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		gical & Engi	NSERVATION neering Bure e, Santa Fe, I	au –	
			LICATION C		
	THIS CHECKLIST IS MANDATORY FOR REGULATIONS WHICH				
•••	Chevron USA Inc				Number: <u>4323</u>
	Keel A Fed #2				-025-33339
'001: <u>10Ung;</u>	Grayburg, South			POOLC	ode: <u>96626</u>
SUBMIT ACC	URATE AND COMPLETE I		N REQUIRED TO	O PROCESS TH	HE TYPE OF APPLICATION
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[ <u>1]</u> C	k one only for [ ]] or [ I] ommingling – Storage – DHC CTB njection – Disposal – Pres	Measureme ]PLC	; □OLS e – Enhanced	□OLM I Oil Recover □PPR	у
AOf BR C Ar D No E No F Su G Fo	ION REQUIRED TO: Check fset operators or lease h oyalty, overriding royalty oplication requires publis otification and/or concu rface owner r all of the above, proof o notice required	olders owners, reve shed notice urrent approv urrent approv	enue owners ral by SLO ral by BLM	ion is attache	FOR OCD ONLY Notice Complete Application Content Complete
administra understan	<b>(ION:</b> I hereby certify the tive approval is <b>accurat</b> d that <b>no action</b> will be t hs are submitted to the [	e and comp taken on this	lete to the be	st of my knov	vledge. I also
	Note: Statement must be com	pleted by an indi	vidual with manage	erial and/or supe	visory capacity.
Cindy Herrera			Da	11/12/2019	
Print or Type Na	me				
And				575-263-0431	Phone Number
Cindytonne-1	Murillo				
					o@chevron.com
Signature				Cherreramurill mail Address	owcnevron.com



**Cindy Herrera-Murillo** Regulatory Specialist Midcontinent BU Chevron North America Exploration and Production Company (A Chevron U.S.A. Inc. Division) 1616 W. Bender Blvd Room 134 Hobbs FMT, Hobbs, NM 88240 Tel 575-263-0431 Cherreramurillo@chevron.com

July 28, 2020

Oil Conservation Division Attn: Engineering Department 1220 St. Francis Drive Santa Fe, NM87505

Application for surface commingle, Lusk;Strawn North, Young; Grayburg South and Young, San Andres South, Lea County, NM (T18S, R32E, Section 33)

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas and water production from the Lusk;Strawn, North; Young Grayburg, South and Young;Grayburg, South Oil Pools through Chevron's Keel Federal Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. The wells producing to this battery, include the Keel A Federal #3 Strawn and Keel A Federal #4 Young, Grayburg, South and Young, San Andres, South Completion and Keel A Federal #2 Young, Grayburg, South completion. These wells are located in Section 33, T 18S, R 32E in Lea County, New Mexico.

The working interest owners vary in the zones, detailed below. The well is located on federal leases NMNM 0556094 and NMNM24161 and the royalty rate is identical for all zones involved in this request. These wells were completed in the 1996 & 1998. The Keel A Federal #3 Strawn, Keel A Federal #4 Grayburg, and Keel A Federal #2 Grayburg will be tested continuously through turbine meters installed on heater treaters and the gas allocation meter. There are two oil tanks at the CTB that the wells utilize and total oil will be measured by having a qualified field personnel gauge.

Sincerely,

nortenne-Murillo

Cindy Herrera-Murillo Permitting Specialist

### APPLICATION FOR COMMINGLING and OFF LEASE MEASUREMENT AT A COMMON CENTRAL TANK BATTERY

Proposal for commingling all oil, water, and gas for the Keel wells. Proposal to commingle the oil, water, and some entrained gas for the Keel A Federal wells in the Strawn and Grayburg.

Proposal for Keel Central Tank Battery

Chevron USA Inc. is requesting approval for the Commingling of oil and gas.

