

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]**

- CTB  
- CHEVRON  
USA INC  
4323

**[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

2014 MAR 19 10 46 AM  
 RECEIVED OOD  
 wells  
 - McCLOY RANCH  
 2-24-32 State  
 Com 14  
 30-025-40551  
 - McCLOY RANCH  
 2-24-32 State  
 Com 24  
 30-025-40860  
 - McCLOY RANCH  
 2-24-32 State  
 30-025-40861  
 - J K EATS 1-24-32  
 40H  
 30-025-41582

**[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.

POOL  
 - Triste Draw  
 Bone  
 Spring  
 9660B

**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

03/05/2014  
 Date

Cherreramurillo@chevron.com  
 e-mail Address



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

March 6, 2014

Oil Conservation Division  
Attn: Engineering Department  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Application for surface commingling, Triple X; Bone Spring (Code 96674), Lea, County, NM  
(T24S-R32E, Sec 1)

Dear Sirs,

Chevron North America respectfully requests administrative approval to surface commingle oil, gas, and water production from the Triple X; Bone Spring Pool through Chevron's McCloy State Tank Central Battery. Wells producing to this battery include the Chevron McCloy Ranch 2 24 32 State Com #1H, McCloy Ranch 2 24 32 State Com #2H, McCloy Ranch 2 24 32 State Com #3H, McCloy Ranch 2 24 32 State Com #4H. These wells are located in section 2, T24S-R32E, Lea County, New Mexico. APDs for each well, which includes surface plats, are included with this notification.

Federal Lease NMNM111964 covering all Section 1, T24S, R32E where the J. Keats 1 24 32 #40H is located. Chevron proposes the following solution in which Chevron temporarily runs a surface gas line to the nearby Chevron McCloy Battery (State), the tie in point will be to the suction side of the compressor and then go into the DCP high pressure line. Gas purchaser and Chevron have agreed to measure and pay appropriate royalties for the J Keats gas at the J Keats facility with a Chevron meter (EFM sales quality). This arrangement will ensure the J Keats well has not deducted any fuel and gas for the compressor at the McCloy Battery. As such, the wells will be allocated by continuous metering with coriolis meter on oil and EFM on gas for each well. A schematic showing this configuration is attached.

Names of all WIO and RIO for each well are included with this request, and all of these owners are being notified of this request and that each will have 20 days with which to object to the commingling request per NMOCD Rule 19.15.12.10 SURFACE COMMINGLING C. (4) c.

Sincerely,

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

Cindy Herrera-Murillo  
Permitting Specialist

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

**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  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **CHEVRON USA INC**

3a. Address  
**15 SMITH RD, MIDLAND, TX 79705**

3b. Phone No. (include area code)  
**432-687-7319**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**Unit Letter P, 330' FSL and 400' FEL, Section 1, Township 24S, Range 32E**

5. Lease Serial No.  
**NMNM 111964**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**J KEATS 1-24-32 #4011**

9. API Well No.  
**30-025-41582**

10. Field and Pool, or Exploratory Area  
**TRIPLIX; BONE SPRING**

11. County or Parish, State  
**LEA CO, 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 <b>TEMPORARILY</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>KEATS CMMNGL</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<b>W/MCCLOY</b>

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 USA INC SUBMITS FOR APPROVAL A PROPOSED TEMPORARY COMMINGLING WITH MCCLOY. THE KEATS IS PLANNED TO BEGIN PRODUCTION APRIL 1, 2014, BUT THE GAS PIPELINE HAS BEEN DELAYED RESULTING IN A 2-3 MONTH GAP WITH NO COMMERCIAL GAS TAKEAWAY. CHEVRON PROPOSES THE FOLLOWING SOLUTION IN WHICH CHEVRON TEMPORARILY RUNS A SURFACE GAS LINE TO THE NEARBY CHEVRON MCCLOY BATTERY (STATE). THE TIE IN POINT WILL BE TO THE SUCTION SIDE OF THE COMPRESSOR AND THEN GO INTO THE DCP HIGH PRESSURE LINE.**

**GAS PURCHASER AND CHEVRON HAVE AGREED TO MEASURE AND PAY APPROPRIATE ROYALTIES FOR THE KEATS (BLM) GAS AT THE KEATS FACILITY WITH A CHEVRON METER (EFM SALES QUALITY). THIS ARRANGEMENT WILL ENSURE THE J KEATS WELL NOT DEDUCTED ANY FUEL GAS FOR THE COMPRESSOR AT THE MCCLOY BATTERY.**

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**CINDY HERRERA-MURILLO**

Title **PERMITTING SPECIALIST**

Signature

*Cindy Herrera-Murillo*

Date

**02/17/2014**

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

Approved by

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.

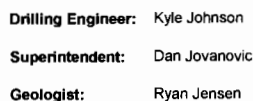
Title

Date

Office

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)



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 Commingled)

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
SEE ATTACHED LIST					

(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.

(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 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. ATTACHED

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. ATTACHED

(3) Lease Names, Lease and Well Numbers, and API Numbers. SEE FORM ATTACHED

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: 03/05/2014

TYPE OR PRINT NAME CINDY HERRERA MURILLO TELEPHONE NO.: 575-263-0431

E-MAIL ADDRESS: Cherreramurillo@chevron.com

McCloy State Battery								BTU Commingled Production  <i>1232</i>
Well Name	Lease	Property ID	API Number	Pool Name	Pool Code	MCFPD	Dry BTU	
McCloy Ranch 2-24-32 State Com 1H	State	310784	30-025-40551	Tristie Draw; Bone Spring	96603	380	1136	
McCloy Ranch 2-24-32 State Com 2H	State	310784	30-025-40860	Tristie Draw; Bone Spring	96604	420	1136	
McCloy Ranch 2-24-32 State Com 4H	State	310784	30-025-40861	Tristie Draw; Bone Spring	96605	500	1136	
J Keats Federal Battery (new)								
Well Name	Lease	Property ID	API Number	Pool Name	Pool Code	MCFPD	Dry BTU	
J Keats 1-24-32 40H (estimated values)	Federal	40399	30-025-41582			741	1400	
Combined Production								1231.8

This request is only for for gas production, therefore, only gas volumes and BTU values are given.

