

DATE IN 5/4/2016	SUSPENSE	ENGINEER MAM	LOGGED IN 5/4/2016	TYPE PLC	APP NO. PMA1612546931
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

Daniel Pagan  
Print or Type Name

\_\_\_\_\_  
Signature

Senior  
Land Representative MAY 4, 2016  
Title Date

dpg@chevron.com  
e-mail Address

PLC-433-A  
-Chevron, 4 SA Inc  
4323

Leas  
- Lovington SAN  
Andres Unit #2  
30-025-03770  
+  
756415

Pool  
- Lovington, San  
Andres  
405R  
- Lovington, Paducah  
4066

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: CHEVRON MIDCON + ALBERT, L.P. (241333)  
OPERATOR ADDRESS: 15 Smith Rd, MIDLAND, TX 79705  
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingling)

LEASE TYPE: ☐ Fee ☐ State ☐ Federal -ALL-

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No.  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
LOVINGTON, SAN ANDRES 40580	N/A	BTU-1460	\$81.87 PER DAY	29 MCFPD
LOVINGTON, PADDOCK 40660	N/A	BTU-1543	\$121.20 PER DAY	40 MCFPD

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No Publication - Newspaper  
(4) Measurement type: ☒ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Pool Name and Code.  
(2) Is all production from same source of supply? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No  
(4) Measurement type: ☐ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.


SIGNATURE: Denise Pinkerton TITLE: Regulatory Specialist DATE: 08/12/15  
TYPE OR PRINT NAME: DENISE PINKERTON TELEPHONE NO. 432-687-7375  
E-MAIL ADDRESS: LeaKejda@CHEVRON.COM

# Affidavit of Publication

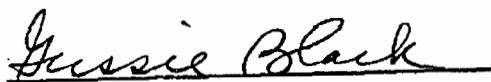
STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

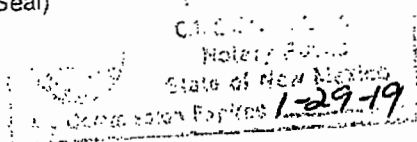
Beginning with the issue dated  
August 07, 2015  
and ending with the issue dated  
August 07, 2015.

  
Publisher

Sworn and subscribed to before me this  
7th day of August 2015.

  
Business Manager

My commission expires  
January 29, 2019  
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL

## LEGAL NOTICE August 7, 2015

NOTICE is hereby given that Chevron Midcontinent, L.P., 15 Smith Road, Midland, Texas 79705, as Operator of the Lovington Paddock Unit (LPU) and the Lovington San Andres Unit (LSAU) in Lea County, New Mexico has filed an Application with the New Mexico Oil Conservation Division for approval for the Surface Commingling of the gas production only. The proposed surface commingling will entail the installation of two allocation meters at the existing battery locations for each Unit, a single compressor and installation of a single sales meter to eliminate the extra sales line. The purpose is to reduce the surface facility footprint and improve the operation of the mature Units. The batteries for both the LPU and LSAU are located in the NE/4 of Section 1, T-17-S, R-36-E. The Land description for the two Units is as follows:

### LOVINGTON PADDOCK UNIT - LEA COUNTY, NEW MEXICO

#### TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 25: SE/4 and S/2SW/4

Section 35: E/2E/2 and SW/4SE/4

Section 36: All

#### TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 30: SE/4SW/4 and Lots 3 and 4

Section 31: W/2NE/4, SE/4, E/2W/2 and Lots 1, 2, 3 & 4

#### TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Section 1: S/2, S/2N/2 and Lots 1, 2, 3 & 4

Section 2: E/2SE/4 and Lot 1

Section 12: NE/4 and E/2NW/4

#### TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 6: S/2NE/4, SE/4NW/4, NE/4 SW/4, NE/4SE/4 and Lots 1, 2, 3, 4, 5, 6 & 7

Section 7: Lot 1

### LOVINGTON SAN ANDRES UNIT - LEA COUNTY, NEW MEXICO

#### TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 25: S/2SE/4

Section 35: S/2SE/4

Section 36: E/2, E/2W/2 and W/2SW/4

#### TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 31: SW/4NE/4, SE/4NW/4, E/2SW/4, SE/4 and Lots 1, 2, 3 & 4

Section 32: W/2SW/4

#### TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Section 1: S/2NE/4, SE/4, S/2NW/4, N/2SW/4, SE/4SW/4 and Lots 1, 2, 3 & 4

Section 2: S/2NE/4, N/2SE/4 and Lots 1 & 2

#### TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 5: Lot 4

Section 6: SE/4NW/4 and Lots 1, 2, 3, 4, 5 & 6

The above described Units are located approximately 0.9 miles West of Highway 18 and 5.5 miles southeast of the City of Lovington, in Lea County, New Mexico.

Any objections to this proposal must be sent to the following address within 20 days:

New Mexico Oil Conservation Division: 1220 South St. Francis Dr. Santa Fe, New Mexico 87505.

Inquiries regarding this application should be directed to: Chevron U.S.A. Inc., Attn: Britany Cortez, 15 Smith Road Midland, TX 79705.  
#30248

01102480

00160924

CHEVRON USA INC.  
15 SMITH ROAD  
MIDLAND, TX 79705



Daniel Pequeno, CPL/ESA  
Senior Land Representative

North America Exploration  
and Production Company  
15 Smith Road, RM-2235  
Midland, Texas 79705  
Tel 432 687 7461  
Fax 432 687 7871  
peqd@chevron.com

**CERTIFIED MAIL RETURN RECEIPT REQUESTED:**

**LOVINGTON PADDOCK UNIT & LOVINGTON SAN ANDRES UNIT WORKING  
INTEREST OWNERS**

June 29, 2015

**RE: NOTICE OF PROPOSED SURFACE COMMINGLING FOR GAS  
PRODUCTION ONLY FOR THE LOVINGTON PADDOCK UNIT &  
LOVINGTON SAN ANDRES UNIT, LEA COUNTY, NEW MEXICO (QLS-  
819905 & 820033)**

Dear Working Interest Owner:

Chevron Midcontinent, L.P. (Chevron) as Operator of the Lovington Paddock Unit (LPU) and the Lovington San Andres Unit (LSAU) is hereby proposing the surface commingling for the **Gas Production Only** from the LPU & LSAU in Lea County, New Mexico. The plan for the surface commingling for the LPU & LSAU will be as follows:

1. Two (2) allocation meters will be installed at the existing battery location for each Unit, one for the LPU and one for the LSAU;
2. A single compressor will be installed that will commingle the gas downstream of the meters;
3. A single sales meter will be installed that will eliminate the extra sales line; and
4. The allocation of production & revenue will be based on the volumes of gas production from all the wells in each Unit as measured through the two allocation meters.

An AFE for the facility upgrades for the surface commingling will follow by separate package once we have approval. I have attached Figure 2 – New Design and Layout as well as a Map showing the two overlapping Units and the location for the surface commingling for your convenience.