Well Names	Locations	API Numbers	Pool	Oil BOPD	Gas MCFPD
Keel A Fed #3	33-18S- 32E	30-025- 3340	Strawn (Oil)	0.2	1.2
Keel A Fed #4	33-18S- 32E	30-025- 33499	Grayburg (Oil)	2.2	1.0
Keel A Fed #2	33-18S- 32E	30-025- 33339	Grayburg (Oil)	9.3	2.0

### Oil & Gas metering:

The production from the Keel A Federal #3 Strawn, Keel A Federal #4 Grayburg, and Keel A Federal #2 Grayburg will go into a common heater treater; there is another identical heater treater onsite in parallel for individual well tests. These wells will be routinely tested to quantify oil, and water via turbine meters installed on the heater treater and the gas allocation meter. There are two oil tanks at the centralized tank battery that the wells will utilize and total oil will be measured by having qualified field personnel gauge the tanks. The CTB is located in the NWSE of Section 33, Township 18S, Range 32E on Federal Lease NMNM 24161. Each wells share of the central tank battery's total production will be calculated based on the results of subtracting the continuous meter values from the total production. This ratio will be applied to the total oil production metered by tank gauging. This method will also be applied to the total gas production metered by the Targa Sales meter. The produced water will go to one common water tank on location.

These allocation meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

#### **Process and Flow Descriptions:**

The flow of production is shown in detail on the enclosed process flow diagram and facility diagram maps which show the lease boundaries, well locations, flow line location, CTB, and gas sales meter. The commingling of this production is the most effective economical means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce footprint, reduce traffic, and lower overall emissions.

Chevron U.S.A. Inc. understands that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

All royalty and overriding interest owners have been notified.

Printed Name: Abbey Mears Title: Facilities Engineer Date: 10/28/2019

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA INC KEEL A FEDERAL WELLS

<b>Economic Justification Work Sheet</b>	ī
Keel Central Tank Battery	

Unit	Royalty Rate	Federal Tract Percentage of Total Unit Area	BOPD	Oil Gra vity	Value / BBL	MCFPD	DRY BTU	Value / MCF
Keel A Fed #3 Strawn	12.5%	100%	0.2	34.8	53.04	1.2	1545	0.28
Keel A Fed #4 Grayburg	12.5%	100%	2.2	25	53.86	1.0	1315	0.28
Keel A Fed #2 Grayburg	12.5%		9.3	25	53.61	2.0	1315	0.28

Economic combined gas production	BOPD	Oil Gra vity	Value / BBL	MCFPD	DRY BTU	Value / MCF
	11.7	25.2	53.65	4.2	1381	0.28

