

RECEIVED: <i>12/14/2017</i>	REVIEWER: <i>MAM</i>	TYPE: <i>LTB</i>	APP NO: <i>PMAM 17 34857361</i>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau
 1220 South St. Francis Drive, Santa Fe, NM 87505



2017 DEC 14 P 3:26

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: <u>CHEVRON USA INC.</u>	OGRID Number: <u>4323</u>
Well Name: <u>MANZANITA STATE #1</u>	API: <u>30-025-35120</u>
Pool: <u>FEATHERSTONE;BONE SPRING</u>	Pool Code: <u>24250</u>

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL

☐ NSP (PROJECT AREA)

☐ NSP (PRORATION UNIT)

☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC

☒ CTB

☐ PLC

☐ PC

☐ OLS

☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX

☐ PMX

☐ SWD

☐ IPI

☐ EOR

☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

A. ☐ Offset operators or lease holders

B. ☐ Royalty, overriding royalty owners, revenue owners

C. ☐ Application requires published notice

D. ☐ Notification and/or concurrent approval by SLO

E. ☐ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☒ For all of the above, proof of notification or publication is attached, and/or,

H. ☐ No notice required

FOR OCD ONLY

☐

Notice Complete

☐

Application
Content
Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Cindy
 Herrera-Murillo

 Print or Type Name

Cindy Herrera-Murillo

Signature

12/12/2017
 Date

575-263-0431

Phone Number

Cherreramurillo@chevron.com

e-mail Address



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production Company
(A Chevron U.S.A. Inc. Division)
1616 W. Bender Blvd Room 134
Hobbs FMT, Hobbs, NM 88240
Tel 575-263-0431
Cherreramurillo@chevron.com

December 12, 2017

Oil Conservation Division
Attn: Engineering Department
1220 St. Francis Drive
Santa Fe, NM87505

Application for surface commingle, Bone Spring Oil Lea County, NM (T20S, R35E, Section 16)

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas and water production from the Bone Spring Oil Pool through Chevron's Manzanita St. 2 Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. The wells producing to this battery includes the Manzanita St. #1 and Manzanita St. #2. These wells are located in the NW/4 Section 16, T 20S, R 35E in Lea County, New Mexico.

The working interest varies but the wells are located on the same State of New Mexico oil and gas lease V0 5694 and contain the same royalty rate. These wells were completed in the 2000 & 2001. The wells will be tested monthly through turbine meters installed on the heater treater and the gas allocation meter. There are two oil tanks at the CTB that the wells utilize and total oil will be measured by having a qualified field personnel gauge. The wells will be tested monthly through a three phase heater treater located at the Manzanita St. 2 CTB. Oil and water are measured by a turbine meter on the oil and water outlets and gas is measured by an orifice meter on the gas outlet.

Sincerely,

A handwritten signature in blue ink that reads 'Cindy Herrera-Murillo'.

Cindy Herrera-Murillo
Permitting Specialist

APPLICATION FOR COMMINGLING and OFF LEASE MEASUREMENT AT A COMMON
CENTRAL TANK BATTERY

Proposal for commingling all oil, water, and gas for the Manzanita wells. Proposal to commingle the oil, water, and some entrained gas for the Manzanita State #1 & #2

Proposal for Manzanita Central Tank Battery
Chevron USA Inc. is requesting approval for the Commingling of oil and gas.

Manzanita Central Tank Battery							
Well Names	Locations	API Numbers	Pool	Oil BOPD	Oil Gravity	Gas MCFPD	Gas BTU
Manzanita St. #1	16-20S-35E	30-025-35120	Bone Springs (Oil)	3	33	2	1439
Manzanita St. #2	16-20S-35E	30-025-35778	Bone Springs (Oil)	9	33	4	1439

Oil & Gas metering:

The Manzanita Battery (CTB) is located at the Manzanita St. #2. The production from the Manzanita State #1 and Manzanita State #2 will go into a 3 phase heater treater shared by both wells. Each well will be tested once per month to quantify oil, water and gas by shutting in the well not being tested and metering the tested well via turbine meters installed on the heater treater and the gas allocation meter. There are two oil tanks at the centralized tank battery that the wells will utilize and total oil will be measured by having qualified field personnel gauge the tanks. The CTB is located in the NW/4 NW/4 of Section 16, Township 20S, Range 35E on State of New Mexico lease V0-5694. For gas there is a central delivery point (CDP) gas sales meter at the Neuhaus 14-2 Facility as seen in on Page 9. The produced water will go to one common water tank on location.

Each well will be tested monthly through a three-phase test heater treater located at the Manzanita State 2 CTB. Oil and water are measured by a turbine meters on the oil and water outlets and gas is measured by an orifice meter on the gas outlet.

Production will be allocated to each well by monthly well tests. A 24 hour test will be performed monthly on each well. Each wells share of the central tank battery's total production will be calculated based on the results of each monthly well test. This ratio will be applied to the total oil production metered by tank gauging. This method will also be applied to the total gas production metered by the DCP Sales meter.

These meters will be calibrated on a regular basis per API, based on NMOCD specifications. The State and NMOCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed process flow diagram and facility diagram maps which show the lease boundaries, well locations, flow line location, CTB, and gas sales meter. The commingling of this production is the most effective economical means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce footprint, reduce traffic, and lower overall emissions.

Chevron U.S.A. Inc. understands that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC MANZANITA ST. #1 & #2

All royalty and overriding interest owners have been notified.

Printed Name: Bradley Hulme

Title: Engineer

Date: 05/19/2017

Economic Justification Work Sheet
Manzanita Central Tank Battery

Unit	Royalty Rate	Federal Tract Percentage of Total Unit Area	BOPD	Oil Gravity	Value / BBL	MCFPD	DRY BTU	Value / MCF
Manzanita St. #1	16.6666%	0%	3	33	44.60	3	1439	0.84
Manzanita St. #2	16.6666%	0%	9	33	44.60	4	1439	0.84

Economic combined gas production	BOPD	Oil Gravity	Value / BBL	MCFPD	DRY BTU	Value / MCF
	12	33	44.60	7	1439	0.84

Printed Name: Bradley Hulme
Title: Reservoir Engineer
Date: 05/19/2017

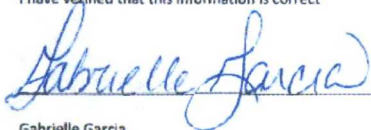
APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC MANZANITA ST. #1 & #2

APPLICATION FOR COMMINGLING OF MANZANITA WELLS

OWNER INFORMATION

WELL NAME	INTEREST	INTEREST %	NAME	ADDRESS	CITY	STATE	ZIP CODE
MANZANITA STATE 1	OR	0.00500000	CHEVRON USA INC	PO Box 4791	HOUSTON	TEXAS	77210-4791
MANZANITA STATE 1	WI	0.85285750	CHEVRON USA INC	PO Box 4791	HOUSTON	TEXAS	77210-4791
MANZANITA STATE 1	WI	0.00916750	ROBERT O ANDERSON	PO BOX 1000	ROSWELL	NEW MEXICO	88202-1000
MANZANITA STATE 1	OR	0.01000000	BEAR ENERGY INC	PO BOX 1734	EDMOND	OKLAHOMA	73013-1734
MANZANITA STATE 1	WI	0.04297500	COTTON CREEK INVESTMENTS LTD	301 COMMERCE ST STE 3655	FORT WORTH	TEXAS	76102-4140
MANZANITA STATE 1	RI	0.16666667	STATE OF NEW MEXICO	PO BOX 2308	SANTA FE	NEW MEXICO	87501
MANZANITA STATE 1	WI	0.07500000	WALTER DUNCAN OIL LLC	100 PARK AVE STE 1120	OKLAHOMA CITY	OKLAHOMA	73102
MANZANITA STATE 1	WI	0.02000000	LARRY ARNOLD	PO BOX 2253	HOBBES	NEW MEXICO	88240-2253

