

3/26/2014 DATE IN	SUSPENSE	MAM ENGINEER	3/26/2014 LOGGED IN	PLC TYPE	PMAM140854621 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 ☐ 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.

Cindy Herrera-Munillo  
Print or Type Name

Cindy Herrera-Munillo  
Signature

Permitting Specialist  
Title

03/25/2014  
Date

cherreramunillo@chevron.com  
e-mail Address

- PLC  
- CHEVRON U.S.A. INC  
4323  
Wells  
- Limestone 11 Fed  
#1H  
30-025-41360  
- Brininstool 25 Fed  
#2H  
30-025-41627  
- Brininstool 23 Fed  
#1H  
30-025-41330  
- Brininstool 23 Fed  
#2H  
30-025-41331  
Pools  
- Brininstool  
Bonespring  
7320  
- Triple X  
Bonespring  
59900  
- Bell Lake  
Bonespring  
North  
5150

575-263-0431



Pamela A Bikun  
Senior Staff Land  
Representative

MidContinent/Alaska SBU  
Chevron U.S.A. Inc.  
P. O. Box 2100  
Houston, TX 77252  
Tel 713 372 1373  
Fax 866 840 8326  
pambikun@chevron.com

March 28, 2014

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
Attn: Richard Ezeanyim  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Re: Limestone 11-23-33 Fed #1H  
Brininstool 25-23-33 Fed #2H  
Brininstool 23-23-33 Fed #1H  
Lea County, New Mexico

Dear Mr. Ezeanyim,

Please be advised that Chevron U.S.A. Inc. owns a 100% working interest in the following wells and the ownership interest is identical in the wells listed below:

Federal Lease	Well Name	Location	Working Interest / Net Revenue Interest	Royalty Interest
NMNM 114986	Limestone 11-23-33 Fed #1H	W/2W/2 of Section 11, T23S, R33E, Lea County, New Mexico	100% / 87.5%	12.5%
NMNM 114985	Brininstool 25-23-33 Fed #2H	E/2W/2 of Section 25, T23S, R33E, Lea County, New Mexico	100% / 87.5%	12.5%
NMNM 112940	Brininstool 23-23-33 Fed #1H	W/2E/2 of Section 23, T23S, R33E, Lea County, New Mexico	100% / 87.5%	12.5%

Should you need any further information, please contact me at (713) 372-1373.

Very truly yours,

*Pamela A. Bikun*

Pamela A Bikun

OK

Limestone 11-23-33 Fed 1H  
Sec 11, T-23S, R33E  
150 FNL, 650 FWL  
API: 30-025-41360

Lease Line: 11-23-33  
NM3760021-000

Lease Line: 23-23-33  
NM376022-000

Brininstool 23-23-33 Fed 1H  
Sec 23, T-23S, R33E  
149 FNL, 1568 FEL  
API: 30-025-41330

Brininstool 23-23-33 Fed 2H  
Sec 23, T-23S, R33E  
150 FNL, 400 FEL  
API: 30-025-41331

Lease Line: 23-23-33  
NM376022-000

Lease Line: 25-23-33  
NM3760010-000

Brininstool 25-23-33 USA #2H  
Sec 25, T-23S, R33E  
50 FNL & 1980 FSL  
API: 30-025-41627

Lease Line: 25-23-33  
NM3760010-000

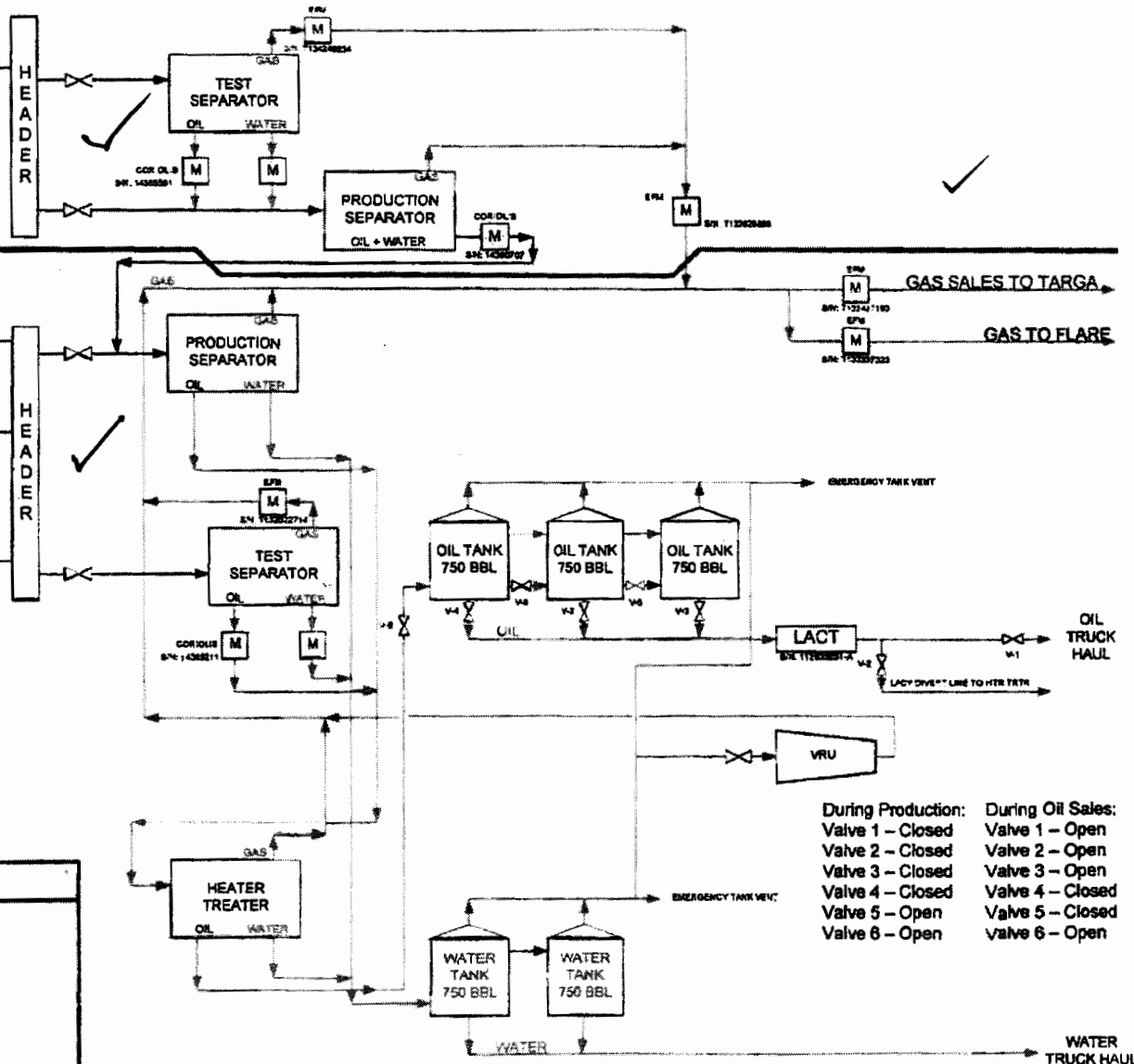
Lease Line: 23-23-33  
NM376022-000

OK

## CHEVRON USA

Brininstool Battery and Limestone Satellite  
PROCESS FLOW DIAGRAM

Sec 023, T23S, R33E  
Sec 025, T23S, R33E  
Sec 011, T23S, R33E  
Lea County, New Mexico  
March 24, 2014



During Production:	During Oil Sales:
Valve 1 - Closed	Valve 1 - Open
Valve 2 - Closed	Valve 2 - Open
Valve 3 - Closed	Valve 3 - Open
Valve 4 - Closed	Valve 4 - Closed
Valve 5 - Open	Valve 5 - Closed
Valve 6 - Open	Valve 6 - Open

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY      Chevron Corporation  
 Limestone 11 23 33 #1H, Brininstool 23 23 33 #1H, Brininstool 23 23 33 #2H, Brininstool 25 23 33 #2H

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

Proposal for Limestone 11-23-33 Federal #1H , Brininstool 23-23-33 Federal #1H, Brininstool 23-23-33 Federal #2H, and Brininstool 25-23-33 #2H:

Chevron USA Inc is requesting approval for the Central Tank Battery, Commingling, and Off lease sales of gas and oil:

**Federal Lease NMNM1114985**

Well Name	Location	API #	Pool 7320	Oil BOPD	Gravities	MCFPD	BTU
Limestone 11 Fed #1H	Sec11, W2W2 T23SR33E	3002541360	Brininstool; Bone Spring	480	40.1	541	1294

**Federal Lease NMNM112940**

Well Name	Location	API #	Pool 59900	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 25 Fed #2H	Sec25, E/2W/2 T23SR33E	3002541627	Triple-X; Bone Spring	480	40.1	541	1294

**Federal Lease NMNM114986**

Well Name	Location	API #	Pool 5150	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 23 Fed #1H	Sec23, W/2E/2 T23SR33E	3002541330	Bell Lake; Bone Spring	480	40.1	541	1294

**Federal Lease NMNM114986**

Well Name	Location	API#	Pool 5150	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 23 Fed #2H	Sec 23 W/2E/2 T23R33E	30-025-41331	Bell Lake; Bone Spring	480	40.1	541	1294

Map shows the federal leases and well locations in Section 11,23 & 25-T23S-R33E.

