Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR HObbs, NVI 3024 BUREAU OF LAND MANAGEMENT

New Mexico Oil Comortenton District. 1625 N. French Diffye

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

5. Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS See Attached Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. 6. If Indian, Alottee or Tribe Name Use "APPLICATION FOR PERMIT -- " for such proposals N/A 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE OIL WELL 8 Well Name and Number GAS 1. Type of Well: \sqcup other WELL KEEL 'A' FEDERAL #3, SCOTT 'E' FEDERAL #1 SPEAR FEDERAL #1 2. Name of Operator CHEVRON USA INC 3. Address and Telephone No. 9. API Well No 15 SMITH RD, MIDLAND, TX 79705 432-687-737 SEE ATTACHED 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 10. Field and Pool, Exploaratory Area Lusk Strwn, Lusk Bn Sprnas Feet From The Line and Feet From The Unit Letter 11. County or Parish, State

Section *** Township *** Line Lea , NM 12 Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data TYPE OF ACTION TYPE OF SUBMISSION Abandonment Change of Plans Recompletion **New Construction** Notice of Intent Plugging Back Non-Routine Fracturing Subsequent Report Casing Repair Water Shut-Off Atlering Casing Conversion to Injection Final Abandonment Notice OTHER: Surface Commingling Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

As required by 43 CFR 3162.7-2 and Onshore Oil and Gas Order No. 4, ChevronTexaco is requesting approval of amendment to Commission PLC-264 to Surface Commingle the oil production from the Spear Federal Well No. 1, Keel 'A' Federal Well No. 3, and Scott 'E' Federal-Well-No. 1. provides for the surface commingling of oil production from the North Lusk-Strawn Pool (96678), and the North Lusk-Wolfcamp Pool (41608). The requested amendment is to allow for the additional commingling of Bone Springs production (41450) with that from the poolscurrently authorized. The Spear #1 and the Scott E. Federal #1 have both been recompleted in the Bone Springs.

The wells will be equipped with a metering test separator for each lease, as shown in the attached process flow diagram, and in accordance with applicable provisions of the NMOCD's "Manual for the Installation and Operation of Commingling Facilities".

Attached in support of this request is a well list with locations, pool numbers, & API numbers, a table showing oil production volumes, API gravities, sulfur analyses, and monetary values for each of the wells/pools proposed for commingling, a proposed schematic diagram for the subject facility, and a lease plat. Commingling will not reduce the actual commercial value of oil or condensate sold from each pool.

Sections 33, 28, *** T-18S, R32E **

SEE ATTACHED FOR CONDITIONS OF APPROVAL

DATE

DATE	5/12/2005
DATE	5/12/2005
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MILE PEINOLELM ENGINEER CONDITIONS OF APPROVAL, IF ANY:

JUN 0 1 2005



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, ficitious or fraudulent statements or representations as to any matter within its jurisdiction.

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated 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.)*.