Liquid HC Production is not allowed

Gas Commingled BTU

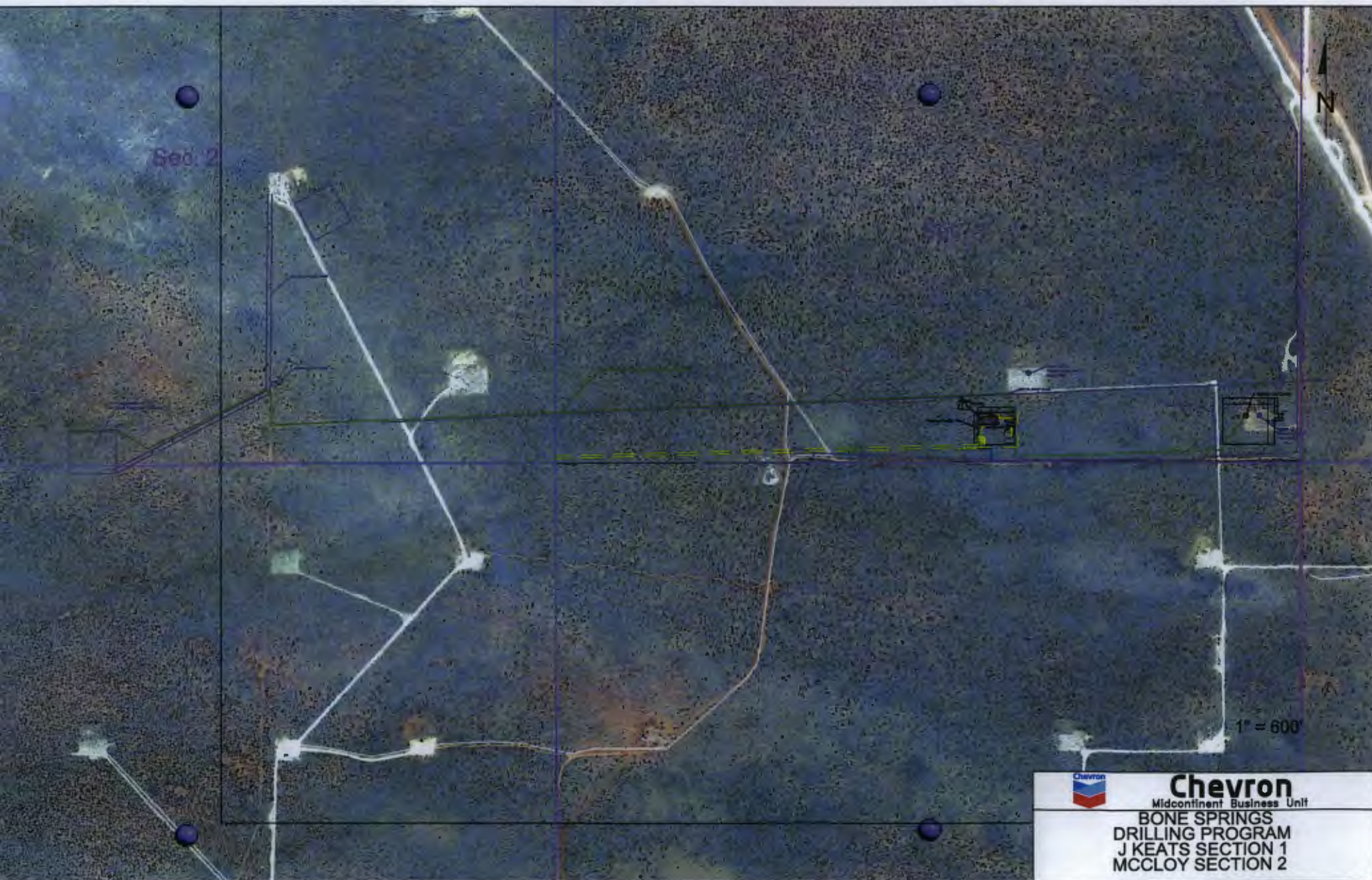
$$1136(380 + 420 + 500) + 741 \times 1400$$


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$$380 + 420 + 500 + 741$$

$$= 1231.847 \approx \underline{\underline{1232 \text{ BTU}}}$$





HOBBS OCD

RECEIVED

APR 27 2012

APR 27 2012

## District I

1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

## District II

511 S. First St., Artesia, NM 88210  
Phone: (575) 748-1285 Fax: (575) 748-9720

## District III

1000 Rio Drawos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

## District IV

1320 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

RECEIVED

Energy, Minerals &amp; 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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-40551</b>	<sup>2</sup> Pool Code <b>96603</b>	<sup>3</sup> Pool Name <b>TRISTE DRAW; BONE SPRING</b>
<sup>4</sup> Property Code <b>39190</b>	<sup>5</sup> Property Name <b>MCCLOY RANCH 2 24 32 STATE COM</b>	<sup>6</sup> Well Number <b>1H</b>
<sup>7</sup> OGRID No. <b>147179</b>	<sup>8</sup> Operator Name <b>CHESAPEAKE OPERATING, INC.</b>	<sup>9</sup> Elevation <b>3616'</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
N	2	24 SOUTH	32 EAST, N.M.P.M.		100'	SOUTH	1980'	WEST	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
C	2	24 SOUTH	32 EAST, N.M.P.M.		165'	NORTH	1980'	WEST	LEA
<sup>12</sup> Dedicated Acres 159.86	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</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.

	<b>PROPOSED BOTTOM HOLE LOCATION</b> X= 712,151 NAD 27 Y= 456,550 LAT. 32.253308 LONG. 103.647078 X= 753,334 NAD83 Y= 456,609 LAT. 32.253431 LONG. 103.647580	<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 this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Bryan Arrant</i> Date: <b>4/27/2012</b> Printed Name: <b>Bryan Arrant</b> E-mail Address: <b>bryan.arrant@chk.com</b>
	<b>MCCLOY RANCH 2 24 32 STATE COM 1H</b> X= 712,185 NAD 27 Y= 451,552 LAT. 32.239571 LONG. 103.647070 X= 753,369 NAD83 Y= 451,611 LAT. 32.239694 LONG. 103.647581 ELEVATION +3616' NAVD 88	<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. Date of Survey: <b>April 27, 2012</b> Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number: <b>15078</b>

PROJECTED FIRST PERFORATIONS  
330' FSL & 1980' FWL

APR 30 2012



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Bonito Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
**HOBBS OGD** 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

NOV 13 2012

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-40860		<sup>2</sup> RECEIVED Code (96603)	<sup>3</sup> Pool Name TRISTE DRAW; BONE SPRING
<sup>4</sup> Property Code 310784	<sup>5</sup> Property Name MCCLOY RANCH 2 24 32 STATE COM		<sup>6</sup> Well Number 2H
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name CHEVRON USA, INC.		<sup>9</sup> Elevation 3632'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	2	24 SOUTH	32 EAST, N.M.P.M.		100	SOUTH	400	WEST	LEA

<sup>11</sup> 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
D	2	24 SOUTH	32 EAST, N.M.P.M.		150	NORTH	400	WEST	LEA

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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>400'</p> <p>150'</p> <p>N 00°23'46"W S012.59'</p> <p>Producing Area</p> <p>Project Area</p> <p>Projected Penetration Point 330' FSL &amp; 400' FWL</p> <p>400'</p> <p>100'</p>	<p><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 710,571 NAD 27 Y= 456,549 LAT. 32.253334 LONG. 103.662189</p> <p>X= 751,754 NAD83 Y= 456,608 LAT. 32.253457 LONG. 103.652671</p>	<p><b><sup>17</sup> 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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</p> <p><i>Bryan Arrant</i> 11/08/2012 Signature Date</p> <p>Bryan Arrant (Agent)</p> <p>Printed Name bryan.arrant@chk.com</p> <p>E-mail Address</p>
	<p><b>MCCLOY RANCH 2 24 32 STATE COM 2H</b></p> <p>X= 710,605 NAD 27 Y= 451,536 LAT. 32.239555 LONG. 103.652180</p> <p>X= 751,789 NAD83 Y= 451,595 LAT. 32.239679 LONG. 103.652661</p> <p>ELEVATION +3632' NAVD 88</p>	<p><b><sup>18</sup> 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>Nov 8 2012 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>Wm. J. Daniel III</i> 15078 REGISTERED PROFESSIONAL SURVEYOR</p> <p>#15078 Certificate Number</p>

ELG 11-14-2012

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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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30025 40861	<sup>2</sup> Pool Code (96603)	<sup>3</sup> Pool Name TRISTE DRAW: BONE SPRING
<sup>4</sup> Property Code 310784	<sup>5</sup> Property Name MCCLOY RANCH 2 24 32 STATE COM	<sup>6</sup> Well Number 4H
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name CHEVRON USA, INC.	<sup>9</sup> Elevation 3606'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	24 SOUTH	32 EAST, N.M.P.M.		100	SOUTH	660	EAST	LEA

<sup>11</sup> 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
A	2	24 SOUTH	32 EAST, N.M.P.M.		150	NORTH	660	EAST	LEA

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</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.

