

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-744-B
Administrative Application Reference No. pJAG1515957206

June 28, 2015

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

Chevron USA Inc. (OGRID 4323) is hereby authorized to surface commingle oil and gas production from Red Hills; Bone Spring, North (96434), and from the following leases and wells:

| <u>Name</u> | <u>API No.</u> | <u>Footages</u> |
|---|----------------|----------------------|
| <u>ULSTR</u> | | |
| Gramma Ridge 14-24-34 Well No. 1H B-14-24S-34E | 30-025-41811 | 330` FNL & 2300` FEL |
| Gramma Ridge 14-24-34 Well No. 2H D-14-24S-34E | 30-025-41731 | 330` FNL & 340` FWL |
| Gramma Ridge 14 24 34 Well No. 5H C-14-24S-34E | 30-025-42059 | 330` FNL & 2310` FWL |
| Gramma Ridge 14 24 34 Well No. 8H A-14-24S-34E | 30-025-42060 | 330` FNL & 380` FEL |
| Gramma Ridge 14 24 34 Well No. 6H B-14-24S-34E | 30-025-42289 | 330` FNL & 1700` FEL |

The project area for these wells include the entire Section 14, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Gramma Ridge 14-24-34 Well No. 2H central tank battery (CTB), located in Unit D, of Section 14, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be separately metered using allocation meters. Individual well production on each of the leases shall be determined by monthly well test.

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


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 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.

This Division Order supersedes Division Order CTB-744-A, issued on April 24, 2015.

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

Done at Santa Fe, New Mexico, on June 28, 2015.


DAVID R. CATANACH
Director

DC/mam

cc: Oil Conservation Division – Hobbs