

3/18/2014
DATE IN

SUSPENSE

MAM
ENGINEER

3/24/2014
LOGGED IN

CTB
TYPE

PMA M 1408335495
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]

- CTB 684-A
- 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 Amend CTB-684

RECEIVED OOD
MAY 19 A 2:23

Wells
- Skeen 2 state

[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

2H
30-015-41047
- Skeen 2 state
3H
30-015-41117
- Skeen 2 state
1H
- Skeen 2 state
4H
30-015-41118
Pool
- Delaware River
Boyle Spring
16800

[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 _____ Permitting Specialist _____ 03/12/2014 _____
 Print or Type Name Signature Title 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, Room 121
Hobbs FMT, Hobbs, NM 88240
Tel 575-263-0431
Cherreramurillo@chevron.com

March 13, 2014

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

Application for surface commingling, Delaware River, Bone Spring Pool (Code 16800), Eddy County, NM (T26S-R27E, Sec 2)
Current CTB-684

Dear Sirs,

Chevron North America respectfully requests amendment to the administrative approval to surface commingle oil, gas, and water production from the Delaware River, Bone Spring Pool through Chevron's Skeen Battery. CTB-684 order was approved on 10/08/2013. Wells producing to this battery include the Chevron Skeen 2 State 1H and the Skeen 2 State 4H (which will be horizontally drilled in spring 2014 into the Second Bone Spring sand Formation, attached map). These wells are located in section 2, T26S-R27E, Eddy 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 both wells (100% CVZ WI /81.25% NRI / 12.5% OCD RI). 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 on 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,

Cindy Herrera-Murillo
Permitting Specialist



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
Fax 575-391-6679
cherreramurillo@chevron.com

March 12, 2014

**Re: Application for Surface Commingling
Delaware River, Bone Spring Tank Battery
Section 2, T26S, R27E,
Eddy County, New Mexico**

**State Of New Mexico
Commissioner of Public Lands
Royalty Interest Owner,**

Chevron U.S.A. Inc. respectfully gives notice of intent to amend the current surface commingle order CTB-684 oil, gas and water production from the Delaware River, Bone Spring Pool through Chevron's Skeen Battery and Compressor Station. Wells producing to this battery include the Chevron Skeen 2 State # 2H and the Skeen 2 State #3H and will include the Skeen 2 26 27 #1H and Skeen 2 26 27 #4H (which will be horizontally drilled in spring of 2014 into the Second Bone Spring sand formation, attached map). These wells are located in section 2, Township 26 South and Range 27 East.

The working interest and royalties are the same for both wells. (100% CVZ WI /81.25% NRI /12.5% OCD RI).

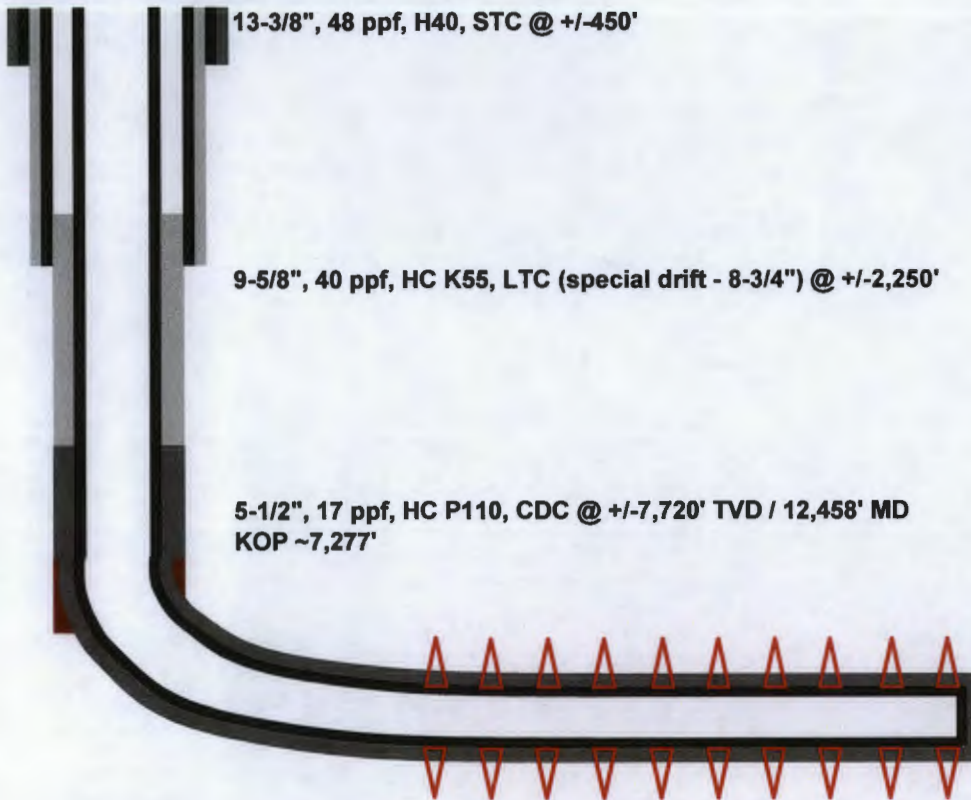
Any objections to this commingle must be sent to the New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504, within 20 days of receipt of this notification. If you require additional information, please contact me at 575-263-0431, or by email at: cherreramurillo@chevron.com.

