

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

Administrative 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

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.