I have verified that this information is correct



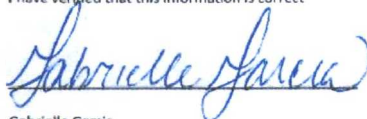
Gabrielle Garcia
Land Representative

APPLICATION FOR COMMINGLING OF MANZANITA WELLS

OWNER INFORMATION

WELL NAME	INTEREST	INTEREST %	NAME	ADDRESS	CITY	STATE	ZIP CODE
MANZANITA STATE 2	OR	0.00500000	CHEVRON USA INC	PO Box 4791	HOUSTON	TEXAS	77210-4791
MANZANITA STATE 2	WI	0.85143750	CHEVRON USA INC	PO Box 4791	HOUSTON	TEXAS	77210-4791
MANZANITA STATE 2	CW	-	CHEVRON USA INC - CARRIED INT ONLY	PO BOX 4791	HOUSTON	TEXAS	77210-4791
MANZANITA STATE 2	WI	0.00916750	ROBERT O ANDERSON	PO BOX 1000	ROSWELL	NEW MEXICO	88202-1000
MANZANITA STATE 2	OR	0.01000000	BEAR ENERGY INC	PO BOX 1734	EDMOND	OKLAHOMA	73013-1734
MANZANITA STATE 2	WI	0.04341730	COTTON CREEK INVESTMENTS LTD	301 COMMERCE ST STE 3655	FORT WORTH	TEXAS	76102-4140
MANZANITA STATE 2	RI	0.16666667	STATE OF NEW MEXICO	PO BOX 2308	SANTA FE	NEW MEXICO	87501
MANZANITA STATE 2	WI	0.07577190	WALTER DUNCAN OIL LLC	100 PARK AVE STE 1120	OKLAHOMA CITY	OKLAHOMA	73102
MANZANITA STATE 2	WI	0.02020580	LARRY ARNOLD	PO BOX 2253	HOBBES	NEW MEXICO	88240-2253

I have verified that this information is correct



Gabrielle Garcia
Land Representative

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC MANZANITA ST. #1 & #2



STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
PO BOX 2308
SANTA FE, NM 87501
7015 3010 0001 4369 3175