Chevron requests your acknowledgement, confirmation and approval at your earliest convenience upon receipt of this letter by signing in the space provided below and returning a signed copy to me.

*XSAU / XPU - County Interest Owners*

Owner Name	Tracking Number	Address 1	Address 2	City	Res State	Zip
ADRIANA ISABEL ELKAN TRST Q2701-012	70151730000001921344	PO BOX 40909		AUSTIN	TX	78704
AETNA BESS BERRY	70151730000001921405	4306 COUNTY ROAD 1500		LUBBOCK	TX	79407
ALSTON ELKAN TRST Q2701-012	70151730000001921351	PO Box 40909		AUSTIN	TX	78704
ALTON C WHITE JR	70151730000001920842	3112 ABOVE STRATFORD PL		AUSTIN	TX	78746
ANDERSON CARTER EST	70151730000001921146	PO BOX 7190		RUIDOSO	NM	88355
ARLINE P SCHREIBER	70151730000001921184	16585 FM 912		WASHINGTON	TX	77880
AUVENSHINE CHILDRENS TSTA TRST	70151730000001915688	PO BOX 507		DRIPPING SPG	TX	78620
B H C H MINERAL LTD	70151730000001920866	P O BOX 1817		SAN ANTONIO	TX	78296-1817
BARBARA ANN WERTZ BARRETT	70151730000001921214	PO BOX 1885		RANCHOS DE TAOS	NM	87557
BAYLOR UNIVERSITY	70151730000001921399	P.O. BOX 40909		AUSTIN	TX	78704
BEN J FORTSON III CHILDREN'S TRST	70151730000001920859	P O BOX 29		FORT WORTH	TX	76101
BETTY RAINS	70151730000001920903	2800 CALDERA BLVO		MIDLAND	TX	79705
BLACK STONE NATURAL RESOURCES I, LP	70151730000001921382	PO Box 301197		DALLAS	TX	75303-1197
BONNIE J MEYER	70151730000001921221	7137 ROUTE 119 HIGHWAY NORTH		MARION CENTER	PA	15759
BRETT C BARTON	70151730000001920965	C/O BARTC 1919 N TURNER		HOBBS	NM	88241
BRUCE C HINTON	70151730000001921375	7290 FM 1881		HAPPY	TX	79042
BURLINGTON RES OIL & GAS CO LP	70151730000001921191	22295 NETWORK PL		CHICAGO	IL	60673-1222
C ROBERT RICE JR	70151730000001920958	74 SYCAMORE DRIVE		READING	PA	19606
CARTER FAMILY MINERALS, LLC	70151730000001921320	PO Box 328		FORT SUMNER	NM	88119
CARTER LEGACY LLC	70151730000001921160	5331 85TH ST		LUBBOCK	TX	79424
CATHIE CONE MCCOWN	70151730000001920996	P.O. BOX 658		DRIPPING SPRINGS	TX	78620-0658
CCB 1998 TRUST	70151730000001921313	301 COMMERCE ST, STE 2900		FORT WORTH	TX	76102
CHARLES H COLL	70151730000001921207	BOX 1818		ROSWELL	NM	88202-1818
CHRISTINE LYLES	70151730000001920989	RT 2 BOX 67		HALE CENTER	TX	79041
CLARA IRENE ELKAN VUCETIC	70151730000001921306	7503 BAY LAUREL COURT		DUBLIN	CA	94568
CLARKE C COLL	70151730000001921153	PO BOX 1818		ROSWELL	NM	88202-1818
CLAUDIA LOUISE BOERGER	70151730000001920972	201 CEDARCREST LANE		DOUBLE OAK	TX	75077
CLAYTON HOLMAN WERTZ	70151730000001921337	PO Box 12019		AUSTIN	TX	78711-2019
COATES ENERGY INTERESTS LTD	70151730000001921177	7373 BROADWAY, STE #406		SAN ANTONIO	TX	78209
COATES ENERGY TRUST	70151730000001920910	7373 BROADWAY, STE #406		SAN ANTONIO	TX	78209
COLLINS PARTNERS LTD	70151730000001915695	5000 BURNET ROAD		AUSTIN	TX	78756
COMMISSIONER OF PUBLIC LAND	70151730000001921924	PO Box 1148		SANTA FE	NM	87504-1148
CRISTINE ANNE ELKAN	70151730000001915022	26844 MYSTIS CASTLE LN		KINGWOOD	TX	77339

CRJ RESOURCES LLC	70151730000001921719	PO Box 1090	ROSWELL	NM	88202-1090
CYNTHIA P CARSON DUCHATSCHKE	70151730000001921931	726 COMMUNITY DR, #72	BELLEVILLE	IL	62223
CYNTHIA S ZAVILLA	70151730000001915909	863 E SLIPPERY ROCK RD	CHICORA	PA	16025
DAISY M VIERSEN ESTATE	70151730000001915718	RALPH W \ 15740 MCKINLEY	OKMULGEE	OK	74447
DANGLADE SPEIGHT FAMILY O&G I LP	70151730000001915817	777 MAIN ST, STE 3250	FORT WORTH	TX	76102
DANIEL ROBERT AGEE	70151730000001915916	4729 WICKERSHAM	PLANO	TX	75093
DAVID FRED CARR	70151730000001915725	PO Box 1090	ROSWELL	NM	88202-1090
DAVID LYNN ALEXANDER	70151730000001915824	P O BOX 587	AUBREY	TX	76227
DAVIS FAMILY LIVING TRUST	70151730000001915053	5113 BEECH	BELLAIRE	TX	77401
DCB 1998 TRUST	70151730000001915732	301 COMMERCE ST, STE 2900	FORT WORTH	TX	76102
DEBRA D DYE	70151730000001915831	PO Box 834	LA PORTE	TX	77572
DESERT WATERFALL LLC	70151730000001915930	PO Box 40909	AUSTIN	TX	78704
DON & BETTY GOURLEY	70151730000001915749	526 W TAOS	HOBBS	NM	88240
DONLEY C WERTZ JR	70151730000001915848	3011 WEST 5500 SOUTH	ROY	UT	84067
DORCHESTER MINERALS LP	70151730000001915077	3838 OAK LAWN AVE, STE 300	DALLAS	TX	75219-4541
DOROTHY WERTZ ROBERTS	70151730000001915756	P. O. BOX 672	LIBERTY HILL	TX	78642
EDWARD ARMSTRONG ELKAN III	70151730000001915855	6808 LOS PRADOS ROAD NW	ALBUQUERQUE	NM	87114
EDWARD G BOONE	70151730000001915107	183 HIVER CIR	KYLE	TX	78640
ELIZABETH WERTZ VAN GOOR	70151730000001915763	6825 ROUNDROCK RD	DALLAS	TX	75248
ELLEN BOONE SCHWETHELM	70151730000001915862	PO BOX 6716	SAN ANTONIO	TX	78209-6716
ERIC J COLL	70151730000001915084	PO Box 1818	ROSWELL	NM	88202-1818
ETZ OIL PROPERTIES LTD	70151730000001915770	PO BOX 73406	PHOENIX	AZ	85050
FIVE STAR ROYALTY PARTNERS LTD	70151730000001922006	PO BOX 22084	DENVER	CO	80222
FREDERICKSBURG ROYALTY LTD	70151730000001915879	PO BOX 1481	SAN ANTONIO	TX	78295-1481
GARY NOLAN AGEE	70151730000001915978	909 BOURBON STREET	NEW ORLEANS	LA	70116
GARY R AND/OR MADELINE S SPECKMAN	70151730000001915787	N1568 COUNTY ROAD OK	JUDA	WI	53550
GEORGE H ETZ SR TRST	70151730000001915121	1105 XANTHISMA	MCALLEN	TX	78504-3519
GOLDEN TRIANGLE INDUSTRIES INC	70151730000001915169	PO Box 4133	ROSWELL	NM	88202-4133
HAGER OIL AND GAS A TX GENERAL	70151730000001921757	5912 SPRING HILL DR	MCKINNEY	TX	75070
HAROLD A ELKAN & NANCY H ELKAN	70151730000001915176	AS JOINT T 3731 SHADE TREE TERRACE	PORTAGE	MI	49024-1036
HARRY A MILLER III	70151730000001915183	1402 FOXWOOD COVE	AUSTIN	TX	78704
HARRY A MILLER JR EST	70151730000001921764	1402 FOXWOOD COVE	AUSTIN	TX	78704
HARRY C HANSARD	70151730000001915374	2200 ENGLISH OAK	ARLINGTON	TX	76016-1013
HEIDI C BARTON	70151730000001915237	2008 N VEGA CT	HOBBS	NM	88240

