



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

*Daniel Sanchez*  
Acting Division Director  
Oil Conservation Division



**Harrison H. Schmitt**  
Cabinet Secretary-Designate

January 18, 2011

**Administrative Order DHC-4344**  
**Application Reference Number: pTGW11-01455429**

Chevron USA, Inc.  
Attn: Edgar Acero  
15 Smith Rd  
Midland, TX 79705

**Re: Keel A Federal Well No. 4**  
**API No. 30-025-33499**

**Pool: South Young Grayburg (oil) (96626)**  
**South Young San Andres (oil) (96416)**

Dear Mr. Acero:

Reference is made to your application for an exception to Division Rule 12.9A. to permit down hole commingling of production from the subject pools within the above-described wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11A., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described.

In accordance with Division Rule 12.11A.(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable and allocation of production from the well shall be as follows:

|                             |                 |                 |
|-----------------------------|-----------------|-----------------|
| South Young Grayburg Pool   | Pct Gas:<br>33% | Pct Oil:<br>25% |
| South Young San Andres Pool | Pct Gas:<br>67% | Pct Oil:<br>75% |
|                             |                 |                 |

Oil Conservation Division  
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It is our understanding that the above allocation percentages are based on are based on production tests of this well for the Grayburg and production tests of an offsetting well for the San Andres.

It is also understood that ownership of all interest in the pools from which production is being commingled is identical.

**This approval is conditional upon approval by the United States Bureau of Land Management prior to commencement of commingling.**

The operator shall notify the Division's Hobbs district office upon implementation of commingling operations.

Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

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Daniel Sanchez  
Acting Director

DS/db

cc: Oil Conservation Division – Hobbs  
United States Bureau of Land Management