The BLM's interest in these leases is the same. Lease NMNM114985 royalty rate is 12.5%, Lease NMNM112940 royalty rate is 12.5%, and Lease NMNM114986 royalty rate is 12.5 %.

**Oil & Gas metering:**

The central tank battery will be located at the Brininstool 23-23-33 Federal 1H. 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 11263551-A), which is located in the NWNE, Sec. 23 T23S, R33E. For gas they will have a common central delivery point (CDP) gas sales meter (Targa Gas #76880-00-444) which is located in the SWSE, Sec. 23 T23S, R33E. The produced water will go to a common water tank on location.

Each well will be tested monthly through a three –phase test separator located at the nearest facility to each well's wellhead. The Limestone 23 23 33 #1H will be tested at a dedicated production satellite. The Brininstool wells will be tested at the central battery. 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.

Production will be allocated to each by monthly well test. A 24 hour test will be performed monthly on each well. Each well's share of the central tank battery's total production will be calculated based on the results of each monthly well test. This ratio will be applied to the total oil production metered by the



# DAILY PRODUCTION REPORT

3/27/2014 3:33:33 PM

3/16/2014 to 3/27/2014

Area	HOBBS FMT			
Sub Area	HOBBS			
Operator Route	6010003 - ROUTE 3			
Collection Point	BRININSTOOL CTB			
DAY	OIL (bpd)	WATER (bpd)	GAS (mscf)	BOEG
3/16/2014	0.00	0.00	0.00	0.00
3/17/2014	451.00	954.00	0.00	451.00
3/18/2014	877.78	1422.00	0.00	877.78
3/19/2014	471.37	966.00	0.00	471.37
3/20/2014	627.09	1113.00	0.00	627.09
3/21/2014	525.94	1029.00	0.00	525.94
3/22/2014	472.49	970.00	0.00	472.49
3/23/2014	490.70	745.00	0.00	490.70
3/24/2014	447.74	634.00	0.00	447.74
3/25/2014	420.84	558.00	0.00	420.84
3/26/2014	0.00	0.00	0.00	0.00
3/27/2014	0.00	0.00	0.00	0.00
MTD Total :	4784.95	8391.00	0.00	4784.95
MTD Avg:	398.75	699.25	0.00	398.75
Prev Avg:	#NUM!	#NUM!	#NUM!	#####
Change +/-	#NUM!	#NUM!	#NUM!	#####

Av Prod

478.495

\* Brinnstool 23 23 23 #1H

\* ONLY well producing

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

# OPERATOR'S COPY

FORM 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.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator CHEVRON USA INCORPORATED		6. If Indian, Allottee or Tribe Name
Contact: CINDY H MURILLO E-Mail: CERRERAMURILLO@CHEVRON.COM		7. If Unit or CA/Agreement, Name and/or No. Multiple--See Attached
3a. Address 15 SMITH ROAD MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-391-6679	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory Multiple--See Attached
		11. County or Parish, and State LEA 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 recomple 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 recomple 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 USA INC requests approval to Surface Commingle oil, gas and water production from the Bone Spring Pool through Chevron's Brininstool Battery. Wells producing in this battery include the Chevron Brininstool 23 23 33 #1H; Brininstool 23 23 33 #2H; Brininstool 25 23 33 #2H and the Limestone 11 23 33 #1H ( which will be horizontally drilled in spring of 2014 into the Second Bone Spring sand formation, attached map) These wells are located in Section 11, 23, 25, T23S-R33E, Lea County, New Mexico, API's included:

Limestone 11 23 33 #1H API# 30-025-41360 Lease # NMNM114985  
Brininstool 23 23 33 #1H API# 30-025-41330 Lease # NMNM114986  
Brininstool 23 23 33 #2H API# 30-025-41331 Lease # NMNM114986  
Brininstool 25 23 33 #2H API# 30-025-41627 Lease # NMNM112940

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

Please find attached surface application for the above wells and facility diagrams and maps.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #239768 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by DEBORAH HAM on 03/24/2014 (14DMH0168SE)	
Name(Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 03/24/2014

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

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>EPS</u>	Date <u>03/26/2014</u>
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 Hobbs

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.

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

**Additional data for EC transaction #239768 that would not fit on the form**

**5. Lease Serial No., continued**

NMNM112940  
NMNM114985  
NMNM114986

**Wells/Facilities, continued**

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM114986	NMNM114986	BRININSTOOL 23 23 33 USA 1H	30-025-41330-00-X1	Sec 23 T23S R33E NWNE 149FNL 1568FEL 32.297005 N Lat, 103.539687 W Lon
NMNM114986	NMNM114986	BRININSTOOL 23 23 33 USA 2H	30-025-41331-00-X1	Sec 23 T23S R33E SESE 150FSL 400FEL 32.283309 N Lat, 103.535903 W Lon
NMNM114985	NMNM114985	LIMESTONE 11 23 33 FED 1H	30-025-41360-00-X1	Sec 11 T23S R33E NWNW 150FNL 650FWL 32.325962 N Lat, 103.549580 W Lon
NMNM112940	NMNM112940	BRININSTOOL 25 23 33 USA 2H	30-025-41627-00-X1	Sec 25 T23S R33E NENW 150FNL 1980FWL 32.282621 N Lat, 103.527722 W Lon

**10. Field and Pool, continued**

TRIPLE X

**32. Additional remarks, continued**

\*\*\*Multiple Leases\*\*

## Revisions to Operator-Submitted EC Data for Sundry Notice #239768

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	SURCOM NOI	SURCOM NOI
Lease:	NMNM114986	NMNM112940 NMNM114985 NMNM114986
Agreement:		
Operator:	CHEVRON USA INC 15 SMITH RD MIDLAND, TX 79705 Ph: 575-263-0431	CHEVRON USA INCORPORATED 15 SMITH ROAD MIDLAND, TX 79705 Ph: 432.687.7826 Fx: 432-687-7221
Admin Contact:	CINDY H. MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM  Ph: 575-263-0431 Fx: 575-391-6679	CINDY H. MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM  Ph: 575-263-0431 Fx: 575-391-6679
Tech Contact:	CINDY H. MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM  Ph: 575-263-0431 Fx: 575-391-6679	CINDY H. MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM  Ph: 575-263-0431 Fx: 575-391-6679
Location:		
State:	NM	NM
County:	LEA	LEA
Field/Pool:	BONE SPRING	BELL LAKE BRINNINSTOOL TRIPLE X
Well/Facility:	BRININSTOOL 1H Sec 23 T23S R33E Mer NMP 149FNL 1568FEL	BRININSTOOL 23 23 33 USA 1H Sec 23 T23S R33E NWNE 149FNL 1568FEL 32.297005 N Lat, 103.539687 W Lon BRININSTOOL 23 23 33 USA 2H Sec 23 T23S R33E SESE 150FSL 400FEL 32.283309 N Lat, 103.535903 W Lon LIMESTONE 11 23 33 FED 1H Sec 11 T23S R33E NWNW 150FNL 650FWL 32.325962 N Lat, 103.549580 W Lon BRININSTOOL 25 23 33 USA 2H Sec 25 T23S R33E NENW 150FNL 1980FWL 32.282621 N Lat, 103.527722 W Lon





**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. Room 121  
Hobbs FMT, Hobbs, NM 88241  
Tel 575-263-0431  
Cherreramurillo@chevron.com

March 24, 2014

Bureau of Land Management  
New Mexico State Office  
P.O. Box 27115  
Santa Fe, NM 87502-0115

Application for surface commingling, Bone Spring Pool, Lea County, NM (T23S-R33E, Sec 11, 23 & 25)

Dear Sirs,

Chevron North America respectfully requests administrative approval to surface commingle oil, gas, and water production from the Bone Spring Pool through Chevron's Brininstool Battery. Chevron request the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. Wells producing to this battery include the Chevron Brininstool 23 23 33 #1H; Brininstool 23 23 33 #2H, Brininstool 25 23 33 #2H and the Limestone 11 23 33 Federal #1. All wells will be completed within the Second Bone Spring sand Formation, per attached map. These wells are located in section 11, 23 & 25, T23S-R33E, Lea County, New Mexico. APDs for each well, which includes surface plats, are included with this notification.

The working interest and royalties are the same for all three leases involved in this request (100% CVXI). These wells will be horizontally drilled in spring of 2014. As such, the wells will be allocated by monthly Well test with coriolis on oil and EFM on gas. A schematic showing this configuration is attached.

Sincerely,

A handwritten signature in black ink that reads "Cindy Herrera-Murillo".

Cindy Herrera-Murillo  
Permitting Specialist

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY      Chevron Corporation  
 Limestone 11 23 33 #1H, Brininstool 23 23 33 #1H, Brininstool 23 23 33 #2H, Brininstool 25 23 33 #2H

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

Proposal for Limestone 11-23-33 Federal #1H , Brininstool 23-23-33 Federal #1H, Brininstool 23-23-33 Federal #2H, and Brininstool 25-23-33 #2H:

Chevron USA Inc is requesting approval for the Central Tank Battery, Commingling, and Off lease sales of gas and oil:

**Federal Lease NMNM1114985**

Well Name	Location	API #	Pool 7320	Oil BOPD	Gravities	MCFPD	BTU
Limestone 11 Fed #1H	Sec11, W2W2 T23SR33E	3002541360	Brininstool; Bone Spring	480	40.1	541	1294

**Federal Lease NMNM112940**

Well Name	Location	API #	Pool 59900	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 25 Fed #2H	Sec25, E/2W/2 T23SR33E	3002541627	Triple-X; Bone Spring	480	40.1	541	1294

**Federal Lease NMNM114986**

Well Name	Location	API #	Pool 5150	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 23 Fed #1H	Sec23, W/2E/2 T23SR33E	3002541330	Bell Lake; Bone Spring	480	40.1	541	1294

**Federal Lease NMNM114986**

Well Name	Location	API#	Pool 5150	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 23 Fed #2H	Sec 23 W/2E/2 T23R33E	30-025-41331	Bell Lake; Bone Spring	480	40.1	541	1294

Map shows the federal leases and well locations in Section 11,23 & 25-T23S-R33E.

The BLM's interest in these leases is the same. Lease NMNM114985 royalty rate is 12.5%, Lease NMNM112940 royalty rate is 12.5%, and Lease NMNM114986 royalty rate is 12.5 %.

**Oil & Gas metering:**

The central tank battery will be located at the Brininstool 23-23-33 Federal 1H. 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 11263551-A), which is located in the NWNE, Sec. 23 T23S, R33E. For gas they will have a common central delivery point (CDP) gas sales meter (Targa Gas #76880-00-444) which is located in the SWSE, Sec. 23 T23S, R33E. The produced water will go to a common water tank on location.

Each well will be tested monthly through a three –phase test separator located at the nearest facility to each well's wellhead. The Limestone 23 23 33 #1H will be tested at a dedicated production satellite. The Brininstool wells will be tested at the central battery. 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.

Production will be allocated to each by monthly well test. A 24 hour test will be performed monthly on each well. Each well's share of the central tank battery's total production will be calculated based on the results of each monthly well test. This ratio will be applied to the total oil production metered by the

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY      Chevron Corporation  
Limestone 11 23 33 #1H, Brininstool 23 23 33 #1H, Brininstool 23 23 33 #2H, Brininstool 25 23 33 #2H

Lease Automated Custody Transfer (LACT) meter located at the Brininstool central tank battery. The production will also be applied to the total gas production metered by the Targa Resources Corp sales meter. As purchasers contract all production will be paid on a flat API 40 sweet quality in Bone Spring value with no deducts for gravity.

Limestone 11 23 33 #1H oil allocation meter on the Limestone Production Satellite three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14385561).

Brininstool 23 23 33 #1H oil allocation meter on the Brininstool central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14385211).

Brininstool 23 23 33 #2H oil allocation meter on the Brininstool central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14385211).

Brininstool 25 23 33 #2H oil allocation meter on the Brininstool central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14385211).

These meters will be proven as per API, NMOCD, and BLM specifications when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter. The factor obtained will be used to allocate the production volumes.

Gas production will be allocated on a daily basis based on the results of a monthly well test of each well.

Limestone 11 23 33 Federal #1H gas allocation meter on the Limestone Production Satellite three-phase test separator consists of a Tele Flow EFM (S/N T134246234).  
Brininstool 23 23 33 Federal #1H gas allocation meter on the Brininstool central tank battery three-phase test separator consists of a Total Flow EFM (S/N T132022714).  
Brininstool 23 23 33 Federal #2H gas allocation meter on the Brininstool central tank battery three-phase test separator consists of a Total Flow EFM (S/N T132022714).  
Brininstool 25 23 33 Federal #2H gas allocation meter on the Brininstool central tank battery three-phase test separator consists of a Total Flow EFM (S/N T132022714).

These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD 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, location of flow lines, facility, and gas sales meter. The commingling of this production is the most effective economical means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

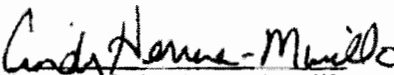
Chevron USA Inc understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

A central tank battery is located on the Brininstool Federal #1H located in Sec. 23 W/2E/2, T23S-R33E, on federal lease NMNM114986 in Lea County, New Mexico. The production from the four wells will be routed to the Brininstool Federal tank battery. After separation and allocation measurement, the oil, gas, and water will go to common oil tanks, water tank, and gas CDP located in Section 23.

**APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY**      **Chevron Corporation**  
**Limestone 11 23 33 #1H, Brininstool 23 23 33 #1H, Brininstool 23 23 33 #2H, Brininstool 25 23 33 #2H**

Limestone 11 23 33 #1H and Brininstool 25 23 33 #2H will require off lease measurement, storage and sales of oil and gas.

No working, royalty, and overriding interest owners will have to be notified. Chevron is the only working interest owner

Signed:   
 Printed Name: Cindy Herrera-Murillo  
 Title: Regulatory Compliance Associate  
 Date: 03/24/2014

Federal Lease NMNM #	Royalty Rate	Well Name	BOPD	Royalty Rate 16/23 Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
114985	12.5%	Limestone 11 23 33 1H	480	40.1	\$87.97	541	1294	\$2.46
112940	12.5%	Brininstool 25-23-33 2H	480	40.1	\$87.97	541	1294	\$2.46
114986	12.5%	Brininstool 23 23 33 1H	480	40.1	\$87.97	541	1294	\$2.46
114986	12.5%	Brininstool 23 23 33 2H	480	40.1	\$87.97	541	1294	\$2.46

Federal Lease NMNM	Economic combined production	Well Name	BOPD	Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
114986		Brininstool Battery	1920	40.1	\$87.97	2164	1294	\$2.46

Chevron has a master sales agreement in place for all the Bone Springs wells in the area. All Bone Springs oil production in the area is sweet. Part of this agreement is that all 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

Printed Name: Christina Davis  
 Title: Reservoir Engineer  
 Date: 03/24/2014

**APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY      Chevron Corporation**  
**Limestone 11 23 33 #1H, Brininstool 23 23 33 #1H, Brininstool 23 23 33 #2H, Brininstool 25 23 33 #2H**

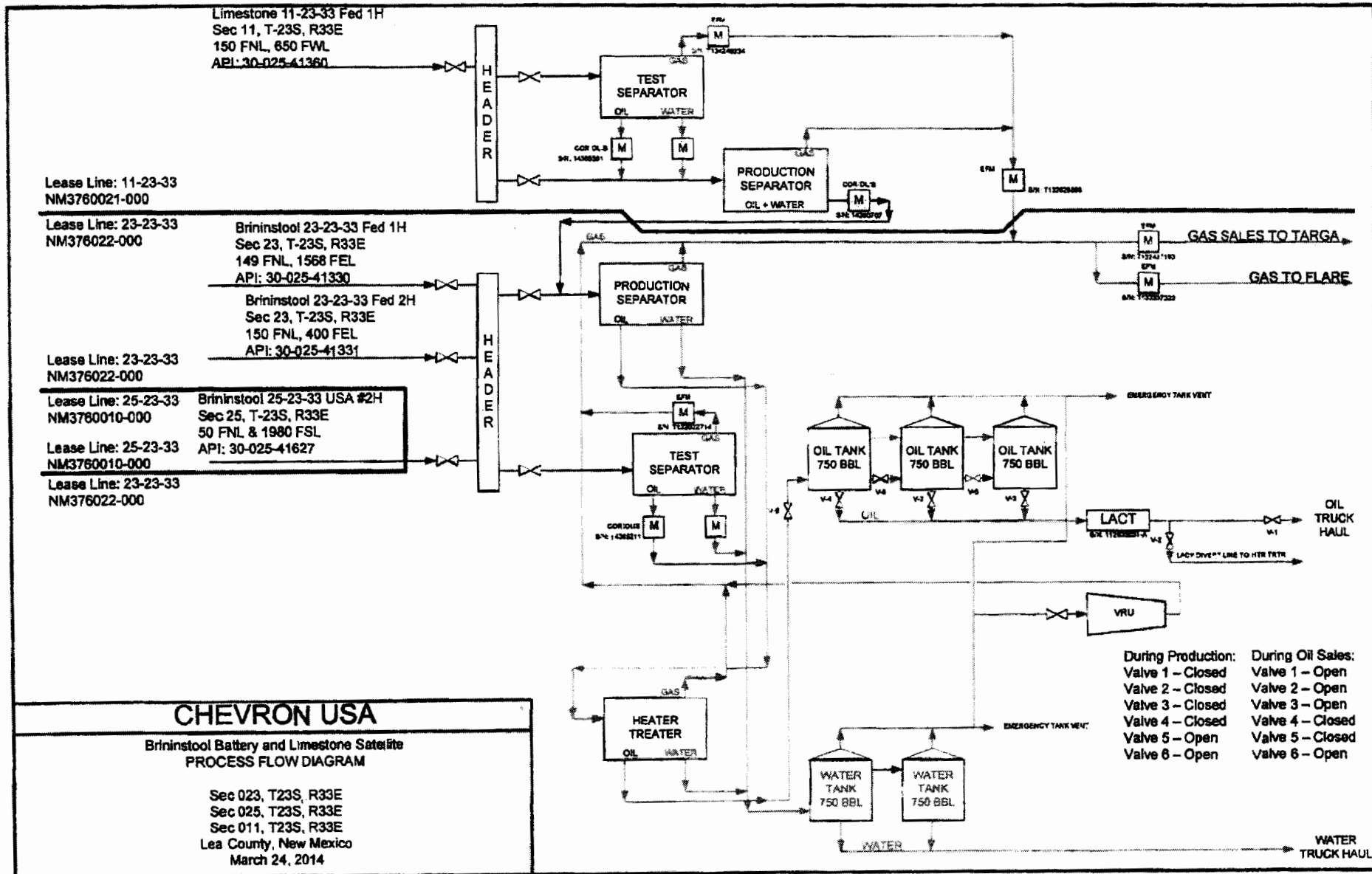
**Serial register page form LR2000 is attached on the following pages.**

