



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

COMMINGLING ORDER CTB-543

ChevronTexaco
15 Smith Road
Midland, Texas 79705

Attention: Ms. Carolyn Haynie

The above named company is hereby authorized to surface commingle Fren-Paddock (Oil-26770) Pool production from the following Federal leases in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

Lease: Skelly Unit (Federal Leases No. NMNM-98122 & NMLC-029419A)
Description: N/2 NW/4 of Section 22

Wells: Skelly Unit No. 940 (API No. 30-015-32599) Unit D
Skelly Unit No. 941 (API No. 30-015-32600) Unit C
Skelly Unit No. 944 (API No. 30-015-32963) Unit D
Skelly Unit No. 945 (API No. 30-015-32964) Unit C

According to the application filed, the interest ownership between the Skelly Unit Wells No. 940 and 944 is common, and the interest ownership between the Skelly Unit Wells No. 941 and 945 is common, however; the interest ownership between the Skelly Unit Wells No. 940 and 944 and the Skelly Unit Wells No. 941 and 945 is not common.

Due to the diversity of ownership between the two groups of wells, the total oil and gas production from the Skelly Unit Wells No. 940 and 944 shall be separately metered prior to commingling, and the total oil and gas production from the Skelly Unit Wells No. 941 and 945 shall be separately metered prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

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

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ChevronTexaco
April 14, 2004
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DONE at Santa Fe, New Mexico, on this 14th day of April 2004.

A handwritten signature in cursive script, reading "David Catanach", followed by a horizontal line.

David Catanach
Engineer/Examiner

DRC

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