Sincerely,

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

Cindy Herrera-Murillo
Regulatory Specialist
Enclosure

Skeen 2 State 1H & 4H Drilling Program "Quick-Look"



Delaware River: 2, 26S, 27E Eddy County, New Mexico

Hole Size	Mud	Bits
17-1/2"	FW/Spud Mud	PDC
12-1/4"	Brine 10.0 ppg	PDC
8-3/4"	Cut Brine/LSND 8.6-8.8 ppg	PDC

General Drilling Procedure

- Currently 10' cylindrical cellar installed with 80' of 20" conductor pipe set.
- MIRU
- N/U on 20" conductor and drill 17-1/2" surface hole with fresh water to 450'.
- Install 13-5/8" 5M SH-2 wellhead on hanger. Run 13-3/8" - 48# - H40 - STC casing and cement with Class "C" lead and tail system.
- N/U and test BOPE to 250 psi / 5,000 psi.
- Drill 12-1/4" intermediate hole to 2,250' with saturated brine past salt zone.
- TOH and run 9-5/8" - 40# - HC K55 - LTC casing and cement with a Class "C" lead and tail system.
- Drill 8-3/4" production hole to KOP of 7,277'.
- Drill 8-3/4" build & 8-1/2" lateral hole to +/-12,458' in pay zone.
- TOH with no lateral logs planned.
- Run 5-1/2" - 17# - HC P110 - LTC casing and cement with a Class "H" lead and tail system
- RDMO and turn well over for completion.

Formation & Geologic Feature Tops	Lithology	Depth (TVD)
Redbeds	Redbeds	0
Rustler	dol, ss, salt	791
Castile	anhydrite	857
Lamar LS	LS	2359
Bell Canyon	SS	2414
Cherry Canyon	LS	3281
Brushy Canyon	SS/LS	4312
T/Bone Spring	LS	6089
T/1st Bone Spring Sand	SS	6966
T/2nd Bone Spring Sand	SS	7617
B/2nd Bone Spring Sand		7921

Skeen 2 State #1H-#4H

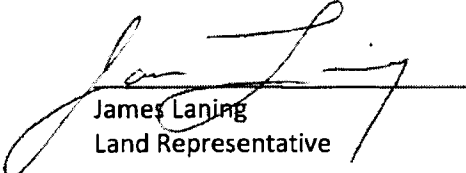
Owner Information

**Skeen 2 State #1H-#4H Commingling Permit
State of New Mexico Leases VB-1805 & VB-1796
Section 2, T26S, R27E
Eddy County, New Mexico**

<u>Interest Type</u>	<u>Name</u>	<u>ADDRESS</u>	<u>CITY</u>	<u>STATE CODE</u>	<u>ZIP CODE</u>
Working Interest	Chevron U.S.A. Inc.	PO Box 2100	Houston	TX	77252-2100
✓ Royalty Interest	State of New Mexico	PO Box 1148	Santa Fe	NM	87504-1148

OK

I verify that the above information is correct.


James Laning
Land Representative

Sec. 34
Bureau of Land Management

T25S-R27E
T26S-R27E

Sec. 3
Bureau of Land Management

FOR THE EXCLUSIVE USE OF
CHEVRON U.S.A. INC.
I, WM. J. Daniel III, Registered Professional
Land Surveyor, do hereby state this plat is true
and correct to the best of my knowledge.



