

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**Carlsbad Field Office**  
**OCD Hobbs**

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Multiple--See Attached	
2. Name of Operator CHEVRON USA INCORPORATED		9. API Well No. Multiple--See Attached	
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706		10. Field and Pool or Exploratory Area Multiple--See Attached	
3b. Phone No. (include area code) Ph: 432-687-7375		11. County or Parish, State LEA COUNTY, NM	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached			

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface Commingling
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

CHEVRON U.S.A. INC PROVIDES NOTICE OF INTENT AND REQUESTS APPROVAL TO SURFACE COMMINGLE OIL, GAS, AND WATER PRODUCTION FROM THE WILDCAT; BONE SPRING POOL THROUGH THE SALADO DRAW 19 CENTRAL TANK BATTERY. NOTE THAT THIS IS AN AMENDED APPLICATION TO THE PREVIOUS SUBMITTAL UNDER EC#341091 AND SUPERSEDES THAT APPLICATION TO INCLUDE ACTUAL HYDROCARBON PRODUCTION VOLUMES AND CHARACTERISTICS (OIL GRAVITY, GAS HEATING VALUE) FOR THE WELLS CURRENTLY PRODUCING. ALL LISTED WELLS ARE OR WILL BE COMPLETED WITHIN THE BONE SPRING FORMATION AND LOCATED IN SECTIONS 18 & 19, T26S, R33E, LEA COUNTY, NEW MEXICO.

Salado Draw 18 26 33 Fed Com #1H, API#30-025-42659, Lease NMNM27506 & NMNM132069  
Salado Draw 18 26 33 Fed Com #2H, API#30-025-42660, Lease NMNM27506 & NMNM132069  
Salado Draw 18 26 33 Fed Com #3H, API#30-025-42278, Lease NMNM27506  
Salado Draw 18 26 33 Fed Com #4H, API#30-025-42279, Lease NMNM27506  
Salado Draw 19 26 33 Fed Com #1H, API#30-025-42661, Lease NMNM27506 & NMNM65880-A

LC065880A

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #342239 verified by the BLM Well Information System  
For CHEVRON USA INCORPORATED, sent to the Hobbs  
Committed to AFMSS for processing by PRISCILLA PEREZ on 06/16/2016 (16PP0797SE)

Name (Printed/Typed) DENISE PINKERTON	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 06/16/2016

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <i>J.D. Whitlock</i>	Title <i>TLPET</i>	Date <i>5/10/2017</i>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <i>CFD</i>

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

# Additional data for EC transaction #342239 that would not fit on the form

## 7. If Unit or CA/Agreement, Name and No., continued

NMNM135806

NMNM135966

### Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM27506	NMNM27506	SALADO DRAW 18 26 33 FED 3H	30-025-42278-00-S1	Sec 18 T26S R33E NENW 200FNL 1943FWL 32.035590 N Lat, 103.613078 W Lon
NMNM27506	NMNM27506	SALADO DRAW 18 26 33 FED 4H	30-025-42279-00-S1	Sec 19 T26S R33E NENW 200FNL 1993FWL 32.035590 N Lat, 103.612917 W Lon
NMNM27506	NMNM27506	SALADO DRAW 19 26 33 FED 3H	30-025-42280-00-S1	Sec 19 T26S R33E NENW 200FNL 1968FWL 32.035590 N Lat, 103.612998 W Lon
NMNM27506	NMNM27506	SALADO DRAW 19 26 33 FED 4H	30-025-42281-00-S1	Sec 19 T26S R33E NENW 200FNL 2018FWL 32.035590 N Lat, 103.612836 W Lon
NMNM27506	NMNM27506	SD EA 18 FEDERAL P6 5H	30-025-42795-00-S1	Sec 19 T26S R33E NWNE 266FNL 1778FEL
NMNM27506	NMNM27506	SD EA 18 FEDERAL P6 6H	30-025-42796-00-S1	Sec 19 T26S R33E NWNE 247FNL 1763FEL
NMNM27506	NMNM27506	SD EA 19 FEDERAL P6 5H	30-025-42797-00-S1	Sec 19 T26S R33E NWNE 227FNL 1747FEL
NMNM27506	NMNM27506	SD EA 19 FEDERAL P6 6H	30-025-42798-00-S1	Sec 19 T26S R33E NWNE 207FNL 1732FEL
NMNM27506	NMNM27506	SD EA 19 FEDERAL P6 7H	30-025-42799-00-S1	Sec 19 T26S R33E NWNE 188FNL 1716FEL
NMNM135806	NMNM27506	SALADO DRAW 18 26 33 FED COM	30-025-42659-00-S1	Sec 19 T26S R33E NWNW 200FNL 879FWL
NMNM135806	NMNM27506	SALADO DRAW 18 26 33 FED COM	30-025-42660-00-S1	Sec 19 T26S R33E Lot 1 200FNL 923FWL
NMNM135966	NMLC065880A	SALADO DRAW 19 26 33 FED COM	30-025-42661-00-S1	Sec 19 T26S R33E Lot 1 200FNL 898FWL
NMNM135966	NMLC065880A	SALADO DRAW 19 26 33 FED COM	30-025-42662-00-S1	Sec 19 T26S R33E Lot 1 200FNL 948FWL
NMNM27506	NMNM27506	PORTER BROWN 1H	30-025-40802-00-S1	Sec 19 T26S R33E SESE 340FSL 340FEL

## 10. Field and Pool, continued

WC025G06S263319P-BONE SPRING  
WILDCAT;WOLFCAMP

## 32. Additional remarks, continued

Salado Draw 19 26 33 Fed Com #2H, API#30-025-42662, Lease NMNM27506 & NMNM65880-A

Salado Draw 19 26 33 Fed Com #3H, API#30-025-42280, Lease NMNM27506

Salado Draw 19 26 33 Fed Com #4H, API#30-025-42281, Lease NMNM27506

Porter Brown #1H, API#30-025-40802, Lease NMNM27506

SD EA 18 FED P6 #5H, API#30-025-42795, Lease NMNM27506

SD EA 18 FED P6 #6H, API#30-025-42796, Lease NMNM27506

SD EA 19 FED P6 #5H, API#30-025-42797, Lease NMNM27506

SD EA 19 FED P6 #6H, API#30-025-42798, Lease NMNM27506

SD EA 19 FED P6 #7H, API#30-025-42799, Lease NMNM27506

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APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc. is requesting approval for the Central Tank Battery (CTB) and commingling for the following wells:

Federal Lease NMNM27506 and NMNM132069  
Communitization Agreement NMNM135806

Well Name	Location	API #	Pool 97955	Oil		Gas	
				BOPD	Gravity	MCFPD	BTU
Salado Draw 18 26 33 Fed Com #1H	Sec19, NWNW T26S R33E	3002542659	Wildcat; Bone Spring	569*	43*	2984*	1400*

Federal Lease NMNM27506 and NMNM132069  
Communitization Agreement NMNM135806

Well Name	Location	API #	Pool 97955	Oil		Gas	
				BOPD	Gravity	MCFPD	BTU
Salado Draw 18 26 33 Fed Com #2H	Sec 19, NWNW T26S R33E	3002542660	Wildcat; Bone Spring	569*	43*	2984*	1400*

Federal Lease NMNM27506

Well Name	Location	API #	Pool 97955	Oil		Gas	
				BOPD	Gravity	MCFPD	BTU
Salado Draw 18 26 33 Fed #3H	Sec19, NENW T26S R33E	3002542278	Wildcat; Bone Spring	312	48	873	1236

Federal Lease NMNM27506

Well Name	Location	API #	Pool 97955	Oil		Gas	
				BOPD	Gravity	MCFPD	BTU
Salado Draw 18 26 33 Fed #4H	Sec 19, NENW T26S R33E	3002542279	Wildcat; Bone Spring	426	48	1094	1236

Federal Lease NMNM27506 and NMLC65880-A

LC065880A NM135996

Well Name	Location	API #	Pool 97955	Oil		Gas	
				BOPD	Gravity	MCFPD	BTU
Salado Draw 19 26 33 Fed Com #1H	Sec19, NWNW T26S R33E	3002542661	Wildcat; Bone Spring	569*	43*	2984*	1400*

Federal Lease NMNM27506 and NMLC65880-A

LC065880A NM135996

Well Name	Location	API #	Pool 97955	Oil		Gas	
				BOPD	Gravity	MCFPD	BTU
Salado Draw 19 26 33 Fed Com #2H	Sec 19, NWNW T26S R33E	3002542662	Wildcat; Bone Spring	685	48	1292	1236