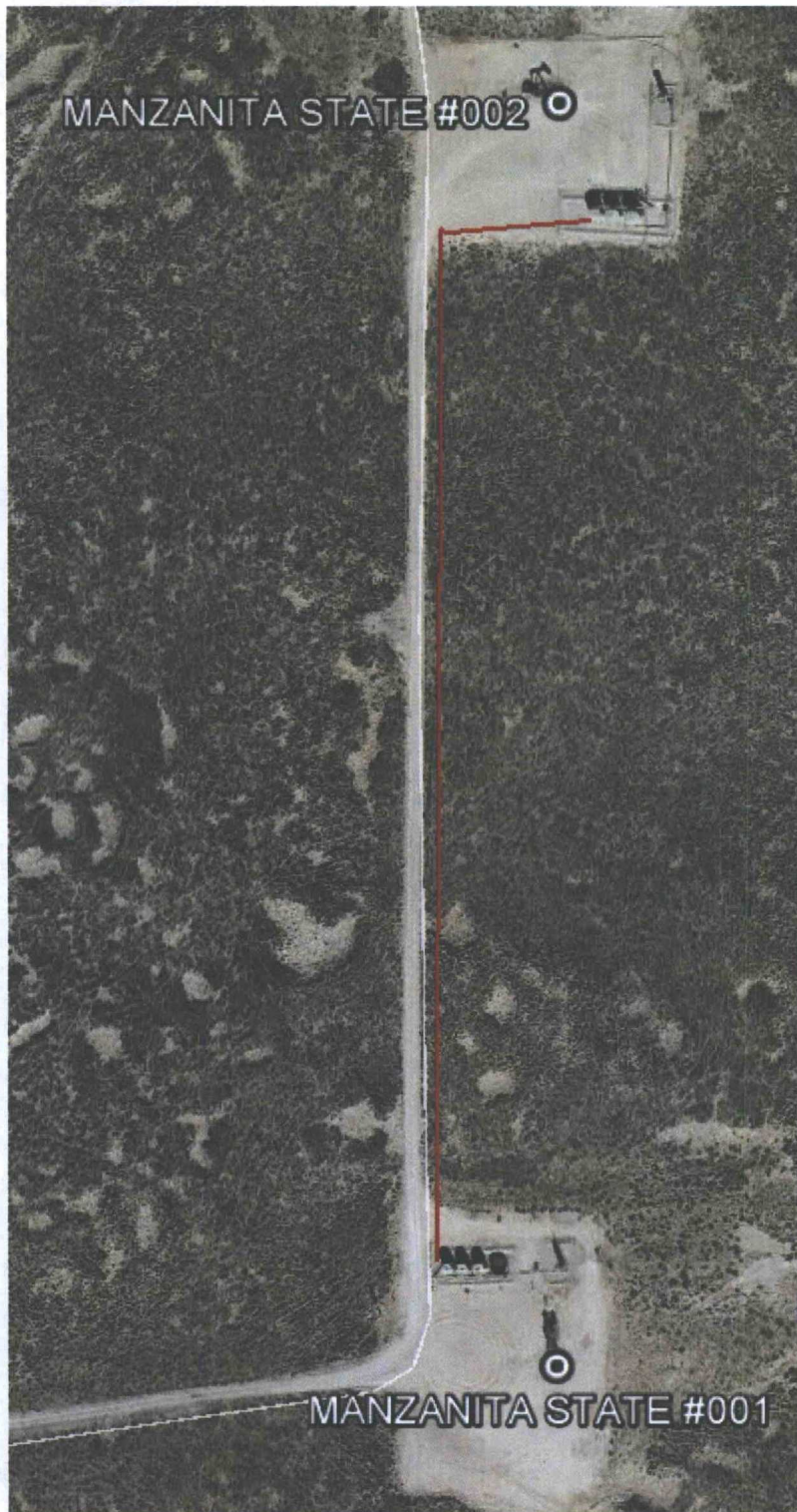
ROBERT O ANDERSON
PO BOX 1000
ROSWELL, NM 88202-1000
7016 0750 0000 3051 2472

