

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



March 6, 2013

COMMINGLING ORDER PLC-38-B
Administrative Application Reference No. pPRG1304253062

Chevron MidContinent, L.P.
15 Smith Road
Midland, Texas 79705

Attention: Ms. Carolyn Haynie

The above-named company is hereby authorized to surface commingle oil and gas production from the Drinkard Pool (Oil – 19190) and Blinebry Oil & Gas (Oil – 06660) Pool, originating from the following-described fee leases in Lea County, New Mexico:

Lease Name: J. G. Randle Lease
Description: SW/4 NE/4 of Section 20, Township 21 South, Range 37 East, NMPM;

Wells: J. G. Randle Well No. 1 (API No. 30-025-06680), Unit G
Pools: Blinebry Oil & Gas Pool; Dedicated Acreage: SW/4 NE/4

Lease Name: J. G. Randle "A" Lease
Description: SE/4 NW/4 of Section 20, Township 21 South, Range 37 East, NMPM;

Wells: J. G. Randle "A" Well No. 1 (API No. 30-025-06681), Unit F
Pools: Drinkard Pool; Dedicated Acreage SE/4 NW/4

It is our understanding that ownership is not identical between the wells/leases, and that you have given due notice to all persons entitled to receive distribution of proceeds from either of the referenced wells.

Due to marginal production from these wells, you are hereby authorized to allocate production from these wells by separately metering production from the J.G. Randle Lease, and determining production allocable to the J.G. Randle A Lease by subtracting from the production of the commingled stream measured at the sales meter.

Production from the subject wells shall be transported and sold at the tank battery located in the SE/4 NW/4 of Section 20.

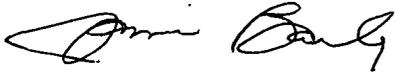
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It is the responsibility of the operator to notify the transporter of this commingling authority. The operator shall notify the Hobbs District Office of the Division upon commencement of commingling operations.

Remarks: Order No. PLC-38-B supersedes Amended Commingling Order PLC-38 dated October 25, 1991 and Commingling Order PLC-38-A dated March 7, 2007. This amended order continues operator's authorization to meter the production from the subject wells without having to utilize temperature compensated meters and samplers.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office