

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 5, 2016

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-433-A
Administrative Application Reference No. pMAM1612546999

Chevron U.S.A. Inc.
Attention: Mr. Daniel Pequeño

Pursuant to your application received on May 4, 2016, Chevron U.S.A. Inc. (OGRID 4323) is hereby authorized to surface commingle **gas production only** from the following pools:

Lovington; Grayburg-San Andres	(40580)
Lovington; Paddock	(40660)

and from diversely owned wells identified in Attachment No. II and III, and made part of this order. These wells are located on federal units, comprised of federal, state, and private acreage in Township 16 South, Range 36 East, Township 16 South, Range 37 East, Township 17 South, Range 36 East, and Township 17 South, Range 37 East, in Lea County, New Mexico.

Lease: Lovington San Andres Unit
Description: Township 16 South, Range 36 East, NMPM
Section 25: S/2 SE/4
Section 35: S/2 SE/4
Section 36: E/2, E/2 W/2, W/2 SW/4
Township 16 South, Range 37 East, NMPM
Section 31: Lots 1, 2, 3, 4, SW/4 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4
Section 32: W/2 SW/4
Township 17 South, Range 36 East, NMPM
Section 1: N/2, N/2 SW/4, SE/4 SW/4, SE/4
Section 2: Lot 1, S/2 NE/4, N/2 SE/4
Township 17 South, Range 37 East, NMPM
Section 5: Lot 4,
Section 6: Lots 1, 2, 3, 4, 5, 6, SE/4 NW/4

Wells: Attachment III

Lease: Lovington Paddock Unit
Description: Township 16 South, Range 36 East, NMPM
Section 25: SE/4 and S/2 SW/4
Section 35: E/2 E/2 and SW/4 SE/4
Section 36: All
Township 16 South, Range 37 East, NMPM
Section 30: Lots 3,4, and SE/4 SW/4
Section 31: Lots 1, 2, 3, 4, W/2 NE/4, E/2 NW/4, E/2 SW/4, SE/4
Township 17 South, Range 36 East, NMPM
Section 1: All
Section 2: Lot 1 and E/2 SE/4
Section 12: NE/4 and E/2 NW/4
Township 17 South, Range 37 East, NMPM
Section 6: Lots 1, 2, 3, 4,5,6,7, S/2 NE/4, SE/4 NW/4, NE/4 SW/4, NW/4
SE/4
Section 7: Lot 1

Wells: Attachment II

The commingled gas production from these wells detailed above shall be measured and sold at the combined Lovington San Andres and Lovington Paddock CDP located in the in the NE/4 of Section 1, Township 17 South, Range 36 East NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

Two allocation meters will be installed at the CDP, one for the San Andres Unit and the other for the Paddock Unit. The production will be commingled, then flows through a compressor onto a sale meter. The allocation of production will be based on the volumes of gas production from all of the wells in the unit as measured through the two allocation meters. The allocation of production for each well within each unit shall be based on existing unit agreements.

Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

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

This Administrative Order supersedes Administrative Order PLC-433, issued on January 13, 2016.

This approval is subject to like approval from the Bureau of Land Management and the New Mexico State Land Office before commencing commingling operations.

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

DONE at Santa Fe, New Mexico, on May 5, 2016.


DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Hobbs
Bureau of Land Management – Carlsbad
New Mexico State Land Office – Oil, Gas, and Minerals

ATTACHMENT II

Producing Wells Within the Lovington Paddock Unit:

<u>Lease</u>	<u>No</u>	<u>API</u>	<u>Comp Date</u>	<u>TD</u>	<u>Zone</u>	<u>Status</u>
✓ LPU ①	32	3002503807	1953-04-25	6230	Paddock	PR
✓ LPU	72	3002503821	1953-05-24	6242	Paddock	PR
✓ LPU	74	3002503862	1954-03-13	8801	Paddock	PR
✓ LPU	76	3002503929	1952-10-16	6400	Paddock	PR
✓ LPU	78	3002505428	1953-03-03	8700	Paddock	PR
✓ LPU	81	3002503927	1954-01-24	6275	Paddock	PR
LPU	84	3002530776	1990-04-14	6457	Paddock	TA-PS
✓ LPU	85	3002530777	1990-05-21	6400	Paddock	PR
✓ LPU	86	3002531066	1991-04-10	6350	Paddock	TA-PR
✓ LPU ②	87	3002531108	1991-04-24	6458	Paddock	TA-PR
✓ LPU	88	3002531139	1991-06-01	6350	Paddock	PR
✓ LPU	90	3002531067	1991-04-23	6350	Paddock	TA-PR
✓ LPU	91	3002531068	1991-04-24	6345	Paddock	TA-PR
✓ LPU	93	3002531069	1991-06-23	6450	Paddock	PS
✓ LPU ③	96	3002531084	1991-06-08	6330	Paddock	PR
✓ LPU	97	3002531085	1991-04-09	6330	Paddock	PR
✓ LPU	98	3002531086	1991-03-21	6330	Paddock	PR
✓ LPU	100	3002531087	1991-06-08	6425	Paddock	PR
LPU	101	3002531308	1992-01-20	6450	Paddock	PR
✓ LPU	102	3002531309	1991-12-31	6450	Paddock	TA-PR
✓ LPU	103	3002531310	1991-11-01	6500	Paddock	TA-PR
✓ LPU	104	3002531284	1991-11-03	6460	Paddock	TA-PR
✓ LPU	105	3002531285	1992-02-12	6450	Paddock	PR
LPU	106	3002531282	1992-02-13	6500	Paddock	PR
LPU ④	107	3002531317	1992-01-26	6450	Paddock	PR
LPU	108	3002531286	1992-01-31	6500	Paddock	PR
✓ LPU	109	3002531281	1991-12-23	6450	Paddock	PR
✓ LPU	110	3002531283	1992-02-19	6450	Paddock	PR
✓ LPU	111	3002531287	1992-03-15	6450	Paddock	PR
LPU	112	3002531288	1992-02-02	6500	Paddock	TA-PR
✓ LPU	113	3002531289	1991-11-01	6500	Paddock	TA-PR
✓ LPU	114	3002531290	1991-11-26	6425	Paddock	PR
✓ LPU	117	3002531316	1991-09-12	6500	Paddock	TA-PR
✓ LPU	118	3002531275	1991-09-17	6800	Paddock	PR
LPU	119	3002531311	1991-11-05	6415	Paddock	PR
✓ LPU ⑤	120	3002531293	1991-09-30	6450	Paddock	PR

✓ LPU	121	3002531294	1991-11-22	6450	Paddock	PR
✓ LPU	122	3002531295	1991-10-04	6450	Paddock	PR
✓ LPU	123	3002531296	1991-10-29	6500	Paddock	PR
LPU ¹¹⁰	124	3002531276	1991-08-19	6600	Paddock	PR
LPU	125	3002531563	1992-07-25	6450	Paddock	PR
LPU	127	3002531564	1992-07-21	6465	Paddock	PR
LPU	129	3002531565	1992-07-22	6440	Paddock	PR
✓ LPU	130	3002531566	1992-07-07	6530	Paddock	TA-PR
LPU	131	3002531567	1992-07-07	6475	Paddock	PR
LPU	133	3002531568	1992-08-03	6465	Paddock	PR
LPU	134	3002531634	1992-08-12	6375	Paddock	PR
✓ LPU	136	3002531570	1992-06-18	6450	Paddock	TA-PR
✓ LPU	139	3002531571	1992-05-15	6450	Paddock	PR
LPU ¹¹⁰	140	3002531555	1992-06-06	6450	Paddock	TA-PR
LPU	141	3002531536	1992-06-03	6450	Paddock	PR
LPU	142	3002531572	1992-05-14	6450	Paddock	PR
✓ LPU	148	3002531574	1992-08-09	6500	Paddock	PR

Attachment III

Producing Wells Within the Lovington San Andres Unit:

<u>Lease</u>	<u>No</u>	<u>API</u>	<u>Comp Date</u>	<u>TD</u>	<u>Zone</u>	<u>Status</u>
LSAU	27	3002503770	1941-11-16	5000	San Andres	PR
LSAU	44	3002503851	1941-08-31	4990	San Andres	PR
LSAU	53	3002503809	1939-01-22	4813	San Andres	SI-PR
LSAU	60	3002530752	1990-03-19	5400	San Andres	PR
LSAU	61	3002530753	1990-03-22	5400	San Andres	PR
LSAU	63	3002531026	1991-04-07	5120	San Andres	PR
LSAU	64	3002531027	1991-04-29	5113	San Andres	TA-PR
LSAU	65	3002531028	1991-04-23	5112	San Andres	PR
LSAU	68	3002531031	1991-05-29	5108	San Andres	SI-PS
LSAU	69	3002531363	1991-12-26	5070	San Andres	PR
LSAU	70	3002531364	1992-01-10	5070	San Andres	PR
LSAU	71	3002531365	1991-12-23	5075	San Andres	TA-PS
LSAU	72	3002531366	1991-11-25	5070	San Andres	PS
LSAU	73	3002531367	1991-12-02	5054	San Andres	PS
LSAU	76	3002531542	1992-08-12	5100	San Andres	TA-PR
LSAU	77	3002531543	1992-08-09	5173	San Andres	PR
LSAU	78	3002531544	1992-08-06	5165	San Andres	PR
LSAU	81	3002531547	1992-06-23	5155	San Andres	TA-PR
LSAU	82	3002531548	1992-06-29	5150	San Andres	TA-PR
LSAU	83	3002531549	1992-07-22	5120	San Andres	PS
LSAU	84	3002531550	1992-07-10	5095	San Andres	PR
LSAU	86	3002531552	1992-06-05	5110	San Andres	PS
LSAU	88	3002531554	1992-06-05	5150	San Andres	TA-PS