HERRING 1990 TRUST	70151730000001921771	1310 CORONET AVE	PASADENA	CA	91107
HERRING'S CARTER MINERALS LLC	70151730000001915381	200 LASSO	HORSESHOE BAY	TX	78657-5869
HINTON HUGHES FAMILY MINERAL TRUST	70151730000001915244	7312 TOPHILL LANE	DALLAS	TX	75248
JAMES A GIBBS DBA JEB ROYALTIES	70151730000001915299	1220 ONE 4925 GREENVILLE AVE	DALLAS	TX	75206-4026
JAMES HENRY HINTON	70151730000001915398	RT 4 BOX 122	FLOYDADA	TX	79235
JAMES M & MARY L ARMSTRONG TRST	70151730000001915251	PO Box 40909	AUSTIN	TX	78704
JAMES R MCCRORY	70151730000001915305	PO Box 25764	ALBUQUERQUE	NM	87125
JANET MADELEY EVERS	70151730000001915145	3209 BRIDLE PATH	AUSTIN	TX	78703-2749
JANICE AGEE	70151730000001915268	4917 VANCE RD	N RICHARD HLS	TX	76180-7937
JASON ELKAN	70151730000001915312	6599 E THOMAS APT 2031	SCOTTSDALE	AZ	85252
JAYNE W DIBRELL FAMILY FVW TRT	70151730000001915220	4200 JACKSON AVE #2000	AUSTIN	TX	78731
JEANNE GRAHAM	70151730000001915275	701 S 18TH ST	ARTESIA	NM	88210
JEFFREY W PAULEY	70151730000001915329	PO Box 241	DENISON	TX	75021-0241
JENIFER DIANE JENIKE	70151730000001915428	4339 GOODFELLOW DR	DALLAS	TX	75229
JOEL M CARSON II	70151730000001915282	P O BOX 1720	ARTESIA	NM	88211-1720
JON F COLL	70151730000001915336	BOX 1818	ROSWELL	NM	88202-1818
JON F COLL II	70151730000001915435	7335 WALLA WALLA	SAN ANTONIO	TX	78250-5242
JOSHUA SCOTT BROWN	70151730000001921733	4000 24TH AVE NE	NORMAN	OK	73071
JTV PARTNERSHIP	70151730000001915343	PO BOX 1713	ROSWELL	NM	88202-1713
JUDITH ASHBAUGH	70151730000001915442	500 SOUTH 4TH ST	INDIANA	PA	15701
JUDY MARIE LUCE	70151730000001921740	P O DRAWER 160	ABERNATHY	TX	79311
KAREN HINTON	70151730000001915350	1717 FAIR WAY	CARSON CITY	NV	89701
KATHLEEN HINTON BURNETTE	70151730000001915459	P O BOX 1249	STEPHENVILLE	TX	76407
KATHRYN KIELAR FRIEDMAN	70151730000001920897	522 AMHERST OR	STATE COLLEGE	PA	16801
KATHY CUNNINGHAM	70151730000001921054	5217 COLLINWOOD	FORT WORTH	TX	76107
KEITH PRATT DANIELS	70151730000001921108	PO Box 190766	DALLAS	TX	75219
KENNETH G CONE	70151730000001920880	P O BOX 507	DRIPPING SPRINGS	TX	78620
KIMBELL ART FOUNDATION	70151730000001921061	301 COMMERCE ST, STE 2300	FORT WORTH	TX	76102
KIRBY D SCHENCK TRST	70151730000001921078	PO BOX 1627	LOVINGTON	NM	88260
KIRBY MINERALS AN OKLAHOMA GEN PRTP	70151730000001920873	PO BOX 268947	OKLAHOMA CITY	OK	73126
L M ROBINSON LLC	70151730000001920934	PO Box 1090	ROSWELL	NM	88202-1090
LAPLANTE JOHNSON FAMILY TRUST	70151730000001921115	7275 S SUNDOWN CR	LITTLETON	CO	80120
LARRY M & PATRICIA G DEAN TRUST	70151730000001921283	333 PETHERTON PLACE	PENSACOLA	FL	32506
LAURA R WILLIAMS ESTATE	70151730000001920927	ANDREW \ P O BOX 342644	AUSTIN	TX	78734

