

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATION OF CHEVRON USA, INC.
FOR APPROVAL OF THE JAVELINA
UNIT AND SURFACE COMMINGLING,
EDDY COUNTY NEW MEXICO.

CASE NO. 16436

AFFIDAVIT OF MICHELLE HRANITZKY

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, Michelle Hranitzky, being first duly sworn, upon oath, states the following based upon my own personal knowledge:

1. I am over eighteen (18) years of age and am otherwise competent to make this sworn statement.
2. I am employed as a Facilities Engineer in the Permian Basin in Southeastern New Mexico for Chevron U.S.A. Inc. ("Chevron").
3. In my position as a Facilities Engineer, I review facilities diagrams and related information that Chevron keeps as a matter of course in its company business records. I am also familiar with the facilities equipment diagrams and measurement equipment involved in the lands at issue in the above-captioned case.
4. Attached hereto as **Exhibit 1** are true and correct copies of documents requested during the October 4, 2018 hearing by the Hearing Examiner. These documents consist of a statement concerning the measurement of production and a facilities diagram for the proposed

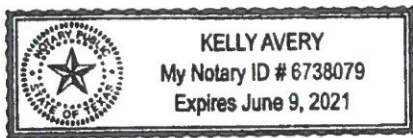
Javelina Unit, located Sections 1, 2, 9, 10, 11, 12, 15 and 16 of Township 24 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.


Michelle Hranitzky

SUBSCRIBED AND SWORN to before me this 26th day of October, 2018 by Michelle Hranitzky.


Notary Public

My commission expires: 6-9-21



Oil & Gas Metering:

The central tank batteries (CTB) in the Javelina Unit are expected to be located in Section 10 and Section 12.

At the section 10 CTB, each production train will contain a series of test separators, production separators, and heater treaters. There will be a gas meter on each train located at the pad edge. The Train 1 gas meter labeled "battery meter" will measure all gas produced through Train 1 and all production from the Vapor Recovery Unit. The Train 2 meter, labeled "EFM" will measure all gas produced through Train 2. The produced water will go to common water tanks on location and then to a saltwater disposal station or third-party disposal. The oil will go to common oil tanks on location and will then be sold through a common LACT unit.

At the section 12 CTB, each production train will contain a series of test separators, production separators, and heater treaters. There will be a gas meter on each train located at the pad edge. The Train 1 gas meter labeled "battery meter" will measure all gas produced through Train 1 and all production from the Vapor Recovery Unit. The Train 2 meter, labeled "EFM" will measure all gas produced through Train 2. The produced water will go to common water tanks on location and then to a saltwater disposal station or third-party disposal. The oil will go to common oil tanks on location and will then be sold through a common LACT unit.

Gas from the two CTBs will be commingled and compressed prior to being sold at a central delivery point (CDP) to be located in section 11.

All wells will be tested monthly to meet all federal and state requirements. Additionally, value of oil will not be affected because all wells will be in the Javelina Unit. Wells are expected to be of the same or similar API gravity. Value of gas will not be affected as BTUs are expected to be the same or similar.

Gas Allocation:

Sand Dunes CTB 10 –

Gas will be allocated to each well based on individual well test data. The two measurement points listed above for Train 1 and Train 2 will be added together to allocate production back to individuals wells.

Sand Dunes CTB 12 –

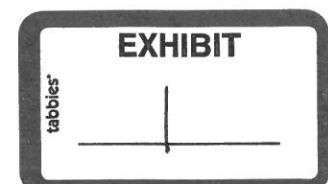
Gas will be allocated to each well based on individual well test data. The two measurement points listed above for Train 1 and Train 2 will be added together to allocate production back to individuals wells.