Federal Lease NMNM27506

Well Name	Location	API #	Pool 97955	Oil		Gas	
				BOPD	Gravity	MCFPD	BTU
Salado Draw 19 26 33 Fed #3H	Sec19, NENW T26S R33E	3002542280	Wildcat; Bone Spring	262	48	845	1236

Federal Lease NMNM27506

Well Name	Location	API #	Pool 97955	Oil		Gas	
				BOPD	Gravity	MCFPD	BTU
Salado Draw 19 26 33 Fed #4H	Sec 19, NENW T26S R33E	3002542281	Wildcat; Bone Spring	293	48	1333	1236

Federal Lease NMNM27506

Well Name	Location	API #	Pool 97955	Oil		Gas	
				BOPD	Gravity	MCFPD	BTU
Porter Brown #1H	Sec19, SESE	3002540802	Wildcat;	81	48	104	1236

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

T26S R33E

Bone Spring

**Federal Lease NMNM27506**

Well Name	Location	API #	Pool 97955	BOPD	Oil Gravity	MCFPD	Gas BTU
SD EA 18 Fed P6 #5H	Sec19, NWNE T26S R33E	3002542795	Wildcat; Bone Spring	470*	43*	940*	1400*

**Federal Lease NMNM27506**

Well Name	Location	API #	Pool 97955	BOPD	Oil Gravity	MCFPD	Gas BTU
SD EA 18 Fed P6 #6H	Sec19, NWNE T26S R33E	3002542796	Wildcat; Bone Spring	470*	43*	940*	1400*

**Federal Lease NMNM27506**

Well Name	Location	API #	Pool 97955	BOPD	Oil Gravity	MCFPD	Gas BTU
SD EA 19 Fed P6 #5H	Sec19, NWNE T26S R33E	3002542797	Wildcat; Bone Spring	470*	43*	940*	1400*

**Federal Lease NMNM27506**

Well Name	Location	API #	Pool 97955	BOPD	Oil Gravity	MCFPD	Gas BTU
SD EA 19 Fed P6 #6H	Sec19, NWNE T26S R33E	3002542798	Wildcat; Bone Spring	470*	43*	940*	1400*

**Federal Lease NMNM27506**

Well Name	Location	API #	Pool 97955	BOPD	Oil Gravity	MCFPD	Gas BTU
SD EA 19 Fed P6 #7H	Sec19, NWNE T26S R33E	3002542799	Wildcat; Bone Spring	470*	43*	940*	1400*

\*These are only estimates; actuals will be supplied after well tests are complete.

The BLM's interest in these leases is the same. Lease NMNM27506 royalty rate is 12.5%, Lease NMNM132069 is 12.5%, and NMLC ~~65580-A~~ is 12.5%.

*065580A*

**Oil & Gas metering:**

Definitions:

"Lease" wells refer to the following:

- Salado Draw 18-26-33 Fed #3H
- Salado Draw 18-26-33 Fed #4H
- Salado Draw 19-26-33 Fed #3H
- Salado Draw 19-26-33 Fed #4H
- Porter Brown #1H
- SD EA 18 Fed P6 #5H
- SD EA 18 Fed P6 #6H
- SD EA 19 Fed P6 #5H
- SD EA 19 Fed P6 #6H
- SE EA 19 Fed P6 #7H

"Sec 18 Communitized" wells refer to the following:

- Salado Draw 18-26-33 Fed Com #1H
- Salado Draw 18-26-33 Fed Com #2H

"Sec 19 Communitized" wells refer to the following:

- Salado Draw 19-26-33 Fed Com #1H
- Salado Draw 19-26-33 Fed Com #2H

"Bulk" Gas:

- Refers to gas measured downstream of primary gas separation in a Two-Phase separation vessel



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

**"Flash" Gas:**

- Refers to gas measured downstream of VRU and Flash Gas Compressor which flashes from the oil following primary gas separation

**"Bulk" Oil**

- Refers to oil measured downstream of Heater Treater prior to commingling

The Salado Draw 19 CTB is located in the NWNW portion of Sec 19, T26S, R33E in Lea County, New Mexico. The Salado Draw 19 Compressor Station is located in the NWNW portion of Sec 19, T26S, R33E in Lea County, New Mexico adjacent to and east of the Salado Draw 19 CTB.

The Salado Draw 29 CTB is located in the SESE portion of Sec 19, T26S, R33E in Lea County, New Mexico and is included due to the combined gas compression and gas lift operations affecting both CTBs.

There are three shared oil tanks at the Salado Draw 19 CTB that the wells will utilize, and oil will be sold through a common central delivery point (CDP) Lease Automated Custody Transfer (LACT) unit (SN P655651092). For gas, there will be a common central delivery point (CDP) DBM sales meter (SN 3300250021) located on the northern pad edge of the Salado Draw 19 CTB. Additionally, there will be two high pressure royalty sales delivery points downstream of the Salado Draw 19 Compressor Station, Enterprise Sales Meter (SN 5300250193) and DCP Sales Meter (SN 3300250022). The produced water will go to common water tanks on location at Salado Draw 19 CTB.

Each well will be tested monthly through a three-phase test separator located at the Salado Draw 19 CTB. Each three phase test will measure oil through a coriolis meter on the oil outlet line and gas through an orifice meter run with a Total Flow computer. The monthly well tests will be used for internal purposes and not for allocation.

"Sec 18 Communitized" wells and "Sec 19 Communitized" wells will be measured continuously through three-phase bulk separators equipped with a Coriolis meter on the oil outlet line and an orifice meter run with a Total Flow computer on the gas outlet. All oil from "Sec 18 Communitized" and "Sec 19 Communitized" wells will be continuously measured through a coriolis meter (SN 14465580) on the oil outlet line of the Train 1 heater treater and all gas will be continuously measured through an orifice meter run with a Total Flow computer (SN 2300250191) on the outlet of the Train 1 Two-Phase Separator.

All oil from "Lease" wells will be continuously measured through a coriolis meter (SN 14465582) on the oil outlet line of the Train 2 heater treater and all gas will be continuously measured through an orifice meter run with a Total Flow computer (SN 2300250192) on the outlet of the Train 2 Two-Phase Separator.

**Oil Allocation:**

Oil will be allocated to Train 1 ("Sec 18 Communitized" and "Sec 19 Communitized" wells) and Train 2 ("Lease" wells) on a daily basis, and each train's share of the CTB's total production will be calculated based on the results of continuous oil measurement downstream of each heater. This ratio will be applied to the total oil production metered by the LACT meter (SN P655651092) located at the Salado Draw 19 CTB.

Oil will be allocated to "Sec 18 Communitized" and "Sec 19 Communitized" wells on a daily basis based on the three-phase bulk separator's continuous oil measurement. This ratio will be applied to the total oil allocated to Train 1.

- "Sec 18 Communitized" wells bulk oil allocation meter consists of a Micro Motion Coriolis meter (SN 14465154).
- "Sec 19 Communitized" wells bulk oil allocation meter consists of a Micro Motion Coriolis meter (SN 14481744).
- Salado Draw Train 1 ("Sec 18 Communitized" and "Sec 19 Communitized" wells) bulk oil allocation meter on the Salado Draw CTB Train 1 heater treater consists of a Micro Motion Coriolis meter (\*N 14465580).
- Salado Draw Train 2 ("Lease" Wells) bulk oil allocation meter on the Salado Draw CTB Train 2 heater consists of a Micro Motion Coriolis meter (SN 14465582)



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

**Gas Allocation:**

**Salado Draw 19 -**

Gas will be allocated to Train 1 ("Sec 18 Communitized" and "Sec 19 Communitized" wells) and Train 2 ("Lease" wells) on a daily basis based on a combination of each Train's bulk gas measurement and flash gas measurement. Bulk gas for each train will be continuously measured utilizing orifice meters fitted with EFM flow computers installed downstream of each Train's two-phase separator and each train's share of bulk gas will be allocated based on a percentage of total bulk gas metered. Bulk gas for "Sec 18 Communitized" and "Sec 19 Communitized" wells will be continuously measured utilizing orifice meters fitted with EFM flow computers installed downstream of each area's three-phase bulk separator and each area's share of bulk gas will be allocated based on a percentage of total bulk gas allocated to Train 1. Flash gas for the battery will be measured utilizing an orifice meter fitted with EFM flow computer installed downstream of the VRU/Flash Gas Compressor discharge (SN 2300250193) and each train's share of flash gas will be allocated based on total oil allocated to each train. These ratios will be applied to the total gas sales metered by the Salado Draw 19 CTB EFM Battery meter (SN 5300250182) on the northern pad edge of the Salado Draw 19 CTB.

- Salado Draw Train 1 ("Sec 18 Communitized" and "Sec 19 Communitized" wells) bulk gas allocation meter on the Salado Draw CTB Train 1 two-phase separator consists of a Total Flow EFM (SN 2300250191).
- Salado Draw "Sec 18 Communitized" wells bulk gas allocation meter on the "Sec 18 Communitized" three-phase bulk separator consists of a Total Flow EFM (SN 5300250179).
- Salado Draw "Sec 19 Communitized" wells bulk gas allocation meter on the "Sec 19 Communitized" three-phase bulk separator consists of a Total Flow EFM (SN 5300250178).
- Salado Draw Train 2 ("Lease" Wells) bulk gas allocation meter on the Salado Draw CTB Train 2 two-phase separator consists of a Total Flow EFM (SN 2300250192).

**Gas Lift -**

Gas from Salado Draw 19 CTB and Salado Draw 29 CTB will be combined upstream of the Salado Draw 19 Compressor Station. Each CTB's gas will be continuously measured utilizing orifice meters fitted with EFM flow computers located at Salado Draw 19 CTB (SN 5300250182) and Salado Draw 29 CTB (SN 5300250176) prior to entering the Compressor Station suction. Gas will be utilized by the compressor station as needed for gas lift of wells in Sections 18, 19, 29, and 32 of T26S, R33E. Total gas lift volumes for each well will be measured through individual well gas lift orifice meters fitted with Total Flow EFM flow computers.

- Salado Draw 18-26-33 Fed Com #1H gas lift meter consists of a Total Flow EFM (SN 2300250221).
- Salado Draw 19-26-33 Fed Com #1H gas lift meter consists of a Total Flow EFM (SN 2300250223).
- Salado Draw 18-26-33 Fed Com #2H gas lift meter consists of a Total Flow EFM (SN 2300250222).
- Salado Draw 19-26-33 Fed Com #2H gas lift meter consists of a Total Flow EFM (SN 2300250224).
- Salado Draw 18-26-33 Fed #3H gas lift meter consists of a Total Flow EFM (SN 2300250205).
- Salado Draw 19-26-33 Fed #3H gas lift meter consists of a Total Flow EFM (SN 2300250206).
- Salado Draw 18-26-33 Fed #4H gas lift meter consists of a Total Flow EFM (SN 2300250208).
- Salado Draw 19-26-33 Fed #4H gas lift meter consists of a Total Flow EFM (SN 2300250207).
- SD EA 18 Fed P6 #5H gas lift meter consists of a Total Flow EFM (\*SN TBD).
- SD EA 19 Fed P6 #5H gas lift meter consists of a Total Flow EFM (\*SN TBD).
- SD EA 18 Fed P6 #6H gas lift meter consists of a Total Flow EFM (\*SN TBD).
- SD EA 19 Fed P6 #6H gas lift meter consists of a Total Flow EFM (\*SN TBD).
- SD EA 18 Fed P6 #7H gas lift meter consists of a Total Flow EFM (\*SN TBD).
- SD EA 19 Fed P6 #7H gas lift meter consists of a Total Flow EFM (\*SN TBD).
- Porter Brown #1H gas lift meter consists of a Total Flow EFM (\*SN TBD).
- Salado Draw 29-26-33 Fed Com #1H gas lift meter consists of a Total Flow EFM (SN 2300250234).
- Salado Draw 29-26-33 Fed Com #2H gas lift meter consists of a Total Flow EFM (SN 2300250235).
- Salado Draw 29-26-33 Fed Com #3H gas lift meter consists of a Total Flow EFM (SN 2300250236).
- Salado Draw 29-26-33 Fed Com #4H gas lift meter consists of a Total Flow EFM (SN 2300250237).
- Salado Draw 29-26-33 Fed Com #5H gas lift meter consists of a Total Flow EFM (SN 2300250215).
- Salado Draw 29-26-33 Fed Com #6H gas lift meter consists of a Total Flow EFM (SN 2300250216).
- Salado Draw 29-26-33 Fed Com #7H gas lift meter consists of a Total Flow EFM (SN 2300250217).



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Salado Draw 19 Central Tank Battery

- Salado Draw 29-26-33 Fed Com #8H gas lift meter consists of a Total Flow EFM (SN 2300250218).
- Moose's Tooth 29-26-33 Fed Com #1H gas lift meter consists of a Total Flow EFM (SN 2300250204).

Each Sales Point will have an orifice meter fitted with an EFM flow computer.

- Salado Draw 19 DBM Sales EFM (SN 3300250021)
- Salado Draw 29 DBM Sales EFM (SN TBD)
- Enterprise Sales EFM (SN 5300250193)
- DCP Sales EFM (SN 3300250022)

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

The total gas sales from these meters will be combined and allocation to the batteries will be conducted based on the following allocation methodology:

**SD 19 Gas Allocation**

$$\begin{aligned}
 \text{Total Sales Gas} &= \text{SD 19 DMB Meter} + \text{SD 29 DBM Meter} + \text{Enterprise Meter} + \text{DCP Meter} \\
 \text{Total Battery Gas} &= \text{SD 19 Battery Gas} + \text{SD 29 Battery Gas} \\
 \text{Total Gas Lift} &= \text{Sum of all well gas lift meters} \\
 \text{SD 19 Gas Lift} &= \text{Sum of all CTB 19 Gas Lift meters} \\
 \text{SD 19 Train 1 Gas Lift} &= \text{SD 181H} + \text{SD 182H} + \text{SD 191H} + \text{SD 192H} \\
 \\ 
 \text{SD 19 Train 2 Gas Lift} &= \text{SD 183H} + \text{SD 184H} + \text{SD 185H} + \text{SD 186H} + \text{SD 193H} + \text{SD 194H} + \text{SD 195H} + \text{SD 196H} + \text{SD 197H} \\
 \text{SD 19 Comm 1 Gas Lift} &= \text{SD 181H} + \text{SD 182H} \\
 \text{SD 19 Comm 2 Gas Lift} &= \text{SD 191H} + \text{SD 192H} \\
 \text{SD 19 Train 1 Flash} &= \text{SD 19 T1 Oil \%} * \text{SD 19 Flash Gas} \\
 \text{SD 19 Comm 1 Flash} &= \text{SD 19 Comm 1 Oil \%} * \text{SD 19 Train 1 Flash} \\
 \text{SD 19 Comm 2 Flash} &= \text{SD 19 Comm 2 Oil \%} * \text{SD 19 Train 2 Flash} \\
 \text{SD 19 Train 2 Flash} &= \text{SD 19 T2 Oil \%} * \text{SD 19 Flash Gas} \\
 \\ 
 \text{SD 19 Train 1 Oil \%} &= \frac{\text{SD 19 T1 Oil}}{(\text{SD19 Train 1 Oil} + \text{SD19 Train 2 Oil})} \\
 \text{SD 19 Comm 1 Oil \%} &= \frac{\text{SD 19 Comm 1 Oil}}{(\text{SD19 Comm 1 Oil} + \text{SD19 Comm 2 Oil})} \\
 \text{SD 19 Comm 2 Oil \%} &= \frac{\text{SD 19 Comm 2 Oil}}{(\text{SD19 Comm 1 Oil} + \text{SD19 Comm 2 Oil})} \\
 \text{SD 19 Train 2 Oil \%} &= \frac{\text{SD 19 T2 Oil}}{(\text{SD19 Train 1 Oil} + \text{SD19 Train 2 Oil})} \\
 \text{SD 19 Produced Gas \%} &= \frac{(\text{SD 19 Battery Gas} - \text{SD 19 Gas Lift})}{(\text{Total Battery Gas} - \text{Total Gas Lift})} \\
 \text{SD 19 Train 1 Produced Gas \%} &= \frac{(\text{SD 19 T1 Gas} - \text{SD 19 T1 Gas Lift} + \text{SD 19 Train 1 Flash})}{(\text{SD19 Train 1 Gas} + \text{SD 19 Train 2 Gas} + \text{SD 19 Flash Gas} - \text{SD 19 Gas Lift})} \\
 \text{SD 19 Train 2 Produced Gas \%} &= \frac{(\text{SD 19 Train 2 Gas} - \text{SD 19 Train 2 Gas Lift} + \text{SD 19 Train 2 Flash})}{(\text{SD19 Train 1 Gas} + \text{SD19 Train 2 Gas} + \text{SD19 Flash Gas} - \text{SD 19 Gas Lift})} \\
 \text{SD 19 Comm 1 Produced Gas \%} &= \frac{(\text{SD 19 C1 Gas} - \text{SD 19 C1 Gas Lift} + \text{SD 19 C1 Flash})}{(\text{SD19 C1 Gas} + \text{SD C2 Gas} + \text{SD Train 1 Flash} - \text{SD Train 1 Gas Lift})} \\
 \text{SD 19 Comm 2 Produced Gas \%} &= \frac{(\text{SD 19 C2 Gas} - \text{SD 19 C2 Gas Lift} + \text{SD19 C2 Flash})}{(\text{SD19 C1 Gas} + \text{SD19 C2 Gas} + \text{SD19 T1 Flash} - \text{SD Train 1 Gas Lift})} \\
 \\ 
 \text{SD 19 Produced Gas} &= \text{SD 19 Produced Gas \%} * (\text{Total Sales Gas} + \text{Flared Gas}) \\
 \text{SD 19 Train 1 Produced Gas} &= \text{SD 19 Train 1 Produced Gas \%} * \text{SD 19 Produced Gas} \\
 \text{SD 19 Train 2 Produced Gas} &= \text{SD 19 Train 2 Produced Gas \%} * \text{SD 19 Produced Gas} \\
 \text{SD 19 Comm 1 Produced Gas} &= \text{SD 19 Comm 1 Produced Gas \%} * \text{SD 19 T1 Produced Gas} \\
 \text{SD 19 Comm 2 Produced Gas} &= \text{SD 19 Comm 2 Produced Gas \%} * \text{SD 19 T1 Produced Gas}
 \end{aligned}$$



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

**SD 29 Gas Allocation**

Total Sales Gas = SD 19 CTB + SD 29 CTB Sales Meters

Total Battery Gas = SD 19 Battery Gas + SD 29 Battery Gas

Total Gas Lift = Sum of all well gas lift meters

SD 29 Gas Lift = Sum of all CTB 29 Gas Lift meters

SD 29 Train 1 Gas Lift = SD29-5H + SD29-6H + SD29-7H + SD29-8H

SD 29 Train 2 Gas Lift = SD29-1H + SD29-2H + SD29-3H + SD29-4H

Moose's Tooth Gas Lift = Moose's Tooth 29-1H Gas Lift

SD 29 Train 1 Flash = SD 29 Train 1 HPS Gas + SD 29 Train 1 HT Gas

SD 29 Train 2 Flash = SD 29 Train 2 HPS Gas + SD 29 Train 2 HT Gas

Moose's Tooth Flash = Moose's Tooth Oil HT Gas

SD 29 Train 1 Oil% = 
$$\frac{\text{SD 29 T1 Oil}}{(\text{SD29 Train 1 Oil} + \text{SD29 Train 2 Oil} + \text{Moose's Tooth Oil})}$$

SD 29 Train 2 Oil% = 
$$\frac{\text{SD29 T2 Oil}}{(\text{SD29 Train 1 Oil} + \text{SD29 Train 2 Oil} + \text{Moose's Tooth Oil})}$$

Moose's Tooth Oil% = 
$$\frac{\text{SD 19 Comm 2 Oil}}{(\text{SD29 Train 1 Oil} + \text{SD29 Train 2 Oil} + \text{Moose's Tooth Oil})}$$

SD 29 Produced Gas% = 
$$\frac{(\text{SD 29 Battery Gas} - \text{SD 29 Gas Lift})}{(\text{Total Battery Gas} - \text{Total Gas Lift})}$$

SD 29 Train 1 Produced Gas% = 
$$\frac{(\text{SD 29 T1 Gas} - \text{SD 29 T1 Gas Lift} + \text{SD 29 Train 1 Flash})}{(\text{SD29 Train 1 Gas} + \text{SD 29 Train 2 Gas} + \text{Moose's Tooth Gas} + \text{SD 29 Flash Gas} - \text{SD 29 Gas Lift})}$$

SD 29 Train 2 Produced Gas% = 
$$\frac{(\text{SD 19 Train 2 Gas} - \text{SD 19 Train 2 Gas Lift} + \text{SD 19 Train 2 Flash})}{(\text{SD29 Train 1 Gas} + \text{SD 29 Train 2 Gas} + \text{Moose's Tooth Gas} + \text{SD 29 Flash Gas} - \text{SD 29 Gas Lift})}$$

Moose's Tooth Produced Gas % = 
$$\frac{(\text{Moose's Tooth Gas} - \text{Moose's Tooth Gas Lift} + \text{Moose's Tooth Flash})}{(\text{SD29 Train 1 Gas} + \text{SD 29 Train 2 Gas} + \text{Moose's Tooth Gas} + \text{SD 29 Flash Gas} - \text{SD 29 Gas Lift})}$$

SD 29 Produced Gas = SD 29 Produced Gas % \* (Total Sales Gas+Flare Gas)

SD 29 Train 1 Produced Gas = SD 29 Train 1 Produced Gas% \* SD 29 Produced Gas

SD 29 Train 2 Produced Gas = SD 29 Train 2 Produced Gas% \* SD 29 Produced Gas

Moose's Tooth Produced Gas = Moose's Tooth Produced Gas% \* SD 29 Produced Gas

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

**Process and Flow Descriptions:**

The flow of production is shown in detail on the enclosed facility diagram and map which shows the lease boundaries, location of wells, location of flow lines, facility, and gas sales meter. The commingling of this production is the most efficient means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint, reduce traffic, and lower overall emissions.

Chevron U.S.A. Inc. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

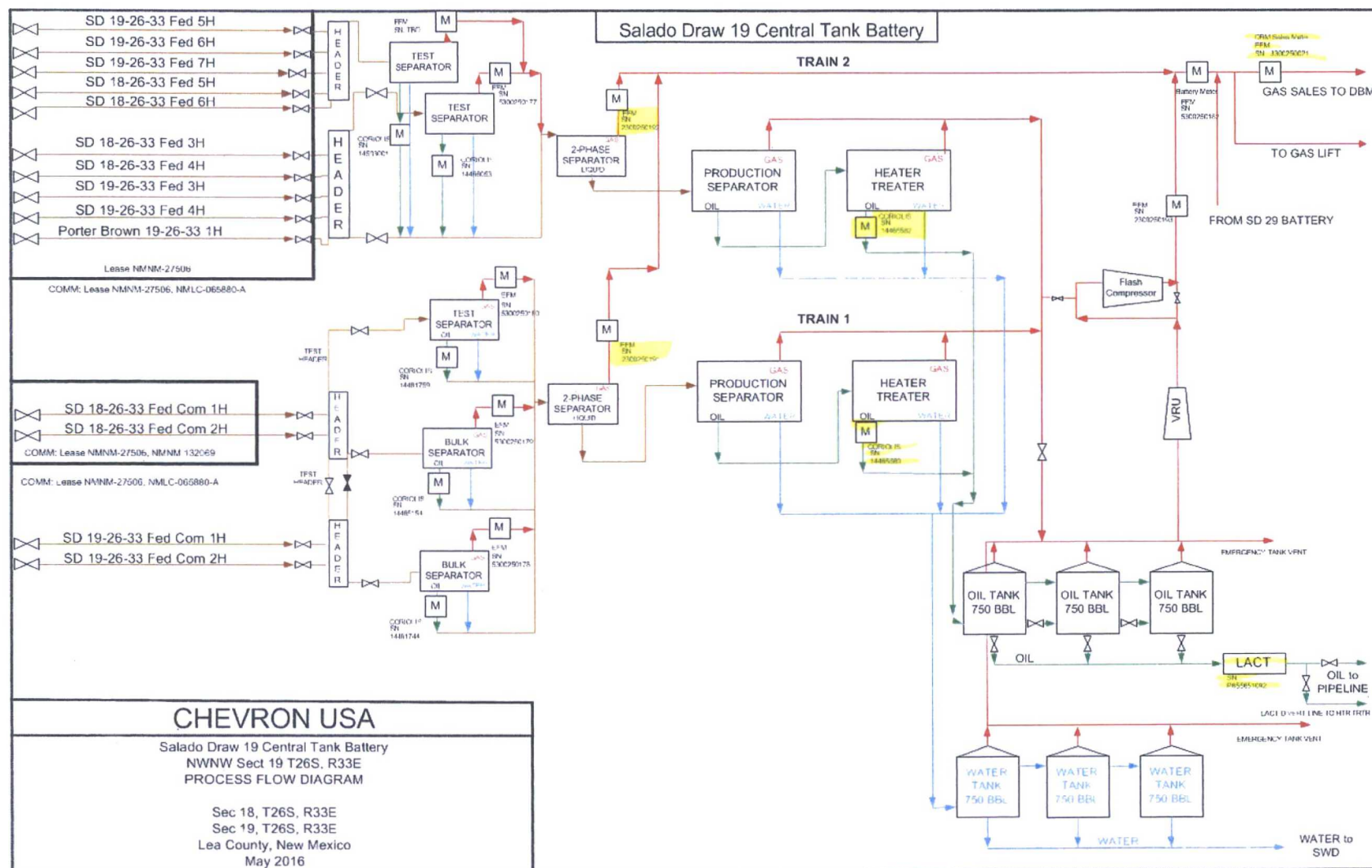
All working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attachment).

