

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-793
Administrative Application Reference No. pMAM1618329425

July 5, 2016

Chevron USA Inc.
Attention: Mr. David Macurdy

Chevron USA Inc. (OGRID 4323) "Applicant" is hereby authorized to surface commingle oil and gas production from identically owned federal leases from the Jennings; Upper Bone Spring Shale Pool (Pool code 97838) located in Township 26 South, Range 32 East, NMPM, Lea County, New Mexico;

Lease: Federal lease NMNM 118722
Description: E/2 E/2 and W/2 W/2 of Section 14, Township 26 South, Range 32 East, NMPM
Wells: SD WE 14 Federal P7 Well No. 3H
SD WE 14 Federal P7 Well No. 4H
SD WE 14 Federal P5 Well No. 1H
SD WE 14 Federal P5 Well No. 2H

Lease: Federal lease NMNM 118723
Description: E/2 E/2 and W/2 W/2 of Section 23, Township 26 South, Range 32 East, NMPM
Well: SD WE 23 Federal P7 Well No. 3H
SD WE 23 Federal P7 Well No. 4H
SD WE 23 Federal P5 Well No. 1H
SD WE 23 Federal P5 Well No. 2H

The combined project area for these wells include the entire Section 14, and the entire Section 23, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant stated that Section 14 is comprised of one federal lease with identical ownership; likewise Section 23 is comprised of another federal lease with identical ownership.

The oil and gas production from these wells listed as part of this application shall be measured and sold from the Salado Draw 23 Central Tank Battery (CTB), located in Unit N, of Section 14, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from the wells listed as part of this application which have identical ownership shall be metered with a combination of metering and testing.

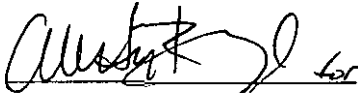
The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2).

After initial notification, future wells that will produce from the pools and leases 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.

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 July 5, 2016.



DAVID R. CATANACH
Director

DRC/mam

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