

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



CENTRAL TANK BATTERY

Administrative Order CTB-824-A
Application Reference No. pMAM1734857361

January 23, 2018

Chevron USA Inc.
Attention: Ms. Cindy Herrera-Murillo

Chevron USA Inc. (OGRID 4323) "Applicant" is hereby authorized to surface commingle diversely owned oil and gas production from the Featherstone; Bone Spring Pool (Pool code 24250) within one State lease located in Section 16, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico as specified below:

Lease: State Lease VO 5694
Spacing: S/2 NW/4 of Section 16, Township 20 South, Range 35 East, NMPM
Well: Manzanita State Well No. 1 30-025-35120

Lease: State Lease VO 5694
Spacing: N/2 NW/4 of Section 16, Township 20 South, Range 35 East, NMPM
Well: Manzanita State Well No. 2 30-025-35778

The combined acreage for these oil spacing and proration units consists of the NW/4 of Section 16, Township 20 South, Range 35 East, NMPM.

The commingled oil production from the wells detailed above shall be measured and sold at the Manzanita State Well No. 2 central tank battery (CTB) located in Unit D of Section 16, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

Further the commingled gas from these wells shall be sold "off-lease" at the Neuhaus 14-2 Facility (Neuhaus CTB) located in Unit B, Section 14, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

This order does not allow surface commingling of this oil or gas with production from other pools or diversely owned lands.

Production from the subject wells shall be determined as follows:

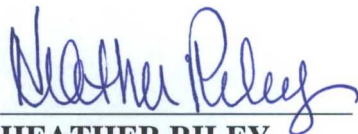
Production for the separately owned leases shall be measured with a combination of well testing and metering. Each well's production shall be separately tested at least monthly for a one day period through a three-phase test separator.

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

This administrative order supersedes CTB-824, issued on June 27, 2017.

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.

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



HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals