

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTCarlsbad Field Office
OCD ArtesiaFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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 reverse side.**5. Lease Serial No.
NMNM118713

6. If Indian, Allottee or Tribe Name

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
RUSTLER BLUFF 33 24 29 1H2. Name of Operator
CHEVRON USA INCORPORATEDContact: DENISE PINKERTON
E-Mail: leakejd@chevron.com9. API Well No.
30-015-42670-00-X13a. Address
15 SMITH ROAD
MIDLAND, TX 797053b. Phone No. (include area code)
Ph: 432-687-737510. Field and Pool, or Exploratory
PIERCE CROSSING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 4 T25S R29E Lot 2 0225FNL 1980FEL
32.165886 N Lat, 103.987311 W Lon11. County or Parish, and State
EDDY COUNTY, NM

12. CHECK 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"/> Fracture Treat	<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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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. respectfully requests administrative approval to surface commingle oil, gas, and water production from the Bone Spring Pool through Chevron's Rustler Bluff Central 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 Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H. Both wells are being completed within the Second Bone Spring Sand Formation. These wells are located in Sections 33 & 34; T24S-R29E, Eddy County, New Mexico.

The working interest and royalties are the same in the wells and all leases. (100% Chevron, WI/NRI 87.5%). These wells were drilled in the Spring of 2015. As such the wells will be allocated by monthly well tests with Coriolis on oil and EFM on gas on each well.

NM OIL CONSERVATION
ARTESIA DISTRICT
JAN 03 2017
RECEIVED

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

Electronic Submission #309930 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by JENNIFER SANCHEZ on 11/10/2015 (16JAS1036SE)

Name (Printed/Typed) DENISE PINKERTON

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 07/23/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title TLDET

Date 12/22/16

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.

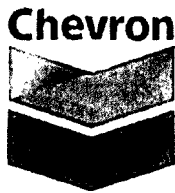
Office CFO

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.

Additional data for EC transaction #309930 that would not fit on the form

32. Additional remarks, continued

Attached are the supporting documents for this surface commingle request.



Denise Pinkerton
Regulatory Specialist
Midcontinent BU

**Chevron North America
Exploration and Production
Company**
15 Smith Road
Midland, Texas 79705
Tel: (432) 687-7375
leakejd@chevron.com

July 20, 2015

Bureau of Land Management
Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220

Application for surface commingling of the Bone Spring Pool, Eddy County, NM (T24S-R29E, Sec 33 & 34)

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas, and water production from the Bone Spring Pool through Chevron's Rustler Bluff Central 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 Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H. Both wells are being completed within the Second Bone Spring Sand Formation. These wells are located in Sections 33 & 34; T24S-R29E, Eddy County, New Mexico.

The working interest and royalties are the same in the wells and all leases. (100% Chevron, WI/NRI 87.5%). These wells were drilled in the Spring of 2015. As such, the wells will be continuously measured with Coriolis meters for oil and EFM's for gas on each well.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise Pinkerton", written over a horizontal line.

Denise Pinkerton
Regulatory Specialist

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H

APPLICATION FOR, COMMINGLING and MEASUREMENT AT A COMMON CENTRAL TANK BATTERY

Proposal for Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H:
Chevron U.S.A. Inc. is requesting approval for the Commingling, and
Off lease sales of gas and oil:

Federal Lease NMNM118713				Oil		Gas	
Well Name	Location	API #	Pool 96217	BOPD	Gravity	MCFPD	BTU
Rustler Bluff 33 24 29 Fed #1H	Sec4, NWNE T25SR29E	3001542670	Willow Lake; Bone Spring	523*	49*	956*	1283*

Federal Lease NMNM118714				Oil		Gas	
Well Name	Location	API #	Pool 96217	BOPD	Gravity	MCFPD	BTU
Rustler Bluff 34 24 29 Fed #2H	Sec3, NWNE T25SR29E	3001542671	Willow Lake; Bone Spring	523*	49*	956*	1283*

*These are approximate and actuals will be submitted

The BLM's interest in these leases is the same. Lease NMNM118713 royalty rate is 12.5%, and Lease NMNM118714 royalty rate is 12.5 %.

Oil & Gas metering:

The central tank battery will be located at the Rustler Bluff 34 Federal NENE Section 3 T25S, R29E. There are three oil tanks at the central tank battery that the wells will utilize and oil will be sold through the central delivery point (CDP) Lease Automated Custody Transfer unit (S/N 1328E10070), which is located in the NENE, Sect 3 T25S, R29E. For gas they will have a common gas sales meter DCP Midstream meter (S/N 150015112), which is located at facility in the NENE, Sec. 3 T25S, R29E. Oil, gas and water volumes from each well producing to this battery will be determined by using three-phase metering separators at the facility fitted with Micro Motion Coriolis meter on the oil outlets and orifice meter with Total Flow Computers on the gas outlets.

Oil will be allocated to Federal lease NMNM118713 and Federal lease NMNM118714 on a daily basis, and each area's share of the central tank battery's total production will be calculated based on the results of the continuous oil measurement downstream of each metering separator. This ratio will be applied to the total oil production metered by the Lease Automated Custody Transfer unit (S/N 1328E10070) meter located at the Rustler Bluff 34 central tank battery.

Rustler Bluff 33 24 29 Fed #1H oil allocation meter at the Rustler Bluff 34 central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14472953).

Rustler Bluff 34 24 29 Fed #2H oil allocation meter at the Rustler Bluff 34 central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14472958).

Gas production will be allocated to each well based on continuous measurement of each well at the three-phase test separators less the measured gas injected into each well for gas lift. Flash gas will be measured utilizing a V-Cone meter fitted with EFM flow computer installed downstream of the Vapor Recovery Unit (VRU) discharge (S/N 144365) and each well's share of flash gas will be allocated based on total oil metered in continuous well tests. These ratios will be applied to the total gas production metered by the DCP Midstream Sales meter (S/N 150015112), less the total buyback gas utilized for gas lift metered by the DCP Midstream buyback meter (*S/N).

Rustler Bluff 33 24 29 Fed #1H gas allocation meter at the Rustler Bluff 34 central tank battery three-phase test separator consists of a Total Flow EFM (S/N 150030663).

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H

Rustler Bluff 33 24 29 Fed #1H gas lift meter at well location will consists of an orifice meter with Total Flow EFM (*S/N).

Rustler Bluff 34 24 29 Fed #2H gas allocation meter at the Rustler Bluff 34 central tank battery three-phase test separator consists of a Total Flow EFM (S/N 150029252).

Rustler Bluff 34 24 29 Fed #2H gas lift meter at well location will consist of an orifice meter with Total Flow EFM (*S/N).

All metering serial numbers (*S/N) will be provided prior to production from these wells.

These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and NMOCD will be notified of any future changes in the facilities.

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, flow lines, facility, and gas sales meter. The commingling of this production is the most effective means to manage surface disturbing activities and will not result in reduced royalty or improper measurement of production. The proposed commingle will reduce 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.

Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H will require off lease measurement, storage and sales of oil and gas.

Working and royalty interest owners have been notified of this proposal via certified mail (see attached).

Printed Name: Christopher Smith
Title: Facilities Engineer
Date: 07/07/15

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY
Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H

Chevron U.S.A. Inc.

Federal Lease NMNM #	Royalty Rate	Well Name	BOPD	Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
118713	12.5%	Rustler Bluff 33 24 29 Fed #1H	523*	49*	\$46.48*	956*	1283*	\$2.71*
118714	12.5%	Rustler Bluff 34 24 29 Fed #2H	523*	49*	\$46.48*	956*	1283*	\$2.71*

Federal Lease NMNM #	Economic combined production	Well Name	BOPD	Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
118713 118714		Rustler Bluff 33 24 29 Fed #1H Rustler Bluff 34 24 29 Fed #2H	1046*	49*	\$46.48*	1912*	1283*	\$2.71*

Actuals will be submitted with completion report

All Bone Spring oil production in the area is sweet. The oil is deemed as sweet and 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. These wells are in the same formation and therefore the BTU's are similar.

Printed Name: Hallie Byth
Title: Reservoir Engineer
Date: 6 16 15

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H

Serial Register page form LR2000 is attached on the following pages:

Federal Lease	Lease Description	WI/NRI	Lease	Royalty Interest
NMNM118713	Rustler Bluff 33 24 29 Fed #1H	100%/87.5%	Federal	12.5%
NMNM118714	Rustler Bluff 34 24 29 Fed #2H	100%/87.5%	Federal	12.5%

Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H Commingling Permit

BLM Lease NMNM 118713 (covering All of Section 33)

BLM Lease NMNM 118714 (covering All of Section 34)

All leases in Sections 33 and 34, T24S, R29E

Eddy County, New Mexico

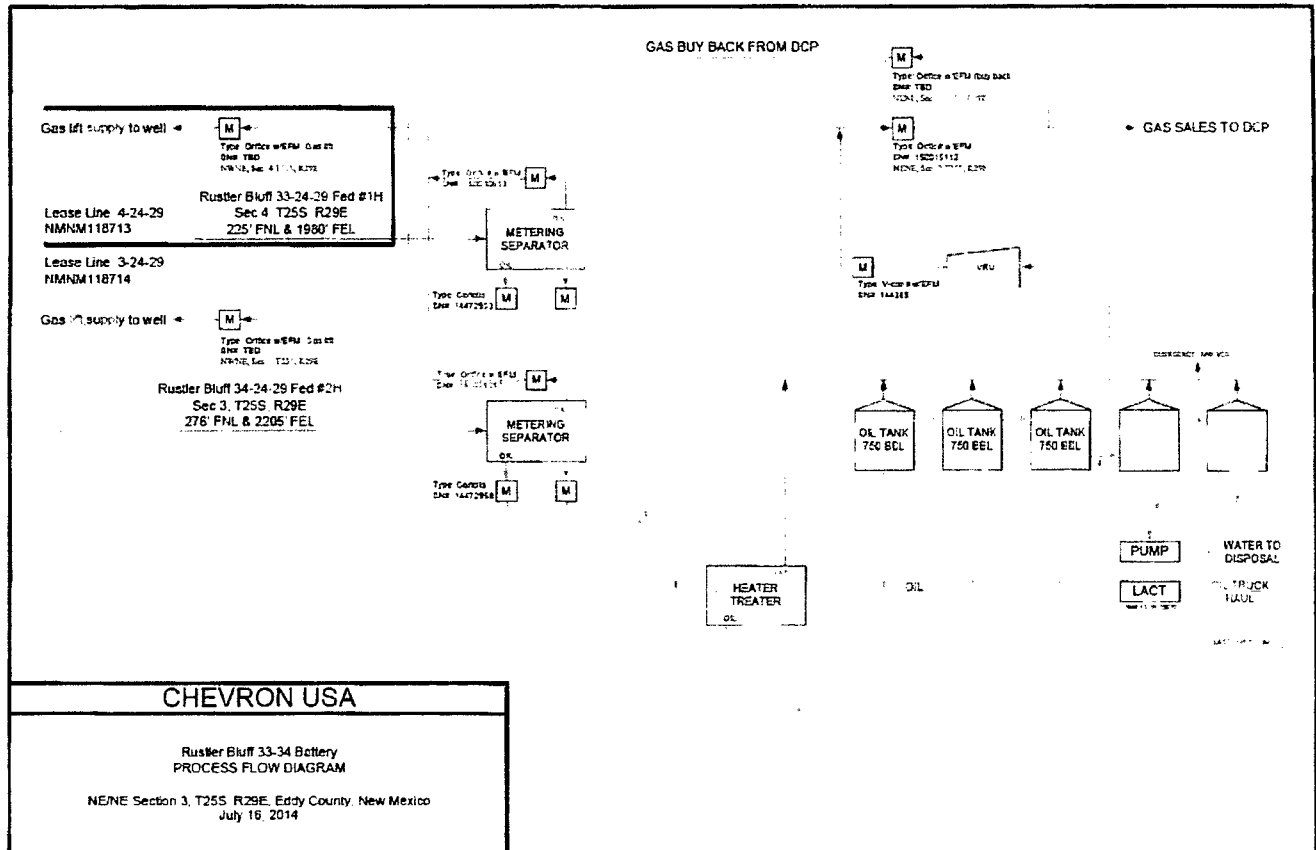
<u>Interest Type</u>	<u>Name</u>	<u>ADDRESS</u>	<u>CITY</u>	<u>STATE CODE</u>	<u>ZIP CODE</u>
Working Interest	Chevron U.S.A. Inc.	PO Box 2100	Houston	TX	77252 2100
Royalty Interest	United States of America	PO Box 27115	Santa Fe	NM	87502-0115

The royalty and working interest owners are same in all of the wells and all leases listed above. I verify that the above information is correct.

