nergy, Minerals and Natural Resources Department New Mexico F

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey **Division Director** Oil Conservation Division



Administrative Order PLC-54-B December 22, 2011

Chevron USA, Inc. 15 Smith Road Midland, TX 79705

Attention: Carolyn Haynie

The above-named company is hereby authorized to commingle Justis-Glorieta (Prorated Gas 79360), Justis-Blinebry (34200), Justis-Tubb Drinkard (35280), and Langlie Mattix-Seven Rivers Queen Grayburg (37240) Pool production from the following leases all in Section 2, Township 25 South, Range 37 East, Lea County, New Mexico:

Lease:

State 'BB' Lease (B-1556)

Description:

NW/4 NW/4;

Current Well: State BB Well No. 3, Unit letter D 30-025-33169 R-10371

Active in: Justis-Tubb Drinkard and Justis-Blinebry Pools

Lease:

State 'L' Lease (B-1328)

Description:

S/2 NW/4;

Current Wells: State L Well No. 3, Unit letter F 30-025-11417 DHC-171 State L Well No. 4, Unit letter E 30-025-11419 DHC-172

State L Well No. 5, Unit letter F 30-025-32911 R-10371 State L Well No. 6, Unit letter E 30-025-33725 R-10371 All active in: Justis-Tubb Drinkard and Justis-Blinebry Pools

Lease:

NM 'BZ' State NCT-10 Lease (B-1583)

Description: SW/4:

Current Wells: NM BZ NCT-10 Well No. 5, Unit letter K 30-025-33089

Justis-Tubb Drinkard and Justis-Blinebry Pools (R-10371)

NM BZ NCT-10 Well No. 6, Unit letter N 30-025-33168 R-10371

Justis-Glorieta (Pro Gas) Pool (Planned Recompletion)

NM BZ NCT-10 Well No. 7, Unit letter L 30-025-33952 R-10371

Langlie Mattix-7Rvrs Queen Grayburg Pool



Separately owned oil and gas streams shall be continuously measured prior to being commingled for production and sales. Periodic well testing is permitted for allocation of production between well completions of identically owned oil and gas.

The measurement and sales point for commingled oil and gas may occur off lease. The producer is responsible for notifying the transporter of this commingling authority.

The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process. It is the responsibility of the producer to notify the transporter of this commingling authority.

Administrative permits PLC-54 and PLC-54-A are hereby superseded and no longer in effect.

This surface commingling is dependent upon like approval from the New Mexico State Land Office.

JB/wvji

cc: Oil Conservation Division – Hobbs

State Land Office – Oil, Gas, and Minerals Division

PLC-54, PLC-54-A