

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

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



August 29, 2017

Surface Commingling Order PLC-482  
Administrative Application Reference No. pKSC1721953720

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

Pursuant to your application received on August 7, 2017, Chevron USA Inc. (OGRID 4323) is hereby authorized to surface commingle oil and gas production from the following pools located in Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico;

EUNICE; SAN ANDRES, SOUTH (24170)  
PENROSE SKELLY; GRAYBURG (50350)

and from the following diversely owned fee wells and leases in said Section, Township, and Range in Lea County, New Mexico.

Lease: Lou Wortham 11 Well No. 1  
Description: W/2 NE/4 of Section 11, Township 22 South, Range 37 East  
Wells: Lou Wortham 11 Well No. 1 API 30-025-38218  
Lou Wortham 11 Well No. 3 API 30-025-38236  
Pool: Penrose Skelly; Grayburg

Lease: Lou Wortham C Well No. 4  
Description: SE/4 NE/4 of Section 11, Township 22 South, Range 37 East  
Well: Lou Wortham C Well No. 4 API 30-025-10211  
Pool: Eunice; San Andres, South

The combined oil and gas spacing units for these wells include SE/4 NE/4 and the W/2 NE/4, of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

Commingled oil and gas production from the wells shall be measured and sold at the existing Lou Wortham 11 Well No. 1 Tank Battery (CTB), located in Unit G of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

Production for the separately owned leases shall be measured with a combination of well testing and metering. Each well shall be tested monthly for oil and gas production through a three-phase test separator. The wells that are not on test shall be shut-in. Each well shall be tested for a minimum of 24 hours.

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.

Done at Santa Fe, New Mexico, on August 29, 2017.

  
**DAVID R. CATANACH**  
Director

DRC/mam

cc: Oil Conservation Division District Office – Hobbs