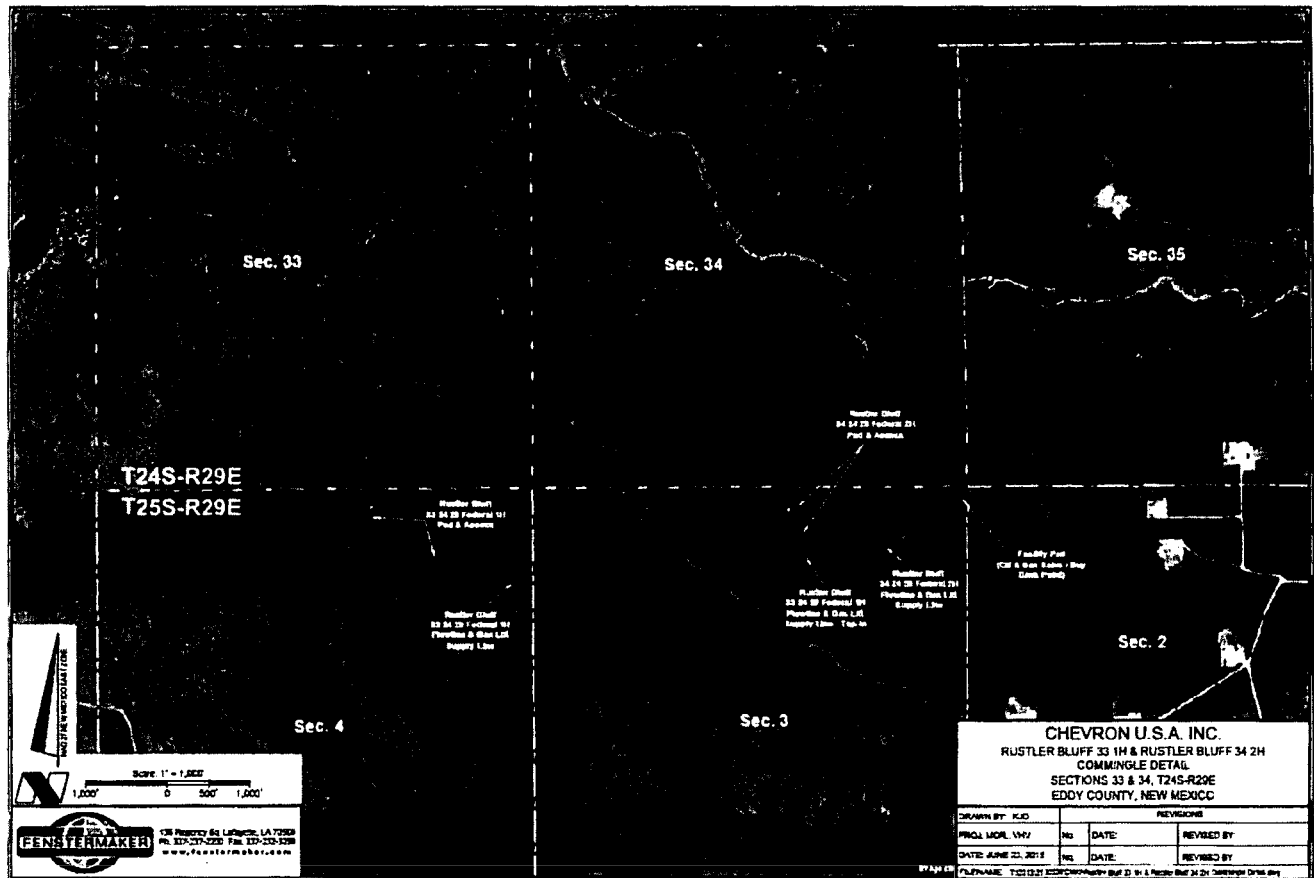


Vadal Bolds
Land Representative

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
 Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H