WM. J. Daniel III
Registration No. 15078

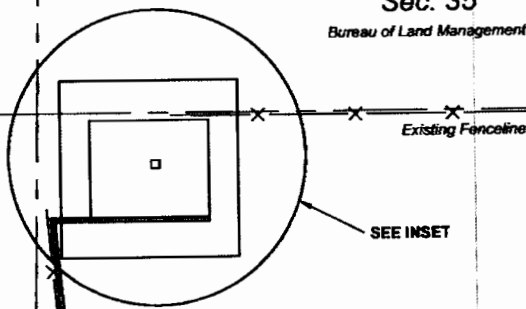
NOTE:
PLEASE BE ADVISED, THAT WHILE REASONABLE EFFORTS
ARE MADE TO LOCATE AND VERIFY PIPELINES AND
ANOMALIES USING OUR STANDARD PIPELINE LOCATING
EQUIPMENT, IT IS IMPOSSIBLE TO BE 100% EFFECTIVE. AS
SUCH, WE ADVISE USING CAUTION WHEN PERFORMING
WORK AS THERE IS A POSSIBILITY THAT PIPELINES AND
OTHER HAZARDS, SUCH AS FIBER OPTIC CABLES, PVC
PIPELINES, ETC. MAY EXIST UNDETECTED ON SITE.

MANY STATES MAINTAIN INFORMATION CENTERS THAT
ESTABLISH LINKS BETWEEN THOSE WHO DIG (EXCAVATORS)
AND THOSE WHO OWN AND OPERATE UNDERGROUND
FACILITIES (OPERATORS). IT IS ADVISABLE AND IN MOST
STATES, LAWS, FOR THE CONTRACTOR TO CONTACT THE
CENTER FOR ASSISTANCE IN LOCATING AND MARKING
UNDERGROUND UTILITIES. NEW MEXICO ONE CALL,
<http://www.nmonocal.org>.

DISCLAIMER: AT THIS TIME, FENSTERMAKER & ASSOCIATES,
LLC HAS NOT PERFORMED NOR WAS ASKED TO PERFORM
ANY TYPE OF ENGINEERING, HYDROLOGICAL MODELING,
FLOOD PLAIN, OR "NO RISE" CERTIFICATION ANALYSES,
INCLUDING BUT NOT LIMITED TO DETERMINING WHETHER
THE PROJECT WILL IMPACT FLOOD HAZARDS IN CONNECTION
WITH FEDERAL/FEMA, STATE, AND/OR LOCAL LAWS,
ORDINANCES AND REGULATIONS. ACCORDINGLY,
FENSTERMAKER MAKES NO WARRANTY OR
REPRESENTATION OF ANY KIND AS TO THE FOREGOING
ISSUES, AND PERSONS OR ENTITIES USING THIS
INFORMATION SHALL DO SO AT THEIR OWN RISK.

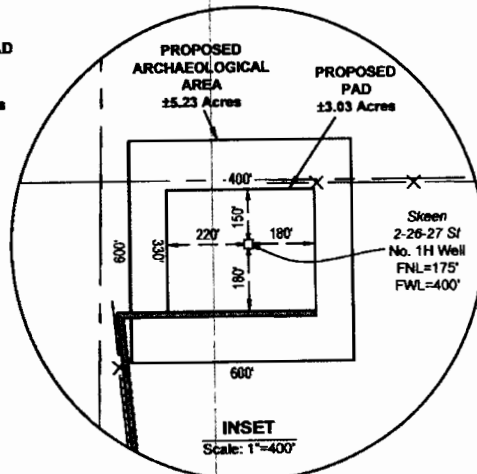


LEGEND	
	Proposed Well
	Section Line
	Existing Road



Sec. 2
State of New Mexico

PROPOSED
ACCESS ROAD
14' X ±4535'
±1.46 Acres
±274.85 Rods

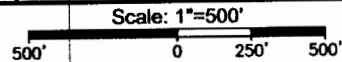


Existing Fenceline

Whites City Road
Existing Cattle Guard

SKEEN 2-26-27 ST 1H		NW ARCH. AREA CRN.	NE ARCH. AREA CRN.
X=	551,280 NAD 27	X=	551,560 NAD 27
Y=	392,273	Y=	392,558
LAT.	32.078365	ELEVATION +3232' NAVD 88	
LONG.	104.167772	ELEVATION +3224' NAVD 88	
SE ARCH. AREA CRN.		SW ARCH. AREA CRN.	
X=	551,560 NAD 27	X=	550,999 NAD 27
Y=	391,958	Y=	391,958
ELEVATION +3224' NAVD 88		ELEVATION +3231' NAVD 88	
NW PAD CRN.		NE PAD CRN.	
X=	551,060 NAD 27	X=	551,460 NAD 27
Y=	392,423	Y=	392,423
ELEVATION +3230' NAVD 88		ELEVATION +3225' NAVD 88	
SE PAD CRN.		SW PAD CRN.	
X=	551,459 NAD 27	X=	551,060 NAD 27
Y=	392,093	Y=	392,093
ELEVATION +3227' NAVD 88		ELEVATION +3225' NAVD 88	