<div><p><sup>16</sup></p><p>PROPOSED BOTTOM HOLE LOCATION</p><p>X= 714,797 NAD 27 Y= 456,591 LAT. 32.253374 LONG. 103.638517</p><p>X= 755,981 NAD83 Y= 456,650 LAT. 32.253498 LONG. 103.638999</p></div> <div><p>MCCLOY RANCH 2 24 32 STATE COM 4H</p><p>X= 714,844 NAD 27 Y= 451,579 LAT. 32.239597 LONG. 103.638470</p><p>X= 756,028 NAD83 Y= 451,638 LAT. 32.239720 LONG. 103.638951</p><p>ELEVATION +3606' NAVD 88</p></div>	<p>Project Area</p> <p>Producing Area</p> <p>N 00°32'14"W 5012.33'</p> <p>Projected Penetration Point 330' FSL &amp; 660' FEL</p> <p>660'</p> <p>150'</p> <p>660'</p>	<p><sup>17</sup> OPERATOR CERTIFICATION</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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Bryan Arrant</i> 11/10/2012 Signature Date</p> <p>Bryan Arrant (Agent)</p> <p>Printed Name bryan.arrant@chk.com</p> <p>E-mail Address</p> <p><sup>18</sup> SURVEYOR CERTIFICATION</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>Nov 9 2012 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>WM. J. DANIEL III NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR #15078</p> <p>#15078 Certificate Number</p>
--	---	--

ELG 11-14-2012

# Exhibit A-1

DISTRICT I  
1635 N French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0720

DISTRICT II  
811 S First St., Artesia, NM 88210  
Phone (575) 748-1263 Fax (575) 748-9720

DISTRICT III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6170

DISTRICT IV  
1320 S St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

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

AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-41582</b>	Pool Code <b>96674</b>	Pool Name <b>TRIPLE X; BONE SPRING West</b>
Property Code <b>40307</b>	Property Name <b>J KEATS 1-24-32</b>	Well Number <b>40H</b>
OGRID No. <b>4323</b>	Operator Name <b>CHEVRON USA INC</b>	Elevation <b>3607'</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
P	I	24-S	32-E		330	SOUTH	400	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
<b>1st</b>	I	24-S	32-E		330	NORTH	340	EAST	LEA

Dedicated <b>1/1/11</b>	Joint or Infill	Consolidation Code	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>4 3 2 A 1 B</p> <p>39.49 AC. 39.64 AC. 39.78 AC. 39.93 AC.</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=451851.4 N X=720368.3 E</p> <p>LAT.=32.240246° N LONG.=103.620599° W</p> <p>BOTTOM HOLE LOCATION Y=456471.5 N X=720401.6 E</p> <p>CORNER COORDINATES TABLE</p> <p>A - Y=456790.4 N, X=719418.7 E B - Y=456805.3 N, X=720739.6 E C - Y=451523.8 N, X=720770.2 E D - Y=451515.8 N, X=719453.6 E</p> <p>DETAIL</p> <p>3608.6' 3610.8'</p> <p>3605.2' 3606.1'</p> <p>GRID AZ.=00°24'40" HORIZ. DIST.=462.13'</p> <p>S.L. 400'</p> <p>SEE DETAIL</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information 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 this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Denise Pinkerton</i> 08/22/2013 Signature Date</p> <p><b>Denise Pinkerton</b> Printed Name</p> <p><i>Lea.Keid@chevron.com</i> E-mail Address</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>MAY 23, 2013 Date of Survey</p> <p><i>Ronald J. Eidson</i> Signature of Professional Surveyor</p> <p><b>RONALD J. EIDSON</b> NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 3239</p> <p>7/23/2013 Certified to Plot by</p> <p>BKL REV W.O. 13.11.0545 JWSC W.O. 13.11.0849</p>
--	--

JAN 06 2014

[illegible]



Nicholas Wann  
Facility Engineer

Midcontinent Business Unit  
Chevron USA, Inc.  
15 Smith Rd  
Midland, TX 79705  
Phone (432) 687-7852  
NWann@chevron.com

February 26, 2014

**Certified Mail- Return Receipt Requested**  
**# xxxx-xxxx-xxxx-xxxx-xxxx**

ADDRESS:

Twin Montana, Inc.  
P.O. Box 1210  
Graham, Texas 76450

ATTN: Kenneth C. Haggart  
940-549-7752  
[kchag@echoproductio.com](mailto:kchag@echoproductio.com)  
[roger@echoproductio.com](mailto:roger@echoproductio.com)

RE: Notice of Application to Temporarily Surface Commingle  
J. Keats #40 and McCloy Ranch #1  
Township 24 South, Range 32 East, NMPM  
Section 1: All  
Section 2: All  
Lea County, New Mexico

Dear Interest Owner,

According to our records, you have a working interest or royalty interest in one or more wells that are currently connected to the McCloy battery (Section 2-24-32) or J Keats battery (Section 2-24-32).

Chevron USA Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) for approval for a temporary commingling arrangement where the new J Keats (Federal) battery will flow produced gas to the nearby McCloy (state) battery.

The J Keats well is planned to begin production April 1, but the gas pipeline has been delayed resulting in a 2-3 month gap with no commercial gas takeaway. In lieu of flaring produced gas, Chevron proposes the following in which Chevron temporarily lays a surface gas line to the nearby Chevron McCloy Battery.

The gas purchaser and Chevron have agreed to measure and pay appropriate royalties for the Keats gas at the Keats facility with a Chevron gas meter (EFM, Sales Quality). Likewise, Chevron will measure and pay appropriate royalties of the McCloy battery based on the Chevron meter (EFM, Sales Quality) upstream of the tie-in/commingling point. The tie-in/commingling point will be on the suction side of the compressor at the McCloy battery which then in turn goes into the DCP high pressure line. This arrangement will ensure that both facilities are metered separately, and no well is deducted fuel gas for the compressor at the McCloy battery. In other words, Chevron will pay for the compressor fuel gas while this temporary commingling arrangement is in place.

This proposal shall not affect your interest in these wells and should allow for all interest owners to recover more of the gas reserves from each well via expedited production at J Keats (2-3 mo. acceleration) and temporary relief from deducting compressor fuel gas at McCloy.



BLM representatives have reviewed this proposal and determined that it meets all of their requirements, and that neither a Sundry nor Commingling Permit are required from the perspective of the J Keats Federal Lease. However, the NMOCD has indicated that this Surface Commingling application is necessary to ensure all interest owners of both leases are notified and have the opportunity to object.

If you support this approach and would like to help expedite this process please sign below and return to [NWann@chevron.com](mailto:NWann@chevron.com).

If you have any objections to our application you must notify in writing Chevron and the NMOCD Santa Fe office at 1220 South St. Francis Drive, Santa Fe, NM 87505 within 20 days.