Printed Name: Michelle Burkett  
Date: 5/18/2016

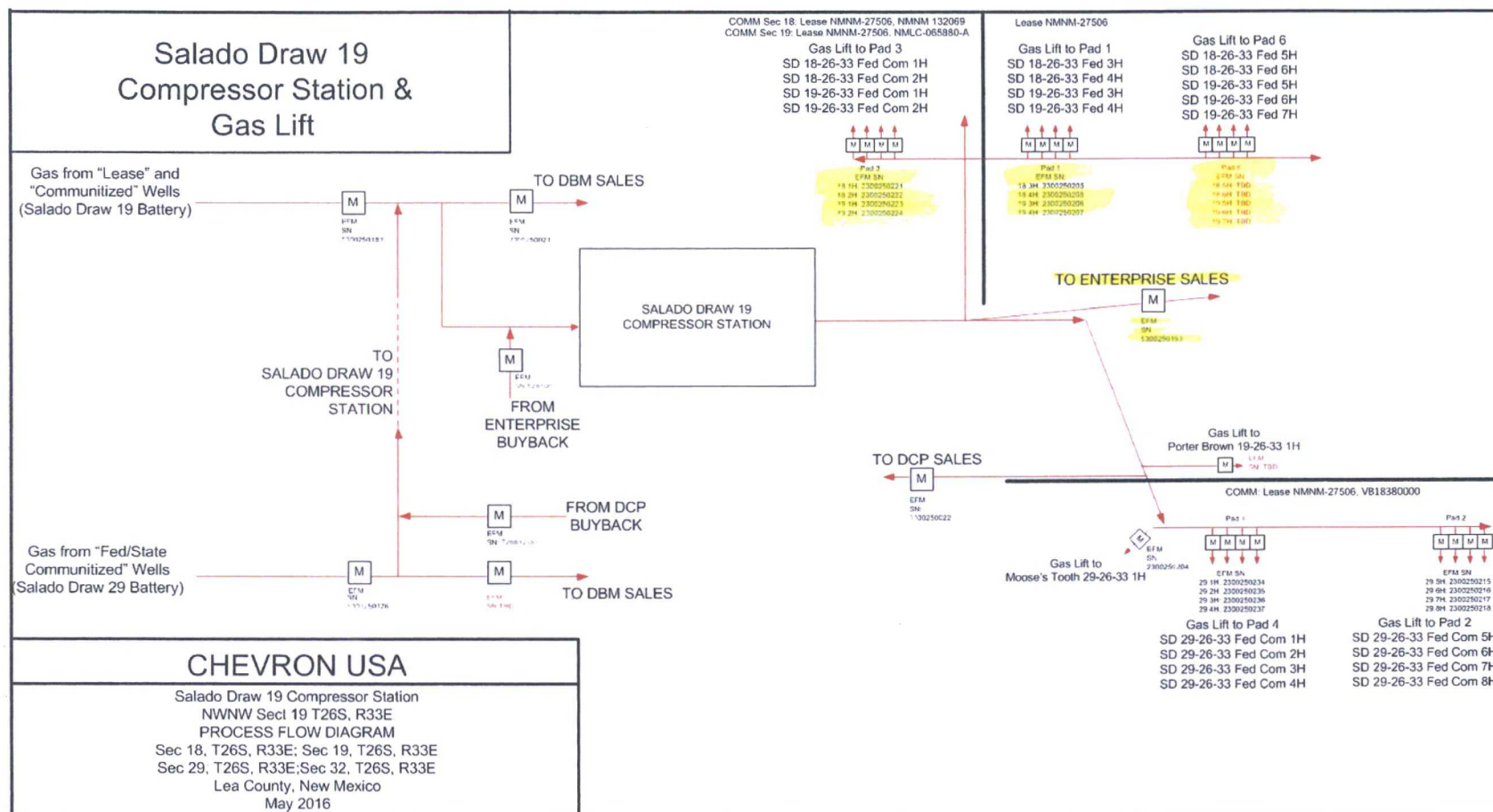
Title: Facility Engineer



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery





APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

**Economic Justification Work Sheet  
Salado Draw 19 Central Tank Battery**

Commingling proposal for leases: NMNM27506; NMNM132069 and NMLC65580-A

Federal Lease	Royalty Rate	Well Name	BOPD	Oil Gravity (@60 deg)	Value/ bbl	MCFPD	DRY BTU	Value/ mcf
NMNM27506	12.5%	Porter Brown #1H	81	48	\$36.48	104	1236	\$1.23
NMNM27506 NMNM132069	12.5%	Salado Draw 18 26 33 Fed Com #1H	569*	43*	\$36.48	2984*	1400*	\$1.23
NMNM27506 NMNM132069	12.5%	Salado Draw 18 26 33 Fed Com #2H	569*	43*	\$36.48	2984*	1400*	\$1.23
NMNM27506	12.5%	Salado Draw 18 26 33 Fed #3H	312	48	\$36.48	873	1236	\$1.23
NMNM27506	12.5%	Salado Draw 18 26 33 Fed #4H	426	48	\$36.48	1094	1236	\$1.23
NMNM27506 NMLC65880-A	12.5%	Salado Draw 19 26 33 Fed Com #1H	569*	43*	\$36.48	2984*	1400*	\$1.23
NMNM27506 NMLC65880-A	12.5%	Salado Draw 19 26 33 Fed Com #2H	685	48	\$36.48	1292	1236	\$1.23
NMNM27506	12.5%	Salado Draw 19 26 33 Fed #3H	262	48	\$36.48	845	1236	\$1.23
NMNM27506	12.5%	Salado Draw 19 26 33 Fed #4H	293	48	\$36.48	1333	1236	\$1.23
NMNM27506	12.5%	SD EA 18 Fed P6 #5H	470*	43*	\$36.48	940*	1400*	\$1.23
NMNM27506	12.5%	SD EA 18 Fed P6 #6H	470*	43*	\$36.48	940*	1400*	\$1.23
NMNM27506	12.5%	SD EA 19 Fed P6 #5H	470*	43*	\$36.48	940*	1400*	\$.231
NMNM27506	12.5%	SD EA 19 Fed P6 #6H	470*	43*	\$36.48	940*	1400*	\$1.23
NMNM27506	12.5%	SD EA 19 Fed P6 #7H	470*	43*	\$36.48	940*	1400*	\$1.23

**Economic Combined Production**

Federal Lease	Facility Name	BOPD	Oil Gravity (@60 deg)	Value/ bbl	MCFPD	DRY BTU	Value/ mcf
NMNM27506 NMNM132069 NMLC65880-A	Salado Draw 19 Central Tank Battery	6116	44.7	\$36.48	19584	1361	\$1.23

\*These are estimated numbers. Actuals will be supplied after completion.

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

Bone Spring oil production in the area is sweet and is sold at a flat rate of 40 API gravity. Therefore, regardless of the API values of the individual wells the common stream will be sold as if it was sweet and 40 API gravity.

Gas production is sold at El Paso Permian index commercial value less gathering, processing, transportation, and point sales fees regardless of BTU heating value and commingling will not impact royalty value. These wells are in the same formation and therefore the heating value is similar.