SURFACE USE PLAT



CHEVRON U.S.A. INC.
PROPOSED PAD & ACCESS ROAD
SKEEN 2-26-27 ST NO. 1H WELL
SECTION 2, T26S-R27E
EDDY COUNTY, NEW MEXICO



135 Regency Sq. Lafayette, LA 70508
Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

DRAWN BY: BMO		REVISIONS	
PROJ. MGR.: DBM	No. 1	DATE: 04/09/2013	REVISED BY: BMO
DATE: 01/18/2013	No.	DATE:	REVISED BY:
FILENAME: T:\2012\12128633\DWG\SKEEN 2-26-27 ST 1H SUP.dwg			

LEGEND

- Proposed Well
- Found Occupation
- Section Line

Proposed Pad & Access Road for Skeen 2-26-27 ST No. 3H Well (As-Staked)

Sec. 35
Bureau of Land Management

PROPOSED ARCHAEOLOGICAL AREA ±5.23 Acres

PROPOSED PAD ±3.03 Acres

Sec. 36
State of New Mexico

T25S-R27E
T26S-R27E

Fnd. 1 1/2" Iron Pipe w/Cap for Northeast Corner of Section 2

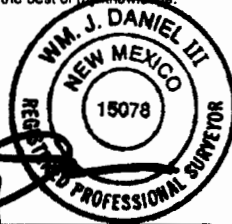
PROPOSED ACCESS ROAD 14' X ±1181' ±0.38 Acres ±71.86 Rods

Skeen 2-26-27 St No. 4H Well FNL=175' FEL=400'

Sec. 1
Bureau of Land Management

FOR THE EXCLUSIVE USE OF CHEVRON U.S.A. INC.
I, WM. J. DANIEL III, Registered Professional Land Surveyor, do hereby state this plat is true and correct to the best of my knowledge.

Sec. 2
State of New Mexico



Wm. J. Daniel III
Registration No. 15078

Scale: 1"=200'

200' 0 100' 200'

SKEEN 2-26-27 ST NO. 4H WELL		NW ARCH. AREA CRN.	NE ARCH. AREA CRN.	SE ARCH. AREA CRN.	SW ARCH. AREA CRN.
X=	555,797 NAD 27	X= 555,477 NAD 27	X= 556,077 NAD 27	X= 556,077 NAD 27	X= 555,477 NAD 27
Y=	392,269	Y= 392,554	Y= 392,563	Y= 391,953	Y= 391,954
LAT.	32.078334				
LONG.	104.153188				
X=	596,981 NAD83	ELEVATION +3162' NAVD 88	ELEVATION +3154' NAVD 88	ELEVATION +3158' NAVD 88	ELEVATION +3168' NAVD 88
Y=	392,326				
		NW PAD CRN.	NE PAD CRN.	SE PAD CRN.	SW PAD CRN.
X=	555,577 NAD 27	X= 555,977 NAD 27	X= 555,977 NAD 27	X= 555,577 NAD 27	X= 555,577 NAD 27
Y=	392,419	Y= 392,418	Y= 392,088	Y= 392,088	Y= 392,089
LAT.	32.078458				
LONG.	104.153679				
ELEVATION	+3156' NAVD 88	ELEVATION +3161' NAVD 88	ELEVATION +3156' NAVD 88	ELEVATION +3158' NAVD 88	ELEVATION +3164' NAVD 88

NOTE: PLEASE BE ADVISED, THAT WHILE REASONABLE EFFORTS ARE MADE TO LOCATE AND VERIFY PIPELINES AND ANOMALIES USING OUR STANDARD PIPELINE LOCATING EQUIPMENT, IT IS IMPOSSIBLE TO BE 100% EFFECTIVE. AS SUCH, WE ADVISE USING CAUTION WHEN PERFORMING WORK AS THERE IS A POSSIBILITY THAT PIPELINES AND OTHER HAZARDS, SUCH AS FIBER OPTIC CABLES, PVC PIPELINES, ETC. MAY EXIST UNDETECTED ON SITE.

MANY STATES MAINTAIN INFORMATION CENTERS THAT ESTABLISH LINKS BETWEEN THOSE WHO DIG (EXCAVATORS) AND THOSE WHO OWN AND OPERATE UNDERGROUND FACILITIES (OPERATORS). IT IS ADVISABLE AND IN MOST STATES, LAW, FOR THE CONTRACTOR TO CONTACT THE CENTER FOR ASSISTANCE IN LOCATING AND MARKING UNDERGROUND UTILITIES. NEW MEXICO ONE CALL. <http://www.nmonocal.org/>.