LFN CONE PROPERTIES LLC	70151730000001921092	PO BOX 1559	MIDLAND	TX	79702
LINDA MCWILLIAMS	70151730000001921290	1015 S 8TH ST	BROWNFIELD	TX	79316
LINDA PRATT RAST	70151730000001921252	PO Box 190766	DALLAS	TX	75219
LMA ROYALTIES LTD	70151730000001921917	PO BOX 1449	CASTLE ROCK	CO	80104-1449
LORRY CHAPMAN O & G PROPERTIES	70151730000001921016	3838 NORTH CENTRAL AVE #1700	PHOENIX	AZ	85012
LUALICE A HOFFMAN	70151730000001921276	5317 BENBRIDGE DR	FORT WORTH	TX	76107
LYDIAN HALL WOODS ESTATE	70151730000001921900	4701 CADUCEUS PL	GALVESTON	TX	77551
M KURT CHAPMAN	70151730000001921009	PO BOX 344	POST	TX	79356
MADELEY TRUST 1	70151730000001921269	S MADELEY PO BOX 1924	TRINITY	TX	75862
MAECENAS MINERALS LLP	70151730000001921894	3838 OAK LAWN AVE STE 300	DALLAS	TX	75219-4541
MAPQO-NET	70151730000001921023	101 NORTH ROBINSON STE 1000	OKLAHOMA CITY	OK	73102-5514
MARGARET A M CARRICO	70151730000001921122	PO Box 135	AUSTIN	TX	78746
MARTHA MOORE	70151730000001921887	5217 COLLINWOOD	FORT WORTH	TX	76107
MARY ELIZABETH BROWN	70151730000001921030	PO Box 1217	BARTLESVILLE	OK	74005
MARY MARGARET SPENCER	70151730000001921139	501 DARTMOUTH LN	ALLEN	TX	75002
MATTHEWS LINK PROPERTIES LTD	70151730000001921870	PO BOX 752	MIDLAND	TX	79702
MAX W COLL II TESTAMENTARY TRUST	70151730000001921047	83 LA BARBARIA TRAIL	SANTA FE	NM	87505
MAX W COLL III	70151730000001921085	7625-2 EL CENTRO BLVD	LAS CRUCES	NM	88012
MEB OIL & GAS LLC	70151730000001921863	902 MOCKINGBIRD LN	NORMAN	OK	73071
MELANIE COLL DETEMPLE	70151730000001921856	5653 TOBIAS AVE	VAN NUYS	CA	91411
MGM OIL & GAS COMPANY	70151730000001921603	P O BOX 891	MIDLAND	TX	79702
MICHAEL KURT CHAPMAN	70151730000001921511	PO Box 344	POST	TX	79356
MWB 1998 TRUST	70151730000001921849	301 COMMERCE ST STE 2900	FORT WORTH	TX	76102
NANCY B SAVAGE	70157300000001921597	200 N WYNNEWOOD AVE, APT A-223	WYNNEWOOD	PA	19096-1422
NORMAN L HAY JR	70151730000001921504	5901 MT ROCKWOOD CIRCLE	WACO	TX	76710
OCCIDENTAL PERMIAN LTO	70151730000001921832	PO Box 100725	ATLANTA	GA	30384-0725
OFFICE OF NATURAL RESOURCES REVENUE	70151730000001921580	PO Box 25165	DENVER	CO	80225
PATRICIA HAY DEAN	70151730000001921498	333 PETHERTON PL	PENSACOLA	FL	32506
PATRICIA HOFFMAN CLARK TRST	70151730000001921825	PO Box 840738	DALLAS	TX	75284-0738
PATRICK VIERSEN BROWN	70151730000001921573	715 ALDER ST	PACIFIC GROVE	CA	93950
PATSY HINCHEY FAMILY LTD PTP	70151730000001921481	PO BOX 53567	MIDLAND	TX	79710
PATTI PECK WOOD	70151730000001921818	PO BOX 1099	RIISING STAR	TX	76471-1099
PETCO LTD A TEXAS PARTNERSHIP	70151730000001921566	PO BOX 911	BRECKENRIDGE	TX	76424-0911
PETER MICHAEL BARRETT	70151730000001921474	3206 CORNELL AVENUE	HIGHLAND PARK	TX	75205



PHILLIP E CARR	70151730000001921801	155 HUMBOLT STREET	DENVER	CO	80218
PHYLLIS JEAN PRYOR BLACKWELL	70151730000001921559	8523 THACKERY, UN 4103	DALLAS	TX	75225
PJC LIMITED PARTNERSHIP	70151730000001921467	C/O PATRI PO BOX 1713	ROSWELL	NM	88202
PROTESTANT EPISCOPAL CHURCH FOUNDATION	70151730000001921795	924 N ROBINSON	OKLAHOMA CITY	OK	73102
RACHEL GERBER	70151730000001921542	9825 CHARWICK DR	ST LOUIS	MO	63129
RALPH E WERTZ FAMILY REV INTER	70151730000001921450	PO Box 3480	OMAHA	TX	68103-0430
RAM FOUNDATION	70151730000001921788	2801 RICHMOND ROAD #30	TEXARKANA	TX	75503-2123
RANDY LEE CONE	70151730000001921535	PO BOX 231034	ANCHORAGE	AK	99523
REED HILL WERTZ	70151730000001921429	518 SOUTHGATE DR	MT PLEASANT	TX	75455
ROACH FOUNDATION	70151730000001921627	FORT WOF 777 TAYLOR ST	FT WORTH	TX	76102-4919
ROANOKE RANCH & INVESTMENT CO	70151730000001921528	325 N SAINT PAUL STE 4300	DALLAS	TX	75201
ROBERT C GRABLE	70151730000001921412	201 MAIN ST, STE 2500	FORT WORTH	TX	76102-3129
ROGER BRENT TYLER	70151730000001921610	PO Box 20982	AMARILLO	TX	79114-2982
ROYAL F WERTZ JR	70151730000001921443	PO BOX 837	PITTSBURG	TX	75686
RSG PROPERTIES LTD	70151730000001921436	2700 RACQUET CLUB DR	MIDLAND	TX	79705
S P JOHNSON III/BARBARA JOHNSON TR	70151730000001915466	PO BOX 1641	ROSWELL	NM	88202-1641
SALLY RODGERS	70151730000001915534	1528 ARROYO HONDO RD	SANTA FE	NM	87508
SARAH LEW LINK GRIMES	70151730000001915602	PO BOX 2006	MIDLAND	TX	79702-2006
SEVENWAYS VENTURE CAPITAL LTD	70151730000001915473	PO Box 6009	MIDLAND	TX	79704
SHELLEY MADELEY	70151730000001915541	BOX 1924	TRINITY	TX	75862-1924
SHERRIL W BROOKS	70151730000001915619	202 BELLAVISTA DRIVE	RICHMOND	TX	77406
SIMON FLORES	70151730000001915480	840 C R 233 SOUTH	ROTAN	TX	79546
SPENCER K WERTZ	70151730000001915558	754 CAMINO FRANCISCA	SANTA FE	NM	87506
SUE MILES CHAMLEE ENERGY LLC	70151730000001915626	2800 S UNIVERSITY BLVD #120	DENVER	CO	80210
SUNDANCE MINERALS I	70151730000001915497	PO Box 17744	FORT WORTH	TX	76102
SUSAN MADELEY HUGHES	70151730000001915565	PO BOX 2859	TRINITY	TX	75862
TEAL ROYALTIES LLC	70151730000001915633	PO Box 660082	DALLAS	TX	75266-0082
TERI LYNN AGEE MARSH	70151730000001915503	9606 MEADOWBRIAR	HOUSTON	TX	77063
THE FASKEN FOUNDATION	70151730000001915572	PO Box 2024	MIDLAND	TX	79702-2024
TOM R CONE	70151730000001915640	PO BOX 400	SOUTHWEST CITY	OK	64863
VICKI SHORE TEST TRST	70151730000001915510	3838 NORTH CENTRAL AVE #1700	PHOENIX	AZ	85012
WHITE WING MINERAL TRUST	70151730000001915589	PO BOX 294466	KERRVILLE	TX	78029
WILLIAM K BURTON	70151730000001915664	301 COMMERCE ST STE 2900	FORT WORTH	TX	76102
WILLIAM T REED TRST	70151730000001915527	P O BOX 1627	LOVINGTON	NM	88260