Printed Name: Byron Dale Title: Production Engineer Date: 11/12/2019

# APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA INC KEEL A FEDERAL WELLS

#### APPLICATION FOR COMMINGLING OF KEEL WELLS

### OWNERSHIP INFORMATION

Well NAME	INTEREST TYPE	INTEREST %	NAME	ADDRESS	CITY	STATE	ZIP CODE
KEEL A FEDERAL 3	WI	0.02119140	SHERRFIVE LP, A TEXAS LIMITED PARTNERSHIP	812 EAGLE POINTE	MONTGOMERY	ТΧ	77316
KEEL A FEDERAL 3	WI	0.00581250	PHIL H WELDON, C/O DOROTHY ALLMAN BOOKKEEPING	PO BOX 2707	LAS CRUCES	NM	88004-2707
KEEL A FEDERAL 3	WI	0.00096875	CAROL LOUISE JOHNSON REV TRUST 2004, CAROL LOUISE JOHNSON TRUSTEE	1617 VALDEZ NE	ALBUQUERQUE	NM	87112
KEEL A FEDERAL 3	WI	0.00193750	HILTY TEST TRST, CNB BANK	P O BOX 1359	CARLSBAD	NM	88220
KEEL A FEDERAL 3	WI	0.00807291	MONICA CELESTE MANN, JUDITH K TORTORICI POA	15222 SPRINGS COR	SAN ANTONIO	TX	78247-1693
KEEL A FEDERAL 3	WI	0.00807291	MONICA CELESTE MANN, JUDITH K TORTORICI POA	15222 SPRINGS COR	SAN ANTONIO	ТΧ	78247-1693
KEEL A FEDERAL 3	WI	0.00290625	LLOYD GERALD WAYNE ESTATE, MARK L WAYNE PERS REP	2600 NANTUCKET UNIT A	HOUSTON	ТΧ	77057
KEEL A FEDERAL 3	WI	0.00193750	ROBERTS FAMILY REV LVG TRST, MARTHA L ROBERTS TRUSTEE	3101 CASTLE ROCK RD, VILLA #58	OKLAHOMA CITY	OK	73120
KEEL A FEDERAL 3	WI	0.01211583	SNOW OIL & GAS INC	P O BOX 1277	ANDREWS	TX	79714-1277
KEEL A FEDERAL 3	WI	0.60254501	CHEVRON USA INC	PO BOX 4791	HOUSTON	TX	77210-4791
KEEL A FEDERAL 3	WI	0.00302734	BEAN FAMILY LIMITED COMPANY	PO BOX 1738	ROSWELL	NM	88202-1738
KEEL A FEDERAL 3	RI	0.12500000	OFFICE OF NATURAL RESOURCES REVENUE	PO BOX 25627	DENVER	CO	80225-0627
KEEL A FEDERAL 3	WI	0.00605792	CENTERPOINT RESOURCES INC	PO BOX 1821	MIDLAND	TX	79702
KEEL A FEDERAL 3	WI	0.00096875	ANN C JOHNSON	13408 SUMMIT HILLS PL NE	ALBUQUERQUE	NM	87112
KEEL A FEDERAL 3	WI	0.02119141	S & C CONSTRUCTION INC	PO BOX 1509	WHITEFISH	MT	59937
KEEL A FEDERAL 3	OR	0.05000000	SMITH FAMILY TRUST DTD 3/28/01	1771 S NIAGARA WAY	DENVER	CO	80224
KEEL A FEDERAL 3	WI	0.02421875	JUDITH A WEST	PO BOX 1948	CULLMAN	AL	35056
KEEL A FEDERAL 3	WI	0.00807292	T CARLOTTA FRANCIS	4909 EVERGREEN DR	FARMINGTON	NM	87402
KEEL A FEDERAL 3	WI	0.00807292	DEBORAH R BADGER	PO BOX 1726	OGDEN	υτ	84401-1726
KEEL A FEDERAL 3	WI	0.00302734	READ & STEVENS INC	P O BOX 1518	ROSWELL	NM	88202-1518
KEEL A FEDERAL 3	OR	0.01925000	FORAN OIL CO	5400 LBJ FRWY, STE 1500	DALLAS	TX	75240-1017
KEEL A FEDERAL 3	WI	0.04940625	MARATHON OIL PERMIAN LLC	5555 SAN FELIPE ST	HOUSTON	TX	77056
KEEL A FEDERAL 3	WI	0.00807292	T CARLOTTA FRANCIS	4909 EVERGREEN DR	FARMINGTON	NM	87402
KEEL A FEDERAL 4	WI	0.00807292	DEBORAH R BADGER	PO BOX 1726	OGDEN	υτ	84401-1726

I have verified that this information is correct.