If you have any questions or would like to discuss further please contact Nicholas Wann (see contact information below).

Regards:

Nicholas Wann, P.E.  
Facility Engineer, Chevron  
[NWann@chevron.com](mailto:NWann@chevron.com)  
432-687-7852

I support this approach and would like to help expedite the approval of this commingling permit.

Name: \_\_\_\_\_

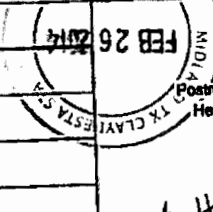
Company/Interest Owner: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)  
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Certified Fee		
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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

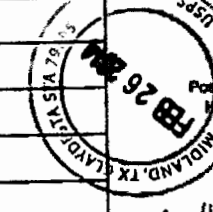
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**Talus, Inc. Attn: Kenneth Haggart**  
Street, Apt. No. or PO Box No.: **P.O. Box 1210**  
City, State, ZIP+4: **Graham, Texas 76450**

PS Form 3800, August 2006

See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

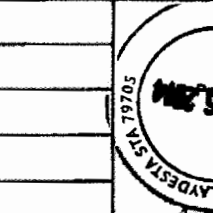
Sent To: *M Hughes*  
**The Altar Company Attn: John Chiles**  
Street, Apt. No. or PO Box No.: **135 Elm St.**  
City, State, ZIP+4: **Graham TX 76450**

PS Form 3800, August 2006

See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

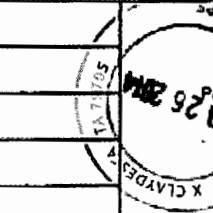
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**Bureau of Land Mgmt Attn: James Amos**  
Street, Apt. No. or PO Box No.: **620 E. Greene St**  
City, State, ZIP+4: **Carlsbad NM 882206292**

PS Form 3800, August 2006

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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

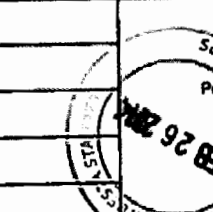
Sent To: *M Hughes*  
**Twin Mountain, Inc. Attn: Kenneth Haggart**  
Street, Apt. No. or PO Box No.: **P.O. Box 1210**  
City, State, ZIP+4: **Graham, TX 76450**

PS Form 3800, August 2006

See Reverse for Instructions

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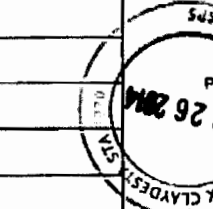
Sent To: *M Hughes*  
**Sandra M. Thomas**  
Street, Apt. No. or PO Box No.: **8330 Mill Run Rd**  
City, State, ZIP+4: **Athens, Texas 75751**

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: *M Hughes*  
**OVI USA Inc Attn: Donna Hawkins**  
Street, Apt. No. or PO Box No.: **Greenway Plaza Ste 110**  
City, State, ZIP+4: **Houston, TX 77046**

PS Form 3800, August 2006

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7010 3090 0001 8453 2885

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OFFICIAL USE	
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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Sep 20 2006	
John L. Thoma	
Street, Apt. No. or P.O. Box 17656	
City, State, ZIP+4 <sup>®</sup> Golden, CO 80402	

PS Form 3800, August 2006 See Reverse for Instructions

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

55th  
MID-MARK  
TX 79705  
CLINCHES TX 79705

CLINCHES TX 79705

State Land Office, 016751/11111111  
or PO Box 01142  
City, State, ZIP+4®  
016751-01142

PS Form 3800, August 2006

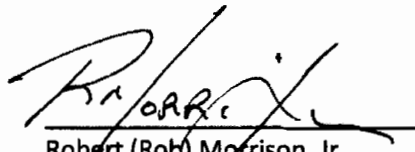
7010 3090 0001 8453 3158

**McCloy Ranch State Com #1H- #4H  
Owner Information**

McCloy Ranch (Tank Battery)  
Section 2-T24S-R32E  
VB-1177  
VB1170

<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.	PO BOX 2100	Houston	TX	77252-2100
Royalty Interest	State of New Mexico	PO BOX 1148	Santa FE	NM	87504-1148

I verify that the above information is correct.

  
Robert (Rob) Morrison, Jr.  
Land Representative



the nature of lease developments being proposed and the cultural resources potentially affected, compliance with Section 106 of the National Historic Preservation Act and Executive Order 13007 could require intensive cultural resource inventories, Native American consultations, and mitigation measures to avoid adverse effects- the costs for which will be borne by the lessee. The BLM may require modifications to or disapprove proposed activities that are likely to adversely affect TCPs or sacred sites for which no mitigation measures are possible. This could result in extended time frames for processing authorizations for development activities, as well as changes in the ways in which developments are implemented.

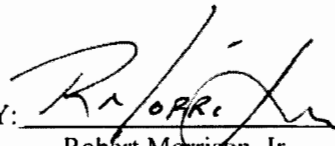
a. An Approved APD was received by the BLM on December 11, 2013

c. The Oil and Gas Lease IS in the Potash Area. It is subject to the Memorandum of Understanding.

d. ~~A Request for Suspension of Lease effective March 1, 2014 was sent to the BLM for approval on January 7, 2014. As of the date of this Title Clearance Memorandum a suspension has not been granted.~~ PURSUANT TO REQUEST BY PROJECT TEAM, REQUEST FOR LEASE SUSPENSION WAS DROPPED.

8. **TITLE OPINIONS/ISSUES** This Title Clearance Memorandum is based on a Drilling and Division Order Title Opinion dated July 25, 2012. A review of the records by Federal Abstract in Santa Fe, New Mexico confirmed that no filings have been made on the property subsequent to the previous examination of Records.

BY:



