

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



February 13, 2019

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-551

Chevron USA Inc.
Attention: Laura Becerra

Pursuant to your application received on January 23, 2019, Chevron USA Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

WC-025 G-06 S263319P; BONE SPRING	(97955)
SANDERS TANK; UPPER WOLFCAMP	(97087)

and from wells, their associated leases, pools, and noted range of production decline as identified in the application, Exhibit "A" made a part of this order. These wells are located on federal leases and federal communitization agreements located in Township 26 South, Range 33 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

It is understood that the test separator and meters are designed to accurately measure production from the wells with the highest production rate. It is also assumed that all the oil and gas production from the wells in this application will display a hyperbolic decline and will fit the decline parameters described in Hearing Order R-14299. Wells that are in "prior-to" Range 1 of decline shall be tested daily. Wells that are in Range 1 of decline shall be measured with a combination of metering and well testing and shall be tested at least three times a month. Wells that are in Range 2 of decline shall be measured with a combination of metering and well testing and shall be tested at least twice a month. Wells in Range 3 of decline shall be measured with a combination of metering and well testing and shall be tested at least once a month.

The commingled oil production from the wells detailed above shall be measured and sold at the Salado Draw Central Tank Battery (CTB), located in Lot 1/ Unit D of Section 19, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico.

Chevron USA Inc. shall provide a Sundry Notice to the Engineering Bureau in Santa Fe when a dedicated separator is removed.

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

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

Subsequently drilled wells that produce from the subject pool within the project areas 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 administrative order supersedes Administrative Order CTB 772-A, issued on June 14, 2016. This order adds additional acreage and the Sanders Tank; Upper Wolfcamp Pool.

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



Gabriel Wade
Acting Director

GW/mam

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

Exhibit A

Attachment A: Salado Draw Wells

	API	WELL	ACREAGE	LEASE	POOL	POOL CODE	Rate of Decline
1	30-025-42279	SALADO DRAW 18 26 33 FED 4H	E/2 W/2 and E/2 Section 18, and Entire Section 19	NMNM 27506	WC-025 G-06 S263319P; BONE SPRING	97955	3
2	30-025-42278	SALADO DRAW 18 26 33 FED 3H	E/2 W/2 and E/2 Section 18, and Entire Section 19	NMNM 27506	WC-025 G-06 S263319P; BONE SPRING	97955	3
3	30-025-42281	SALADO DRAW 19 26 33 FED 4H	E/2 W/2 and E/2 Section 18, and Entire Section 19	NMNM 27506	WC-025 G-06 S263319P; BONE SPRING	97955	3
4	30-025-42280	SALADO DRAW 19 26 33 FED 3H	E/2 W/2 and E/2 Section 18, and Entire Section 19	NMNM 27506	WC-025 G-06 S263319P; BONE SPRING	97955	3
5	30-025-42797	SD EA 19 FED P6 5H	E/2 W/2 and E/2 Section 18, and Entire Section 19	NMNM 27506	WC-025 G-06 S263319P; BONE SPRING	97955	3
6	30-025-42798	SD EA 19 FED P6 6H	E/2 W/2 and E/2 Section 18, and Entire Section 19	NMNM 27506	WC-025 G-06 S263319P; BONE SPRING	97955	3
7	30-025-42799	SD EA 19 FED P6 7H	E/2 W/2 and E/2 Section 18, and Entire Section 19	NMNM 27506	WC-025 G-06 S263319P; BONE SPRING	97955	3
8	30-025-42795	SD EA 18 FED P6 5H	E/2 W/2 and E/2 Section 18, and Entire Section 19	NMNM 27506	WC-025 G-06 S263319P; BONE SPRING	97955	3
9	30-025-42796	SD EA 18 FED P6 6H	E/2 W/2 and E/2 Section 18, and Entire Section 19	NMNM 27506	WC-025 G-06 S263319P; BONE SPRING	97955	3
10	30-025-40802	PORTER BROWN 1H	E/2 W/2 and E/2 Section 18, and Entire Section 19	NMNM 27506	WC-025 G-06 S263319P; BONE SPRING	97955	3
11	30-025-44088	SD EA 18 19 P15 FED COM 16H	E/2 W/2 and E/2 Section 18, and Entire Section 19	NMNM 27506	SANDERS TANK; UPPER WOLFCAMP	98097	1
12	30-025-42659	SALADO DRAW 18 26 33 FED Com 1H	Lot 1, Lot 2, Lot 3, Lot 4 (W/2 W/2) Section 18	Federal Communitization Agreement NMNM 135806	WC-025 G-06 S263319P; BONE SPRING	97955	3
13	30-025-42660	SALADO DRAW 18 26 33 FED Com 2H	Lot 1, Lot 2, Lot 3, Lot 4 (W/2 W/2) Section 18	Federal Communitization Agreement NMNM 135806	WC-025 G-06 S263319P; BONE SPRING	97955	3
14	30-025-42661	SALADO DRAW 19 26 33 FED Com 1H	Lot 1, Lot 2, Lot 3, Lot 4 (W/2 W/2) Section 19	Federal Communitization Agreement NMNM 135996	WC-025 G-06 S263319P; BONE SPRING	97955	3
15	30-025-42662	SALADO DRAW 19 26 33 FED Com 2H	Lot 1, Lot 2, Lot 3, Lot 4 (W/2 W/2) Section 19	Federal Communitization Agreement NMNM 135996	WC-025 G-06 S263319P; BONE SPRING	97955	3
16	30-025-44089	SD EA 18 19 P15 FED COM 17H	W/2 E/2 Sec. 18; W/2 E/2 Sec. 19	Pending SD EA 18 19 P15 FED COM 17H Communitization Agreement	SANDERS TANK; UPPER WOLFCAMP	98097	1
17	30-025-44090	SD EA 18 19 P15 FED COM 18H	W/2 E/2 Sec. 18; W/2 E/2 Sec. 19	Pending SD EA 18 19 P15 FED COM 17H Communitization Agreement	SANDERS TANK; UPPER WOLFCAMP	98097	1
18	30-025-44167	SD EA 18 19 P15 FED COM 19H	W/2 E/2 Sec. 18; W/2 E/2 Sec. 19	Pending SD EA 18 19 P15 FED COM 17H Communitization Agreement	SANDERS TANK; UPPER WOLFCAMP	98097	1
19	30-025-44091	SD EA 18 19 P15 FED COM 20H	E/2 E/2 Sec. 18	Pending SD EA 18 19 P15 FED COM 20H Communitization Agreement	WC-025 G-06 S263319P; BONE SPRING	97955	1