Gas Lift

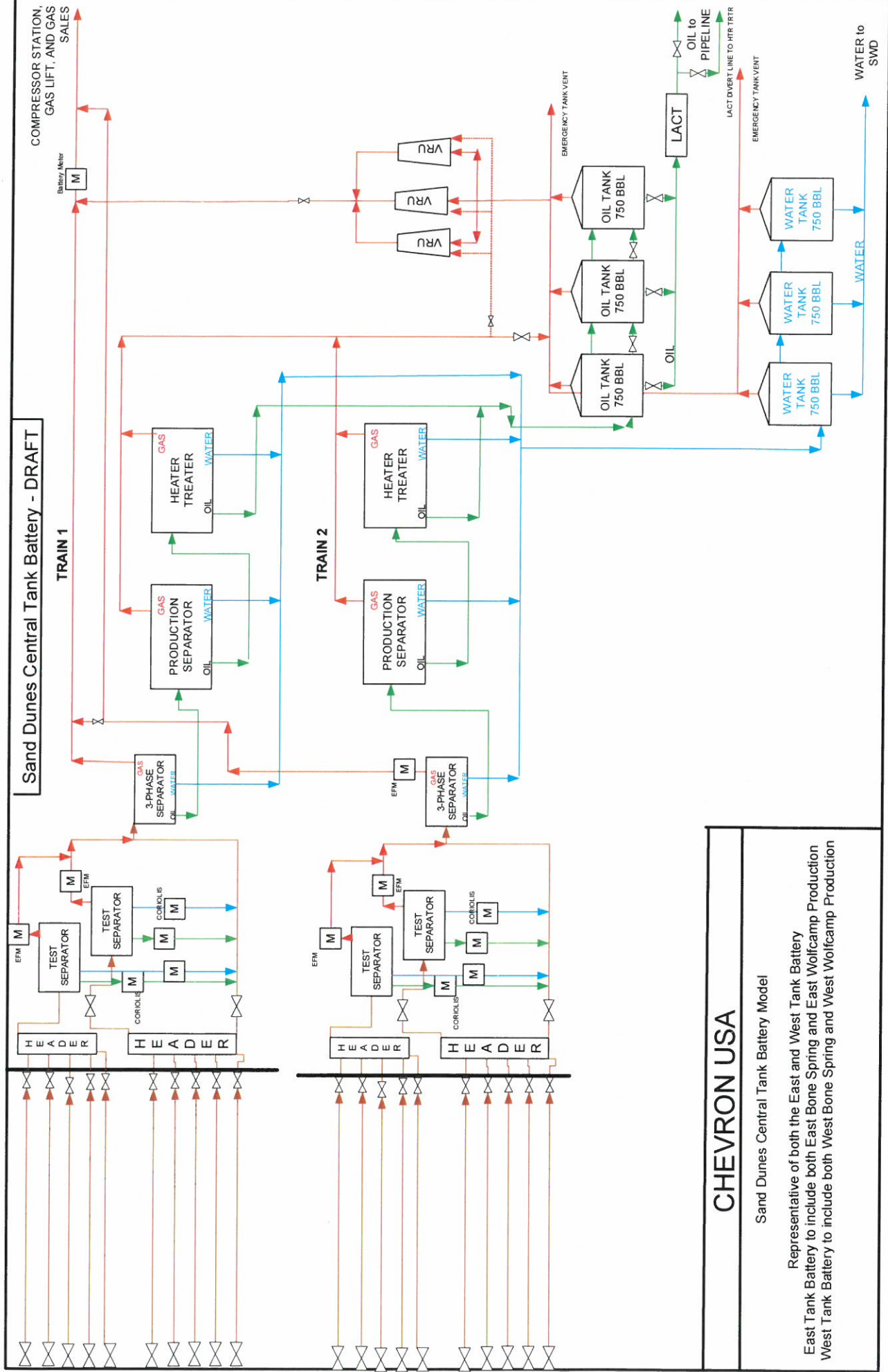
Gas from both Sand Dunes CTB 10 and Sand Dunes CTB 12 will be commingled at shared compressor stations. Gas from those compressor stations will either be sold at the CDP or will be rerouted back to the wells for Gas Lift. All wells will have individual gas lift meters to allow for proper measurement of lift gas and therefore proper allocation of produced gas.

Process and Flow Description:

The flow of production is shown in detail on the provided facility flow diagram. The commingling of this will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint and overall emissions in the Javelina Unit.



Sand Dunes Central Tank Battery - DRAFT



CHEVRON USA

Sand Dunes Central Tank Battery Model

Representative of both the East and West Tank Battery
 East Tank Battery to include both East Bone Spring and East Wolfcamp Production
 West Tank Battery to include both West Bone Spring and West Wolfcamp Production