Robert Morrison, Jr.  
Land Representative

DATE: January 7, 2014

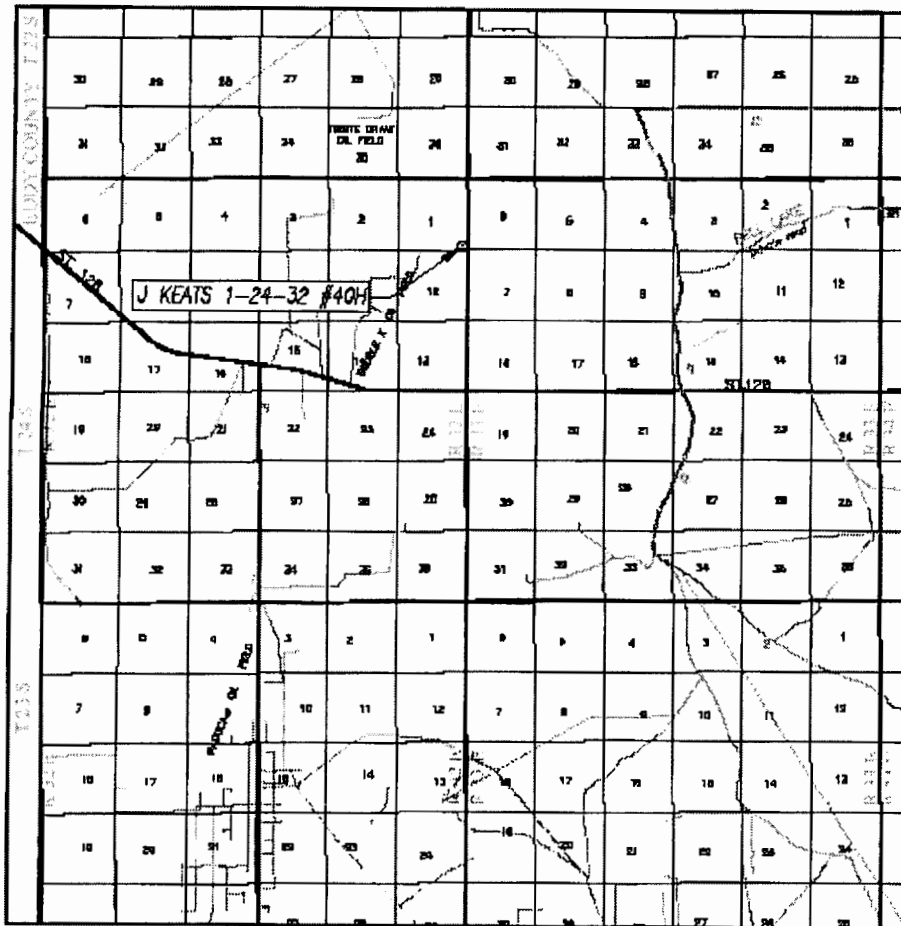
Cc: Ed Van Reet  
Ken Schwartz  
Pam Bikun  
Kevin McNally  
Stephen Tarr  
Kyle Johnson  
Ivan Pinney  
Denise Pinkerton  
Shantrice Ellis  
Fred Verner  
Gabe Acosta  
Huy Kevin Peters  
Jason Levine  
Ryan Jensen  
Sean Cheben  
Larry Fuentes  
Justin Fedhr  
Fred O'Toole  
Denise Wann  
Jonathan Wells  
Michelle Watts  
Electronic Well File  
QLS File #812367

# WELL TITLE CLEARANCE

## Title Clearance Request

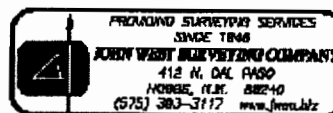
TO: Robert Morrison

### **VICINITY MAP**



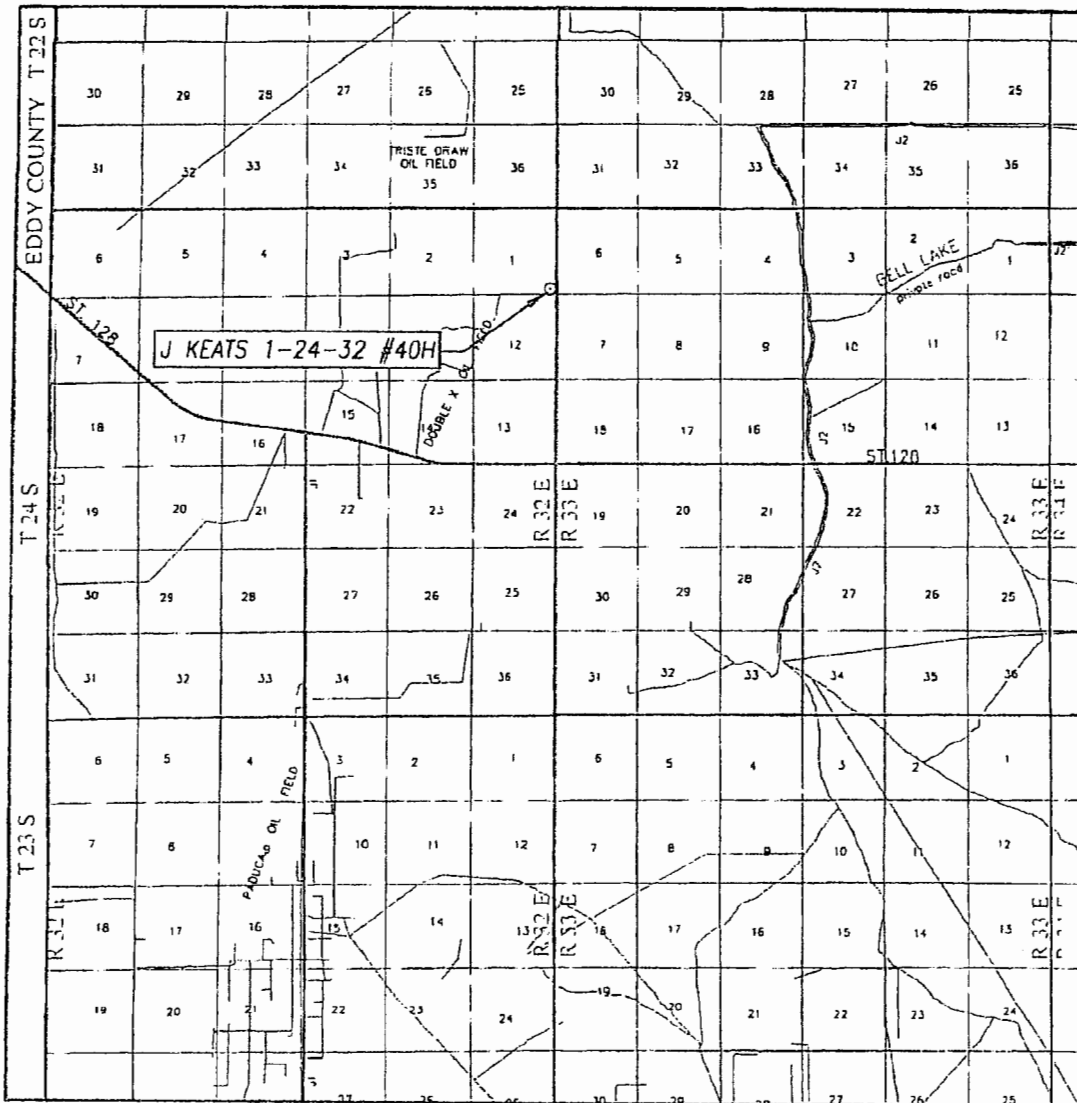
SCALE: 1" = 2 MILES

SEC. 1 TWP. 24-5 RGE. 32-E  
SURVEY N.M.P.M.  
COUNTY LEA STATE NEW MEXICO  
DESCRIPTION .330' FSL & 400' FEL  
ELEVATION 3607'  
OPERATOR CHEVRON USA INC  
LEASE J KEATS 1-24-32



# Exhibit A-4

## VICINITY MAP



SCALE 1" = 2 MILES

SEC. 1 TWP 24-S. RGE. 32-E

SURVEY N.M.P.M.