Printed Name: David Macurdy

Title: Factory HES Support Supervisor

Date: 06/02/2016

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

**Owner Information**

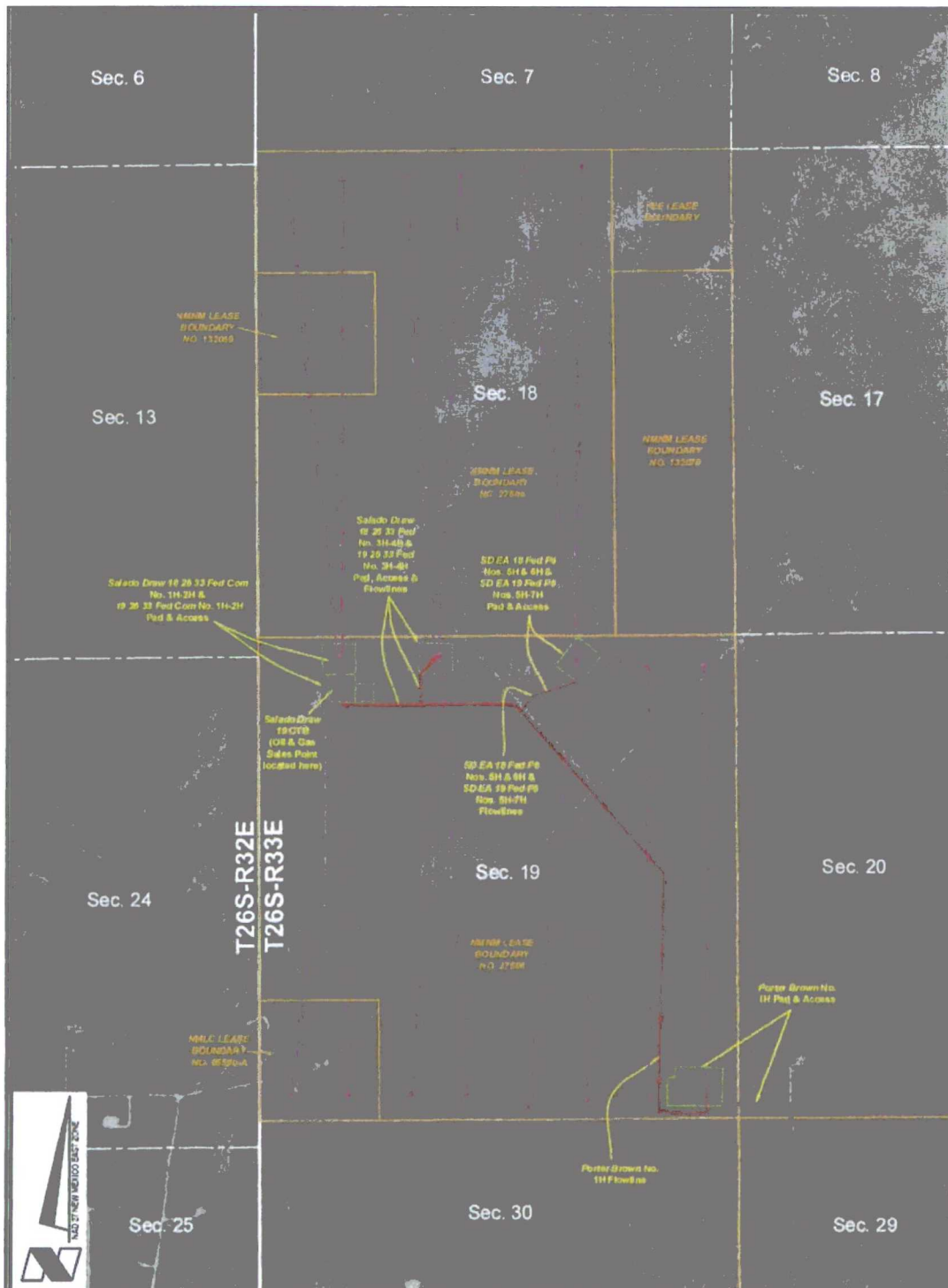
Lots 1-4, W/2W/2 of Section 18, T26S, R33E Salado Draw 18 26 33 Fed Com #1H Salado Draw 18 26 33 Fed Com #2H						
Lease	Interest Type	Name	Address	City	State	Zip Code
NMNM27506 NMNM132069	Working Interest	Chevron U.S.A. Inc.	PO Box 2100	Houston	TX	77252
NMNM27506 NMNM132069	Royalty Interest	BLM – Carlsbad Field Office	620 E. Greene Street	Carlsbad	NM	88220
NMNM27506	ORRI	Hazelwood Partners, LP	120 Hazelwood Drive	Fort Worth	TX	76107
NMNM27506	ORRI	Edna Brown Hibbitts	2101 Oaklawn Drive	Midland	TX	79705
NMNM27506	ORRI	Sandi Miller	1015 Fern	Roswell	NM	88203
NMNM27506	ORRI	Miller Family Mineral Interests, LLC	100412 E. Vaca Road	Kennewick	WA	99338

Lots 1-4, W/2W/2 of Section 19, T26S, R33E Salado Draw 19 26 33 Fed Com #1H Salado Draw 19 26 33 Fed Com #2H						
Lease	Interest Type	Name	Address	City	State	Zip Code
NMNM27506 NMLC65880-A	Working Interest	Chevron U.S.A. Inc.	PO Box 2100	Houston	TX	77252
NMNM27506 NMLC65880-A	Royalty Interest	BLM – Carlsbad Field Office	620 E. Greene Street	Carlsbad	NM	88220
NMNM27506 NMLC65880-A	ORRI	Hazelwood Partners, LP	120 Hazelwood Drive	Fort Worth	TX	76107
NMNM27506 NMLC65880-A	ORRI	Edna Brown Hibbitts	2101 Oaklawn Drive	Midland	TX	79705
NMNM27506 NMLC65880-A	ORRI	Sandi Miller	1015 Fern	Roswell	NM	88203
NMNM27506 NMLC65880-A	ORRI	Miller Family Mineral Interests, LLC	100412 E. Vaca Road	Kennewick	WA	99338

E/2W/2, W/2E/2 of Section 18, T26S, R33E E/2W/2, E/2 of Section 19, T26S, R33E Salado Draw 18 26 33 Fed #3H Salado Draw 18 26 33 Fed #4H Salado Draw 19 26 33 Fed #3H Salado Draw 19 26 33 Fed #4H Porter Brown #1H SD EA 18 Fed P6 #5H SD EA 18 Fed P6 #6H SD EA 19 Fed P6 #5H SD EA 19 Fed P6 #6H SD EA 19 Fed P6 #7H						
Lease	Interest Type	Name	Address	City	State	Zip Code
NMNM27506 NMLC65880-A	Working Interest	Chevron U.S.A. Inc.	PO Box 2100	Houston	TX	77252
NMNM27506 NMLC65880-A	Royalty Interest	BLM – Carlsbad Field Office	620 E. Greene Street	Carlsbad	NM	88220
NMNM27506 NMLC65880-A	ORRI	Hazelwood Partners, LP	120 Hazelwood Drive	Fort Worth	TX	76107
NMNM27506 NMLC65880-A	ORRI	Edna Brown Hibbitts	2101 Oaklawn Drive	Midland	TX	79705
NMNM27506 NMLC65880-A	ORRI	Sandi Miller	1015 Fern	Roswell	NM	88203
NMNM27506 NMLC65880-A	ORRI	Miller Family Mineral Interests, LLC	100412 E. Vaca Road	Kennewick	WA	99338



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery



CHEVRON U.S.A. INC.  
SALADO DRAW 19 CTB  
COMMINGLE DETAIL  
SECTIONS 18 & 19, T26S-R33E  
LEA COUNTY, NEW MEXICO



C.H. Fenstermaker & Associates, L.L.C.  
135 Regency Sq. Lafayette, LA 70508  
Ph. 337-237-2200 Fax. 337-232-3299  
www.fenstermaker.com

Scale: 1" = 1,000'  
1,000' 0 500' 1,000'

DRAWN BY: BOR		REVISIONS	
PROJ MGR: VHV	No. 1	DATE: 10/27/2015	REVISED BY: VHV
DATE: JUNE 20, 2015	No. 2	DATE: 05/27/2016	REVISED BY: BOR
FILENAME: T420142144/09/DWG/Salado Draw 19 CTB CommingleDetail.dwg			

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 12/22/16 08:29 AM

Page 1 of 1

**01 12-22-1987;101STAT1330;30USC181 ET SEQ**  
**Case Type 312021: O&G LSE COMP PD -1987**  
**Commodity 459: OIL & GAS**  
**Case Disposition: AUTHORIZED Case File Juris:**

**Total Acres**  
39.490

**Serial Number**  
**NMNM-- - 132069**

**Serial Number: NMNM-- - 132069**

Name & Address	Int Rel	%Interest
CHEVRON USA INC 6301 DEAUVILLE MIDLAND TX 797062964	LESSEE	100.000000000

**Serial Number: NMNM-- - 132069**

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0260S	0330E	018	LOTS	2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

**Serial Number: NMNM-- - 132069**

Act Date	Code	Action	Action Remarks	Pending Office
11/25/2013	387	CASE ESTABLISHED	201402010;	
02/26/2014	143	BONUS BID PAYMENT RECD	\$80.00;	
02/26/2014	191	SALE HELD		
02/26/2014	267	BID RECEIVED	\$300000.00;	
02/28/2014	143	BONUS BID PAYMENT RECD	\$299920.00;	
05/15/2014	237	LEASE ISSUED		
05/15/2014	974	AUTOMATED RECORD VERIF	LBO	
06/01/2014	496	FUND CODE	05;145003	
06/01/2014	530	RLTY RATE - 12 1/2%		
06/01/2014	868	EFFECTIVE DATE		
08/14/2014	140	ASGN FILED	FEDERAL A/CHEVRON U;1	
09/08/2014	139	ASGN APPROVED	EFF 09/01/14;	
09/08/2014	974	AUTOMATED RECORD VERIF	EMR	
12/01/2015	246	LEASE COMMITTED TO CA	NMNM135806;	
03/29/2016	650	HELD BY PROD - ACTUAL	/1/2H-SALADO DRAW 18;	
03/29/2016	658	MEMO OF 1ST PROD-ACTUAL	/1/NMNM135806;	
04/26/2016	643	PRODUCTION DETERMINATION	/1/	

