

State of New Mexico
Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



July 21, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-478
Administrative Application Reference No. pMAM1718657597

CHEVRON USA INC.
Attention: Ms. Denise Pinkerton

Pursuant to your application received on June 30, 2017, Chevron USA Inc. (OGRID 4323) is hereby authorized to surface commingle oil and gas production from the following pools located Township 26 South, Range 33 East, NMPM, Lea County, New Mexico;

WC-025 G-06 S263319P; BONE SPRING (97955)
WC-025 G-09 S263327G; UPPER WOLFCAMP (98097)

and from the following diversely owned federal wells and leases in said Section, Township, and Range in Lea County, New Mexico.

Lease: Pending Federal Bone Spring Communitization Agreement
Description: Entire Section 29, and Lot 1, Lot 2, Lot 3, Lot 4, and N/2 N/2 (entire section equivalent) of Irregular Section 32, Township 26 South, Range 33 East, NMPM
Wells: Mooses Tooth 29 26 33 Federal Com. Well No. 1H API 30-025-42168
Salado Draw 29 26 33 Federal Com. Well No. 1H API 30-025-42629
Salado Draw 29 26 33 Federal Com. Well No. 2H API 30-025-42637
Salado Draw 29 26 33 Federal Com. Well No. 3H API 30-025-42638
Salado Draw 29 26 33 Federal Com. Well No. 4H API 30-025-42639
Salado Draw 29 26 33 Federal Com. Well No. 5H API 30-025-42440
Salado Draw 29 26 33 Federal Com. Well No. 6H API 30-025-42441
Salado Draw 29 26 33 Federal Com. Well No. 8H API 30-025-42442
Salado Draw 29 26 33 Federal Com. Well No. 8H API 30-025-42443
Pool: WC-025 G-06 S263319P; Bone Spring

Lease: Pending Federal Wolfcamp Communitization Agreement
Description: E/2 Section 29, and Lot 1, Lot 2, and N/2 NE/4 (NE/4 equivalent) of Irregular Section 32, Township 26 South, Range 33 East, NMPM
Wells: SD EA 29 Federal Com. P8 Well No. 9H API 30-025-43268
SD EA 29 Federal Com. P8 Well No. 10H API 30-025-43269
SD EA 29 Federal Com. P8 Well No. 11H API 30-025-43270
SD EA 29 Federal Com. P8 Well No. 12H API 30-025-43271
Pool: WC-025 G-09 S263327G; Upper Wolfcamp

The combined project area for these wells include the entire Section 29, and entire Irregular Section 32, all in Township 26 South, Range 33 East, NMPM, Eddy County, New Mexico.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Salado Draw 29 Central Tank Battery (CTB), located in Unit P, Section 19, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from the Mooses Tooth 29 26 33 Federal Com. Well No. 1H, Salado Draw 29 26 33 Federal Com. Well No. 2H, Salado Draw 29 26 33 Federal Com. Well No. 3H, Salado Draw 29 26 33 Federal Com. Well No. 4H, Salado Draw 29 26 33 Federal Com. Well No. 5H, Salado Draw 29 26 33 Federal Com. Well No. 6H, Salado Draw 29 26 33 Federal Com. Well No. 7H, and Salado Draw 29 26 33 Federal Com. Well No. 7H shall be measured with a combination of well testing and metering, listed as Train 1 in the surface facility diagram. Oil and gas production shall be metered before commingling with other leases.

The oil and gas production from the SD EA 29 Federal Com. Well No. 8H, SD EA 29 Federal Com. Well No. 9H, SD EA 29 Federal Com. Well No. 10H, SD EA 29 Federal Com. Well No. 11H, and SD EA 29 Federal Com. Well No. 12H shall be measured with a combination of well testing and metering listed as Train 2 in the surface facility diagram. Oil and gas production from the lease shall be metered before commingling with other leases.

Your application has been duly filed under the provisions of Division Rules 19.15.12.10 C (4) NMAC and 19.15.4.12.A (8) NMAC

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.

This Order supersedes Division Order CTB-760, issued on August 17, 2015. The amended application approves a combination of metering and well testing for the Bone Spring formation producers in the proposed federal Communitization agreement, and allows for a separate train for the Wolfcamp wells.

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The operator shall notify the transporter of this commingling authority.

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

This approval is subject to like approval from the **Bureau of Land Management** before commencing commingling operations.

DONE at Santa Fe, New Mexico, on July 21, 2017.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Hobbs
Bureau of Land Management – Carlsbad