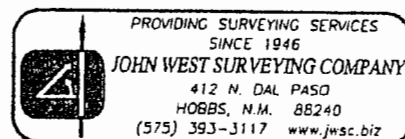
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 330' FSL & 400' FEL

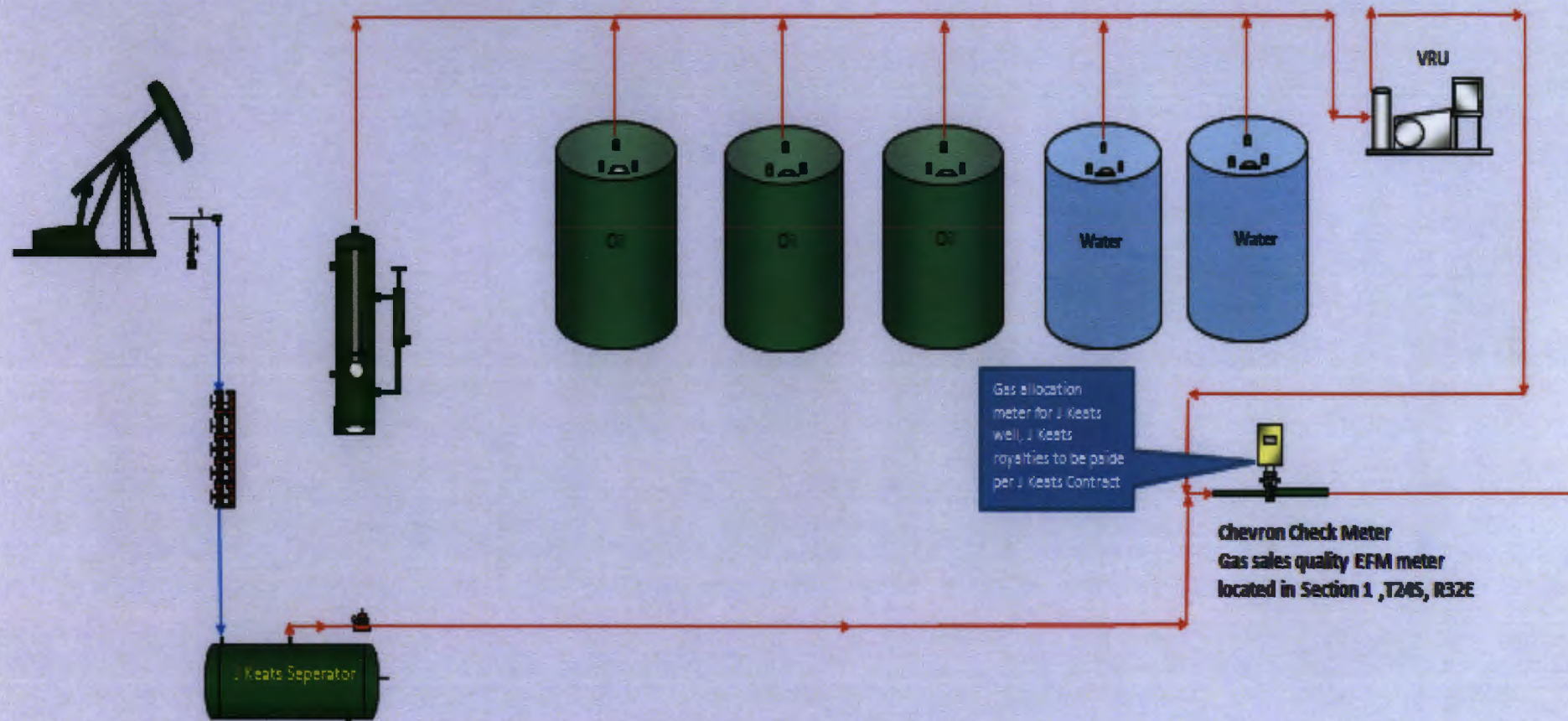
ELEVATION 3607'