Federal Lease	Lease description	WI / NRI	Lease	Royalty Interest
NMNM114985	Limestone #1H	100% / 87.5%	Federal	12.5%
NMNM112940	Brininstool #2H	100% / 87.5%	Federal	12.5%
NMNM114986	Brininstool #1H	100% / 87.5%	Federal	12.5%
NMNM114986	Brininstool #2H	100% / 87.5%	Federal	12.5%

**Chevron is 100% Lessee for each lease.**

**Interest owner address is below:**

Chevron USA Inc P.O. Box 4791 Houston, TX 77210-4791	Bureau of Land Management New Mexico State Office PO Box 27115 Santa Fe, NM 87502-0115
--	---



SHL

Limestone 11-23-33 1H

041

BHL

043

014

SHL SHL

Brininstool 23-23-33 1H

Brininstool 23-23-33 2H

T 033 S  
R 034 E

024

BHL BHL

Brininstool 25-23-33 2H

SHL

BHL

025

T 033 S  
R 034 E

Limestone 11-23-33 1H

011

013

014

R 031 E

Brininstool 23-23-33 1H

Brininstool Tank  
Battery

023

Brininstool 23-23-33 2H

024

024

Targa Gas CDP  
#76880-00-444

Brininstool 25-23-33 2H

025

R 034 E





**Chevron**

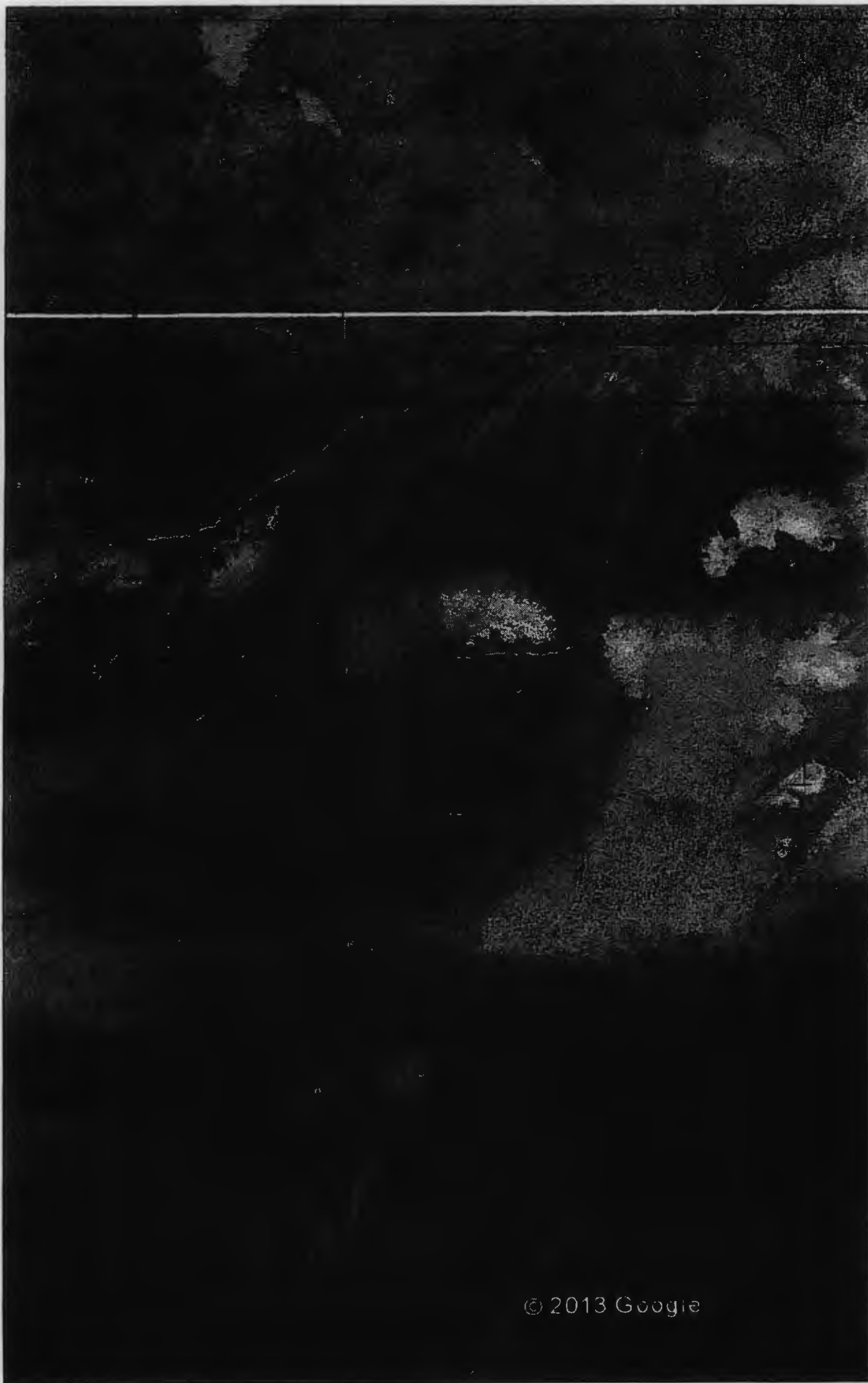
Midcontinent Division

**BONE SPRINGS DRILLING PROGRAM**

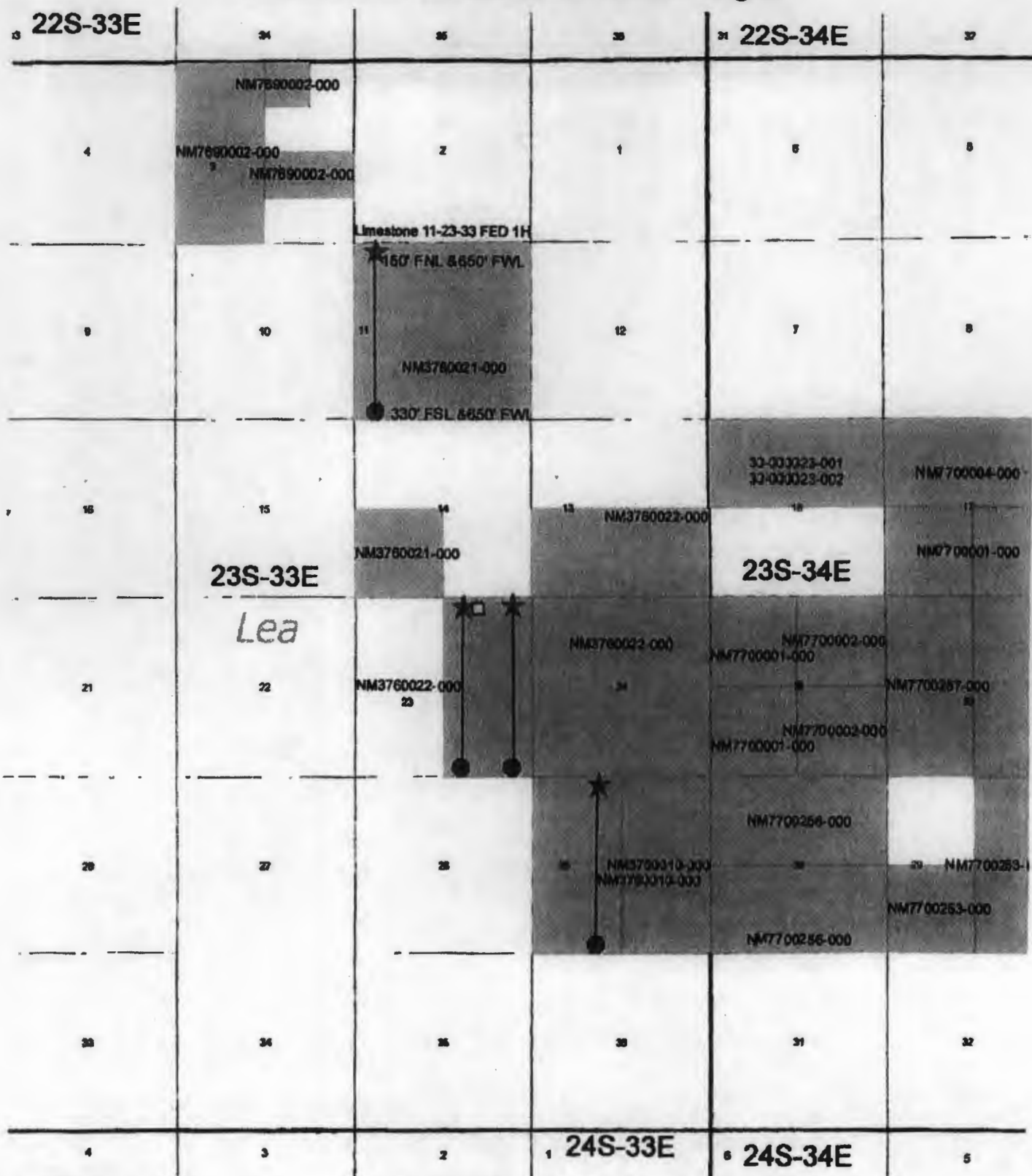
**LIMESTONE GATHERING LINE**

**LIMESTONE/BRININSTOOL**

**LEA CO, NM**



## Limestone Brininstool Commingle



### Legend

- ★ Brininstool Commingle SHL  
 ● Brininstool Commingle BHL  
 □ Central Tank Battery



