

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4656

Order Date: March 21, 2014

Application Reference Number: pMAM1406659402

Chevron USA, Inc.
15 Smith Road
Midland, TX 79705

Attention: Abdullahi Sule, Jr.

F. B. Davis No. 8
API No. 30-025-35028
Unit C, Section 8, Township 23 South, Range 37 East, NMPM
Lea County, New Mexico

Pool	TEAGUE; GLORIETA-UPPER PADDOCK, SW	Oil	58595
Names:	TEAGUE; LOWER PADDOCK-BLINEBRY, N	Associated	96314

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and since 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 above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

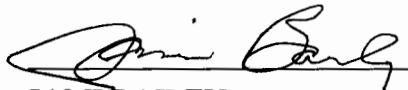
Assignment of allowable and allocation of production from the well shall be as follows:

TEAGUE; GLORIETA-UPPER PADDOCK, SW (OIL) POOL	Pct Gas: 6	Pct Oil: 44
TEAGUE; LOWER PADDOCK-BLINEBRY, N (ASSOCIATED) POOL	Pct Gas: 94	Pct Oil: 56

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

Administrative Order PC-894 Amended, approved March 9, 2001, remains unchanged with the issuance of this down-hole commingling order. Order PC-894 Amended authorized the commingling of production from five pools on the F. B. Lease. The two pools referenced in this Order are included in Order PC-894 Amended. Additionally, Administrative Order DHC-HOB-57 issued by District I for the commingling of two pre-approved pools in this well under Division Order R-11363 is rescinded.

Pursuant to 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/prg

cc: New Mexico Oil Conservation Division – Hobbs