Lee Smitherman

Land Representative

## APPLICATION FOR COMMINGLING OF KEEL WELLS

## **OWNERSHIP INFORMATION**

WELL NAME	INTEREST TYPE	INTEREST %	NAME	ADDRESS	CITY	STATE	ZIP CODE
KEEL FEDERAL 2	WI	0.00109375	ANN C JOHNSON	13408 SUMMIT HILLS PL NE	ALBUQUERQUE	NM	87112
KEEL FEDERAL 2	WI	0.00341797	BEAN FAMILY LIMITED COMPANY	PO BOX 1738	ROSWELL	NM	88202-1738
KEEL FEDERAL 2	WI	0.00109375	CAROL LOUISE JOHNSON REV TRUST 2004, CAROL LOUISE JOHNSON TRUSTEE	1617 VALDEZ NE	ALBUQUERQUE	NM	87112
KEEL FEDERAL 2	WI	0.00109375	CENTERPOINT RESOURCES INC	PO BOX 1821	MIDLAND	ТΧ	79702
KEEL FEDERAL 2	WI	0.15312500	CHEVRON USA INC	PO BOX 4791	HOUSTON	ТΧ	77210-4791
KEEL FEDERAL 2	WI	0.44026250	CHEVRON USA INC	PO BOX 4791	HOUSTON	ТΧ	77210-4791
KEEL FEDERAL 2	CW	0.00218750	CHEVRON USA INC - CARRIED INT ONLY	PO BOX 4791	HOUSTON	ТΧ	77210-4791
KEEL FEDERAL 2	WI	0.00911459	DEBORAH R BADGER	PO BOX 1728	OGDEN	υT	84401-1726
KEEL FEDERAL 2	WI	0.00911459	DEBORAH R BADGER	PO BOX 1728	OGDEN	υT	84401-1726
KEEL FEDERAL 2	CW	0.00218750	HILTY TEST TRST, CNB BANK	P O BOX 1359	CARLSBAD	NM	88220
KEEL FEDERAL 2	OR	0.00683594	JUDITH A WEST	PO BOX 1948	CULLMAN	AL	35056
KEEL FEDERAL 2	CW	0.00328125	LLOYD GERALD WAYNE ESTATE, MARK L WAYNE PERS REP	2600 NANTUCKET UNIT A	HOUSTON	TX	77057
KEEL FEDERAL 2	CW	0.00218750	MARATHON OIL PERMIAN LLC	5555 SAN FELIPE ST	HOUSTON	TX	77056
KEEL FEDERAL 2	WI	0.05359375	MARATHON OIL PERMIAN LLC	5555 SAN FELIPE ST	HOUSTON	TX	77056
KEEL FEDERAL 2	OR	0.02500000	MARK OVERLAND	515 CHAPALA DRIVE	PACIFIC PALISADES	CA	90272
KEEL FEDERAL 2	WI	0.00911458	MONICA CELESTE MANN, JUDITH K TORTORICI POA	15222 SPRINGS COR	SAN ANTONIO	ТΧ	78247-1693
KEEL FEDERAL 2	WI	0.00911458	MONICA CELESTE MANN, JUDITH K TORTORICI POA	15222 SPRINGS COR	SAN ANTONIO	ТΧ	78247-1693
KEEL FEDERAL 2	RI	0.12500000	OFFICE OF NATURAL RESOURCES REVENUE	PO BOX 25627	DENVER	CO	80225-0627
KEEL FEDERAL 2	CW	0.00656250	PHIL H WELDON, C/O DOROTHY ALLMAN BOOKKEEPING	PO BOX 2707	LAS CRUCES	NM	88004-2707
KEEL FEDERAL 2	WI	0.00341797	READ & STEVENS INC	P O BOX 1518	ROSWELL	NM	88202-1518
KEEL FEDERAL 2	WI	0.00218750	ROBERTS FAMILY REV LVG TRST, MARTHA L ROBERTS TRUSTEE	3101 CASTLE ROCK RD, VILLA #58	OKLAHOMA CITY	ОК	73120
KEEL FEDERAL 2	WI	0.02392578	S & C CONSTRUCTION INC	PO BOX 1509	WHITEFISH	MT	59937
KEEL FEDERAL 2	WI	0.02392578	SHERRFIVE LP, A TEXAS LIMITED PARTNERSHIP	812 EAGLE POINTE	MONTGOMERY	ТХ	77316
KEEL FEDERAL 2	WI	0.03774531	SNOW OIL & GAS INC	P O BOX 1277	ANDREWS	ТΧ	79714-1277
KEEL FEDERAL 2	WI	0.00218750	SNOW OIL & GAS INC	P O BOX 1277	ANDREWS	ТΧ	79714-1277
KEEL FEDERAL 2	OR	0.02500000	SYLVIA NICOLETTI	PO BOX 744	ZEPHYR COVE	NV	89448
KEEL FEDERAL 2	WI	0.00911458	T CARLOTTA FRANCIS	4909 EVERGREEN DR	FARMINGTON	NM	87402
KEEL FEDERAL 2	WI	0.00911458	T CARLOTTA FRANCIS	4909 EVERGREEN DR	FARMINGTON	NM	87402

I have verified that this information is correct.