WILLOW REESE SMITH IREV TRST  
YEAGER RESOURCES LTD

70151730000001915596  
70151730000001915671

2313 CRESTMONT STE 100  
PO BOX 53567

NORMAN  
MIDLAND

OK  
TX

73069  
79710

**LAND OWNERSHIP STATUS**

**ATTACHMENT I**

**LAND OWNERSHIP STATUS**

**PREPARED BY Daniel Pequeno, Landman, CPL/ESA**

**July 29, 2015**

Application of Chevron U.S.A. Inc. for Administrative Approval to Surface Pool Commingle the **produced gas only** for the Lovington Paddock Unit - Glorieta Paddock and the Lovington San Andres Unit – San Andres Pools:

**Chevron's Lovington Paddock Unit & Lovington San Andres Unit Batteries located in the NE/4 of Section 1, T-17-S, R-36E, Lea County, New Mexico**

**LOVINGTON PADDOCK UNIT – SE/4 & S/2SW/4 OF SECTION 25; E/2E/2 & SW/4SE/4 OF SECTION 35; AND ALL OF SECTION 36, ALL IN T16S-R36E; SE/4SW/4 & LOTS 3 AND 4 OF SECTION 30; AND W/2NE/4, SE/4, E/2W/2 AND LOTS 1, 2, 3 & 4 OF SECTION 32, ALL IN T16S-R37E; S/2, S/2N/2 AND LOTS 1, 2, 3 & 4 OF SECTION 1; E/2SE/4 AND LOT 1 OF SECTION 2; NE/4 AND E/2NW/4 OF SECTION 12, ALL IN T17S-R36E; S/2NE/4, SE/4NW/4 NE/4SW/4, NW/4SE/4 AND LOTS 1, 2, 3, 4, 5, 6 & 7 OF SECTION 6; AND LOT 1 OF SECTION 7, ALL IN T17S-R37E, NMPM:**

<b>UNIT OWNER(S) –</b>	<b>WORKING INTEREST PERCENTAGE</b>	<b>UNIT ROYALTY OWNERS</b>
Chevron Midcontinent, L.P. 15 Smith Road Midland, Texas 79705	0.87123370	State of New Mexico Commissioner of Public Lands P. O. Box 1148 Santa Fe, New Mexico 87504-1148
L. E. Cochran Exploration Inc. 201 Santa Luz Lane Austin, Texas 78732	0.00048330	State Leases in LPU Tracts 2, 3, 4, 5, 6, 7, 8 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 22, 23, 24 & 25 (12.5% Royalty Interest)

**LAND OWNERSHIP STATUS**

Randy Lee Cone P. O. Box 231034 Anchorage, AK 99523	0.00000890	Bureau of Land Management 620 E. Greene Street Carlsbad, New Mexico 88220 Lease in LPU Tract 1 (12.5% Royalty Interest)
Frisco Energy LLC 4124 S. Rockford Avenue, Suite 012 Tulsa, OK 74105	0.00131780	
Prize Energy Resources LP 202 S. Cheyenne Avenue, Suite 1000 Tulsa, OK 74103-3001	0.12038780	Private Royalty Owners are numerous and they are shown on Attachment I-A for the LPU Leases in Tracts 26, 27, 28, 29, 30, 31, 32 & 33
Frederick L. Dunn III 1746 E. 31 <sup>st</sup> Street Tulsa, OK 74015	0.00085640	
Ronny P. Lowe P. O. Box 851 Tatum, New Mexico 88267	0.00022275	
Tom R. Cone P. O. Box 400 South West City, MO 64863	0.00002670	
Auvenshine Children's Testamentary Trust P. O. Box 507 Dripping Springs, Texas 78620-0507	0.00002670	
Billie A. Lowe Estate 5004 Woodrow Road Lubbock, Texas 79424	0.00022275	

**LAND OWNERSHIP STATUS**

Danglade Speight Family Oil & Gas 777 Main Street, Suite 3250 Fort Worth, Texas 76102	0.00370310
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Cathie Cone McCown P. O Box 658 Dripping Springs, Texas 78620-0658	0.00002680
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Kenneth G. Cone P. O. Box 507 Dripping Springs, Texas 78620	0.00002670
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R. W. Beardsley Exploration Inc. P. O. Box 980 Leander, Texas 78646	0.00048330
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Robert Sneider Exploration Inc. 2203 Twin Oaks Blvd. Clear Springs Shores, Texas 77565	0.00048330
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Kay Lowe Atcheson P. O. Box 64595 Lubbock, Texas 79464-4595	0.00022275
---	------------

Vivian Lowe Anselmi 4417 71 <sup>st</sup> Street, Suite 33	0.00022275
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Finley Resources Inc. P. O. Box 2200 Fort Worth, Texas 76113	0.00004450
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<b>TOTAL</b>	<b>1.00000000</b>
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**One (1) Federal Tract Containing 49.68 Acres or 1.49% of Unit Area**  
**Twenty-Four (24) State Tracts Containing 2,587.82 Acres or 77.84% of Unit Area**

## **McMillan, Michael, EMNRD**

---

**From:** PEQUENO, DANIEL <PEQD@chevron.com>  
**Sent:** Wednesday, May 04, 2016 12:33 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Pinkerton, J. Denise (leakejd); Macurdy, David W; Tipton, Chris  
**Subject:** FW: QLS-819905 (LPU); 820033 (LSAU) - Surface Commingling for Lovington Paddock & Lovington San-Andres Units - Lea County, New Mexico  
**Attachments:** Scanned from a Xerox multifunction device.pdf; Scanned from a Xerox multifunction device.pdf

Mr. McMillan,

By telephone conversation of Monday, May 2, 2016, Mr. David Catanach spoke with Mr. Macurdy inquiring about how revenue is allocated to the interest owners in the Lovington Paddock Unit (LPU) and the Lovington San Andres Unit (LSAU) which were the subject of the recent approved Surface Commingling **for the gas production only from the LPU & LSAU**. The question on the allocation of the revenue (allocation of Unitized Substances) for the LPU & LSAU was referred to me for response.

