

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY CHEVRON USA, INC.**

**ORDER NO. PLC-478-A**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Chevron USA, Inc. (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. Applicant intends to segregate the oil and gas production from each lease and from each pool within that lease as identified in Exhibit B from the oil and gas production from all other pools and leases prior to measuring the production from each pool and lease with an allocation meter.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

**CONCLUSIONS OF LAW**

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. This Order supersedes Orders PLC-478 and OLM-97.

For matters of surface commingling and off-lease storing and measuring oil and gas production and for the wells identified in Exhibit A, this Order supersedes Order R-20300.

3. The allocation of oil and gas production to each pool and lease identified in Exhibit B shall be determined by separating and metering the production from each pool and lease as described by Group ID in Exhibit B prior to commingling that production with production from any other pool and lease.
4. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not

included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
9. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



---

**GERASIMOS RAZATOS  
DIRECTOR (ACTING)**

**DATE:** 7/25/2024

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: PLC-478-A

Operator: Chevron USA, Inc. (4323)

Central Tank Battery: Salado Draw Section 29 Central Tank Battery

Central Tank Battery Location: UL P, Section 19, Township 26 South, Range 33 East

Gas Title Transfer Meter Location: UL P, Section 19, Township 26 South, Range 33 East

### Pools

Pool Name	Pool Code
NEEDMORE TANK; BONE SPRING	98307
NEEDMORE TANK; UPPER WOLFCAMP	98308

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMNM 105486817 (139733)	All	29-26S-33E
	All	32-26S-33E
CA Bone Spring NMNM 105485632 (139732)	All	29-26S-33E
	All	32-26S-33E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-42629	Salado Draw 29 26 33 Federal Com #1H	All	29-26S-33E	98307
		All	32-26S-33E	
30-025-42637	Salado Draw 29 26 33 Federal Com #2H	All	29-26S-33E	98307
		All	32-26S-33E	
30-025-42638	Salado Draw 29 26 33 Federal Com #3H	All	29-26S-33E	98307
		All	32-26S-33E	
30-025-42639	Salado Draw 29 26 33 Federal Com #4H	All	29-26S-33E	98307
		All	32-26S-33E	
30-025-42441	Salado Draw 29 26 33 Federal Com #6H	All	29-26S-33E	98307
		All	32-26S-33E	
30-025-42442	Salado Draw 29 26 33 Federal Com #7H	All	29-26S-33E	98307
		All	32-26S-33E	
30-025-42443	Salado Draw 29 26 33 Federal Com #8H	All	29-26S-33E	98307
		All	32-26S-33E	
30-025-42168	Salado Draw 29 26 33 Federal Com #33H	All	29-26S-33E	98307
		All	32-26S-33E	
30-025-50395	SD 29 26 33 Federal Com #424H	E/2	29-26S-33E	98307
		E/2	32-26S-33E	
30-025-50407	SD 29 26 33 Federal Com #425H	E/2	29-26S-33E	98307
		E/2	32-26S-33E	
30-025-50232	SD 29 26 33 Federal Com #426H	All	29-26S-33E	98307
		All	32-26S-33E	

30-025-49898	SD 29 26 33 Federal Com #421H	All All	29-26S-33E 32-26S-33E	98307
30-025-49899	SD 29 26 33 Federal Com #422H	All All	29-26S-33E 32-26S-33E	98307
30-025-49900	SD 29 26 33 Federal Com #423H	All All	29-26S-33E 32-26S-33E	98307
30-025-50499	SD 29 26 32 Federal Com #21H	All All	29-26S-33E 32-26S-33E	98307
30-025-50500	SD 29 26 32 Federal Com #22H	All All	29-26S-33E 32-26S-33E	98307
30-025-50501	SD 29 26 32 Federal Com #23H	All All	29-26S-33E 32-26S-33E	98307
30-025-43268	SD EA 29 Federal Com P8 #9H	All All	29-26S-33E 32-26S-33E	98308
30-025-43269	SD EA 29 Federal Com P8 #10H	All All	29-26S-33E 32-26S-33E	98308
30-025-43270	SD EA 29 Federal Com P8 #11H	All All	29-26S-33E 32-26S-33E	98308
30-025-43271	SD EA 29 Federal Com P8 #12H	All All	29-26S-33E 32-26S-33E	98308
30-025-44333	SD EA 29 32 Federal Com P11 #13H	All All	29-26S-33E 32-26S-33E	98308
30-025-44334	SD EA 29 32 Federal Com P11 #14H	All All	29-26S-33E 32-26S-33E	98308
30-025-44335	SD EA 29 32 Federal Com P11 #15H	All All	29-26S-33E 32-26S-33E	98308
30-025-44336	SD EA 29 32 Federal Com P11 #16H	All All	29-26S-33E 32-26S-33E	98308
30-025-44485	SD EA 29 32 Federal Com P10 #17H	All All	29-26S-33E 32-26S-33E	98308
30-025-44486	SD EA 29 32 Federal Com P10 #18H	All All	29-26S-33E 32-26S-33E	98308
30-025-44487	SD EA 29 32 Federal Com P10 #19H	All All	29-26S-33E 32-26S-33E	98308
30-025-44488	SD EA 29 32 Federal Com P10 #20H	All All	29-26S-33E 32-26S-33E	98308

