

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



June 13, 2017

Surface Commingling Order PLC-472
Administrative Application Reference No. pMAM1714351147

CHEVRON USA INC.
Attention: Ms. Cindy Herrera-Murillo

Pursuant to your application received on May 23, 2017, Chevron USA Inc. (OGRID 4323) is hereby authorized to surface commingle oil and gas production from the following pools located in Township 24 South, Range 34 East, NMPM, Eddy County, New Mexico;

SAND DUNES; DELAWARE, WEST	(53815)
INGLE WELLS; DELAWARE	(33745)
POKER LAKE; DELAWARE, EAST	(50388)
COTTON DRAW; BONE SPRING	(13367)
SAND DUNES; LOWER PENN, SOUTH (GAS)	(84800)

and from diversely owned wells identified in Attachment A, and made part of this order. These wells are located on federal leases in Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

Each well produces from only the pool or pools identified on Attachment A.

The combined oil and gas spacing and units for these wells include E/2 NE/4, NW/4 NE/4, and S/2 of Section 9, NE/4 NE/4 of Section 10, and NE/4 NW/4 of Section 15, all in Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

Commingled oil and gas production from the wells shall be measured and sold at the Lotos Federal Well No. 4 Tank Battery (CTB), located in Unit J of Section 9, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from the wells shall be measured with a combination of metering and subtraction, with the exception of the Lotos Federal Well No. 1. The Lotos Federal Well No. 1 gas production shall be separately metered, and the oil production shall be commingled, and

measured with a combination of metering and testing with the other wells in this application. Each well shall be tested at least once a month.

The allocation meters shall be calibrated quarterly in accordance with Division Rule 19.15.12.10.C (2) NMAC.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.

The Operator shall notify the transporter of this commingling authority and the Artesia District Office prior to implementation of commingling operations.

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

Done at Santa Fe, New Mexico, on June 13, 2017.



DAVID R. CATANACH

Director

DRC/mam

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

Attachment A: Chevron Lotos surface commingle application

API #	Well Name	UI-Sec	Twp	Rng	Pool	Federal Lease
30-015-25977	LOTOS FEDERAL#1	J-9	24S	31E	Sand Dunes; Lower Penn, South (Gas)	NMNM 029234
30-015-28700	LOTOS C FEDERAL#901	A-9	24S	31E	Sand Dunes; Delaware, West	NMNM 063757
30-015-30043	LOTOS C FEDERAL#903	H-9	24S	31E	Sand Dunes; Delaware, West	NMNM 063757
30-015-34945	LOTOS C FEDERAL#907	B-9	24S	31E	Cotton Draw; Bone Spring	NMNM 063757
30-015-35357	LOTOS C FEDERAL#911	G-9	24S	31E	Sand Dunes; Delaware, West	NMNM 063757
30-015-29798	LOTOS C FEDERAL#3	A-10	24S	31E	Ingle Wells; Delaware	NMNM 029234
30-015-26174	LOTOS A FEDERAL#1	C-15	24S	31E	Poker Lake; Delaware, East	NMNM 056741