COTTON CREEK INVESTMENTS LTD
301 COMMERCE ST STE 3655
FORT WORTH, TX 76102-4140
7016 0750 0000 3051 2458

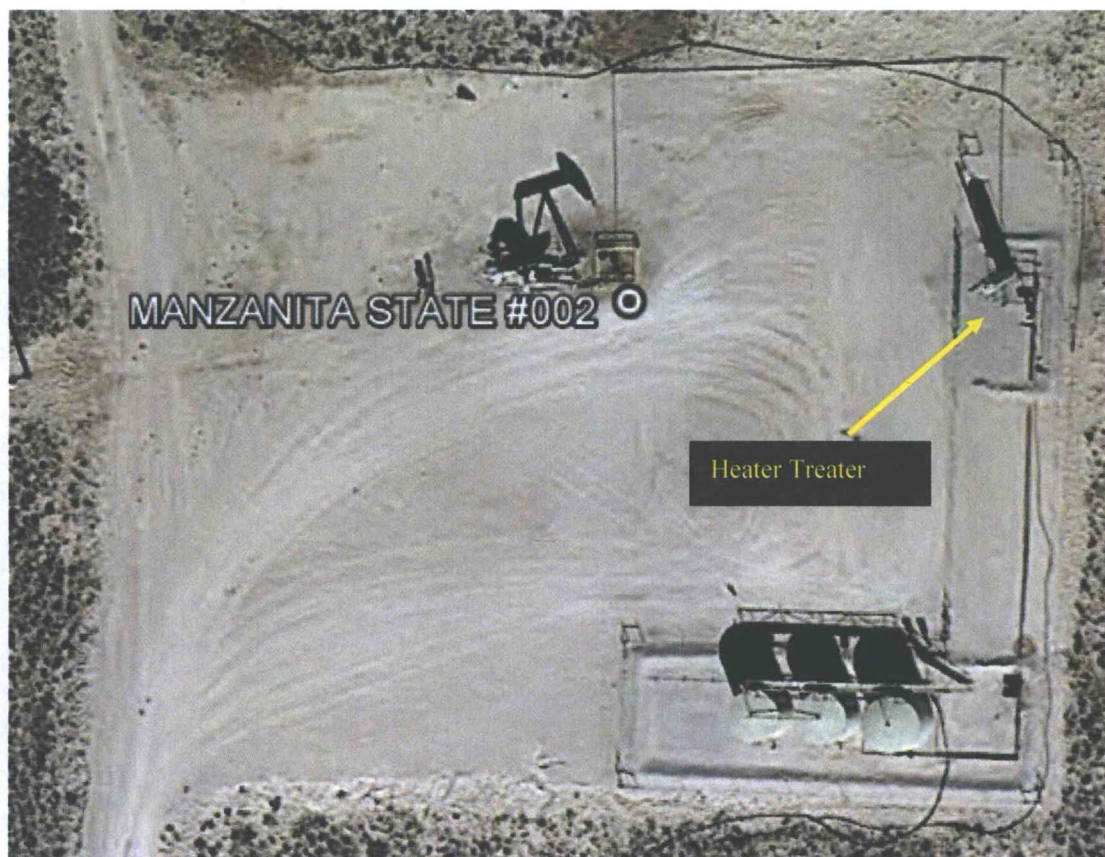
BEAR ENERGY INC
PO BOX 1734
EDMOND, OK 73013
7016 0750 0000 3051 2489