NWMM
054289
029

NWMM
053229

028

NWMM
094651

027

033

NWMM
118713

034

NWMM
118714

032

005

004

NWMM
015302

003

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

Run Date/Time: 12/22/16 05:38 AM

Page 1 of 2

01 12-22-1987;101STAT1330;30USC181 ET SEQ

Total Acres

Serial Number

Case Type 312021: O&G LSE COMP PD -1987

640.000

NMNM-- - 118713

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- - 118713

Name & Address			Int Rel	%Interest
ACB OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000
CAPITAL PRTNR II O&G NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	OPERATING RIGHTS	0.000000000
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	LESSEE	100.000000000
CMB OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000
CTV OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000
LMBI OG NM LLC	201 MAIN ST #2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000
MLB OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000
SRBI OG NM LLC	201 MAIN ST #2700	FORT WORTH TX 76102	OPERATING RIGHTS	0.000000000
THRU LINE OG NM LLC	201 MAIN ST #2700	FORT WORTH TX 76102	OPERATING RIGHTS	0.000000000
TRB OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 118713

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0240S	0290E	033	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM 118713

Relinquished/Withdrawn Lands

23 0240S 0290E 733	FF	NE,W2,N2SE,SESE CONSD;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0240S 0290E 733	FF	SWSE CONSOLIDATED;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 118713

Act Date	Code	Action	Action Remarks	Pending Office
05/25/2007	387	CASE ESTABLISHED	200707052;	
07/03/2007	299	PROTEST FILED	Forest Guardians etal	
07/18/2007	143	BONUS BID PAYMENT RECD	\$1200.00;	
07/18/2007	191	SALE HELD		
07/18/2007	267	BID RECEIVED	\$540000.00;	
07/25/2007	143	BONUS BID PAYMENT RECD	\$538800.00;	
08/31/2007	237	LEASE ISSUED		
08/31/2007	298	PROTEST DISMISSED		
08/31/2007	974	AUTOMATED RECORD VERIF	BCO	
09/01/2007	496	FUND CODE	05;145003	
09/01/2007	530	RLTY RATE - 12 1/2%		
09/01/2007	868	EFFECTIVE DATE		
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED		
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1	
04/10/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/10/2013	974	AUTOMATED RECORD VERIF	ANN	
02/04/2015	972	CASES CONSOLIDATED	NMNM120893;	
08/01/2015	650	HELD BY PROD - ACTUAL	/1/	
08/01/2015	658	MEMO OF 1ST PROD-ACTUAL	/1/RUSTLER 332429-1;	
11/19/2015	643	PRODUCTION DETERMINATION	/1/	
12/28/2015	932	TRF OPER RGTS FILED	CHEVRON U/CTV O&G N;1	
01/15/2016	933	TRF OPER RGTS APPROVED	EFF 01/01/16;	

**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: 12/22/16 05:40 AM

Page 1 of 2

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
640.000

Serial Number
NMNM-- - 118714

Serial Number: NMNM-- - 118714

Name & Address			Int Rel	%Interest
ACB OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000
CAPITAL PRTRN II O&G NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	OPERATING RIGHTS	0.000000000
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	LESSEE	100.000000000
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CTV OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000
LMBI OG NM LLC	201 MAIN ST #2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000
MLB OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000
SRBI OG NM LLC	201 MAIN ST #2700	FORT WORTH TX 76102	OPERATING RIGHTS	0.000000000
THRU LINE OG NM LLC	201 MAIN ST #2700	FORT WORTH TX 76102	OPERATING RIGHTS	0.000000000
TRB OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 118714

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0240S	0290E	034	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM 118714

Relinquished/Withdrawn Lands

23 0240S 0290E 734	FF	NE,W2,N2SE,SESE CONSD;;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0240S 0290E 734	FF	SWSE CONSOLIDATED;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 118714

