

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

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

**Jami Bailey**  
Division Director  
Oil Conservation Division



Surface Commingling Order PC-1250

December 3, 2012

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

Attention: Carolyn Haynie

Chevron USA, Inc., ("Chevron") is hereby authorized to surface commingle Strawn Oil Pool (**96678**), and the Bone Spring Oil Pool (**41450**) oil production from the North Lusk Federal lease and the following wells.

Well Name and Number	API Number	Location
N. Lusk 29 Federal Well No. 1	30-025-34673	Unit N, Section 29, T-18-S, R-32-E
Cross Bones 1 29 Well No. 2H	30-025-40711	Unit L, Section 29, T-18-S, R-32-E
Cross Bones 2 29 Well No. 1H	30-025-40706	Unit M, Section 29, T-18-S, R-32-E
Cross Bones 1 29 Well No. 1H	30-025-40710	Unit M, Section 29, T-18-S, R-32-E
Cross Bones 2 29 Well No. 2H	Pending	Section 29, T-18-S, R-32-E

**All in NMPM, Lea County, New Mexico**

The commingled oil production from the wells detailed above shall be measured and sold at the new Cross Bones Tank Battery located in Section 29, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico. The current North Lusk Tank Battery shall be decommissioned.

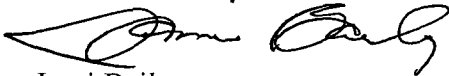
The oil production from the wells shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated monthly. The commingled production from the wells is approved for off-lease measurement and sales. **The gas production shall not be commingled**

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NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. The producer/Operator shall notify the transporter of this commingling authority.

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

DONE at Santa Fe, New Mexico, on December 3, 2012.

A handwritten signature in black ink, appearing to read "Jami Bailey", with a stylized flourish at the end.

Jami Bailey  
Division Director

JB/re

cc: Oil Conservation Division – Hobbs  
Bureau of Land Management (BLM) - Roswell