OPERATOR CHEVRON USA INC

LEASE J KEATS 1-24-32

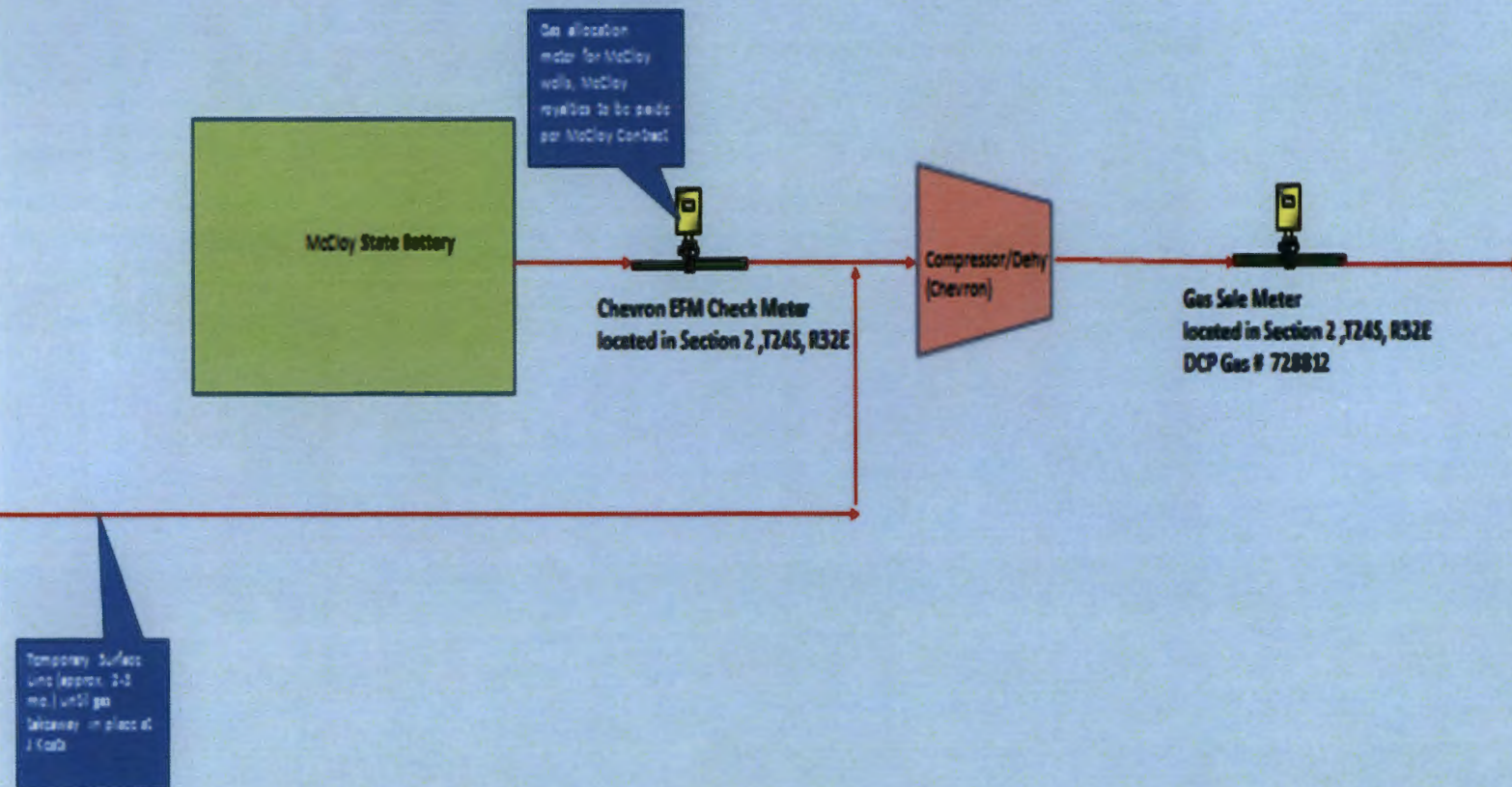


**J Keats Federal Tank Battery  
Sec 1, T24S, R32E**





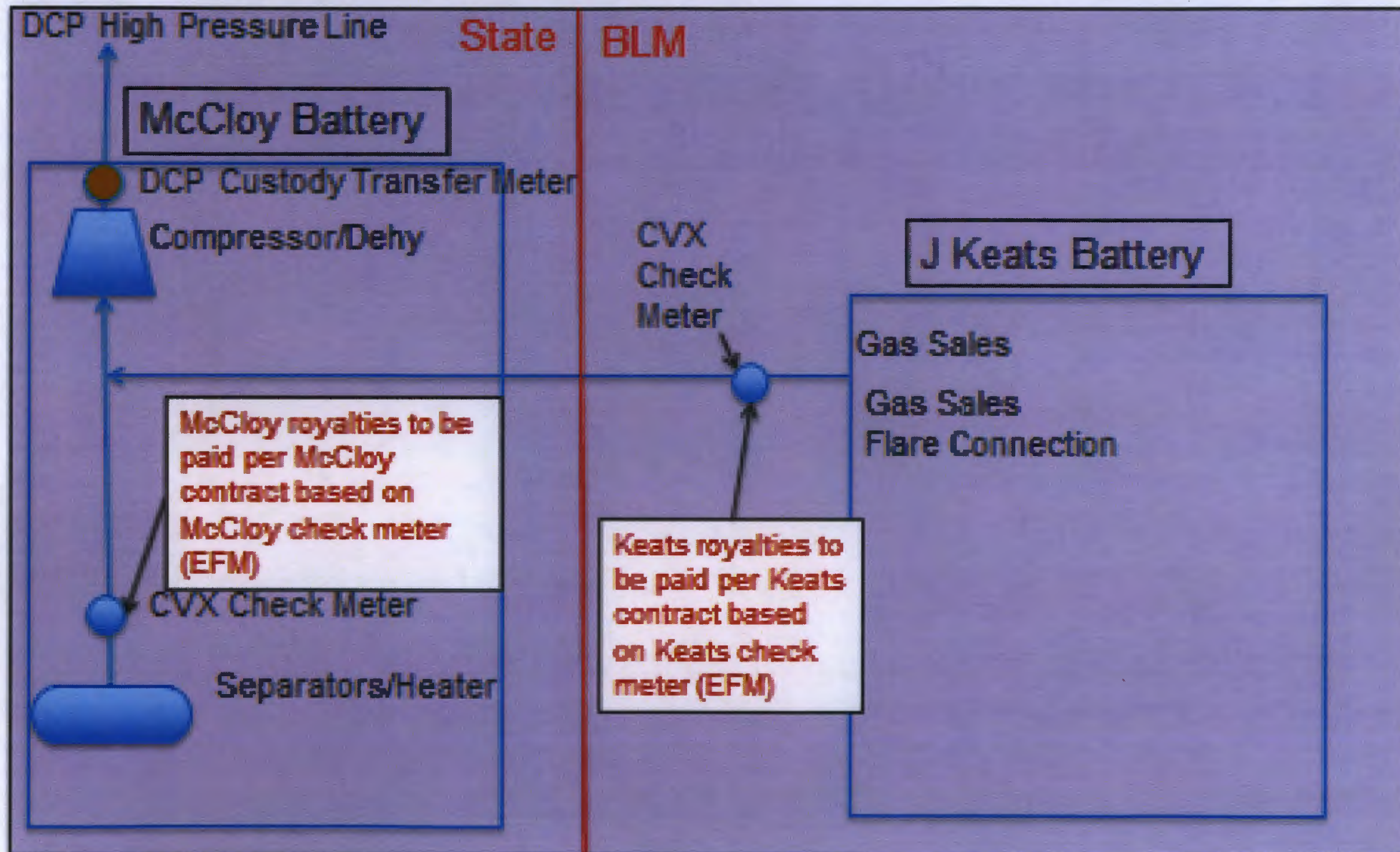
**McCloy State Tank Battery Pad  
Sec 2, T24S, R32E**





# Temporary J Keats Gas Takeaway

Initial Configuration – Est. 2-3 mo. duration



**DAILY PRODUCTION REPORT**

#####

1/1/2014 to 3/15/2014

Area HOBBS FMT  
Sub Area HOBBS  
Operator Route 6010003 - ROUTE 3  
Collection Point MCCLOY RANCH BATTERY

DAY	OIL (bpd)	WATER (bpd)	GAS (mscf)	BOEG
1/1/2014	5.57	0.00	17.00	8.40
1/2/2014	0.00	0.00	0.00	0.00
1/3/2014	3.21	0.00	0.00	3.21
1/4/2014	309.47	149.00	159.00	335.97
1/5/2014	103.09	17.00	101.00	119.92
1/6/2014	0.00	0.00	0.00	0.00
1/7/2014	0.00	0.00	0.00	0.00
1/8/2014	0.00	0.00	0.00	0.00
1/9/2014	3.54	0.00	0.00	3.54
1/10/2014	838.32	231.00	897.00	987.82
1/11/2014	306.54	174.00	235.00	345.71
1/12/2014	453.42	168.00	633.00	558.92
1/13/2014	82.27	101.00	100.00	98.94
1/14/2014	310.30	55.00	221.00	347.13
1/15/2014	236.91	130.00	317.00	289.74
1/16/2014	6.27	0.00	44.00	13.60
1/17/2014	241.55	129.00	179.00	271.38
1/18/2014	199.42	104.00	671.00	311.25
1/19/2014	0.00	0.00	24.00	4.00
1/20/2014	420.84	147.00	417.00	490.34
1/21/2014	215.65	97.00	313.00	267.82
1/22/2014	174.87	212.00	750.00	299.87
1/23/2014	279.49	30.00	375.00	341.99
1/24/2014	211.88	253.00	151.00	237.05
1/25/2014	558.24	335.00	1169.00	753.07
1/26/2014	0.00	200.00	852.00	142.00
1/27/2014	432.49	154.00	603.00	532.99
1/28/2014	231.81	98.00	412.00	300.48
1/29/2014	262.48	149.00	268.00	307.15
1/30/2014	552.25	165.00	651.00	660.75
1/31/2014	380.94	172.00	511.00	466.11
2/1/2014	423.80	171.00	621.00	527.30
2/2/2014	316.83	134.00	522.00	403.83
2/3/2014	179.46	126.00	534.00	268.46
2/4/2014	406.26	161.00	566.00	500.59
2/5/2014	274.16	120.00	510.00	359.16
2/6/2014	273.12	156.00	510.00	358.12
2/7/2014	219.51	178.00	524.00	306.84
2/8/2014	313.16	152.00	649.00	421.33
2/9/2014	329.04	178.00	751.00	454.21
2/10/2014	308.86	115.00	593.00	407.69
2/11/2014	160.31	106.00	543.00	250.81
2/12/2014	371.99	165.00	1242.00	578.99
2/13/2014	308.37	142.00	1350.00	533.37
2/14/2014	293.12	134.00	1336.00	515.79
2/15/2014	325.27	121.00	1274.00	537.60
2/16/2014	203.60	83.00	510.00	288.60