Lee Smitherman

Land Representative

#### APPLICATION FOR COMMINGLING OF KEEL WELLS

#### OWNERSHIP INFORMATION

WELL NAME	INTEREST TYPE	INTEREST %	NAME	ADDRESS	CITY	STATE	ZIP CODE
KEEL FEDERAL 4	WI	0.02392578	SHERRFIVE LP, A TEXAS LIMITED PARTNERSHIP	812 EAGLE POINTE	MONTGOMERY	TX	77316
KEEL FEDERAL 4	WI	0.00656250	PHIL H WELDON, C/O DOROTHY ALLMAN BOOKKEEPING	PO BOX 2707	LAS CRUCES	NM	88004-2707
KEEL FEDERAL 4	WI	0.00109375	CAROL LOUISE JOHNSON REV TRUST 2004, CAROL LOUISE JOHNSON TRUSTEE	1617 VALDEZ NE	ALBUQUERQUE	NM	87112
KEEL FEDERAL 4	CW	0.00218750	HILTY TEST TRST, CNB BANK	P O BOX 1359	CARLSBAD	NM	88220
KEEL FEDERAL 4	WI	0.00911458	MONICA CELESTE MANN, JUDITH K TORTORICI POA	15222 SPRINGS COR	SAN ANTONIO	TX	78247-1693
KEEL FEDERAL 4	WI	0.00911458	MONICA CELESTE MANN, JUDITH K TORTORICI POA	15222 SPRINGS COR	SAN ANTONIO	TX	78247-1693
KEEL FEDERAL 4	CW	0.00328125	LLOYD GERALD WAYNE ESTATE, MARK L WAYNE PERS REP	2600 NANTUCKET UNIT A	HOUSTON	TX	77057
KEEL FEDERAL 4	WI	0.00218750	ROBERTS FAMILY REV LVG TRST, MARTHA L ROBERTS TRUSTEE	3101 CASTLE ROCK RD, VILLA #58	OKLAHOMA CITY	OK	73120
KEEL FEDERAL 4	CW	0.00218750	CHEVRON USA INC - CARRIED INT ONLY	PO BOX 4791	HOUSTON	ТΧ	77210-4791
KEEL FEDERAL 4	CW	0.00218750	MARATHON OIL PERMIAN LLC	5555 SAN FELIPE ST	HOUSTON	TX	77056
KEEL FEDERAL 4	OR	0.00683594	JUDITH A WEST	PO BOX 1948	CULLMAN	AL	35056
KEEL FEDERAL 4	OR	0.02500000	MARK OVERLAND	515 CHAPALA DRIVE	PACIFIC PALISADES	CA	90272
KEEL FEDERAL 4	OR	0.02500000	SYLVIA NICOLETTI	PO BOX 744	ZEPHYR COVE	NV	89448
KEEL FEDERAL 4	RI	0.12500000	OFFICE OF NATURAL RESOURCES REVENUE	PO BOX 25627	DENVER	00	80225-0627
KEEL FEDERAL 4	WI	0.00109375	ANN C JOHNSON	13408 SUMMIT HILLS PL NE	ALBUQUERQUE	NM	07112
KEEL FEDERAL 4	WI	0.00341797	BEAN FAMILY LIMITED COMPANY	PO BOX 1738	ROSWELL	NM	88202-1738
KEEL FEDERAL 4	WI	0.00109375	CENTERPOINT RESOURCES INC	PO BOX 1821	MIDLAND	TX	79702
KEEL FEDERAL 4	WI	0.44026250	CHEVRON USA INC	PO BOX 4791	HOUSTON	TX	77210-4791
KEEL FEDERAL 4	WI	0.15312500	CHEVRON USA INC	PO BOX 4791	HOUSTON	TX	77210-4791
KEEL FEDERAL 4	WI	0.00911459	DEBORAH R BADGER	PO BOX 1726	OGDEN	υT	84401-1726
KEEL FEDERAL 4	WI	0.00911459	DEBORAH R BADGER	PO BOX 1726	OGDEN	UT	84401-1726
KEEL FEDERAL 4	WI	0.05359375	MARATHON OIL PERMIAN LLC	5555 SAN FELIPE ST	HOUSTON	ΤХ	77056
KEEL FEDERAL 4	WI	0.00341797	READ & STEVENS INC	P O BOX 1518	ROSWELL	NM	88202-1518
KEEL FEDERAL 4	WI	0.02392578	S & C CONSTRUCTION INC	PO BOX 1509	WHITEFISH	MT	59937
KEEL FEDERAL 4	WI	0.03774531	SNOW OIL & GAS INC	P O BOX 1277	ANDREWS	TX	79714-1277
KEEL FEDERAL 4	WI	0.00218750	SNOW OIL & GAS INC	P O BOX 1277	ANDREWS	TX	79714-1277
KEEL FEDERAL 4	WI	0.00911458	T CARLOTTA FRANCIS	4909 EVERGREEN DR	FARMINGTON	NM	37402
KEEL FEDERAL 4		0.00911458	T CARLOTTA FRANCIS	4909 EVERGREEN DR	FARMINGTON	NM	37402

I have verified that this information is correct.