**Pamela A Bikun**  
Senior Staff Land  
Representative

**MidContinent/Alaska SBU**  
Chevron U.S.A. Inc.  
P. O. Box 2100  
Houston, TX 77252  
Tel 713 372 1373  
Fax 866 840 8326  
pambikun@chevron.com

March 28, 2014

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
Attn: Richard Ezeanyim  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**Re: Limestone 11-23-33 Fed #1H  
Brininstool 25-23-33 Fed #2H  
Brininstool 23-23-33 Fed #1H  
Lea County, New Mexico**

Dear Mr. Ezeanyim,

Please be advised that Chevron U.S.A. Inc. owns a 100% working interest in the following wells and the ownership interest is identical in the wells listed below:

<b>Federal Lease</b>	<b>Well Name</b>	<b>Location</b>	<b>Working Interest / Net Revenue Interest</b>	<b>Royalty Interest</b>
NMNM 114986	Limestone 11-23-33 Fed #1H	W/2W/2 of Section 11, T23S, R33E, Lea County, New Mexico	100% / 87.5%	12.5%
NMNM 114985	Brininstool 25-23-33 Fed #2H	E/2W/2 of Section 25, T23S, R33E, Lea County, New Mexico	100% / 87.5%	12.5%
NMNM 112940	Brininstool 23-23-33 Fed #1H	W/2E/2 of Section 23, T23S, R33E, Lea County, New Mexico	100% / 87.5%	12.5%

Should you need any further information, please contact me at (713) 372-1373.

Very truly yours,

Pamela A Bikun

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

Run Date/Time: 03/25/14 09:37 AM

Page 1 of 2

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

**Total Acres**  
1,039.890

**Serial Number**  
NMNM-- - 114985

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

**Commodity** 459: OIL & GAS L

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

**Serial Number:** NMNM-- - 114985

Name & Address	Int Rel	%Interest
CHEVRON USA INC 1400 SMITH ST HOUSTON TX 770027327	LESSEE	100.000000000

**Serial Number:** NMNM-- - 114985

VerTwp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0230S	0330E	005	ALIQ	52NW,W2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM
23	0230S	0330E	005	LOTS	3,4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM
23	0230S	0330E	011	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM
23	0230S	0330E	014	ALIQ	SW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM

**Serial Number:** NMNM-- - 114985

Act Date	Code	Action	Action Remarks	Pending Office
10/04/2005	299	PROTEST FILED	FOREST GUARDIANS	
10/18/2005	387	CASE ESTABLISHED	200510048;	
10/19/2005	143	BONUS BID PAYMENT RECD	\$2080.00;	
10/19/2005	191	SALE HELD		
10/19/2005	267	BID RECEIVED	\$1014000.00;	
10/31/2005	143	BONUS BID PAYMENT RECD	\$1011920.00;	
11/18/2005	298	PROTEST DISMISSED		
11/22/2005	237	LEASE ISSUED		
11/22/2005	974	AUTOMATED RECORD VERIF	GSB	
12/01/2005	496	FUND CODE	05;145003	
12/01/2005	530	RLTY RATE - 12 1/2%		
12/01/2005	868	EFFECTIVE DATE		
02/21/2006	963	CASE MICROFILMED		
09/14/2006	140	ASGN FILED	CHALFANT/CHESAPEAK;1	
10/19/2006	139	ASGN APPROVED	EFF 10/01/06;	
10/19/2006	974	AUTOMATED RECORD VERIF	MV	
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	
04/09/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/09/2013	974	AUTOMATED RECORD VERIF	ANN	
11/30/2015	763	EXPIRES		

**ine Nr** **Remarks**

**Serial Number:** NMNM-- - 114985

002	STIPULATIONS ATTACHED TO LEASE:
003	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE NOTICE

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: 03/25/14 09:34 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 L  
Case Disposition: AUTHORIZED Case File Juris:

Total Acres  
1,280.000

Serial Number  
NMNM-- - 114986

Serial Number: NMNM-- - 114986

Name & Address	Int Rel	%Interest
CHEVRON USA INC 1400 SMITH ST HOUSTON TX 770027327	LESSEE	100.000000000

MerTwp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0230S	0330E	013	ALIQ	S2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM
23	0230S	0330E	023	ALIQ	E2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM
23	0230S	0330E	024	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM

Serial Number: NMNM-- - 114986

Act Date	Code	Action	Action Remarks	Pending Office
10/04/2005	299	PROTEST FILED	Forest Guardians	
10/18/2005	387	CASE ESTABLISHED	200510049;	
10/19/2005	143	BONUS BID PAYMENT RECD	\$2560.00;	
10/19/2005	191	SALE HELD		
10/19/2005	267	BID RECEIVED	\$544000.00;	
10/31/2005	143	BONUS BID PAYMENT RECD	\$541440.00;	
11/18/2005	298	PROTEST DISMISSED		
11/22/2005	237	LEASE ISSUED		
11/22/2005	974	AUTOMATED RECORD VERIF	GSB	
12/01/2005	496	FUND CODE	05;145003	
12/01/2005	530	RLTY RATE 12 1/2%		
12/01/2005	868	EFFECTIVE DATE		
02/21/2006	963	CASE MICROFILMED		
09/14/2006	140	ASGN FILED	CHALFANT/CHESAPEAK;1	
10/20/2006	139	ASGN APPROVED	EFF 10/01/06;	
10/20/2006	974	AUTOMATED RECORD VERIF	MV	
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	
04/09/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/09/2013	974	AUTOMATED RECORD VERIF	ANN	
11/30/2015	763	EXPIRES		

line Nr Remarks

Serial Number: NMNM-- - 114986

002	STIPULATIONS ATTACHED TO LEASE:
003	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE NOTICE
004	SENM-S-19 PLAYAS AND ALKALI LAKES

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: 03/25/14 09:36 AM

Page 1 of 2

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

Total Acres  
640.000

Serial Number  
NMNM-- - 112940

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

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- - 112940

Name & Address	Int Rel	%Interest
CHEVRON USA INC 1400 SMITH ST HOUSTON TX 770027327	LESSEE	100.000000000

Serial Number: NMNM-- - 112940

MerTwp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0230S	0330E	025	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM

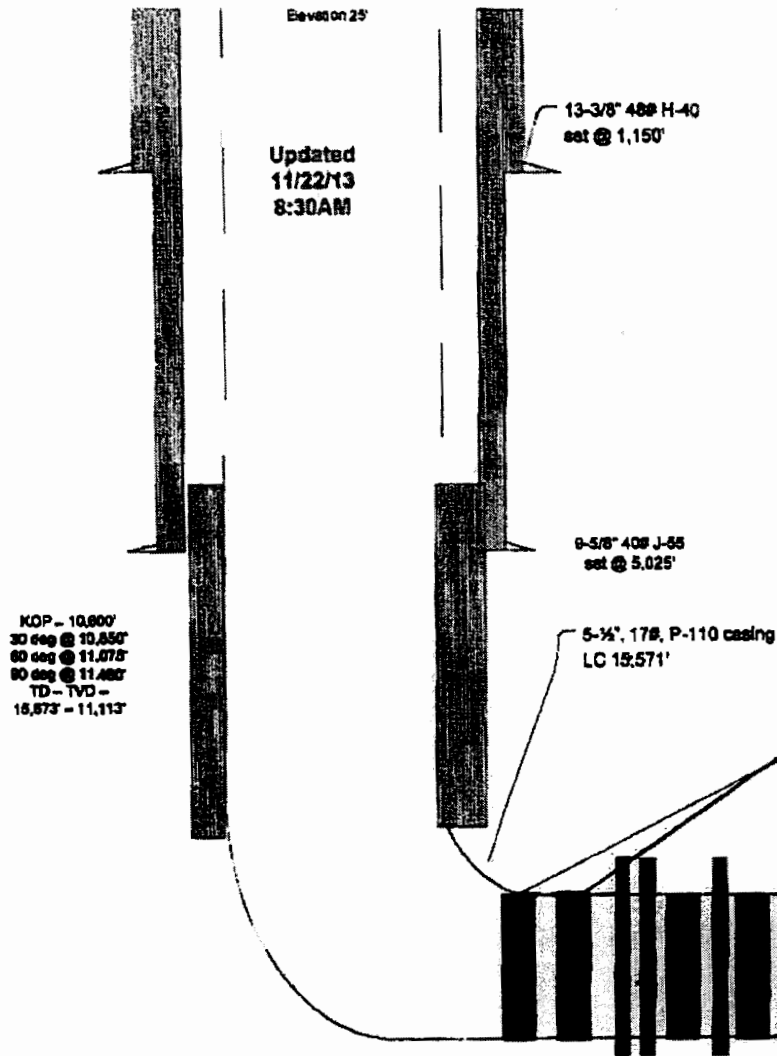
Serial Number: NMNM-- - 112940

Act Date	Code	Action	Action Remarks	Pending Office
10/19/2004	299	PROTEST FILED		
10/19/2004	387	CASE ESTABLISHED	200410069;	
10/20/2004	143	BONUS BID PAYMENT RECD	\$1280.00;	
10/20/2004	191	SALE HELD		
10/20/2004	267	BID RECEIVED	\$96000.00;	
11/01/2004	143	BONUS BID PAYMENT RECD	\$94720.00;	
12/17/2004	298	PROTEST DISMISSED		
12/21/2004	237	LEASE ISSUED		
12/21/2004	974	AUTOMATED RECORD VERIF	LBO	
01/01/2005	496	FUND CODE	05;145003	
01/01/2005	530	RLTY RATE - 12 1/2%		
01/01/2005	868	EFFECTIVE DATE		
01/27/2005	963	CASE MICROFILMED		
02/28/2005	140	ASGN FILED	UPLAND/CHESAPEAKE E;1	
04/08/2005	139	ASGN APPROVED	EFF 03/01/05;	
04/08/2005	974	AUTOMATED RECORD VERIF	ANN	
05/17/2006	650	HELD BY PROD - ACTUAL	/1/	
10/11/2006	643	PRODUCTION DETERMINATION	/1/	
10/11/2006	658	MEMO OF 1ST PROD-ACTUAL	/1/	
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	
04/24/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/24/2013	974	AUTOMATED RECORD VERIF	ANN	

Line Nr	Remarks	Serial Number: NMNM-- - 112940
002	STIPULATIONS ATTACHED TO LEASE:	
003	SENM-S-22 PRAIRIE CHICKENS	

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

# Limestone 11-23-33 Fed #1H



Stage Frac Port	Depth	Seat Size	Ball Size	BBLS
1	15,565	4.890	n/a	361.1
2	15,201	2.960	3.000	352.7
3	14,854	3.031	3.125	344.6
4	14,514	3.156	3.250	336.7
5	14,166	3.281	3.375	328.7
6	13,812	3.406	3.500	320.4
7	13,463	3.531	3.625	312.3
8	13,114	3.656	3.750	304.2
9	12,761	3.781	3.875	296.1
10	12,417	3.906	4.000	288.1
11	12,063	4.031	4.125	279.9
12	11,760	4.156	4.250	272.8
Debris Sub	11,521			267.3
DV Tool	11,478			266.3

Cog @ 16,812'



# Brininstool 23-23-33 USA #1H

Elevation 25'

Updated  
01/18/14  
7:30 PM

15-3/8" 488 H-40  
set @ 1,404'

Production String	
Casing Size	5-1/2"
Casing Wt.	17
Casing ID	4.582
Drift	4.787
Bbl / FT	0.0032
Gal / Ft	0.9764
Ft / Bbl	49.01
Burst	10,640
BDP	8.312

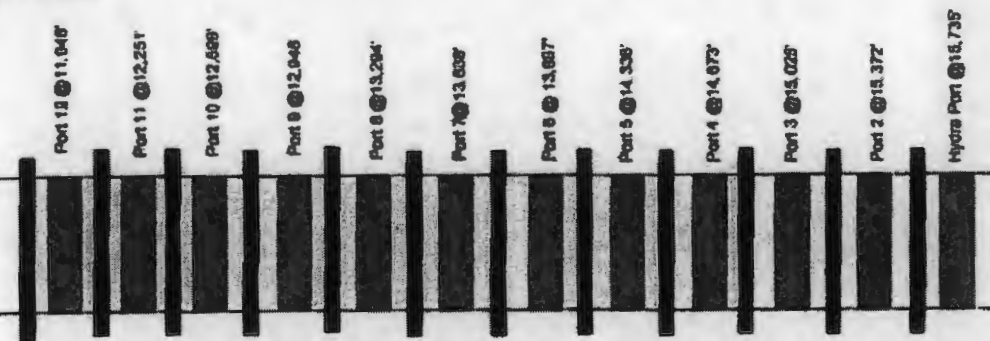
9-5/8" 408 J-65  
set @ 5,200'

5-1/2" 178 P-110 casing  
FC 15,797'

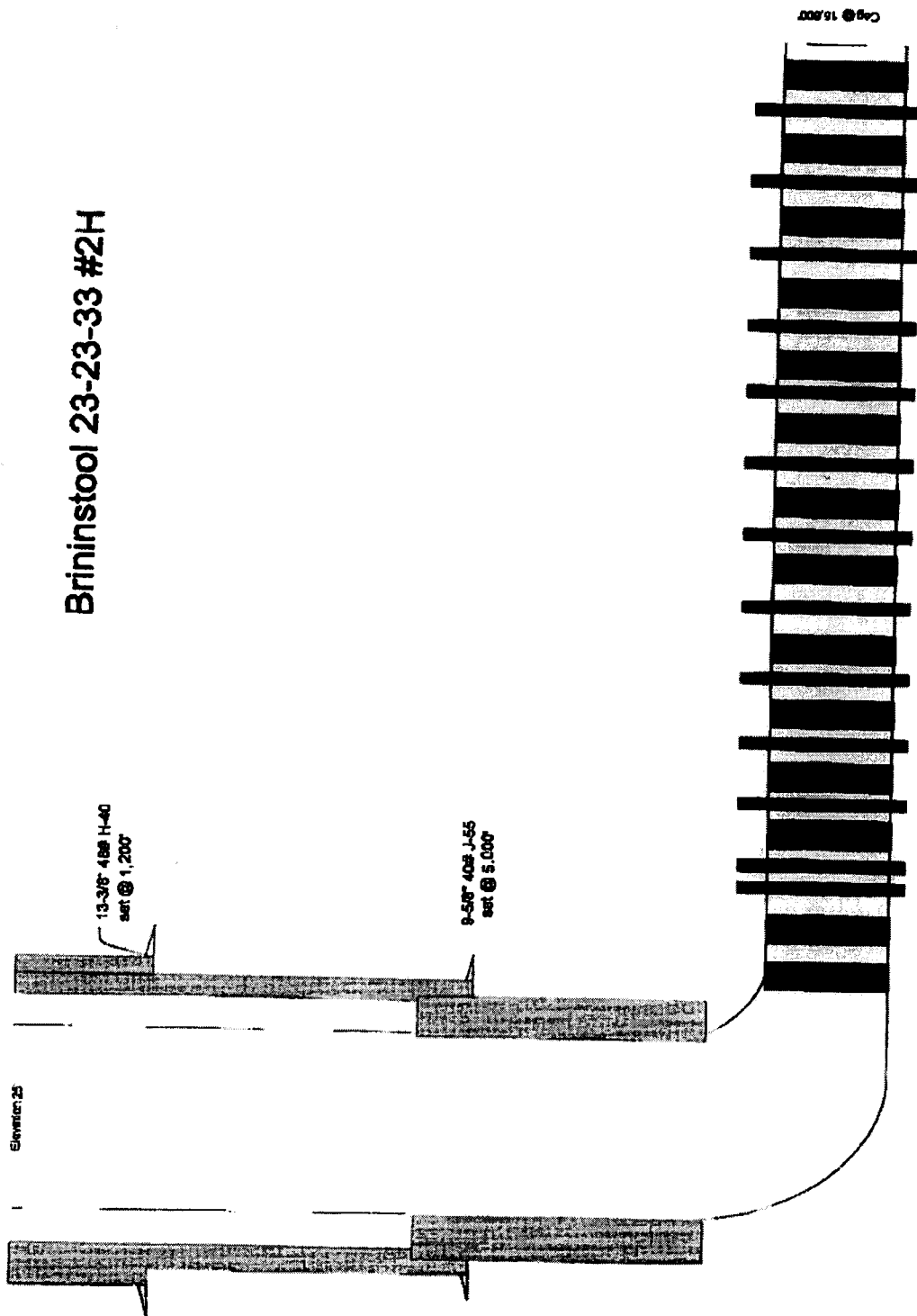
Stage Frac Port	Depth	Seat Size	Ball Size	BBLS
1	15,735	4.890	n/a	365.1
2	15,372	2.960	3.000	356.6
3	15,025	3.031	3.125	348.6
4	14,673	3.156	3.250	340.4
5	14,336	3.281	3.375	332.6
6	13,987	3.406	3.500	324.5
7	13,638	3.531	3.625	316.4
8	13,294	3.656	3.750	308.4
9	12,948	3.781	3.875	300.4
10	12,598	3.906	4.000	292.3
11	12,251	4.031	4.125	284.2
12	11,946	4.156	4.250	277.1
Debris Sub	11,718			271.8
DV Tool	11,669			270.7

KOP - 10,780'  
30 deg @ 11,080'  
60 deg @ 11,300'  
90 deg @ 11,650'  
TD - TVD -  
16,887' - 11,310'