**Serial Number: NMNM-- - 132069**

Line Nr	Remarks
0002	STIPULATIONS ATTACHED TO LEASE:
0003	NM-11-LN SPECIAL CULTURAL RESOURCE
0004	SENM-S-17 SLOPES OR FRAGILE SOILS
0005	SENM-S-20 SPRINGS, SEEPS AND TANKS
0006	SENM-S-22 PRAIRIE CHICKENS
0007	SENM-S-39 PLAN OF DEVELOPMENT
0008	RENTAL PAID FROM 6/01/2014 THRU 5/31/2015

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FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page

Run Time: 07:28 AM

Page 1 of 2

Run Date: 10/28/2015

01 02-25-1920;041STAT0437;30USC226

Total Acres

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

1,517.740

NMNM-- - 027506

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 027506

Int Rel

% Interest

Name & Address				
CHEVRON USA INC	PQ BOX 1635	HOUSTON TX 77251	LESSEE	100.000000000

Serial Number: NMNM-- - 027506

Mer Twp	Range	Sec	STyp	SNr Suf	Subdivision	District/Field Office	County	Mgmt Agency
23	02605	0330E	018	ALIQ	W2E2,E2W2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	02605	0330E	018	LOTS	1,3,4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	02605	0330E	019	ALIQ	E2,E2W2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	02605	0330E	019	LOTS	1,2,3;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	02605	0330E	029	ALIQ	N2,SW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 027506

23	02605	0330E	720	FF	ALL ASGN	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
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Serial Number: NMNM-- - 027506

Act Date	Code	Action	Action Remark	Pending Office
08/31/1948	387	CASE ESTABLISHED		
09/01/1948	496	FUND CODE	05,145003	
09/01/1948	530	RLTY RATE - 12 1/2%		
09/01/1948	868	EFFECTIVE DATE		
11/01/1973	209	CASE CREATED BY SEGR	OUT OF NMLC065880A;	
11/01/1973	648	EXT BY PROD ON ASSOC LSE	NMLC065880A;	
08/12/1983	932	TRF OPER ROTS FILED		
08/13/1983	933	TRF OPER ROTS APPROVED	1 EFF 12/01/80;	
08/13/1983	933	TRF OPER ROTS APPROVED	2 EFF 12/01/80;	
08/16/1983	932	TRF OPER ROTS FILED		
07/17/1984	500	GEOGRAPHIC NAME	EL MAR/SALDADO DRAW;	
07/17/1984	510	RMA CLASSIFIED		
08/15/1984	111	RENTAL RECEIVED	\$0.84 85	
08/31/1984	315	RENTAL RATE DETERM	\$2 00;	
02/27/1985	932	TRF OPER ROTS FILED		
06/17/1985	111	RENTAL RECEIVED	\$0.25 86	
06/25/1985	932	TRF OPER ROTS FILED		
08/26/1985	932	TRF OPER ROTS FILED		
07/15/1986	217	MERGER RECOGNIZED	CHEVRON USA/GULF OIL	
07/15/1986	940	NAME CHANGE RECOGNIZED	GULF OIL/CHEVRON USA	
08/15/1986	933	TRF OPER ROTS APPROVED	EFF 03/01/85;	
08/15/1986	933	TRF OPER ROTS APPROVED	EFF 07/01/85;	
08/15/1986	933	TRF OPER ROTS APPROVED	EFF 09/01/85;	
08/25/1986	111	RENTAL RECEIVED	\$0.25 87	
08/29/1986	963	CASE MICROFILMED/SCANNED	CNUM 558 771 CMC	
11/03/1986	932	TRF OPER ROTS FILED		
02/04/1987	933	TRF OPER ROTS APPROVED	EFF 12/01/86;	
08/17/1987	111	RENTAL RECEIVED	\$4316 00/1YR/87 88	
01/20/1988	974	AUTOMATED RECORD VERIF	AT/JL	
08/15/1988	111	RENTAL RECEIVED	\$4316 00/1YR/88 89	
08/15/1988	974	AUTOMATED RECORD VERIF	SAD	

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**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 12/22/16 08:36 AM

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**01 02-25-1920;041STAT0437;30USC226**

**Case Type 311111: O&G LSE NONCOMP PUB LAND**

**Commodity 459: OIL & GAS**

**Case Disposition: AUTHORIZED Case File Juris:**

**Total Acres  
39.730**

**Serial Number  
NMLC-- 0 065880A**

Serial Number: NMLC-- 0 065880A

Name & Address		Int Rel	%Interest
ACME LAND CO	PO BOX 66	JOPLIN MO 64802	OPERATING RIGHTS
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	LESSEE
			0.000000000
			100.000000000
Serial Number: NMLC-- 0 065880A			
Mer Twp	Rng	Sec	SType
Nr	Suff	Subdivision	District/Resource Area
23	0260S	0330E	019
	LOTS	4;	CARLSBAD FIELD OFFICE
			LEA
			BUREAU OF LAND MGMT

Serial Number: NMLC 0065880A

**Relinquished/Withdrawn Lands**

23 0260S 0330E 718	FF	01	L2 ASGN;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 0260S 0330E 718	FF	02	L1,3,4,SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 0260S 0330E 718	FF	03	W2E2,E2W2,SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 0260S 0330E 719	FF	01	L1-3,SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 0260S 0330E 719	FF	02	E2,E2W2,SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 0260S 0330E 720	FF		ALL,SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 0260S 0330E 729	FF		N2,SW,SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 065880A

Act Date	Code	Action	Action Remarks	Pending Office
08/31/1948	387	CASE ESTABLISHED		
09/01/1948	496	FUND CODE	05;145003	
09/01/1948	530	RLTY RATE - 12 1/2%		
09/01/1948	868	EFFECTIVE DATE		
04/09/1953	140	ASGN FILED	P BROWN/G LITTLEFIELD	
06/22/1955	553	CASE CREATED BY ASGN	OUT OF NMLC065880;	
07/28/1958	140	ASGN FILED	G LITTLEFIELD/RNLY	
08/20/1958	570	CASE SEGREGATED BY ASGN	INTO NMLC065880-B;	
05/26/1959	315	RENTAL RATE DET/ADJ	\$2.00;	
06/23/1959	140	ASGN FILED	LITTLEFIELD/GULF	
07/22/1959	139	ASGN APPROVED	EFF 07/01/59;	
01/08/1960	650	HELD BY PROD - ACTUAL		
01/08/1960	658	MEMO OF 1ST PROD-ACTUAL		
03/11/1960	102	NOTICE SENT-PROD STATUS		
05/26/1960	510	KMA CLASSIFIED		
10/31/1973	700	LEASE SEGREGATED	INTO NMNM27506;	
11/01/1973	232	LEASE COMMITTED TO UNIT	NMNM70994X;N EL MAR	
10/24/1979	940	NAME CHANGE RECOGNIZED	CONTL OIL/CONOCO INC	
07/15/1986	817	MERGER RECOGNIZED	CHEVRON USA/GULF OIL	
07/15/1986	940	NAME CHANGE RECOGNIZED	GULF OIL/CHEVRON USA	
05/07/1987	963	CASE MICROFILMED/SCANNED	CNUM 104,293 DS	
10/01/1992	621	RLTY RED-STRIPPER WELL	7.7%;/1/	
04/05/1993	625	RLTY REDUCTION APPV	/1/	
08/15/1994	932	TRF OPER RGTS FILED	CONOCO/CHILDRESS	
08/29/1994	932	TRF OPER RGTS FILED	NEAL/ACME LAND CO	
11/21/1994	933	TRF OPER RGTS APPROVED	EFF 09/01/94;	

NO WARRANTY IS MADE BY BLM  
FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 05/10/17 05:43 AM

Page 1 of 1

**01 02-25-1920;041STAT0437;30USC181**

**Case Type 318310: O&G COMMUNITIZATION AGRMT**

**Commodity 459: OIL & GAS**

**Case Disposition: AUTHORIZED**

**Case File Juris: CARLSBAD FIELD OFFICE**

**Total Acres**

**158.840**

**Serial Number**

**NMNM-- - 135996**

**Serial Number: NMNM-- - 135996**

Name & Address							Int Rel	%Interest	
BLM CARLSBAD FO		620 E GREENE ST		CARLSBAD NM 88220		OFFICE OF RECORD	0.000000000		
CHEVRON USA INC		1400 SMITH ST		HOUSTON TX 770027327		OPERATOR	100.000000000		
Serial Number: NMNM-- - 135996									
Mer Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0260S	0330E	019	LOTS		1-4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