Lee Smitherman

Land Representative

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# APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA INC KEEL A FEDERAL WELLS

CERTIFIED MAILING LIST

Respondant Name/Address:	Certified Receipt #
Ann Johnson 13408 Summit Hills Pl NE Albuquerque, NM 87112	7019 0140 0000 2645 3235
Bean Family Limited Co PO Box 1738 Roswell, NM 88202-1738	7019 0140 0000 2645 3242
Carol Louise Johnson Rev Trust 1617 Valdez NE Albuquerque, NM 87112	7019 0140 0000 2645 3259
Centerpoint Resources Inc PO Box 1821 Midland, TX 79702	7019 0140 0000 2645 3266
Chevron USA Inc PO Box 4791 Houston, TX 75210-4791	7019 0140 0000 2645 3273
Deborah R. Badger PO Box 1726 Ogden, UT 84401-1726	7019 0140 0000 2645 3433
Hilty Test Trust, CNB Bank PO Box 1359 Carlsbad, NM 88220	7019 0140 0000 2645 3280
Judith A West PO Box 1948 Cullman, AL 35056	7019 0140 0000 2645 3297
Lloyd Gerald Wayne Estate Mark L. Wayne Pers Rep 2600 Nantucket Unit A Houston, TX 77057	7019 0140 0000 2645 3303
Marathon Oil Permian LLC 5555 San Felipe St Houston, TX 77056	7019 0140 0000 2645 3310

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## Page 8 of 13

	CERTIFIED MAILING LIST
Mark Overland 515 Chalupa Dr	7019 0140 0000 2645 3327
Pacific Palisades, CA 90272 Monica Celeste Mann,	7019 0140 0000 2645 3334
Judith K Tortorici POA 15222 Springs Cor San Antonio, TX 78247-1693	
Office of Natural Resources Rev P O Box 25627 Denver, CO 80225-0627	7019 0140 0000 2645 3341
Phil H <u>Weldon</u> C/O Dorothy Allman Bookkeeping PO Box 2707 Las Cruces, NM 88004-2707	7019 0140 0000 2645 3358
Read & Stevens Inc P O Box 1518 Roswell, NM 88202-1518	7019 0140 0000 2645 3365
Roberts Family Rev Lyg Trust Martha L. Roberts Trustee 3103 Castle Rock Rd, Villa #58 Oklahoma City, OK 73120	7019 0140 0000 2645 3372
S&C Construction PO Box 1509 Whitefish, MT 59937	7019 0140 0000 2645 3389
Sherrfive LP, A Texas Limited Partnership 812 Eagle Pointe Montgomery, TX 77316	7019 0140 0000 2645 3396
Snow Oil & Gas Inc P O Box 1277 Andrews, TX 79714-1277	7019 0140 0000 2645 3402
Sylvia Nicoletti P O Box 744 Zephyr Cove, NV 89448	7019 0140 0000 2645 3419

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## APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA INC KEEL A FEDERAL WELLS