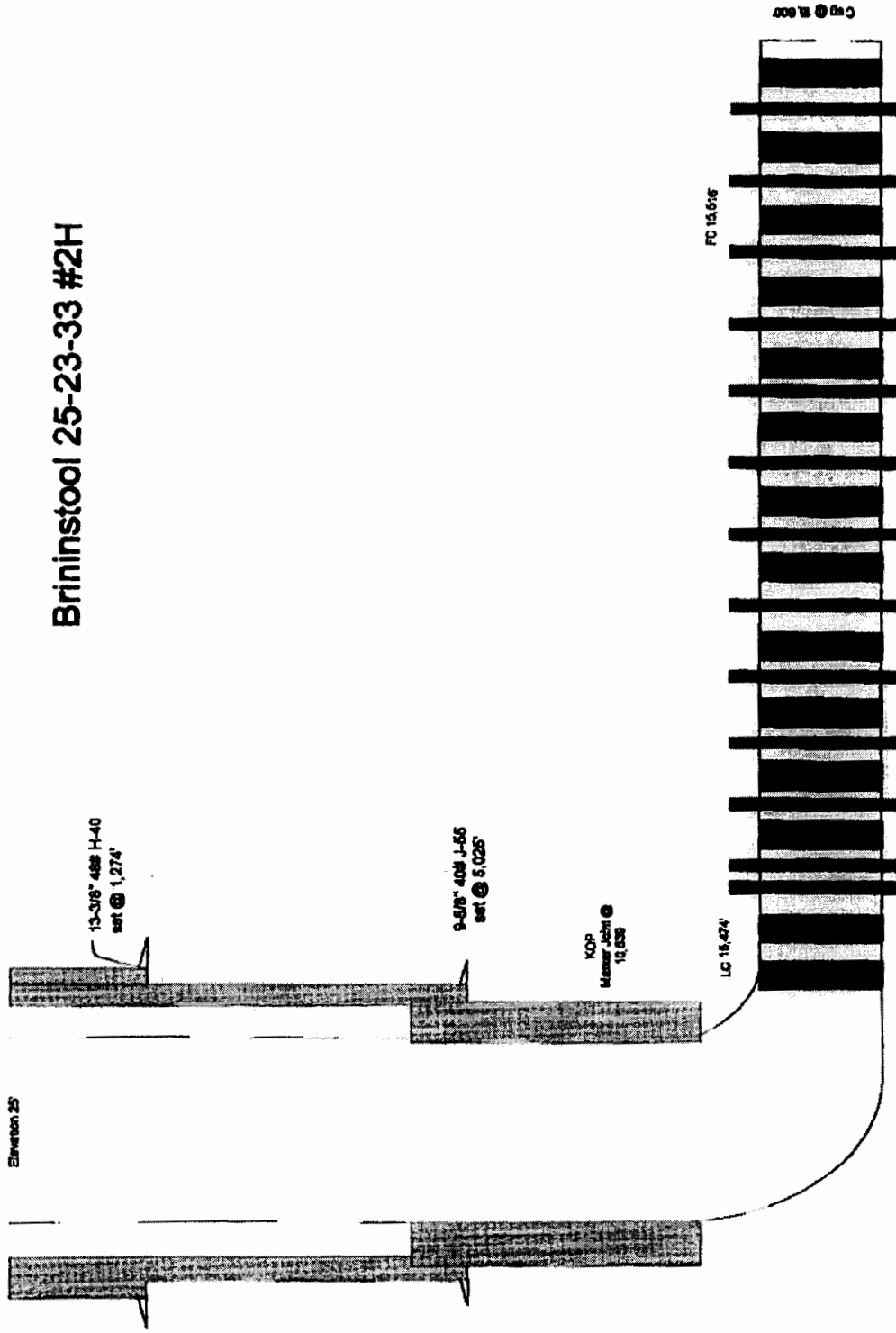
Start Jt @ 10,889 (20.387)



# Brininstool 23-23-33 #2H



# Brininstool 25-23-33 #2H



Division I  
1625 N. Rogers Dr., Hobbs, NM 88240  
Phone: (505) 743-6161 Fax: (505) 743-9720  
Division II  
211 W. Plaza St., Amarah, NM 88210  
Phone: (505) 746-1293 Fax: (505) 746-4720  
Division III  
1600 Alti Placer Road, Lordsburg, NM 88435  
Phone: (505) 734-4176 Fax: (505) 734-4176  
Division IV  
1710 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-2400 Fax: (505) 476-3467

HOBBS OGD

AUG 22 2013

RECEIVED

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-112  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-41360</b>	Well Code <b>7320</b>	Well Name <b>HUNNINSTOOL HONE SPRING</b>
Property Code <b>40094</b>	Property Name <b>LIMESTONE 11 27 38 FEE</b>	Well Number <b>III</b>
Operator No. <b>4323</b>	Operator Name <b>CHEMUN U.S.A. INC.</b>	Elevation <b>3300'</b>

U.I. or Loc. No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
12	11	23 SOUTH	33 EAST, N.M.P.M.		150'	NORTH	650'	WEST	LEA

U.I. or Loc. No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
M	11	23 SOUTH	33 EAST, N.M.P.M.		330'	SOUTH	650'	WEST	LEA
Dedicated Acres <b>16.0</b>	Tract No.	Consolidation Code	Tract No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that the operator is not aware of any existing liens or encumbrances on the land including the proposed location of the well. I warrant that the location of the well is not in violation of any existing laws, rules, or regulations governing the location of wells. Signature: <i>[Signature]</i> Date: <b>2/20/2013</b> Title: <b>Operator</b>
	<b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Signature: <i>[Signature]</i> Date: <b>2/20/2013</b> Title: <b>Surveyor</b> Seal: <b>WILLIAM J. DANIEL III, NEW MEXICO, REGISTERED PROFESSIONAL SURVEYOR, 15078</b>

AUG 26 2013

dm

**Maple 1**  
 1825 N. French Dr., Hobbs, NM 88240  
 Phone: (505) 393-6161 Fax: (505) 393-0720  
**Maple 2**  
 511 E. First St., Artesia, NM 88210  
 Phone: (505) 345-1283 Fax: (505) 345-4720  
**Maple 3**  
 1000 Rio Grande Road, Artesia, NM 88210  
 Phone: (505) 344-6118 Fax: (505) 344-6170  
**Maple 4**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone: (505) 476-3480 Fax: (505) 476-3461

State of New Mexico  
**HOBBS OCEnergy, Minerals & Natural Resources Department**  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-102  
 Revised August 1, 2011  
 Submit one copy to appropriate  
 District Office

☒ AMENDED REPORT

RECEIVED

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025-41330</b>	<sup>2</sup> Pool Code <b>5150</b>	<sup>3</sup> Pool Name <b>Bell Lake</b>
<sup>4</sup> Property Code <b>40072</b>	<sup>5</sup> Property Name <b>BRINSTOOL 23 23 33 USA</b>	
<sup>6</sup> OGRID No. <b>147179</b>	<sup>7</sup> Operator Name <b>CHESAPEAKE OPERATING, INC.</b>	
		<sup>8</sup> Well Name SR <b>IH</b>
		<sup>9</sup> Elevation <b>3673'</b>

**" Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	23	23 SOUTH	33 EAST, N.M.P.M.		149'	NORTH	1568'	EAST	LEA

**" Bottom Hole Location if Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	23	23 SOUTH	33 EAST, N.M.P.M.		330'	SOUTH	1568'	EAST	LEA

<sup>10</sup> Dedicated Acres <b>160</b>	<sup>11</sup> Joint or Infill	<sup>12</sup> Consolidation Code	<sup>13</sup> Order No.
---	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><b>BRINSTOOL 23 23 33 USA IH</b></p> <p>X= 745,382 NAD 27 Y= 472,831 LAT. 32.296881 LONG. 103.539206</p> <p>X= 746,566 NAD83 Y= 472,880 LAT. 32.297006 LONG. 103.539687</p> <p>ELEVATION +3673' NAD 88</p>	<p><b>Proposed Penetration Point</b> 330' FNL &amp; 1568' FEL</p> <p>8 00' 26.21" E 4799.80'</p> <p>149'</p> <p>1568'</p> <p>1568'</p> <p>330'</p> <p>Project Area</p> <p>Producing Area</p>	<p><b>" OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at the location pursuant to a contract or other source of such a mineral or working interest, or to a voluntary pooling agreement or a completed pooling under authority provided by production.</p> <p><i>[Signature]</i> 7.3.2013 Signed (by) Date</p> <p>Brynn Arment (Agent for L. Arment)</p> <p>Printed Name</p> <p>brynn.arment@ch.com</p> <p>E-mail Address</p>
<p><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 745,418 NAD 27 Y= 487,831 LAT. 32.283688 LONG. 103.539202</p> <p>X= 746,602 NAD83 Y= 487,881 LAT. 32.283811 LONG. 103.539682</p>		<p><b>" SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>7/12/2013 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p><b>W. J. DANIEL JR.</b> NEW MEXICO 15078 REGISTERED PROFESSIONAL SURVEYOR</p> <p>15078</p> <p>Carti Este Number <b>#15078</b></p>