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: **PLC-478-A**  
Operator: **Chevron USA, Inc. (4323)**

### Pools

Pool Name	Pool Code
NEEDMORE TANK; BONE SPRING	98307
NEEDMORE TANK; UPPER WOLFCAMP	98308

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMNM 105486817 (139733)	All	29-26S-33E
	All	32-26S-33E
CA Bone Spring NMNM 105485632 (139732)	All	29-26S-33E
	All	32-26S-33E

### Pools within each Lease

Lease	Pool Code	Group ID
CA Bone Spring NMNM 105485632 (139732)	98307	AA
CA Wolfcamp NMNM 105486817 (139733)	98308	BB

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Group ID
30-025-42629	Salado Draw 29 26 33 Federal Com #1H	All	29-26S-33E	AA
		All	32-26S-33E	
30-025-42637	Salado Draw 29 26 33 Federal Com #2H	All	29-26S-33E	AA
		All	32-26S-33E	
30-025-42638	Salado Draw 29 26 33 Federal Com #3H	All	29-26S-33E	AA
		All	32-26S-33E	
30-025-42639	Salado Draw 29 26 33 Federal Com #4H	All	29-26S-33E	AA
		All	32-26S-33E	
30-025-42441	Salado Draw 29 26 33 Federal Com #6H	All	29-26S-33E	AA
		All	32-26S-33E	
30-025-42442	Salado Draw 29 26 33 Federal Com #7H	All	29-26S-33E	AA
		All	32-26S-33E	
30-025-42443	Salado Draw 29 26 33 Federal Com #8H	All	29-26S-33E	AA
		All	32-26S-33E	
30-025-42168	Salado Draw 29 26 33 Federal Com #33H	All	29-26S-33E	AA
		All	32-26S-33E	
30-025-50395	SD 29 26 33 Federal Com #424H	E/2	29-26S-33E	AA
		E/2	32-26S-33E	

30-025-50407	SD 29 26 33 Federal Com #425H	E/2 E/2	29-26S-33E 32-26S-33E	AA
30-025-50232	SD 29 26 33 Federal Com #426H	All All	29-26S-33E 32-26S-33E	AA
30-025-49898	SD 29 26 33 Federal Com #421H	All All	29-26S-33E 32-26S-33E	AA
30-025-49899	SD 29 26 33 Federal Com #422H	All All	29-26S-33E 32-26S-33E	AA
30-025-49900	SD 29 26 33 Federal Com #423H	All All	29-26S-33E 32-26S-33E	AA
30-025-50499	SD 29 26 32 Federal Com #21H	All All	29-26S-33E 32-26S-33E	AA
30-025-50500	SD 29 26 32 Federal Com #22H	All All	29-26S-33E 32-26S-33E	AA
30-025-50501	SD 29 26 32 Federal Com #23H	All All	29-26S-33E 32-26S-33E	AA
30-025-43268	SD EA 29 Federal Com P8 #9H	All All	29-26S-33E 32-26S-33E	BB
30-025-43269	SD EA 29 Federal Com P8 #10H	All All	29-26S-33E 32-26S-33E	BB
30-025-43270	SD EA 29 Federal Com P8 #11H	All All	29-26S-33E 32-26S-33E	BB
30-025-43271	SD EA 29 Federal Com P8 #12H	All All	29-26S-33E 32-26S-33E	BB
30-025-44333	SD EA 29 32 Federal Com P11 #13H	All All	29-26S-33E 32-26S-33E	BB
30-025-44334	SD EA 29 32 Federal Com P11 #14H	All All	29-26S-33E 32-26S-33E	BB
30-025-44335	SD EA 29 32 Federal Com P11 #15H	All All	29-26S-33E 32-26S-33E	BB
30-025-44336	SD EA 29 32 Federal Com P11 #16H	All All	29-26S-33E 32-26S-33E	BB
30-025-44485	SD EA 29 32 Federal Com P10 #17H	All All	29-26S-33E 32-26S-33E	BB
30-025-44486	SD EA 29 32 Federal Com P10 #18H	All All	29-26S-33E 32-26S-33E	BB
30-025-44487	SD EA 29 32 Federal Com P10 #19H	All All	29-26S-33E 32-26S-33E	BB
30-025-44488	SD EA 29 32 Federal Com P10 #20H	All All	29-26S-33E 32-26S-33E	BB



**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 372231

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 372231
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	8/9/2024