

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Betty Rivera Cabinet Secretary

Lori Wrotenbery Director Oil Conservation Division COMMINGLING ORDER PLC-213

Chevron USA Production Company, Inc. 15 Smith Road PO Box 1150 Midland, Texas 79705

Attention: Ms. Carolyn J. Haynie

The above named company is hereby authorized to surface commingle natural gas production from operated wells within the following pools and acreage located in Eddy County, New Mexico.

Fren-Morrow (Gas 96663)

All of Section 2, Township 17 South, Range 31 East, NMPM. N/2 of Section 11, Township 17 South, Range 31 East, NMPM.

Northeast WC Fren-Morrow (Gas 96996)

N/2 of Section 36, Township 16 South, Range 31 East, NMPM.

The following wells are currently producing within these pools and in this acreage and are therefore included in this commingle at this time.

Texmack '2' State Well No. 1(State Lease No. 912634) Completed in the Fren-Morrow Gas Pool Dedicated to the S/2 of Section 2, Township 17 South, Range 31 East, NMPM.

Texmack '2' State Com Well No. 2 (State Lease No. B10920) Completed in the Fren-Morrow Gas Pool Dedicated to the N/2 of Section 2, Township 17 South, Range 31 East, NMPM.

Texmack '11' Federal Well No. 1 (Federal Lease No. LC-029418-B) Completed in the Fren-Morrow Gas Pool Dedicated to the N/2 of Section 11, Township 17 South, Range 31 East, NMPM.

Texmack '36' State Com Well No. 1 (State Lease No. E-5300) Completed in the Northeast WC Fren-Morrow Gas Pool Dedicated to the N/2 of Section 36, Township 16 South, Range 31 East, NMPM.

Allocation gas meters shall be installed on all wells included in this commingle and regularly calibrated for accuracy. Each well's gas sales, production, and BTU values shall be calculated using data collected from allocation rate meters, total CPD sales, lost gas, fuel gas, and periodic BTU tests. Compressor fuel gas usage shall be calculated for each well based on that well's ratio of the total of all the allocation meters feeding that compressor.

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Condensate and water shall not be commingled. The measurement and sales point for commingled gas may occur off lease.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." The producer is responsible for notifying the transporter of this commingling authority.

FURTHER: The operator shall notify the Artesia district office of the Division prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 3rd day of October 2002.

NUT Lori Wrotenbery

LORI WROTENBERY, Division Director

LW/wvjj

cc: Oil Conservation Division - Artesia Bureau of Land Management - Carlsbad State Land Office - Oil & Gas Division