

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



October 20, 2015

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-434  
Administrative Application Reference No. pMAM1527230015

CHEVRON U.S.A., INC.  
Attention: Ms. Cindy Herrera-Murillo

Pursuant to your application received on September 29, 2015, Chevron U.S.A., Inc. (OGRID 4323) is hereby authorized to surface commingle gas production from the following pools located in Section 16 and 21, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico;

HAY HOLLOW; BONE SPRING, NORTH (30216)  
WC-015 G-02 S252715A; BONE SPRING (97816)

and from the following diversely owned federal and state leases in said Section, Township, and Range in Eddy County, New Mexico.

Lease: Federal Lease NMNM-107369, State Lease BV-0673-2, Fee Lease  
Description: W/2 Section 21  
Well: White City 21 25 27 Federal Com. Well No. 5H  
White City 21 25 27 Federal Com. Well No. 6H  
Pool: Hay Hollow; Bone Spring, North

Lease: State Lease VB-1865  
Description: W/2 Section 16  
Well: Hayhurst 16 25 27 State Well No. 1H  
Hayhurst 16 25 27 State Well No. 3H  
Pool: WC-015 G-02 S252715A; Bone Spring

Lease: State Lease VO-7320  
Description: E/2 Section 16  
Well: Hayhurst 16 25 27 State Well No. 2H  
Hayhurst 16 25 27 State Well No. 4H  
Pool: WC-015 G-02 S252715A; Bone Spring

The commingled gas production from the White City 21 25 27 Federal Com. Well No. 5H and White City 21 25 27 Federal Com. Well No. 6H wells detailed above shall be measured and sold at the White City Federal Com. Well No. 6H Central Tank Battery (CTB) located in Unit N, Section 21, Township 25 South, Range 27 East, Eddy County, New Mexico. The commingled gas production from the Hayhurst 16 25 27 State Well No. 1H, Hayhurst 16 25 27 State Well No. 2H, Hayhurst 16 25 27 State Well No. 3H, and Hayhurst 16 25 27 State Well No. 4H wells detailed above shall be measured and sold at the Hayhurst 16 25 27 State Well No. 1H Central Tank Battery (CTB) located in Unit C, Section 16, Township 25 South, Range 27 East, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The gas production from each of the diversely-owned leases shall be separately metered using allocation meters at the two CTBs. Further, gas production from the White City 21 25 27 Federal Com Well No. 5H CTB and the Hayhurst 16 25 27 State Well No. 1H CTB shall be metered separately before commingling at the Central Delivery Point.

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.

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

The operator shall notify the transporter of this commingling authority.

This Order supersedes Administrative Order CTB-685-B, issued on September 25, 2014 for gas production only.

The operator shall notify the Artesia District office of the Division upon commencement of commingling operations.

DONE at Santa Fe, New Mexico, on October 20, 2015.

  
**DAVID R. CATANACH**  
Director

DRC/mam

cc: Oil Conservation Division District Office – Artesia  
Bureau of Land Management - Carlsbad  
New Mexico State Land Office – Oil, Gas, and Minerals