AUG 16 2013

*[Handwritten mark]*

AUG 16 2013

State of New Mexico  
 Energy, Minerals & Natural Resources Department  
 Oil Conservation Division  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505  
 Phone: (505) 425-3000 Fax: (505) 425-3001  
 Email: ocd@state.nm.us

State of New Mexico  
 Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-102  
 Revised August 1, 2011  
 Submit one copy to appropriate  
 District Office

JAN 24 2014

☐ AMENDED REPORT

RECEIVED

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

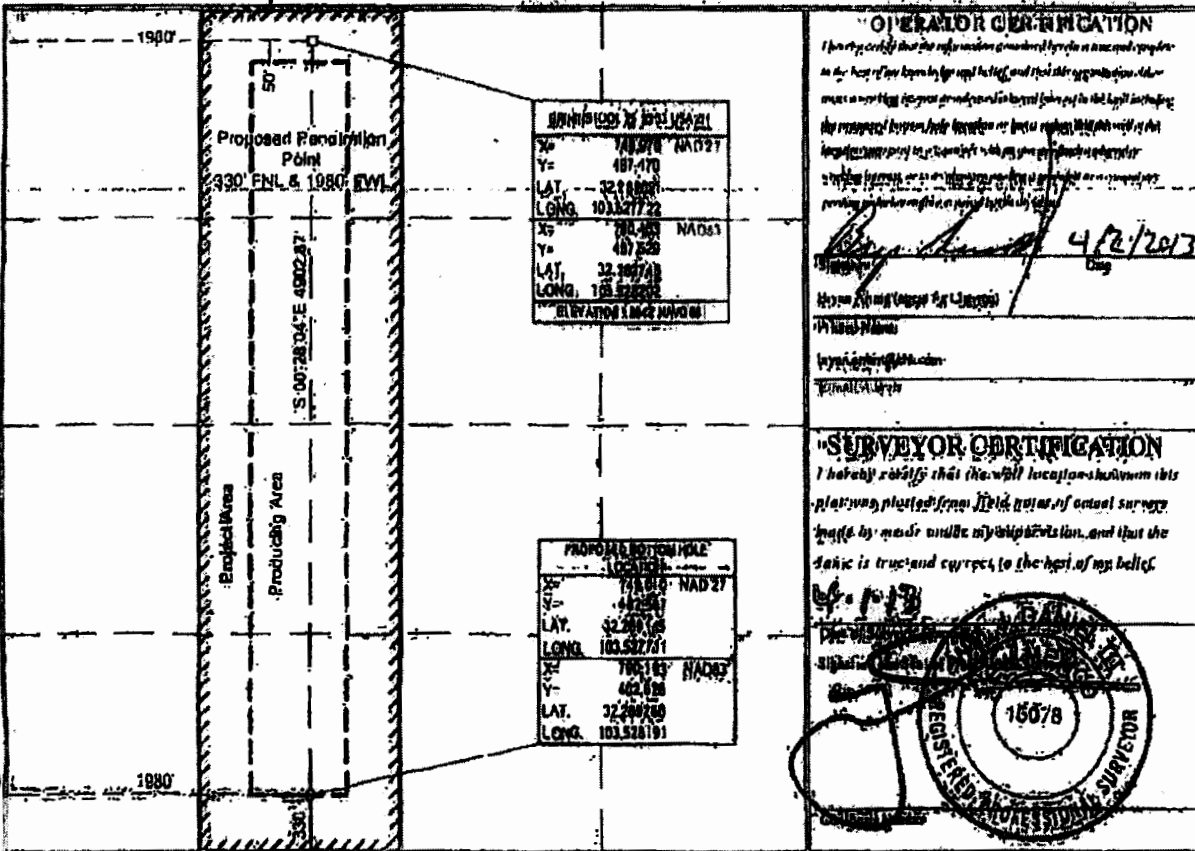
AP Number <b>30-025-41627</b>	Well Name <b>TRIPLEX</b>	Well Number <b>2H</b>
Property Owner <b>40353</b>	Operator <b>CHURCH &amp; DWIGHT</b>	File Number <b>3692</b>
Section <b>4323</b>	Location <b>CHURCH &amp; DWIGHT</b>	

UT or lot no.	Section	Township	Range	Cont. No.	Feet from top	Feet from base	Feet from top	Feet from base	County
C	24	23 SOUTH	33 EAST N.M.M.	50	NORTH	1980	WEST	LEA	

**Bottom Hole Location If Different from Surface**

UT or lot no.	Section	Township	Range	Cont. No.	Feet from top	Feet from base	Feet from top	Feet from base	County
C	24	23 SOUTH	33 EAST N.M.M.	50	NORTH	1980	WEST	LEA	
160									

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



15078

JAN 28 2014

DATE IN	SURPENSE	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 ☐ 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.

Cindy Herrera-Murillo  
 Print or Type Name

*Cindy Herrera-Murillo*  
 Signature

Permitting Specialist  
 Title

03/25/2014  
 Date

Cherremurillo@chevron.com  
 e-mail Address



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

Form C-107-B  
Revised August 1, 2011

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

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: 15 SMITH RD MIDLAND, TX 79705

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 allowances? ☐ 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. Bone 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 attached 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: 03/25/2014

TYPE OR PRINT NAME: Cindy Herrera-Murillo

TELEPHONE NO.: 575-2632-0431

E-MAIL ADDRESS: Cherramurillo@chevron.com

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

Brininstool 23-23-33 USA 1H, Brininstool 23-23-33 USA 2H,  
Brininstool 25-23-33 USA 2H & Limestone 11-23-33 Fed 1H  
Chevron USA Inc.  
March 26, 2014

**Condition of Approval  
Commingle on and off lease**

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. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. 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.
9. This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.

**The public's interest in all these leases (NM114985, NM114986 & NM112940) has been found to be identical at 12.5%. Therefore, this commingle is being approved. This does not mean that the allocation of production to each lease will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.**

# Well and Notice Remarks

Doc. Number	Doc. Type	Case IID	Type	Name
14DMH0168SE	SURCOM	NMNM112940 NMNM114985 NMNM114986	312021 312021 312021	LIMESTONE FEDERAL BRININSTOOL
API	Well Name	Number	Operator	
300254133000X1	BRININSTOOL 23 23 33 USA	1H	CHEVRON USA INCORPORATED	
300254133100X1	BRININSTOOL 23 23 33 USA	2H	CHEVRON USA INCORPORATED	
300254162700X1	BRININSTOOL 25 23 33 USA	2H	CHEVRON USA INCORPORATED	
300254136000X1	LIMESTONE 11 23 33 FED	1H	CHESAPEAKE OPERATING INC	
Doc. Number	Date	Author	Subject	Category
14DMH0168SE	03/24/2014	DEBORAH HAM	SURCOM	APPROVAL

Category APPROVAL

Date 03/24/2014

CHEVRON USA INC requests approval to Surface Commingle oil, gas and water production from the Bone Spring Pool through Chevron's Brininstool Battery. Wells producing in this battery include the Chevron Brininstool 23 23 33 #1H; Brininstool 23 23 33 #2H; Brininstool 25 23 33 #2H and the Limestone 11 23 33 #1H ( which will be horizontally drilled in spring of 2014 into the Second Bone Spring sand formation, attached map) These wells are located in Section 11, 23, 25, T23S-R33E, Lea County, New Mexico, API's included:  
 Limestone 11 23 33 #1H API# 30-025-41360 Lease # NMNM114985  
 Brininstool 23 23 33 #1H API# 30-025-41330 Lease # NMNM114986  
 Brininstool 23 23 33 #2H API# 30-025-41331 Lease # NMNM114986  
 Brininstool 25 23 33 #2H API# 30-025-41627 Lease # NMNM112940

Please find attached surface application for the above wells and facility diagrams and maps.  
 \*\*\*Multiple Leases\*\*

3/26/14 APPROVED With attached COAs. JDW  
 The approval of this commingling is as per Category I of IM NMPO-2013-02. These wells are on three different leases and have the same royalty rate (12.5%). By combining the production of these leases the royalty value will not be affected due to the contract the operator has with the purchaser, which states that they will deem all Bone Springs production as sweet and will pay on a standard 40 API gravity for all Bone Springs production. The BTU value of the production is all the same being Bone Spring gas. Therefore the commingling of these leases will have no royalty value issues do to this oil and gas being sold as Bone Springs production.

- 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.All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
- 7.Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
- 8.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.
- 9.This agency shall be notified of any change in sales method or location of sales point.
- 10.Additional wells and/or leases require additional commingling approvals.

The public's interest in all these leases (NM114985, NM114986 & NM112940) has been found to be identical at 12.5%. Therefore, this commingle is being approved. This does not mean that the allocation of production to each lease will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.

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

Form C-107-B  
Revised August 1, 2011

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

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: 15 SMITH RD MIDLAND, TX 79705

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
BRINSTOOL;BONE SPRING 7320	Attached				
TRIPLE X;BONE SPRING 59900	Attached				
BELL LAKE;BONE SPRING 5150	Attached				
BELL LAKE;BONE SPRING 5150	Attached				

(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. BONE 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 E.

**(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: 03/26/2014

TYPE OR PRINT NAME CINDY HERRERA-MURILLO

TELEPHONE NO.: 575-263-0431

E-MAIL ADDRESS: Cherreramurillo@chevron.com