LARRY ARNOLD
PO BOX 2253
HOBBS, NM 88240-2253
7016 0750 0000 3051 2465

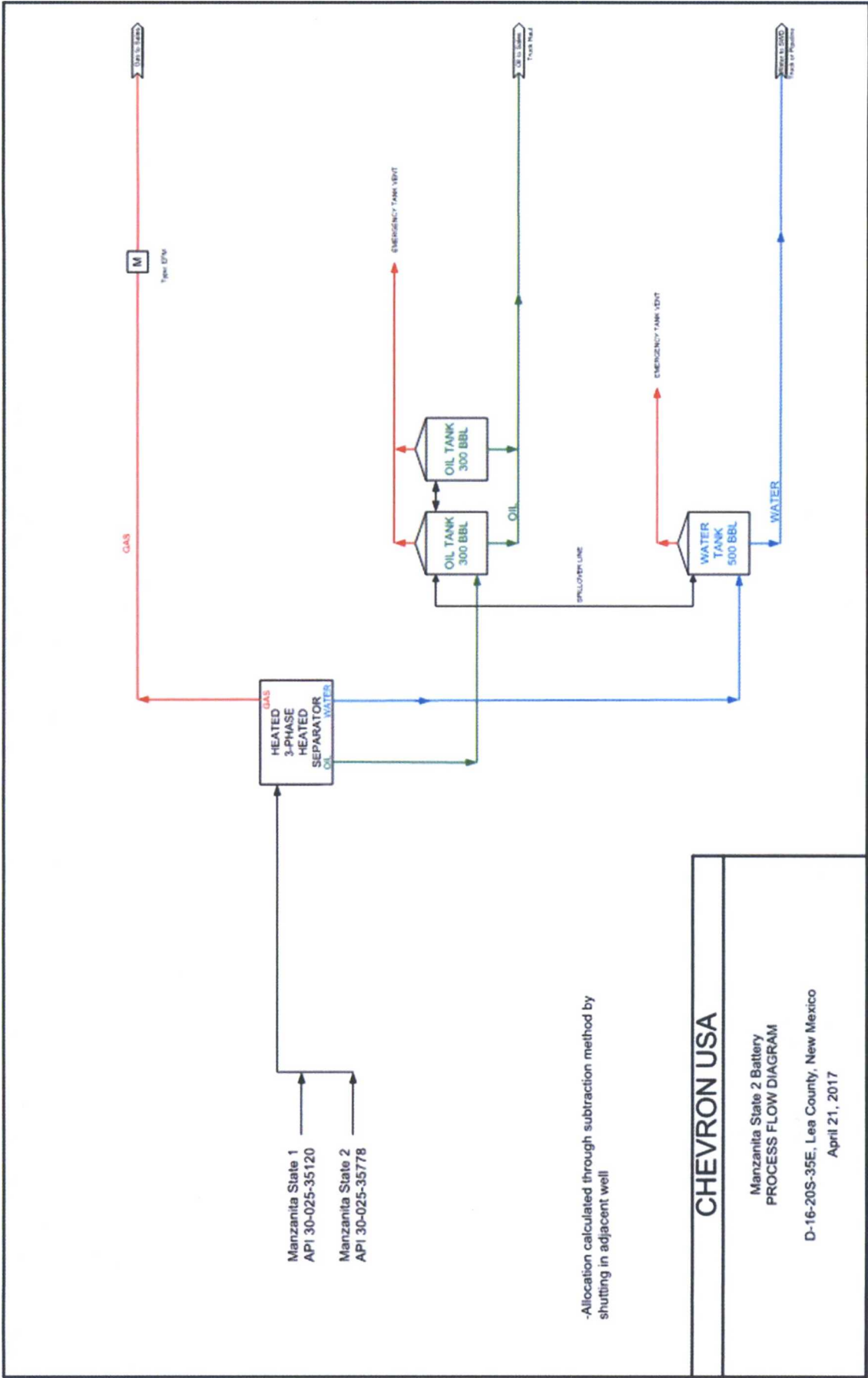
WALTER DUNCAN OIL LLC
100 PARK AVE STE 1120
OKLAHOMA CITY, OK 73102
7016 0750 0000 3051 2496



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC MANZANITA ST. #1 & #2







APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC MANZANITA ST. #1 & #2



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production Company
(A Chevron U.S.A. Inc. Division)
1616 W. Bender Blvd Room 134
Hobbs FMT, Hobbs, NM 88240
Tel 575-263-0431
Cherreramurillo@chevron.com

December 5, 2017

Cotton Creek Investments LTD
301 Commerce St Ste 3655
Fort Worth, TX 76102-4140

Application for surface commingle, Bone Spring Oil Lea County, NM (T20S, R35E, Section 16)

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas and water production from the Bone Spring Oil Pool through Chevron's Manzanita St. 2 Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. The wells producing to this battery includes the Manzanita St. #1 and Manzanita St. #2. These wells are located in the NW/4 Section 16, T 20S, R 35E in Lea County, New Mexico.

The working interest varies but the wells are located on the same State of New Mexico oil and gas lease V0 5694 and contain the same royalty rate. These wells were completed in the 2000 & 2001. The wells will be tested monthly through turbine meters installed on the heater treater and the gas allocation meter. There are two oil tanks at the CTB that the wells utilize and total oil will be measured by having a qualified field personnel gauge. The wells will be tested monthly through a three phase heater treater located at the Manzanita St. 2 CTB. Oil and water are measured by a turbine meter on the oil and water outlets and gas is measured by an orifice meter on the gas outlet.

