



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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

Jami Bailey
Division Director
Oil Conservation Division



August 22, 2010

Administrative Order PLC-344
Administrative Application Reference No. pWVJ11-19351462

Chevron U.S.A., Inc.
15 Smith Road
Midland, TX 79705

Attention: Carolyn Haynie

Chevron U.S.A., Inc. ("Chevron") is hereby authorized to surface commingle production from the following Pools:

North Monument Abo (46980)
Northeast Monument Drinkard (97008)
North Monument Delaware (97750)
Monument Yeso (20070)

and from the diversely owned wells, located on State of New Mexico oil and gas leases in Lea County, New Mexico, identified on Exhibit A attached hereto. We understand that ownership is identical as to all interests in the wells included within each ownership group, as listed on Exhibit A. However, ownership is not identical as between ownership groups. We further understand that each well produces from only one pool, as identified on Exhibit A, and that there is no downhole commingling in any of these wells.

Oil and gas production will be commingled at the Monument 12/13 Battery, located in the North half of the Southwest Quarter of Section 12, Township 19 South, Range 36 East. Production from the wells identified in Exhibit A is hereby approved for off lease measurement and sales.

Production from each ownership group, as shown on Exhibit A, shall be measured continuously with calibrated allocation meters prior to commingling with production from any other ownership group. The allocation meters shall be calibrated in accordance with Rule 12.10.C(2) [19.15.12.10.C(2) NMAC]. Production shall be allocated among wells within each ownership group by the well test method.

Oil Conservation Division
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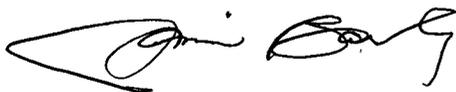


This approval is subject to like approval by the Commissioner of Public Lands of the State of New Mexico before commencement of commingling operations.

The producer/operator shall notify the transporter of this commingling authority.

The operator shall notify the Hobbs district office of the Division upon commencement of commingling operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is stylized and cursive.

JAMI BAILEY,

Director

JB/db

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

**Monument 12/13
Central Tank Battery
Wells**

Well	API	FNSL	FEWL	ULSTR	Pool
OWNERSHIP GROUP ONE					
Monument 1 State # 15	30-025-34167	1650 FS	2310 FW	K-1-19S-36E	Abo
Monument 1 State # 20	30-025-34310	651 FS	1815 FW	N-1-19S-36E	Abo
Monument 1 State # 26	30-025-34477	2279 FS	2276 FE	J-1-19S-36E	Abo
Monument 12 State # 3	30-025-33441	1650 FS	1650 FW	K-12-19S-36E	Abo
Monument 12 State # 4	30-025-33635	1650 FS	990 FW	L-12-19S-36E	Drinkard
Monument 12 State # 8	30-025-33920	419 FS	1801FW	N-12-19S-36E	Abo
Monument 12 State #10	30-025-33998	677 FS	791 FW	M-12-19S-36E	Delaware
Monument 12 State # 11	30-025-34055	2310 FN	2060 FW	F-12-19S-36E	Abo
Monument 12 State # 14	30-025-34191	1200 FN	1350 FW	C-12-19S-36E	Abo
Monument 12 State # 16	30-025-34152	2083 FN	983 FW	E-12-19S-36E	Abo
Monument 12 State # 25	30-025-34470	785 FN	990 FW	D-12-19S-36E	Abo
Monument 14 State # 2	30-025-33313	2227 FS	2006 FE	J-14-19S-36E	Abo
Monument 14 State # 12	30-025-34047	800 FN	525 FE	A-14-19S-36E	Abo
Monument 14 State # 21	30-025-34352	990 FS	2308 FW	N-14-19S-36E	Abo
Monument 14 State # 22	30-025-34406	1650 FN	629 FE	H-14-19S-36E	Abo
Monument 14 State # 24	30-025-34446	1760 FS	990 FE	I-14-19S-36E	Abo
Monument 23 State # 6	30-025-33729	469 FN	958 FE	A-23-19S-36E	Abo
Monument 23 State # 13	30-025-34087	1688 FS	2107 FE	J-23-19S-36E	Abo
Monument 23 State # 23	30-025-34407	1700 FS	869 FW	L-23-19S-36E	Yeso
Monument 23 State # 28	30-025-35067	2310 FN	990 FW	E-23-19S-36E	Abo
OWNERSHIP GROUP TWO					
Monument Abo # 1	30-025-25395	1650 FN	1700 FE	G-14-19S-36E	Abo
OWNERSHIP GROUP THREE					
Monument 13 State # 7	30-025-33730	330 FN	330FW	D-13-19S-36E	Abo
Monument 13 State # 9	30-025-33957	569 FN	1650 FW	C-13-19S-36E	Abo
Monument 13 State # 18	30-025-34222	1739 FN	727 FW	E-13-19S-36E	Abo
Monument 13 State # 29	30-025-34785	1650 FS	990FW	L-13-19S-36E	Abo
OWNERSHIP GROUP FOUR					
Monument 13 State # 27	30-025-34675	785 FN	1980 FE	B-13-19S-36E	Abo