

State of New Mexico  
Energy, Minerals and Natural Resources Department

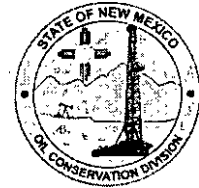
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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Tony Delfin**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-772-A  
Administrative Application Reference No. pMAM1615930658

June 14, 2016

Chevron USA Inc.  
Attention: Mr. David Macurdy

Chevron USA Inc. (OGRID 4323) is hereby authorized to surface commingle oil and gas production from identically owned federal leases from the WC-025 G-06 S263319P; Bone Spring Pool (Pool code 97955) located in Township 26 South, Range 33 East, NMPM, Lea County, New Mexico;

Lease: Federal Com. Agreement NMNM135806  
Description: W/2 W/2 of Section 18, Township 26 South, Range 33 East, NMPM  
Wells: Salado Draw 18 26 33 Federal Com. Well No. 1H  
Salado Draw 18 26 33 Federal Com. Well No. 2H

Lease: Federal lease NMNM-27506  
Description: E/2 W/2 and E/2 of Section 18, and E/2 W/2 and E/2 of Section 19, Township 26 South, Range 33 East, NMPM  
Well: Salado Draw 18 26 33 Federal Well No. 3H  
Salado Draw 18 26 33 Federal Well No. 4H  
Salado Draw 19 26 33 Federal Well No. 3H  
Salado Draw 19 26 33 Federal Well No. 4H  
Porter Brown Well No. 1H  
SD EA 18 Federal P 6 Well No. 5H  
SD EA 18 Federal P 6 Well No. 6H  
SD EA 19 Federal P 6 Well No. 5H  
SD EA 19 Federal P 6 Well No. 6H  
SD EA 19 Federal P 6 Well No. 7H

Lease: Salado Draw Federal Com. Agreement pending  
Description: W/2 W/2 of Section 19, Township 26 South, Range 33 East, NMPM  
Wells: Salado Draw 19 26 33 Federal Com. Well No. 1H  
Salado Draw 19 26 33 Federal Com. Well No. 2H

The combined project area for these wells include the entire Section 18, and the entire Section 19, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico.

The oil and gas production from these wells listed as part of this application shall be measured and sold from the Salado Draw 19 Central Tank Battery (CTB), located in Lot 1, of Section 19, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from the wells listed as part of this application which have identical ownership shall be metered with a combination of metering and testing.

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


After initial notification, future wells that will produce from the pools and leases approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This Division Order supersedes Division Order CTB-742, issued on November 18, 2015.

The operator shall notify the Hobbs District office of the Division prior to implementation of the commingling operations.

Done at Santa Fe, New Mexico, on June 14, 2016.

  
**DAVID R. CATANACH**  
Director

DRC/mam

cc: Oil Conservation Division – Hobbs  
Bureau of Land Management - Carlsbad