

# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**Brett F. Woods, Ph.D.**  
Acting Cabinet Secretary

**Daniel Sanchez**  
Acting Division Director  
Oil Conservation Division



**March 1, 2011**

## Commingling Order-PLC-59-C

Chevron U.S.A. Inc.  
15 Smith Road  
Midland, Texas 79705

Attention: Ms. Carolyn Haynie

Chevron U.S.A., Inc. is hereby authorized to surface commingle Penrose-Skelly (Grayburg) (Oil – 50350), Southwest Eunice-San Andres (Oil – 24180), Cary-San Andres Gas (Gas – 96801), Paddock (49210), Drinkard (19190, and Blinebry production from the following-described leases and wells in Lea County, New Mexico:

Lease: C. P. Falby "A" Federal Lease (Lease No. LC-033706-A)  
Description: NW/4 Section 8, Township 22 South, Range 37 East, NMPM,

Wells: C. P. Falby "A" Fed. Well No. 1 (API No. 30-025-10117)  
C.P. Falby "A" Fed. Well No. 6 (API No. 30-025-38372)  
C.P. Falby "A" Fed. Well No. 7 (API No. 30-025-39048)  
C. P. Falby "A" Fed. Well No. 3 (API No. 30-025-10118)  
All from Penrose-Skelly (Grayburg) Pool  
C. P. Falby "A" Fed. Well No. 4 (API No. 30-025-10120)  
Southwest Eunice-San Andres Pool.  
C.P. Falby "A" Fed. Well No. 9 (Proposed New well)  
Proposed DHC in Blinebry/Drinkard

Lease: C. P. Falby "B" Federal Lease (Lease No. LC-033706-B)  
SW/4 Section 8, Township 22 South, Range 37 East, NMPM

Wells: C. P. Falby "B" Fed. Well No. 4 (API No. 30-025-10106)  
C.P. Falby "B" Fed Well No. 5 (API No. 30-025-37938)  
Cary-San Andres Gas Pool (DHC- 3594)  
Penrose-Skelly (Grayburg) Pool.  
C.P. Falby "B" Fed. Well No. 6 (Proposed New Well)  
C.P. Falby "B" Fed. Well No. 7 (Proposed New Well)  
Proposed DHC in Blinebry/Drinkard

Lease: L.E. Grizzell Lease  
NE/4, Section 8, T-22-S, R-37-E



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Wells: L.E. Grizzell Well No. 1 (API No. 30-025-10099)  
Penrose Skelly Grayburg  
L.E. Grizzell Well No. 2 (API no. 30-025-10102)  
Paddock Pool  
L.E. Grizzell Well No. 3 (API No. 30-025-10100)  
L.E. Grizzell Well No. 4 (API No. 30-025-26765)  
All from Drinkard Pool

The production from each well/lease shall be determined by monthly well tests. This method of production allocation may be utilized as long as the interest ownership between the wells remains identical.

The commingled production shall be stored at a common tank battery located on the C. P. Falby "B" Lease in the NE/4 SW/4 of Section 8, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

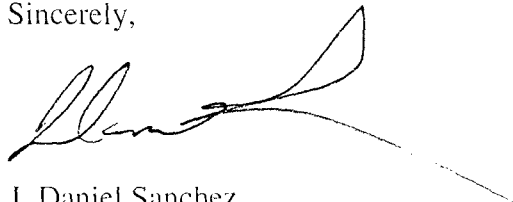
The operator/producer shall notify the transporter of this commingling authority. The operator shall notify the Hobbs District Office of the Division upon commencement of commingling operations.

This Order supersedes Order No. PLC-59-B

**This approval is subject to like approval by the Bureau of Land Management (BLM) before commencing the commingling operations.**

Done, at Santa Fe, New Mexico on this 1st day of March, 2011.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Daniel Sanchez', with a long, sweeping horizontal line extending to the right.

J. Daniel Sanchez  
Acting Director

DS/re

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