

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY CHEVRON USA INC.**

ORDER NO. CTB-947

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Chevron USA Inc. (“Applicant”) submitted a complete application to surface commingle and off-lease measure the gas production (“Application”) from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Applicant proposed a method to allocate the gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant intends to segregate the gas production from each pool within a lease identified in Exhibit B from the gas production from all other pools and leases prior to measuring the production from each pool within a lease with an allocation meter.
7. Applicant intends to keep the gas production from one or more group(s) of wells, as identified in Exhibit A, (“Train(s)”) segregated from the gas production from all other wells prior to measuring that production with an allocation meter.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
11. Commingling of gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
12. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle and off-lease measure gas production from the pools, leases, and wells identified in Exhibit A.
2. The allocation of gas production to each pool within a lease identified in Exhibit B shall be determined by separating and metering the production from each pool within a lease prior to commingling.
3. The allocation of gas production to each Train identified in Exhibit A shall be determined by separating and metering that production prior to commingling.
4. Applicant shall measure the commingled gas at a central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
5. Applicant shall calibrate the meters used to measure or allocate gas production in accordance with 19.15.12.10(C)(2) NMAC.
6. Applicant shall not commence commingling gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
7. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR

DATE: 6/11/2020

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-947

Operator: Chevron USA Inc. (4323)

Central Tank Battery 1: Hayhurst New Mexico Section 9 Central Tank Battery

Central Tank Battery Location 1 (NMPM): Unit M, Section 9, Township 26 South, Range 27 East

Central Tank Battery 2: Hayhurst New Mexico Section 10 Central Tank Battery

Central Tank Battery Location 2 (NMPM): Unit A, Section 10, Township 26 South, Range 27 East

Central Tank Battery 3: Hayhurst New Mexico Section 35 Central Tank Battery

Central Tank Battery Location 3 (NMPM): Unit A, Section 35, Township 27 South, Range 27 East

Gas Custody Transfer Meter Location (NMPM): NE/4, Section 10, Township 26 South, Range 27 East

Pools

Pool Name	Pool Code
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
NMNM 138618 CA WC	All Sec 5 & 8 & 17 & 20	T26S-R27E
Cicada Unit R-14459 NMNM 137168X	All Sec 1 & 2 & 10 & 11 & 12 & 14 & 15	T26S-R27E
	All Sec 23 & 26 & 35	T25S-R27E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
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

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

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Lease	Location (NMPM)	
NMNM 138618 CA WC	All Sec 5 & 8 & 17 & 20	T26S-R27E
Cicada Unit R-14459 NMNM 137168X	All Sec 1 & 2 & 10 & 11 & 12 & 14 & 15	T26S-R27E
	All Sec 23 & 26 & 35	T25S-R27E

Pools within each Lease

Lease	Pool Code	Group ID
NMNM 138618	98220	A
Cicada Unit R-14459 NMNM 137168X	98220	B

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Group ID
30-015-43928	HH SO 8 P2 22H	D-17-26S-27E	98220	A
30-015-43927	HH SO 8 P2 21H	D-17-26S-27E	98220	A
30-015-43935	HH SO 8 P2 5H	D-17-26S-27E	98220	A
30-015-43934	HH SO 8 P2 6H	D-17-26S-27E	98220	A
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30-015-45106	HH SO 17 20 Federal 002 3H	B-17-26S-27E	98220	A
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30-015-45105	HH SO 17 20 Federal 002 2H	B-17-26S-27E	98220	A
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30-015-45107	HH SO 17 20 Federal 002 4H	B-17-26S-27E	98220	A
30-015-45988	HH SO 8 5 Federal 004 2H	B-17-26S-27E	98220	A
30-015-45991	HH SO 8 5 Federal 004 5H	B-17-26S-27E	98220	A
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30-015-45987	HH SO 8 5 Federal 004 1H	B-17-26S-27E	98220	A
30-015-45990	HH SO 8 5 Federal 004 4H	B-17-26S-27E	98220	A
30-015-43932	Cicada Unit 6H	N-03-26S-27E	98220	B
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30-015-45600	Cicada Unit 26H	B-35-25S-27E	98220	B
30-015-45720	Cicada Unit 24H	B-35-25S-27E	98220	B
30-015-45601	Cicada Unit 25H	B-35-25S-27E	98220	B
30-015-45602	Cicada Unit 23H	B-35-25S-27E	98220	B
30-015-46346	Cicada Unit 37H	N-26-25S-27E	98220	B
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30-015-45425	Cicada Unit 20H	D-35-25S-27E	98220	B
30-015-45424	Cicada Unit 21H	D-35-25S-27E	98220	B
30-015-45426	Cicada Unit 19H	D-35-25S-27E	98220	B