There are two (2) allocation meters, one for the LPU and one for the LSAU which meter the volumes of gas from each Unit. A single compressor commingles the gas downstream of these meters which is sold at a single sales meter (see 1<sup>st</sup> attachment). The revenue from the sales of the gas is apportioned among and located to the committed Tracts in accordance with the respective Tract Participations as set forth in the schedule of participation in Exhibit "B" of the Unit Agreement for the Lovington Paddock Unit dated June 1, 1966, Effective October 1, 1966 and the schedule of participation in Exhibits "C-1" & "C-2" of the Unit Agreement for the Lovington San-Andres Unit dated April 16, 1962, Effective August 1, 1962.

This is a brief summary of how the revenue is allocated between the LPU and LSAU. I have attached a Pre-Application to Commingle that was sent to Mr. Martinez, New Mexico State Land Office which was acceptable and a Map of the overlapping Units which shows the Surface Commingle Site which I hope are of some help.

Please let me know if I can be of further assistance in this regard or if you need copies of the respective Unit Agreements for the Lovington Paddock Unit and Lovington San-Andres Unit.

Regards,

**Daniel Pequeno, CPL/ESA**  
Senior Land Representative

**Mid-Continent Business Unit**  
Chevron North America Exploration and Production Co.  
a division of Chevron U.S.A. Inc.  
15 Smith Rd., RM-2235  
Midland, Texas 79705  
Tel 432 687 7461  
Fax 432 687 7871  
[peqd@chevron.com](mailto:peqd@chevron.com)

**NEW MEXICO STATE LAND OFFICE**  
**Commingle PRE-Application      ONLINE Version**

Please provide the following requested information so that the SLO staff can determine whether or not you qualify to submit a commingle application package.

Name: DANIEL PEQUENO - LANDMAN Company: CHEVRON MIDCONTINENT, L.P.  
Address: 15 SMITH ROAD City MIDLAND  
Telephone: 432-687-7461 Fax: 432-687-7448 State TX Zip 79705

The State Land Office rule that applies to commingling oil and gas production from New Mexico State Trust Lands is Rule 100.53. The rule is attached to the bottom of this form. If you have any questions, please contact the Oil, Gas, and Minerals Division at 505-827-5791.

**1. Briefly describe what you propose to do.** Plan will be to have two allocation meters, 1 for Lovington Paddock Unit and 1 for the Lovington San-Andres Unit - have a single compressor which will commingle the gas downstream of these meters - Finally have a single sales meter, which will eliminate the extra sales line - the purpose is to surface commingle the gas production only from the two Units

**2. Fill in the following information for each well.** *[Attach additional pages if needed.]*

**Well name & number** LOVINGTON PADDOCK UNIT - ALL UNIT WELLS Lease # \_\_\_\_\_  
Lessee of Record Skelly Oil Company (now Chevron Midcontinent, L.P.)  
Legal land description: Subdivisions T16S-R36E, T16S-R37E, T17S-R37E & T17S-37E  
Sect \_\_\_\_\_ T \_\_\_\_\_ R \_\_\_\_\_ NMPM \_\_\_\_\_ LEA \_\_\_\_\_ County NM  
Pool "Unitized Formation" Means The Lovington Glorieta Paddock Formation as defined in the UNIT

**Well name & number** LOVINGTON SAN ANDRES UNIT - ALL UNIT WELLS Lease # \_\_\_\_\_  
Lessee of Record Skelly Oil Company (now Chevron Midcontinent, L.P.)  
Legal land description: Subdivisions T16S-R36E, T16S-R37E, T17S-R37E & T17S-37E  
Sect \_\_\_\_\_ T \_\_\_\_\_ R \_\_\_\_\_ NMPM \_\_\_\_\_ LEA \_\_\_\_\_ County NM  
Pool "Unitized Formation - Defined as The San Andres Formation as defined in the UNIT

**Well name & number** \_\_\_\_\_ Lease # \_\_\_\_\_  
Lessee of Record \_\_\_\_\_  
Legal land description: Subdivisions \_\_\_\_\_  
Sect \_\_\_\_\_ T \_\_\_\_\_ R \_\_\_\_\_ NMPM \_\_\_\_\_ LEA \_\_\_\_\_ County NM  
Pool \_\_\_\_\_

Note: When you provide a check as payment, you authorize the State of New Mexico to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. Please be advised that payments will be drafted from your account immediately upon receipt.

## **McMillan, Michael, EMNRD**

---

**From:** PEQUENO, DANIEL <PEQD@chevron.com>  
**Sent:** Wednesday, May 04, 2016 12:33 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Pinkerton, J. Denise (leakejd); Macurdy, David W; Tipton, Chris  
**Subject:** FW: QLS-819905 (LPU); 820033 (LSAU) - Surface Commingling for Lovington Paddock & Lovington San-Andres Units - Lea County, New Mexico  
**Attachments:** Scanned from a Xerox multifunction device.pdf; Scanned from a Xerox multifunction device.pdf

Mr. McMillan,

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There are two (2) allocation meters, one for the LPU and one for the LSAU which meter the volumes of gas from each Unit. A single compressor commingles the gas downstream of these meters which is sold at a single sales meter (see 1<sup>st</sup> attachment). The revenue from the sales of the gas is apportioned among and located to the committed Tracts in accordance with the respective Tract Participations as set forth in the schedule of participation in Exhibit "B" of the Unit Agreement for the Lovington Paddock Unit dated June 1, 1966, Effective October 1, 1966 and the schedule of participation in Exhibits "C-1" & "C-2" of the Unit Agreement for the Lovington San-Andres Unit dated April 16, 1962, Effective August 1, 1962.

This is a brief summary of how the revenue is allocated between the LPU and LSAU. I have attached a Pre-Application to Commingle that was sent to Mr. Martinez, New Mexico State Land Office which was acceptable and a Map of the overlapping Units which shows the Surface Commingle Site which I hope are of some help.

Please let me know if I can be of further assistance in this regard or if you need copies of the respective Unit Agreements for the Lovington Paddock Unit and Lovington San-Andres Unit.

Regards,

**Daniel Pequeno, CPL/ESA**  
Senior Land Representative

**Mid-Continent Business Unit**  
Chevron North America Exploration and Production Co.  
a division of Chevron U.S.A. Inc.  
15 Smith Rd., RM-2235  
Midland, Texas 79705  
Tel 432 687 7461  
Fax 432 687 7871  
[peqd@chevron.com](mailto:peqd@chevron.com)



