

From: [Becerra, Laura](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXT] RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs
Date: Wednesday, June 10, 2020 6:10:30 AM

Good morning Dean,

Yes, you are correct. Custody transfer occurs just South (or East since we have 2 take away points now) of the Section 10 compressor station.

Let me know if you have any other questions.

Laura

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Tuesday, June 09, 2020 5:18 PM
To: Becerra, Laura <LBecerra@chevron.com>
Subject: **[**EXTERNAL**]** RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

Hello Laura,

I may be missing it in the application, but do you know the location of the gas custody transfer meter? I see reference to it and guess it may be at the compressor station near CTB 10, but am unsure. Please confirm.

Dean McClure
Petroleum Specialist A, Oil Conservation Division
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(505) 476-3471

From: Becerra, Laura <LBecerra@chevron.com>
Sent: Monday, June 8, 2020 2:41 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

Yes, the API numbers are correct. I apologize, I must have transposed the numbers when I made the list. Attached is also the final COMM Agreement approval from the BLM.

Let me know if you need anything else, have a great rest of your day.

Laura

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, June 08, 2020 1:23 PM
To: Becerra, Laura <LBecerra@chevron.com>

Subject: [**EXTERNAL**] RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

Hello Laura,

As referenced in our phone conversation, below is the list of wells for this surface commingle. I have a total of 70 wells. Please note I corrected the API numbers for Cicada Unit 3H, 4H, 5H, and 6H. Are these correct?

30-015-43928	HH SO 8 P2 22H	D-17-26S-27E	98220	1
30-015-43927	HH SO 8 P2 21H	D-17-26S-27E	98220	1
30-015-43935	HH SO 8 P2 5H	D-17-26S-27E	98220	1
30-015-43934	HH SO 8 P2 6H	D-17-26S-27E	98220	1
30-015-43931	HH SO 8 P2 14H	D-17-26S-27E	98220	1
30-015-43933	HH SO 8 P2 13H	D-17-26S-27E	98220	1
30-015-45155	HH SO 17 20 Federal 001 4H	N-08-26S-27E	98220	1
30-015-45102	HH SO 17 20 Federal 001 5H	N-08-26S-27E	98220	1
30-015-45103	HH SO 17 20 Federal 001 6H	N-08-26S-27E	98220	1
30-015-45100	HH SO 17 20 Federal 001 1H	N-08-26S-27E	98220	1
30-015-45101	HH SO 17 20 Federal 001 2H	N-08-26S-27E	98220	1
30-015-45154	HH SO 17 20 Federal 001 3H	N-08-26S-27E	98220	1
30-015-45115	HH SO 8 5 Fed 003 1H	C-17-26S-27E	98220	1
30-015-45116	HH SO 8 5 Fed 003 2H	C-17-26S-27E	98220	1
30-015-45117	HH SO 8 5 Fed 003 3H	C-17-26S-27E	98220	1
30-015-45118	HH SO 8 5 Fed 003 4H	C-17-26S-27E	98220	1
30-015-45119	HH SO 8 5 Fed 003 5H	C-17-26S-27E	98220	1
30-015-45120	HH SO 8 5 Fed 003 6H	C-17-26S-27E	98220	1
30-015-45104	HH SO 17 20 Federal 002 1H	B-17-26S-27E	98220	1
30-015-45106	HH SO 17 20 Federal 002 3H	B-17-26S-27E	98220	1
30-015-45108	HH SO 17 20 Federal 002 5H	B-17-26S-27E	98220	1
30-015-45105	HH SO 17 20 Federal 002 2H	B-17-26S-27E	98220	1
30-015-45109	HH SO 17 20 Federal 002 6H	B-17-26S-27E	98220	1
30-015-45107	HH SO 17 20 Federal 002 4H	B-17-26S-27E	98220	1
30-015-45988	HH SO 8 5 Federal 004 2H	B-17-26S-27E	98220	1
30-015-45991	HH SO 8 5 Federal 004 5H	B-17-26S-27E	98220	1
30-015-45989	HH SO 8 5 Federal 004 3H	B-17-26S-27E	98220	1
30-015-45992	HH SO 8 5 Federal 004 6H	B-17-26S-27E	98220	1
30-015-45987	HH SO 8 5 Federal 004 1H	B-17-26S-27E	98220	1
30-015-45990	HH SO 8 5 Federal 004 4H	B-17-26S-27E	98220	1
30-015-43932	Cicada Unit 6H	N-03-26S-27E	98220	2
30-015-43926	Cicada Unit 5H	N-03-26S-27E	98220	2
30-015-43936	Cicada Unit 4H	N-03-26S-27E	98220	2
30-015-43937	Cicada Unit 3H	N-03-26S-27E	98220	2
30-015-43930	Cicada Unit 2H	N-03-26S-27E	98220	2
30-015-43929	Cicada Unit 1H	N-03-26S-27E	98220	2
30-015-44352	Cicada Unit 18H	M-03-26S-27E	98220	2
30-015-44354	Cicada Unit 17H	M-03-26S-27E	98220	2
30-015-44351	Cicada Unit 16H	M-03-26S-27E	98220	2
30-015-44353	Cicada Unit 15H	M-03-26S-27E	98220	2
30-015-44371	Cicada Unit 14H	M-03-26S-27E	98220	2

