Letters L and N, Section 1-25S-26E
Murchison '2' State Lease Well Nos. 1, 2, and 4
Unit Letters A, H and I, Section 2-25S-26E
White City '6' Federal Well No. 1
Unit Letter L, Section 6-25S-27E
Murchison '2' Production Battery
Eddy County, New Mexico

Dear Mr. Cohlma:

We are in receipt of your application dated March 24, 1998, wherein you have requested our approval to surface commingle the production from the above wells.

We understand that production from the subject wells will be commingled and stored at the Murchison '2' State Lease tank battery located in Section 2-25S-26E, State Lease No. L-896-2.

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries as a result of your proposed operation, your request is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval, should this operation prove to be unprofitable to the state at any time in the future. Also, our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please submit a copy of the New Mexico Oil Conservation Division's approval.

Your \$30.00 filing fee has been received.

Chevron USA Production Company
Page 2
April 6, 1998

Please notify Ms. Debra Padilla of our Right-of-Way Section for further information regarding an easement through Section 2-25S-26E. Ms. Padilla's telephone number is 827-5729.


Please also contact Mr. Joe Lopez of our Commercial Resources Division at 827-4003 regarding a possible business lease on the tank battery site in Section 2-25S-26E.

Our approval is contingent upon Chevron obtaining all required easements.

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

Very truly yours,

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

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
Reader File
Debra Padilla

OCD--Attention: David Catanach and Ben Stone
Joe Lopez