

1. Operator: Chevron U.S.A., Inc., P. O. Box 670, Hobbs, NM 88240
2. Lease, Well, and Location: J.F. Janda(NCT-D) No. 4, 2970' FSL and 660' FWL of Section 2-T21S-R36E, Lea County, N.M.
3. Producing Zones: Glorieta and Hardy Tubb-Drinkard
4. Decline Curve: The Glorieta is expected to decline at 5% per year after an IP of 3 BOPD with 15 MCFGPD. The Tubb-Drinkard is expected to decline at 30% per year after an IP of 3 BOPD with 120 MCFGPD.
5. Bottom Hole Pressure: Glorieta BHP has been estimated at 350 psi at a depth of 5270'. The Tubb-Drinkard BHP has been estimated at 750 psi. Both measurements were calculated from a "combined" buildup test.
6. Fluid Characteristics: The Glorieta and Tubb-Drinkard are presently surface commingled at the Janda 'D' battery. There has been no evidence of fluid incompatibility to date.
7. Well History: Attached with wellbore schematic.
8. Value of Commingled Fluids: The subject fluids and gases are surface commingled and are handled under the same purchaser; therefore, downhole commingling will not affect the price.
9. Current Production: The Glorieta was last tested on 3/10/90, at which time it was producing 3 BOPD, 10 BWPD, and 15 MCFGPD. The Tubb-Drinkard has been temporarily commingled with the Glorieta, but is estimated producing at 3 BOPD, 65 BWPD, and 120 MCFGPD.
10. Recommended Oil and Gas Allocation: Based on expected IP's.

<u>Glorieta</u>		<u>Tubb-Drinkard</u>
50%	OIL	50%
11%	GAS	89%
11. Ownership and Royalty Interests: Ownership of the two pools is common and correlative rights will not be violated.
12. Future Secondary Recovery Operations: Commingling will not jeopardize the efficiency of future secondary recovery operations.
13. Production Methods: The commingled production will be rod-pumped. The fluid level will be monitored to maintain a pumped off condition and eliminate the possibility of crossflow between reservoirs.
14. Copies of this application have been furnished to all offset operators by certified mail.