30-015-44367	Cicada Unit 13H	M-03-26S-27E	98220	2
30-015-46468	Cicada Unit 27H	O-03-26S-27E	98220	2
30-015-46469	Cicada Unit 28H	O-03-26S-27E	98220	2
30-015-46470	Cicada Unit 29H	O-03-26S-27E	98220	2
30-015-46898	Cicada Unit 30H	D-11-26S-27E	98220	2
30-015-46901	Cicada Unit 31H	D-11-26S-27E	98220	2
30-015-46913	Cicada Unit 32H	D-11-26S-27E	98220	2
30-015-44348	Cicada Unit 12H	I-35-25S-27E	98220	3
30-015-44345	Cicada Unit 11H	I-35-25S-27E	98220	3
30-015-44349	Cicada Unit 10H	I-35-25S-27E	98220	3
30-015-44350	Cicada Unit 9H	I-35-25S-27E	98220	3
30-015-44346	Cicada Unit 8H	I-35-25S-27E	98220	3
30-015-44347	Cicada Unit 7H	I-35-25S-27E	98220	3
30-015-46342	Cicada Unit 33H	O-26-25S-27E	98220	3
30-015-46343	Cicada Unit 34H	O-26-25S-27E	98220	3
30-015-46344	Cicada Unit 35H	O-26-25S-27E	98220	3
30-015-46345	Cicada Unit 36H	O-26-25S-27E	98220	3
30-015-45600	Cicada Unit 26H	B-35-25S-27E	98220	3
30-015-45720	Cicada Unit 24H	B-35-25S-27E	98220	3
30-015-45601	Cicada Unit 25H	B-35-25S-27E	98220	3
30-015-45602	Cicada Unit 23H	B-35-25S-27E	98220	3
30-015-46346	Cicada Unit 37H	N-26-25S-27E	98220	3
30-015-46347	Cicada Unit 38H	N-26-25S-27E	98220	3
30-015-46348	Cicada Unit 39H	N-26-25S-27E	98220	3
30-015-46349	Cicada Unit 40H	N-26-25S-27E	98220	3
30-015-45423	Cicada Unit 22H	D-35-25S-27E	98220	3
30-015-45425	Cicada Unit 20H	D-35-25S-27E	98220	3
30-015-45424	Cicada Unit 21H	D-35-25S-27E	98220	3
30-015-45426	Cicada Unit 19H	D-35-25S-27E	98220	3

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From: Becerra, Laura <LBecerra@chevron.com>
Sent: Friday, April 3, 2020 1:31 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

Hello Mr. McClure,

I finally got the map, here is a copy. I am also attaching a copy of a sundry we submitted a couple of days ago to replace the previous request to the BLM. This is not in addition to the one I submitted in the application, this replaces the one in the application. I apologize for the confusion but the BLM requested a couple of changes to the wording in the letter and the site diagrams. This is for your records, I don't know

if you need it.

I hope I wasn't too confusing.

