

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



June 14, 2017

Surface Commingling Order PLC-473
Administrative Application Reference No. pMAM1714531143

CHEVRON USA INC.
Attention: Ms. Cindy Herrera-Murillo

Pursuant to your application received on May 24, 2017, Chevron USA Inc. (OGRID 4323) is hereby authorized to surface commingle oil and gas production from the following pools located in Section 14, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. Further, the Featherstone; Bone Spring, East Pool and the Osudo; Morrow, West Pools are part of a dual completion in the same borehole;

FEATHERSTONE; BONE SPRING, EAST (24270)
OSUDO; MORROW, WEST (GAS) (82240)

and from the following diversely owned federal lease in said Section, Township, and Range in Lea County, New Mexico.

Lease: Federal Lease NMNM 016835
Description: NE/4 NE/4 of Section 14, Township 20 South, Range 35 East, NMPM
Well: Neuhaus 14 Well No. 5 30-025-37351
Pool: Featherstone; Bone Spring, East

Lease: Federal Lease NMNM 016835
Description: E/2 of Section 14, Township 20 South, Range 35 East, NMPM
Well: Neuhaus 14 Well No. 5 30-025-37351
Pool: Osudo; Morrow, West (Gas)

The combined oil and gas spacing units for this well include the E/2 of Section 14, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

Commingled oil and gas production from the wells shall be measured and sold at the Neuhaus 14 Well No. 2 Tank Battery (CTB), located in Unit B of Section 14, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from the different pools in the Neuhaus 14 Federal Well No. 5 shall be measured with a combination of continuous metering and well testing. The oil and gas production from the Featherstone; Bone Spring, East Pool shall be continuously metered. Gas production from the Osudo; Morrow, West Pool shall be based on subtraction from the sales meter minus the metered production from the Bone Spring formation. Oil production from the Osudo; Morrow, West Pool shall be based on subtraction of measured production from the oil tanks minus the metered production from the Featherstone; Bone Spring, East Pool.


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

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.

The Operator shall notify the transporter of this commingling authority and the Hobbs District Office prior to implementation of commingling operations.

This approval is subject to like approval from the **Bureau of Land Management** before commencement of the commingling operations.

Done at Santa Fe, New Mexico, on June 14, 2017.


DAVID R. CATANACH
Director

DRC/mam

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