

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



April 12, 2018

Chevron USA Inc.  
Attention: Ms. Laura Becerra

**CENTRAL TANK BATTERY**

Administrative Order CTB-852

Reference your application received March 6, 2018

The Oil Conservation Division (Division) authorizes Chevron USA Inc. (OGRID 4323) (Chevron) to surface commingle oil production from the WC-025 G-06 S263319P; Bone Spring pool (pool code 97955) from the following diversely-owned federal leases located in Township 26 South, Range 32 East, Lea County, New Mexico.

Lease:	Federal Lease NMNM 118722	
Description:	W/2 of Section 13, and W/2 of Section 24, Township 26 South, Range 32 East	
Wells:	SD WE 24 Federal P23 Well No. 001H	API No. 30-025-43318
	SD WE 24 Federal P23 Well No. 002H	API No. 30-025-43296
	SD WE 24 Federal P23 Well No. 003H	API No. 30-025-43297
	SD WE 24 Federal P23 Well No. 004H	API No. 30-025-43298
Lease:	Pending SD WE 24 Federal P24 Well No. 5H Federal Communitization Agreement	
Description:	W/2 E/2 of Section 13, and W/2 E/2 of Section 24, all in Township 26 South, Range 32 East	
Well:	SD WE 24 Federal P24 Well No. 005H	API No. 30-025-43674
Lease:	Pending Federal SD WE 24 Federal P24 Well No. 6H Communitization Agreement	
Description:	E/2 E/2 of Section 13, and E/2 E/2 of Section 24, all in Township 26 South, Range 32 East	
Wells:	SD WE 24 Federal P24 Well No. 006H	API No. 30-025-43673
	SD WE 24 Federal P24 Well No. 007H	API No. 30-025-43675

The commingled oil production from the wells detailed above shall be measured and sold at the Salado Draw 24 Central Tank Battery (CTB), in P-24-26S-32E

Production from the subject wells shall be determined as follows.


1. The test separator and meters shall be designed to accurately measure production from the wells with the highest production rate.
2. All of the oil and gas production from the wells in this application will display a hyperbolic decline and will fit the decline parameters described in Hearing Order R-14299.
  - a. Wells prior to Range 1 of decline shall be measured separately.
  - b. Wells in Range 1 of decline shall be measured with a combination of metering and well testing, and shall be tested at least three times a month.
  - c. Wells in Range 2 of decline shall be measured with a combination of metering and well testing, and shall be tested at least twice a month.
  - d. Wells in Range 3 of decline shall be measured with a combination of metering and well testing and shall be tested at least once a month.
3. The allocation meters shall be calibrated quarterly per Paragraph (2) of Subsection C of 19.15.12.10 NMAC.

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

Chevron may add future 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 of the Division in Santa Fe.

For future additions of wells, leases, and pools to this commingling operation, Chevron shall notify only those interest owners in the wells, leases or pools to be added, per Subparagraph (g) of Paragraph (4) of Subsection C of 19.15.12.10 NMAC.

Chevron shall notify the Hobbs District Office of the Division prior to starting commingling operations.

  
**HEATHER RILEY**  
**Director**

HR/mam/rbb

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

CTB 852 Wells and Range of decline

API #	Well Name	Lease	Project Area	Range
30-025-43318	SD WE 24 FEDERAL P23#1H	MMNM 118722	W/2 W/2 of Section13 and W/2 W/2 of Section 24	3
30-025-43296	SD WE 24 FEDERAL P23#2H	MMNM 118722	W/2 W/2 of Section13 and W/2 W/2 of Setion 24	3
30-025-43297	SD WE 24 FEDERAL P23#3H	MMNM 118722	E/2 W/2 of Section13 and E/2 W/of Section 24	3
30-025-43298	SD WE 24 FEDERAL P23#4H	MMNM 118722	E/2 W/2 of Section13 and E/2 W/2 of Section 24	3
30-025-43674	SD WE 24 FEDERAL P24#5H	Pending SD WE 24 Federal 24 Well No. 5H Federal Communitization Agreement	W/2 E/2 of Section13 and W/2 E/2 of Section 24	1
30-025-43673	SD WE 24 FEDERAL P24#6H	Pending SD WE 24 Federal 24 Well No. 6H Federal Communitization Agreement	E/2 E/2 of Section13 and E/2 E/2 of Section 24	1
30-025-43675	SD WE 24 FEDERAL P24#7H	Pending SD WE 24 Federal 24 Well No. 6H Federal Communitization Agreement	E/2 E/2 of Section13 and E/2 E/2 of Section 24	1