Have a great weekend,

Laura

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Sent: Monday, March 30, 2020 6:53 PM

To: Becerra, Laura <L.Becerra@chevron.com>

Subject: **[**EXTERNAL**]** RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

If they have a map with it, it would definitely be more convenient than piecing it together from the individual C-102 maps.

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From: Becerra, Laura <L.Becerra@chevron.com>

Sent: Monday, March 30, 2020 1:34 PM

To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Subject: [EXT] RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

Perfect, I will be in touch I'm working on the rest of the information. Do you want the "Hayhurst Work Area" map (attached) with all the wells? I want to confirm before I ask land.

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Sent: Monday, March 30, 2020 1:49 PM

To: Becerra, Laura <L.Becerra@chevron.com>

Subject: **[**EXTERNAL**]** RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

Thank you, I have not opened them all, but at least 1 from each batch is opening fine for me. I will let you know if I run into any problems.

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From: Becerra, Laura <L.Becerra@chevron.com>
Sent: Monday, March 30, 2020 12:46 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] FW: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

And these are the last C-102s

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, March 30, 2020 12:11 PM
To: Becerra, Laura <L.Becerra@chevron.com>
Subject: [**EXTERNAL**] RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

Email them directly to me please.

I think I know how the facility is being designed to meet the BLM's requirements; the method you described seems the same as how other Operators are proceeding, but confirmation is always good.

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From: Becerra, Laura <L.Becerra@chevron.com>
Sent: Monday, March 30, 2020 10:50 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

I will get you those C-102s right now. Give me 30 minutes to make the files as small as possible. I can upload them to the OCD's eDocs website or email them to you, whichever is best for you.

Let me talk to Jenna about her conversation with the BLM. I feel like we need a bit more information to be on the same page.

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, March 30, 2020 10:50 AM
To: Becerra, Laura <L.Becerra@chevron.com>
Subject: [**EXTERNAL**] RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

Hello Ms. Becerra,

Yes, please email the files with the C-102s to me.

The BLM allows royalties to be computed prior to custody transfer which then allows a surface commingle

to not be required for commingling past that point I believe. Per the NMAC, any commingling of production prior to custody transfer requires a surface commingle for the state. I believe to get around this, Chevron would essentially need to sell their gas down the midstream pipeline and then buy the gas back from the midstream company. However, I am unsure if there is a way to do this royalty free for state and private minerals.

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From: Becerra, Laura <L.Becerra@chevron.com>
Sent: Monday, March 30, 2020 5:43 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

Good morning Mr. McClure,

I hope you doing well and staying safe. I have also been working from home and I'm unable to reprint the C-102s or check to see if the mail room had a chance to ship them before we were mandated to work from home.

Would you like for me to upload them electronically? I will have to do several files but I don't mind. Let me know and we can try it.

I don't have a lease map but I will ask for the landmap if he can put one together. Also, the facilities engineer discussed the application with the BLM reviewer and he suggested that instead of a commingling application we request approval to utilize a gas lift buy back meter downstream of the FMP which will be maintained at an FMP level to allow for gas lift of wells royalty free.

That might not be relevant to you but I will be submitting a new request to the BLM, I will send you a copy for your records but I wanted to give you a heads up. I was not part of the meeting so I don't have more details but if you need more information let me know and I can get the facilities engineer to give you a call.

I will get with land and work on your request. Let me know about the C-102s and we can try it today.

Have a great day,

Laura

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, March 27, 2020 6:11 PM
To: Becerra, Laura <L.Becerra@chevron.com>
Subject: **[**EXTERNAL**]** Surface Commingle Application for the Hayhurst 9, 10, 35 CTBs

Hello Ms. Becerra,

I am reviewing the surface commingle application (CTB-947) for the Hayhurst 9, 10, 35 CTBs operated by Chevron USA, Inc.

You had mentioned you were mailing the C-102s for this application. The OCD is currently teleworking, can you email these to me instead?

Additionally, do you have a lease map with the laterals for the wells marked on it?

There is a different manner of allocation which the OCD is getting input from NMOGA and IPANM on currently. Until I see which units the wells from all the trains are producing from, it is hard for me to say if this different manner of allocation will be of benefit to this application.

Dean McClure
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