Sincerely,

Cindy Herrera-Murillo

Cindy Herrera-Murillo
Permitting Specialist

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none">■ Complete items 1, 2, and 3.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.	<p>A. Signature x <i>Megan Jordan</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>DEC 10 2017</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>Cotton Creek Investments LTD 301 Commerce St Ste 3655 Fort Worth, TX 76102-4140</p>	<p>3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>9590 9401 0006 5168 5752 64</p> <p>Article Number (Transfer from service label)</p> <p>7007 0220 0001 1727 6088</p>	

PS Form 3811, April 2015 PSN 7530-02-000-9053 Domestic Return Receipt

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT


WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-35120	² Pool Code 24250	³ Pool Name FEATHERSTONE; BONE SPRING
⁴ Property Code 310707	⁵ Property Name MANZANITA STATE	
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON USA INC	
		⁶ Well Number 1
		⁹ Elevation 3707

¹⁰ Surface Location									
UL or lot no. E	Section 16	Township 20S	Range 35E	Lot Idn	Feet from the 1880	North/South line NORTH	Feet from the 660	East/West line WEST	County LEA

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 80	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶					¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>	
					 12/12/2017 Signature Date	
					Cindy Herrera-Murillo Printed Name	
					Cherreramurillo@chevron.com E-mail Address	
					¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>	
					Date of Survey	
					Signature and Seal of Professional Surveyor:	
					Certificate Number	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
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1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-35778	² Pool Code 24250	³ Pool Name FEATHERSTONE; BONE SPRING
⁴ Property Code 310707	⁵ Property Name MANZANITA STATE	
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON USA INC	
		⁶ Well Number 2
		⁹ Elevation 3699

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	20S	35E		660	NORTH	660	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 80	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

				<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>Cindy Herrera-Murillo</i> 12/12/2017</p> <p>Signature Date</p> <p>Cindy Herrera-Murillo Printed Name</p> <p>Cherreramurillo@chevron.com E-mail Address</p>
				<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
				Certificate Number

Production Summary Report				
API: 30-025-35120				
MANZANITA STATE #001				
Year	Pool	Oil(BBLS)	Gas(MCF)	Days P/I
5/1/2017	[24250] FEATHERSTONE;BONE SPRING	0	0	0
6/1/2017	[24250] FEATHERSTONE;BONE SPRING	0	0	0
7/1/2017	[24250] FEATHERSTONE;BONE SPRING	0	0	0
8/1/2017	[24250] FEATHERSTONE;BONE SPRING	0	0	0
9/1/2017	[24250] FEATHERSTONE;BONE SPRING	0	0	0
10/1/2017	[24250] FEATHERSTONE;BONE SPRING	0	0	0
Cum		97851	40632	

Production Summary Report				
API: 30-025-35778				
MANZANITA STATE #002				
Year	Pool	Oil(BBLS)	Gas(MCF)	Days P/I
5/1/2017	[24250] FEATHERSTONE;BONE SPRING	86	64	31
6/1/2017	[24250] FEATHERSTONE;BONE SPRING	114	87	30
7/1/2017	[24250] FEATHERSTONE;BONE SPRING	134	79	31
8/1/2017	[24250] FEATHERSTONE;BONE SPRING	0	0	0
9/1/2017	[24250] FEATHERSTONE;BONE SPRING	0	0	23
10/1/2017	[24250] FEATHERSTONE;BONE SPRING	9	10	19
Cum		51725	17478	

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



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-824
Administrative Application Reference No pKSC1715833737

June 27, 2017

Chevron USA Inc
Attention Ms Cindy Herrera-Murillo

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

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

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

The combined oil spacing and proration unit for these wells include the NW/4 of Section 16, Township 20 South, Range 35 East, NMPM

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Manzanita State Well No. 2 central tank battery (CTB) in Unit D of Section 16, Township 20 South, Range 35 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 remaining well shall flow through a three-phase test separator.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15 12.10.C(2).

Administrative Order CTB-824
Chevron USA Inc
June 27, 2017
Page 2 of 2

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



DAVID R. CATANACH
Director

DRC/mam

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