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May 15, 1997

Administraative Application for Surface Commingling North Monument Field State A "26" #5 1980' FSL & 330' FWL, Unit L, Sec. 26, T19S, R36E State A "26" #6 410' FSL & 330' FWL, Unit M, Sec. 26, T19S, R36E Weir "B" #2 1980' FSL & 2310' FEL, Unit J, Sec. 26, T19S, R36E Lea County, New Mexico

Oil Conservation Division P.O. Box 1980 Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Dear Mr. Sexton,

This letter is to confirm your telephone conversation with Nathan Mouser on May 15, 1997.

In said conversation, you granted Chevron U.S.A., Inc. 30-day approval for the commingling of State A "26" #5, State A "26" #6 and Weir "B" 2, while waiting on Commingling Order to be issued by the Oil Conservation Division in Santa Fe, NM

If you have any questions, or if you require further information, please free to contact me at 394-1247.

Sincerely,

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Nathan Mouser

Operations Supervisor



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Chevron U.S.A. Production Company P.O. Box 1150 Midland, TX 79702

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State of New Mexico Energy, Minerals & Natural Resources Department Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

Attention: Mr. William J. LeMay - Director

Dear Mr. LeMay:

Chevron U.S.A., Inc. respectfully requests administrative approval for surface commingling of the production from the three above described wells.

State A "26" #5 is completed in North Monument Abo. The IP was 1112 bopd, 0 bwpd, and 758 mcfpd. The API gravity is 40.3° at 60° F. State "26" #6 is completed in North Monument Abo. The IP was 543 bopd, 0 bwpd, and 465 mcfpd. The API gravity is 40.3° at 60° F. Weir "B" #2 is completed in North Monument Abo. The IP was 320 bopd, 0 bwpd, and 350 mcfpd. The API gravity is 40.5° at 60° F.

The commingling of these three wells will allow the producing of the wells with one battery at a savings of approximately \$50,000. The oils are from the same zone and will be compatible. The value of the commingled oil will be the same as the individual oils. The working interest owners and royalty owners are the same on the two leases. Attached is a schematic diagram of the production facility.