**Serial Number: NMNM-- - 135996**

Act Date	Code	Action	Action Remarks	Pending Office
12/01/2015	387	CASE ESTABLISHED		
12/01/2015	516	FORMATION	BONE SPRING	
12/01/2015	526	ACRES-FED INT 100%	158.84;100%	
12/01/2015	868	EFFECTIVE DATE	/A/	
02/15/2016	654	AGRMT PRODUCING	/1/	
02/15/2016	658	MEMO OF 1ST PROD-ACTUAL	/1/30-025-42662	
07/07/2016	334	AGRMT APPROVED		
07/07/2016	643	PRODUCTION DETERMINATION	/1/	

**Line Nr Remarks** **Serial Number: NMNM-- - 135996**

0001	/A/ RECAPITULATION EFFECTIVE 12/01/2015			
0002	TRACT #	LSE SERIAL #	AC COMMITTED	PCT INT
0003	1	NMNM27506	119.11	74.987409
0004	2	NMLC065880A	39.73	25.012591
0005		TOTAL	158.84	100.000

NO WARRANTY IS MADE BY BLM  
FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 05/10/17 05:44 AM

Page 1 of 1

**01 02-25-1920;041STAT0437;30USC181**

**Total Acres**

**Serial Number**

**Case Type 318310: O&G COMMUNITIZATION AGRMT**

**158.120**

**NMNM-- - 135806**

**Commodity 459: OIL & GAS**

**Case Disposition: AUTHORIZED**

**Case File Juris: CARLSBAD FIELD OFFICE**

**Serial Number: NMNM-- - 135806**

Name & Address			Int Rel	%Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	OPERATOR	100.000000000

Mer Twp Rng Sec		SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0260S	0330E	018	LOTS	1,2,3,4;	CARLSBAD FIELD OFFICE	LEA BUREAU OF LAND MGMT

**Serial Number: NMNM-- - 135806**

Act Date	Code	Action	Action Remarks	Pending Office
12/01/2015	387	CASE ESTABLISHED		
12/01/2015	516	FORMATION	BONE SPRING	
12/01/2015	526	ACRES-FED INT 100%	158.12;100%	
12/01/2015	868	EFFECTIVE DATE	30-025-42660	
03/29/2016	654	AGRMT PRODUCING	/1/	
03/29/2016	658	MEMO OF 1ST PROD-ACTUAL	/1/30-025-42660	
04/26/2016	334	AGRMT APPROVED		
04/26/2016	643	PRODUCTION DETERMINATION	/1/	

**Line Nr Remarks**

**Serial Number: NMNM-- - 135806**

0001	RECAPITULATION EFFECTIVE 12/01/2015			
0002	TRACT #	LEASE SERIAL #	AC COMMITTED	PCT INT
0003	1	NMNM27506	118.63	75.025297
0004	2	NMNM132069	39.49	24.974703
0005		TOTAL	158.12	100.000000

NO WARRANTY IS MADE BY BLM  
FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery



Cindy Herrera-Murillo  
Regulatory Specialist  
Midcontinent BU

Chevron North America  
Exploration and Production Company  
(A Chevron U.S.A. Inc. Division)  
1616 W. Bender Blvd  
Hobbs, EMT, Hobbs, NM 88240

U.S. Postal Service<sup>™</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
Domestic Mail Only

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**OFFICIAL USE**

2015 0640 0005 0115 2515

Certified Mail Fee	
\$3.40	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$2.80
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	
\$0.00	
Total Postage \$	
\$3.40	
Sent To	
Street and Apt	
City, State, ZIP	
PS Form 3800	

Miller Family Mineral Interests, LLC  
100412 E. Vaca Road  
Kennewick, WA 99338

August 24, 2015

Re: Application for Surface Commingling  
Salado Draw 19 Central Tank Battery  
Section 19, T26S, R33E  
Lea, County, New Mexico

Miller Family Mineral Interests, LLC  
100412 Vaca Road  
Kennewick, WA 99338  
Royalty Interest Owner,

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas and water production from the Wildcat Bone Spring Pool (97955) through Chevron's Salado Draw 19 Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. Wells producing to this battery include the Salado Draw 18 26 33 Fed #3H-#4H, Salado Draw 19 26 33 Fed #3H- #4H, Salado Draw 18 26 33 Fed Com #1H- #2H, Salado Draw 19 26 33 Fed Com #1H-#2H, and Porter Brown #1H. These wells are located in Sections 18 and 19, T26S, R33E Lea County, New Mexico.

The working interest and royalties for each well are as follows:

Salado Draw 18 26 33 Fed Com #1H & #2H	CUSA WI 100%; NRI 84.686551%,	BLM RI 12.5%
Salado Draw 19 26 33 Fed Com #1H & #2H	CUSA WI 100%; NRI 83.75%;	BLM RI 12.5%
Salado Draw 18 26 33 Fed #3H & #4H	CUSA WI 100%; NRI 83.75%;	BLM RI 12.5%
Salado Draw 19 26 33 Fed #3H & #4H	CUSA WI 100%; NRI 83.75%;	BLM RI 12.5%
Porter Brown #1H	CUSA WI 100%; NRI 83.75%;	BLM RI 12.5%

With the exception of the Porter Brown #1H, which was drilled in 2012, all wells were drilled in 2015 and will have been placed on production by the end of 2015. All affected parties have been notified of this proposal via certified mail.

Any objections to this commingle must be sent to the New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504, within 20 days of receipt of this notification. If you require additional information, please contact me at 575-263-0431, or by email at [cherreramurillo@chevron.com](mailto:cherreramurillo@chevron.com).

Sincerely,

*Cindy Herrera-Murillo*

Cindy Herrera-Murillo  
Permitting Specialist

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

**CERTIFIED MAILING LIST**

**Respondant Name/Address:**

Hazelwood Partners, LP  
120 Hazelwood Drive  
Fort Worth, TX 76107

**Certified Receipt #**

7015 0640 0005 0115 2539

Edna Brown Hibbits  
2101 Oaklawn Drive  
Midland, TX 79705

7015 0640 0005 0115 2522

Sandi Miller  
1015 Fern  
Roswell, NM 88203

7015 0640 0005 0115 2515

Miller Family Mineral Interests, LLC  
100412 Vaca Road  
Kennewick, WA 99338

7015 0640 0005 0115 2546

BLM-Carlsbad Field Office  
620 E. Greene Street  
Carlsbad, NM 88220

7015 0640 0005 0115 2553

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
---------	----------	----------	-----------	------	--------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or U Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
e-mail Address



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Form C-107-B  
Revised August 1, 2011

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: CHEVRON USA INC

OPERATOR ADDRESS: 1616 W. BENDER BLVD HOBBS, NM 88240

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingling)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No  
(4) Measurement type: ☐ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes" describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code: WILDCAT; BONE SPRING (97955)  
(2) Is all production from same source of supply? ☒ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and B

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attach sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE Cindy Herrera Murillo

TITLE PERMITTING SPECIALIST

DATE 09/03/2015

TYPE OR PRINT NAME CINDY HERRERA-MURILLO

TELEPHONE NO. 505-261-0431

E-MAIL ADDRESS CherreraMurillo@chevron.com

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.  
Salado Draw 19 Central Tank Battery

Chevron Functional Contacts			
Contact Name	Function	Phone Number	Email Address
Michelle Burkett	CD/Performance FE Lead	432-687-7265	<a href="mailto:mburkett@chevron.com">mburkett@chevron.com</a>
David Macurdy	Factory HES Support Supervisor	713-754-3826	<a href="mailto:david.macurdy@chevron.com">david.macurdy@chevron.com</a>
Caleb Brown	Facilities Engineer	432-687-7326	<a href="mailto:Caleb.Brown@chevron.com">Caleb.Brown@chevron.com</a>

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Salado Draw 18 26 33 Fed Com 1H, 2H, 3H, 4H,  
Salado Draw 19 26 33 Fed Com 1H, 2H, 3H, 4H,  
SD EA 18 Fed P6 5H, 6H, SD EA 19 Fed P6 5H, 6H, 7H  
Porter Brown 1H**

**3002542659, 3002542660, 3002542278, 3002542279, 3002542661, 3002542662, 3002542280, 3002542281,  
3002540802, 3002542795, 3002542796, 3002542797, 3002542798, & 3002542799  
Leases NMNM27506, NMLC065880A, NMNM132069 and CA- NMNM135806 & NMNM135996**

**Chevron USA INCORPORATED  
May 9, 2017**

**Condition of Approval  
Surface commingling, off lease storage measurement and sales.**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments or product accountability.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.