

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



Surface Commingling Order PC-1250-B

February 6, 2013

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

Attention: Carolyn Haynie

Chevron USA, Inc., ("Chevron") is hereby authorized to surface commingle Strawn Oil Pool (96678), and the Bone Spring Oil Pool (41450) oil and gas production from the North Lusk Federal lease and the following wells.

Well Name and Number	API Number	Location
N. Lusk 29 Federal Well No. 1	30-025-34673	Unit N, Section 29, T-18-S, R-32-E
Cross Bones 1 29 Well No. 2H	30-025-40711	Unit L, Section 29, T-18-S, R-32-E
Cross Bones 2 29 Well No. 1H	30-025-40706	Unit M, Section 29, T-18-S, R-32-E
Cross Bones 1 29 Well No. 1H	30-025-40710	Unit M, Section 29, T-18-S, R-32-E
Cross Bones 2 29 Well No. 2H	Pending	Section 29, T-18-S, R-32-E

All in NMPM, Lea County, New Mexico

The commingled oil and gas production from the wells detailed above shall be measured and sold at the new Cross Bones Tank Battery located in Section 29, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico. The current North Lusk Tank Battery shall be decommissioned.

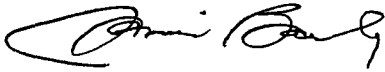
Chevron requests that the production from the N. Lusk 29 Federal Well No. 1 be continuously measured with allocation meters before commingling with production from other wells. Chevron also requests that production from the Bone Springs wells be determined by periodic monthly well tests, with the total Bone Springs production determined by subtraction method. Ownership in these properties is identical.

These requests are hereby approved. The production from the N. Lusk well shall be continuously measured with allocation meters. The Bone Springs production shall be determined by periodic monthly well tests, with the total Bone Springs production determined by subtraction method. The allocation meters shall be calibrated **quarterly**. The commingled production from the wells is approved for off-lease measurement and sales.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. The producer/Operator shall notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Hobbs district office of the Division prior to implementation of commingling operations.

DONE at Santa Fe, New Mexico, on February 6, 2013.

A handwritten signature in black ink, appearing to read "Jami Bailey", with a stylized, cursive script.

Jami Bailey
Division Director

JB/re

cc: Oil Conservation Division – Hobbs
Bureau of Land Management (BLM) - Roswell