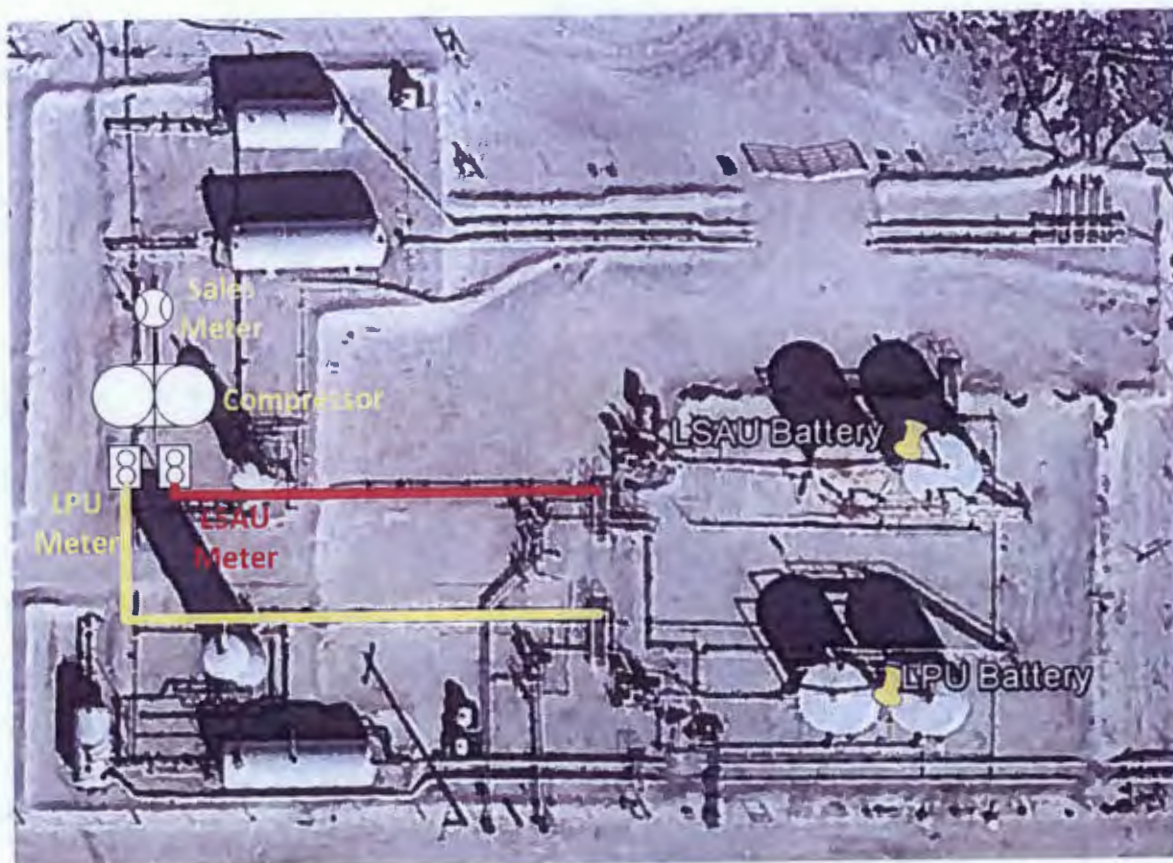
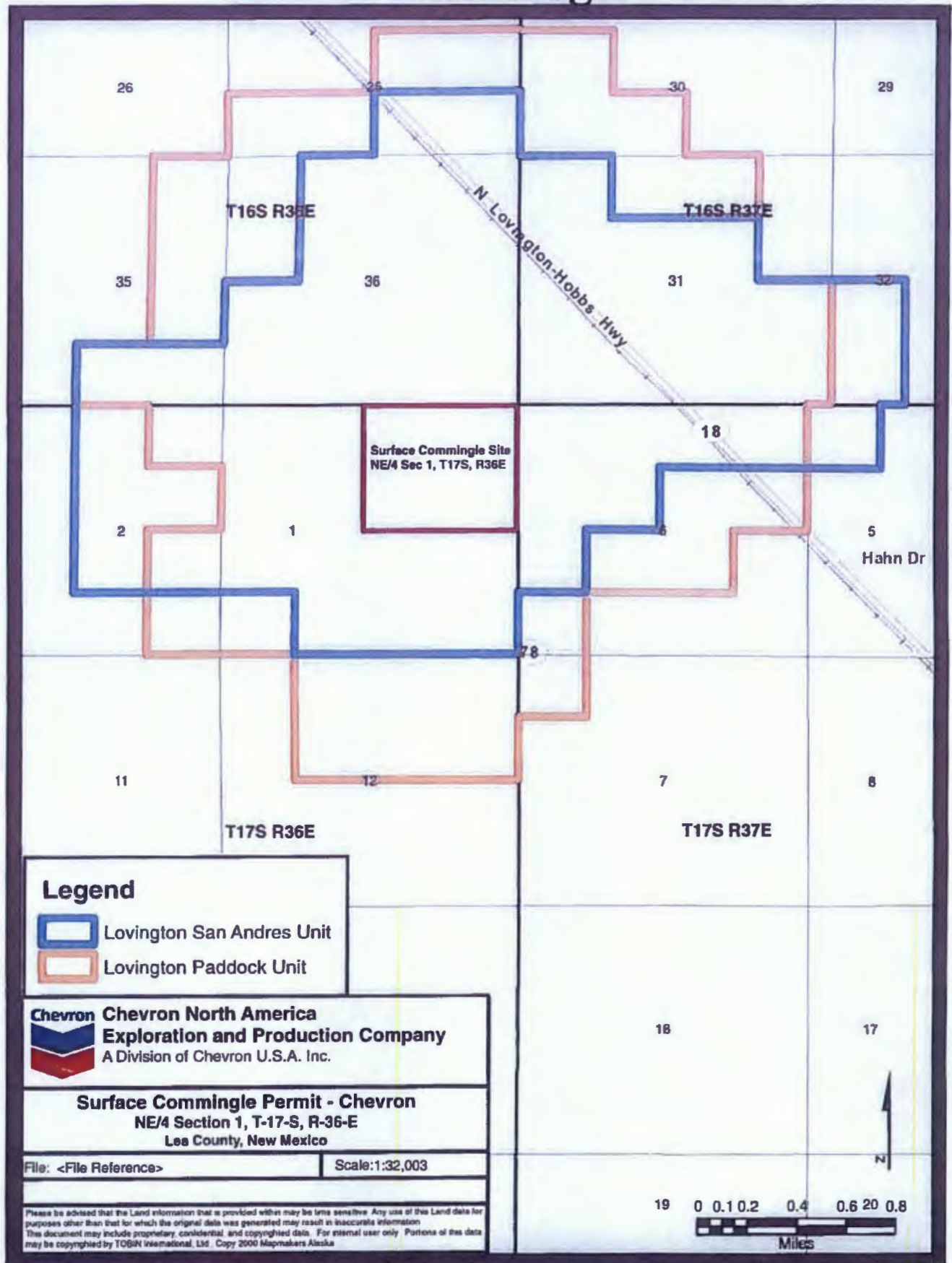


Figure 2 - New Design and layout

# Surface Commingle Permit



**LAND OWNERSHIP STATUS**

Eight (8) Fee Tracts Containing 687.13 Acres or 20.67% of Unit Area  
Total Lovington Paddock Unit Area Consists of Thirty-Three Tracts Containing 3,324.63 Acres

Various Wells located on the Lovington Paddock Unit Unitized Formation (Glorieta Paddock reservoir) – SEE ATTACHMENT II)