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07/03/2007	299	PROTEST FILED	Forest Guardians etal	
07/18/2007	143	BONUS BID PAYMENT RECD	\$1200.00;	
07/18/2007	191	SALE HELD		
07/18/2007	267	BID RECEIVED	\$960000.00;	
07/25/2007	143	BONUS BID PAYMENT RECD	\$958800.00;	
08/31/2007	074	RESERVED FOR BLM-SO USE	BCO	
08/31/2007	237	LEASE ISSUED		
08/31/2007	298	PROTEST DISMISSED		
09/01/2007	496	FUND CODE	05;145003	
09/01/2007	530	RLTY RATE - 12 1/2%		
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04/10/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/10/2013	974	AUTOMATED RECORD VERIF	ANN	
02/04/2015	972	CASES CONSOLIDATED	NMNM120894;	
10/19/2015	650	HELD BY PROD - ACTUAL	/1/	
10/19/2015	658	MEMO OF 1ST PROD-ACTUAL	/1/RUSTLER342429,2H;	
12/28/2015	932	TRF OPER RGTS FILED	CHEVRON U/CTV O&G N;1	
01/15/2016	933	TRF OPER RGTS APPROVED	EFF 01/01/16;	
01/20/2016	974	AUTOMATED RECORD VERIF	JA	

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APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY
Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H

Chevron U.S.A. Inc.

DATE	REASON	DEGREE	LOGGED IN	TYPE	APPROVED
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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 Production 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-QualRod 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 ☐ 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, Santa Fe 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

Chevron email: chevron@chevron.com
e-mail Address

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY
Rustler Bluff 33 24 29 Fed #1H and Rustler Bluff 34 24 29 Fed #2H

Chevron U.S.A. Inc.

District I
1423 N. French Drive, Hobbs, NM 88240
District II
911 S. First St., Azusa, NM 88280
District III
1000 Ray Braker Road, Azusa, NM 87410
District IV
1200 S. Alameda Dr., Santa Fe, NM 87503

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form U-107-11
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: ☐ Free ☐ 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
RUSTLER BLUFF 33 24 29 FED #1H	ATTACHED			
RUSTLER BLUFF 34 24 29 FED #2H	ATTACHED			

- (2) Are any wells producing at top allowable? ☐ 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, BOWL SPRING
(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-Musillo*

TITLE: PERMITTING SPECIALIST

DATE: 05/24/2015

TYPL OR PRINT NAME: CINDY HERRERA-MUSILLO

TELEPHONE NO.: 505-261-0411

E-MAIL ADDRESS: CHERRELM@CHEVRON.COM

Chevron Functional Contacts

Contact Name	Function	Phone Number	Email Address
Nick Wann	<i>FE Team Lead / Primary Point of Contact</i>	(432) 687-7852	NWann@chevron.com
Christopher Smith	Facilities Engineer	(432) 687-7249	Christopher.Smith@chevron.com
David Macurdy	Regulatory Team Lead	(713) 754-3826	david.macurdy@chevron.com
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Clayton Williams	Execution Team Lead	(713) 372-0978	clay.williams@chevron.com
Danny Boone	Project Manager	(713) 372-5390	DBoone@chevron.com
Justin Blackburn	Drilling	(713) 372-0235	Justin.Blackburn@chevron.com
Hallie Byth	Reservoir Engineer	(713) 372-7772	HByth@chevron.com
JJ Lanning	Subsurface Land Team Lead	(713) 372-1290	JLPX@chevron.com
Vadal Bolds	Subsurface Land	(713) 372-3488	Vadal.Bolds@chevron.com
Kevin Dickerson	Surface Land	(432) 687-7104	Kevin.Dickerson@chevron.com

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

Chevron Midcontinent LP

December 22, 2016

Condition of Approval

Surface commingling, off lease storage measurement and sales and alternate method of measurement.

Rustler Bluff 33 24 29 Federal 1H, Rustler Bluff 34 24 29 Federal 2H

3001542670, 3001542671

Lease NMNM118713 & NMNM118714

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.
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 Onshore Order #5 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.
11. Approval for alternate method of measurement for oil production. Coriolis meters will be used off 3 phase separators for allocation of oil production and oil will be sold through a common LACT meter at facility.