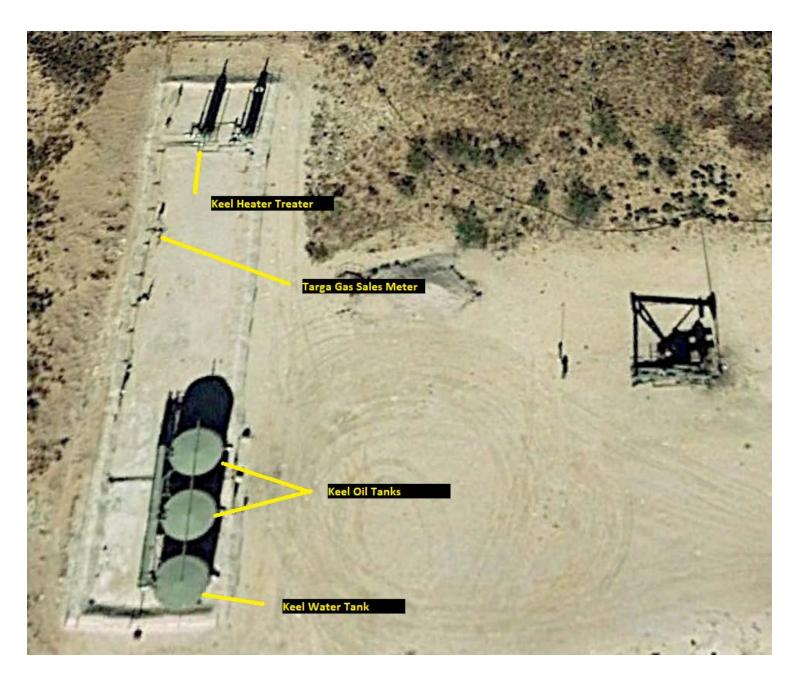
CERTIFIED MAILING LIST

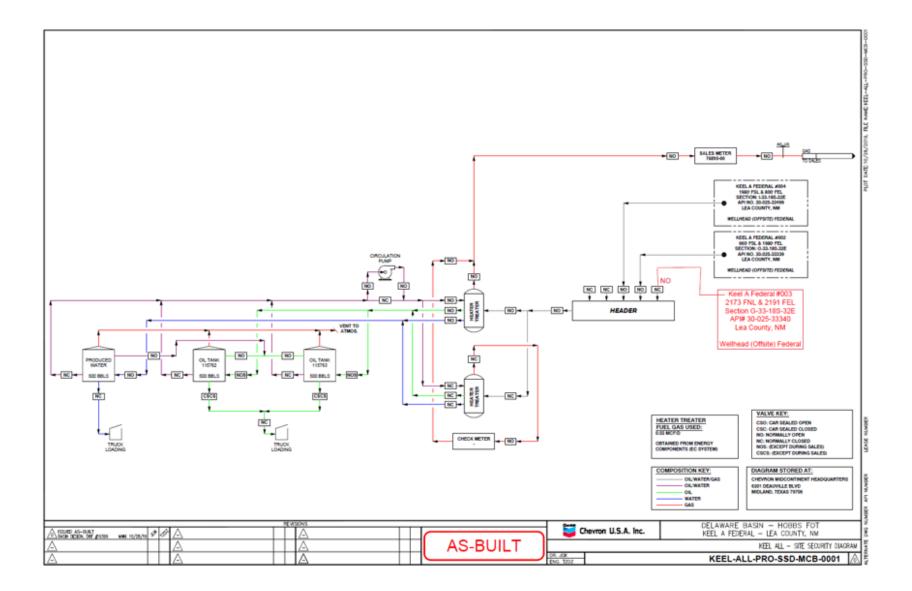
T. Carlotta Francis 4909 Evergreen Dr Farmington, NM 87402 7019 0140 0000 2645 3426

Sate of NM Land Office PO Box 1148 Santa Fe, NM 87504

.

7019 0140 0000 2645 3440





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APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA INC KEEL A FEDERAL WELLS



Cindy Herrera-Murillo Regulatory Specialist Midcontinent BU Chevron North America Exploration and Production Company (A Chevron U.S.A. Inc. Division) 1616 W. Bender Blvd Room 134 Hobbs FMT, Hobbs, NM 88240 Tel 575-263-0431

Cherreramurillo@chevron.com

October 24, 2019

Bean Family Limited Co. PO Box 1738 Roswell, NM 88202-1738

Re: Application for Surface Commingle

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas and water production from the Lusk;Strawn, North; Young Grayburg, South and Young;Grayburg, South Oil Pools through Chevron's Keel Federal Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. The well producing to this battery, which includes the Keel A Federal #3 Strawn and Keel A Federal #4 Young, Grayburg, South and Young, San Andres, South Completion and Keel A Federal #2 Young, Grayburg, South completion. These wells are located in Section 33, T 18S, R 32E in Lea County, New Mexico.

The working interest owners vary in the zones, detailed below. The well is located on federal leases NMNM 0556094 and NMNM24161 and the royalty rate is the same for all zones involved in this request. These wells were completed in the 1996 & 1998. The Keel A Federal #3 Strawn, Keel A Federal #4 Grayburg, and Keel A Federal #2 Grayburg will be tested continuously through turbine meters installed on heater treaters and the gas allocation meter. There are two oil tanks at the CTB that the wells utilize and total oil will be measured by having a qualified field personnel gauge.

Any objections to this commingle must be sent to the New Mexico Conservation Division;1220 South St. Francis Drive; Santa Fe, NM 87504, within 20 days of receipt of this notification. If you require additional information, please contact me at 575-263-0431 or <u>Cherreramurillo@chevron.com</u>.