LOVINGTON SAN ANDRES UNIT – S/2SE/4 OF SECTION 25; S/2SE/4 OF SECTION 35; AND E/2, E/2W/2 AND W/2SW/4 OF SECTION 36, ALL IN T16S-R36E; SW/4NE/4, SE/4SW, E/2SW/4, SE/4 AND LOTS 1, 2, 3 & 4 OF SECTION 31; AND W/2SW/4 OF SECTION 32, ALL IN T16S-R37E; S/2NE/4, SE/4, S/2NW/4, N/2SW/4, SE/4SW/4, AND LOTS 1, 2, 3 & 4 OF SECTION 1 AND S/2NE/4, N/2SE/4 AND LOTS 1 & 2 OF SECTION 2, ALL IN T17S-R36E; LOT 4 OF SECTION 5; AND SE/4NW/4 AND LOTS 1, 2, 3, 4, 5 & 6 PF SECTION 6, ALL IN T17S-R37E, NMPM;

UNIT OWNER(S) –	WORKING INTEREST PERCENTAGE	UNIT ROYALTY OWNERS
Chevron Midcontinent, L.P. 15 Smith Road Midland, Texas 79705	0.83065000	State of New Mexico Commissioner of Public Lands P. O. Box 1148 Santa Fe, New Mexico State Leases in LSAU Tracts 1, 2, 3, 4, 5, 6, 7 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 & 23 (Royalty Interest 12.5%)
Prize Energy Resources LP 202 S. Cheyenne Avenue, Suite 1000 Tulsa, OK 74103-3001	0.16869660	Bureau of Land Management 620 E. Greene Street Carlsbad, New Mexico 88220 Lease in LSAU Tract 6 (Royalty Interest 12.5%)
R. W. Beardsley Exploration Inc. P. O. Box 980 Leander, Texas 78646	0.00021780	Private Royalty Owners are numerous and they are shown on <b>Attachment I-B</b> for the LSAU Leases in Tracts 4, 19, 20, 21 & 22
L. E. Cochran Exploration Inc. 201 Santa Luz Lane Austin, Texas 78732	0.00021780	

**LAND OWNERSHIP STATUS**

Robert Sneider Exploration Inc.  
2203 Twin Oaks Blvd.  
Clear Springs Shores, Texas 77565

0.00021780

**TOTAL**

**1.00000000**

One (1) Federal Tract Containing 49.68 Acres or 2.0115% of the Unit Area  
Seventeen (17) State Tracts Containing 2,097.72 Acres or 84.9345% of the Unit Area  
Five (5) Fee Tracts Containing 322.41 Acres or 13.0540% of the Unit Area  
Total Lovington San Andres Unit Area Consists of Twenty-Three Tracts Containing 2,469.81 Acres

Various Wells located on the Lovington San Andres Unit Unitized Formation (San Andres Reservoir) – SEE ATTACHMENT III).

**Surface Owner for Section 1, T17S-R36, NMPM:**

City of Lovington  
Attn.: Mr. J. Williams  
P. O. Drawer 1599  
Lovington, New Mexico 88260

Signed By:   
Daniel Pequeno, Landman

Date: July 29, 2015

State of New Mexico  
Energy, Minerals and Natural Resources Department

---

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



January 13, 2016

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-433  
Administrative Application Reference No. pMAM1523656786

Chevron U.S.A. Inc.  
Attention: Ms. Denise Pinkerton

Pursuant to your application received on August 24, 2015, Chevron U.S.A. Inc. (OGRID 4323) is hereby authorized to surface commingle **gas production only** from the following pools:

Lovington; Grayburg-San Andres (40580)  
Lovington; Paddock (40660)

and from diversely owned wells identified in Attachment No. II and III, and made part of this order. These wells are located on federal units, comprised of federal, state, and fee acreage in Township 16 South, Range 36 East, Township 16 South, Range 37 East, Township 17 South, Range 36 East, and Township 17 South, Range 37 East, in Lea County, New Mexico.

Lease: Lovington San Andres Unit  
Description: Township 16 South, Range 36 East, NMPM  
Section 25: S/2 SE/4  
Section 35: S/2 SE/4  
Section 36: E/2, E/2 W/2, W/2 SW/4  
Township 16 South, Range 37 East, NMPM  
Section 31: Lots 1, 2, 3, 4, SW/4 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4  
Section 32: W/2 SW/4  
Township 17 South, Range 36 East, NMPM  
Section 1: N/2, N/2 SW/4, SE/4 SW/4, SE/4  
Section 2: Lot 1, S/2 NE/4, N/2 SE/4  
Township 17 South, Range 37 East, NMPM  
Section 5: Lot 4,  
Section 6: Lots 1, 2, 3, 4, 5, 6, SE/4 NW/4

Wells: Attachment III



Lease: Lovington Paddock Unit  
Description: Township 16 South, Range 36 East, NMPM  
Section 25: SE/4 and S/2 SW/4  
Section 35: E/2 E/2 and SW/4 SE/4  
Section 36: All  
Township 16 South, Range 37 East, NMPM  
Section 30: Lots 3,4, and SE/4 SW/4  
Section 31: Lots 1, 2, 3, 4, W/2 NE/4, E/2 NW/4, E/2 SW/4, SE/4  
Township 17 South, Range 36 East, NMPM  
Section 1: All  
Section 2: Lot 1 and E/2 SE/4  
Section 12: NE/4 and E/2 NW/4  
Township 17 South, Range 37 East, NMPM  
Section 6: Lots 1, 2, 3, 4,5,6,7, S/2 NE/4, SE/4 NW/4, NE/4 SW/4, NW/4  
SE/4  
Section 7: Lot 1  
  
Wells: Attachment II

The commingled gas production from these wells detailed above shall be measured and sold at the combined Lovington San Andres and Lovington Paddock CDP located in the in the NE/4 of Section 1, Township 17 South, Range 36 East NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

Each individual well shall be equipped with an individual gas meter for allocation purposes. Gas that has passed through the well meters will be commingled at the CDP. Two allocation meters will be installed at the CDP for each Unit, one for the San Andres Unit and the other for the Paddock Unit. The production will be commingled, then flows through a compressor onto a sale meter. The allocation of production will be based on the volumes of gas production from all of the wells in the Unit as measured through the two allocation meters.

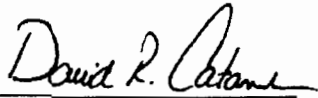
Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2).

**This approval is subject to like approval from the Bureau of Land Management and the New Mexico State Land Office before commencing commingling operations.**

The operator shall notify the Hobbs District office of the Division upon commencement of commingling operations.

DONE at Santa Fe, New Mexico, on January 13, 2016.



**DAVID R. CATANACH**  
Director

DRC/mam

cc: Oil Conservation Division District Office -- Hobbs  
Bureau of Land Management -- Carlsbad  
New Mexico State Land Office -- Oil, Gas, and Minerals