**DAILY PRODUCTION REPORT**

#####

1/1/2014 to 3/15/2014

2/17/2014	244.03	83.00	564.00	338.03
2/18/2014	400.28	209.00	1464.00	644.28
2/19/2014	218.13	111.00	1194.00	417.13
2/20/2014	293.06	91.00	1465.00	537.23
2/21/2014	297.19	189.00	1482.00	544.19
2/22/2014	201.76	104.00	1265.00	412.59
2/23/2014	282.25	141.00	1331.00	504.08
2/24/2014	289.90	130.00	1254.00	498.90
2/25/2014	360.38	110.00	1185.00	557.88
2/26/2014	124.06	107.00	862.00	267.73
2/27/2014	306.92	149.00	1386.00	537.92
2/28/2014	305.30	116.00	1519.00	558.47
3/1/2014	282.92	101.00	1390.00	514.59
3/2/2014	196.12	113.00	846.00	337.12
3/3/2014	178.86	97.00	636.00	284.86
3/4/2014	197.77	99.00	616.00	300.44
3/5/2014	2.67	0.00	1.00	2.84
3/6/2014	309.80	99.00	487.00	390.97
3/7/2014	0.00	0.00	0.00	0.00
3/8/2014	1.72	20.00	0.00	1.72
3/9/2014	0.00	0.00	0.00	0.00
3/10/2014	0.00	0.00	0.00	0.00
3/11/2014	72.46	110.00	117.00	91.96
3/12/2014	535.22	158.00	251.00	577.05
3/13/2014	349.56	113.00	779.00	479.39
3/14/2014	242.43	233.00	631.00	347.60
3/15/2014	285.87	127.00	863.00	429.70
MTD Total :	17506.34	8322.00	43693.00	24788.51
MTD Avg:	236.57	112.46	590.45	334.98
Prev Avg:	153.03	73.36	291.82	201.67
Change +/-	83.54	39.09	298.62	133.31

Well\_Name: **MCCLOY RANCH 2 24 32 STATE COM # 001H** API: 3E+09  
 Location: N-2-24.0S-32E 100 FSL 1980 FWL  
 Lat: 32.2397006 Long: -103.648  
 Operator Name: CHEVRON U S A INC County: Lea  
 Land Type: State Well Type: Oil  
 Spud Date: 5/30/2012 Plug Date:  
 Elevation GL: 3616 Depth TVD: 14459

Year: 2012

Pool Name: **TRISTE DRAW;BONE SPRING**

Month	Oil(BBLS)	Gas(MCF)	Water(BBL Days Produced)	
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0
September	0	0	0	0
October	7991	31011	9266	31
November	1775	8640	1364	12
December	0	0	0	0

Year: 2012

Pool Name: **TRISTE DRAW;BONE SPRING**

Month	Oil(BBLS)	Gas(MCF)	Water(BBL Days Produced)	
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0
September	5780	7520	15340	30
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0

Year: 2013

Pool Name: **TRISTE DRAW;BONE SPRING**

Month	Oil(BBLS)	Gas(MCF)	Water(BBL Days Produced)	
January	0	0	0	0
February	2681	1465	1624	9
March	3927	6707	2713	31
April	2783	6037	1730	30
May	2068	4036	1639	31
June	2075	3269	1411	29
July	2102	3364	1967	31
August	2965	3428	1901	31
September	1215	3284	640	30
October	1011	2360	451	31
November	872	1155	344	30
December	187	212	69	5
CUM	37432	82488		

Well\_Name: **MCCLOY RANCH 2 24 32 STATE COM # 002H** API: 3E+09  
 Location: M-2-24.0S-32E 100 FSL 400 FWL  
 Lat: 32.23967453 Long:  
 Operator Name: CHEVRON U S A INC County: Lea  
 Land Type: State Well Type: Oil  
 Spud Date: 1/24/2013 Plug Date:  
 Elevation GL: 3632 Depth TVD 99

Year: 2013

Pool Name: **TRISTE DRAW;BONE SPRING**

Month	Oil(BBLS)	Gas(MCF)	Water(BBL)
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	6906	19066	6225
September	3990	25735	2953
October	3316	18492	2082
November	2860	9052	1586
December	2359	3746	711
<b>CUM</b>	<b>19431</b>	<b>76091</b>	



Well\_Name: **MCCLOY RANCH 2 24 32 STATE COM # 004H** API: 3E+09  
 Location: P-2-24.0S-32E 100 FSL 600 FEL  
 Lat: 32.23974479 Long: -103.639  
 Operator Name: CHEVRON U S A INC County: Lea  
 Land Type: State Well Type: Oil  
 Spud Date: 12/31/2012 Plug Date:  
 Elevation GL: 3606 Depth TVD 99

Year: 2013

Pool Name: TRISTE DRAW;BONE SPRING

Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days Produ
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	8912	15102	7600	23
September	5148	20383	3605	30
October	4279	14646	2542	31
November	3691	7169	1936	30
December	3818	5740	1586	30
<b>CUM</b>	<b>25848</b>	<b>63040</b>		

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.***

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side.</b>		5. Lease Serial No. <b>NMNM111964</b>
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. <b>J KEATS 1 24 32 40H</b>	
2. Name of Operator <b>CHEVRON MIDCONTINENT LP</b>	Contact: <b>CINDY H MURILLO</b> E-Mail: <b>CHERRERAMURILLO@CHEVRON.COM</b>	9. API Well No. <b>30-025-41582-00-X1</b>
3a. Address <b>15 SMITH ROAD MIDLAND, TX 79705</b>	3b. Phone No. (include area code) Ph: <b>575-263-0431</b> Fx: <b>575-263-0431</b>	10. Field and Pool, or Exploratory <b>TRIPLE X</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  <b>Sec 1 T24S R32E SESE 330FSL 400FEL 32.240246 N Lat, 103.620599 W Lon</b>		11. County or Parish, and State  <b>LEA COUNTY, NM</b>

**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 recompletion 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 SUBMITS FOR APPROVAL A PROPOSED TEMPORARY COMMINGLING WITH MCCLOY, THE KEATS IS PLANNED TO BEGIN PRODUCTION APRIL 1, 2014, BUT THE GAS PIPELINE HAS BEEN DELAYED RESULTING IN A 2 -3 MONTH GAP WITH NO COMMERCIAL GAS TAKEAWAY. CHEVRON PROPOSES THE FOLLOWING SOLUTION IN WHICH CHEVRON TEMPORARILY RUNS A SURFACE GAS LINE TO THE NEARBY CHEVRON MCCLOY BATTERY (STATE), THE TIE IN POINT WILL BE TO THE SUCTION SIDE OF THE COMPRESSOR AND THEN GO INTO THE DCP HIGH PRESSURE LINE.

GAS PURCHASER AND CHEVRON HAVE AGREED TO MEASURE AND PAY APPROPRIATE ROYALTIES FOR THE KEATS (BLM) GAS AT THE KEATS FACILITY WITH A CHEVRON METER (EFM SALES QUALITY). THIS ARRANGEMENT WILL ENSURE THE J KEATS WELL NOT DEDUCTED ANY FUEL GAS FOR THE COMPRESSOR AT THE MCCLOY BATTERY.

14. I hereby certify that the foregoing is true and correct.	
<b>Electronic Submission #240345 verified by the BLM Well Information System For CHEVRON MIDCONTINENT LP, sent to the Hobbs Committed to AFMS for processing by DEBORAH HAM on 03/28/2014 (14DMH0180SE)</b>	
Name (Printed/Typed) <b>CINDY H MURILLO</b>	Title <b>PERMITTING SPECIALIST</b>
Signature (Electronic Submission)	Date <b>03/28/2014</b>

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

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>EPS</u>	Date <u>04/01/2014</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 <u>Hobbs</u>		

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 \*\***