DISCLAIMER: AT THIS TIME, FENSTERMAKER & ASSOCIATES, LLC HAS NOT PERFORMED NOR WAS ASKED TO PERFORM ANY TYPE OF ENGINEERING, HYDROLOGICAL MODELING, FLOOD PLAIN, OR "NO RISE" CERTIFICATION ANALYSES, INCLUDING BUT NOT LIMITED TO DETERMINING WHETHER THE PROJECT WILL IMPACT FLOOD HAZARDS IN CONNECTION WITH FEDERAL/FEMA, STATE, AND/OR LOCAL LAWS, ORDINANCES AND REGULATIONS. ACCORDINGLY, FENSTERMAKER MAKES NO WARRANTY OR REPRESENTATION OF ANY KIND AS TO THE FOREGOING ISSUES, AND PERSONS OR ENTITIES USING THIS INFORMATION SHALL DO SO AT THEIR OWN RISK.

CHEVRON U.S.A. INC.
PROPOSED PAD & ACCESS ROAD
SKEEN 2-26-27 ST NO. 4H WELL
SECTION 2, T26S-R27E
EDDY COUNTY, NEW MEXICO

DRAWN BY: BMO		REVISIONS	
PROJ. MGR.: DBM	No. 1	DATE: 04/09/2013	REVISED BY: BMO
DATE: 01/25/2013	No.	DATE:	REVISED BY:
FILENAME: T:\2013\2139002\DWG\CUI-Skeen 2-26-27 ST 4H SUP.dwg			



135 Regency Sq. Lafayette, LA 70508
Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

SKEEN 2-26-27 ST NO. 2H WELL	NW ARCH. AREA CRN.	NE ARCH. AREA CRN.	SE ARCH. AREA CRN.	SW ARCH. AREA CRN.	NW PAD CRN.	NE PAD CRN.	SE PAD CRN.
X= 552,860 NAD 27 Y= 392,271 LAT. 32.078354 LONG. 104.182670	X= 552,540 NAD 27 Y= 392,556 ELEVATION +3210' NAVD 88	X= 553,140 NAD 27 Y= 392,556 ELEVATION +3198' NAVD 88	X= 553,140 NAD 27 Y= 391,956 ELEVATION +3201' NAVD 88	X= 552,540 NAD 27 Y= 391,956 ELEVATION +3209' NAVD 88	X= 552,840 NAD 27 Y= 392,421 ELEVATION +3208' NAVD 88	X= 553,040 NAD 27 Y= 392,421 ELEVATION +3202' NAVD 88	X= 553,040 NAD 27 Y= 392,091 ELEVATION +3202' NAVD 88
X= 594,044 NAD83 Y= 392,329 LAT. 32.078477 LONG. 104.183182	SW PAD CRN. X= 552,540 NAD 27 Y= 392,091 ELEVATION +3207' NAVD 88	NW FACILITY PAD CRN. X= 552,390 NAD 27 Y= 392,342 ELEVATION +3211' NAVD 88	NE FACILITY PAD CRN. X= 552,840 NAD 27 Y= 392,341 ELEVATION +3208' NAVD 88	SE FACILITY PAD CRN. X= 552,840 NAD 27 Y= 392,091 ELEVATION +3208' NAVD 88	SW FACILITY PAD CRN. X= 552,390 NAD 27 Y= 392,091 ELEVATION +3210' NAVD 88		

Sec. 34
Bureau of Land Management

Sec. 35
Bureau of Land Management

T25S-R27E
T26S-R27E

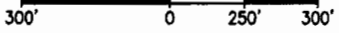
Sec. 3
Bureau of Land Management

FOR THE EXCLUSIVE USE OF
CHEVRON U.S.A. INC.
I, WM. J. DANIEL III, Registered Professional
Land Surveyor, do hereby state this plat is true
and correct to the best of my knowledge.



Wm. J. Daniel III
Registration No. 15078

Scale: 1"=300'



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Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

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PROPOSED
ACCESS ROAD
14' X ±1580'
±0.51 Acres
±95.78 Rods

Sec. 2
State of New Mexico

PROPOSED
ARCHAEOLOGICAL AREA
±5.23 Acres

PROPOSED PAD
±3.03 Acres

PROPOSED
FACILITY PAD
±1.43 Acres

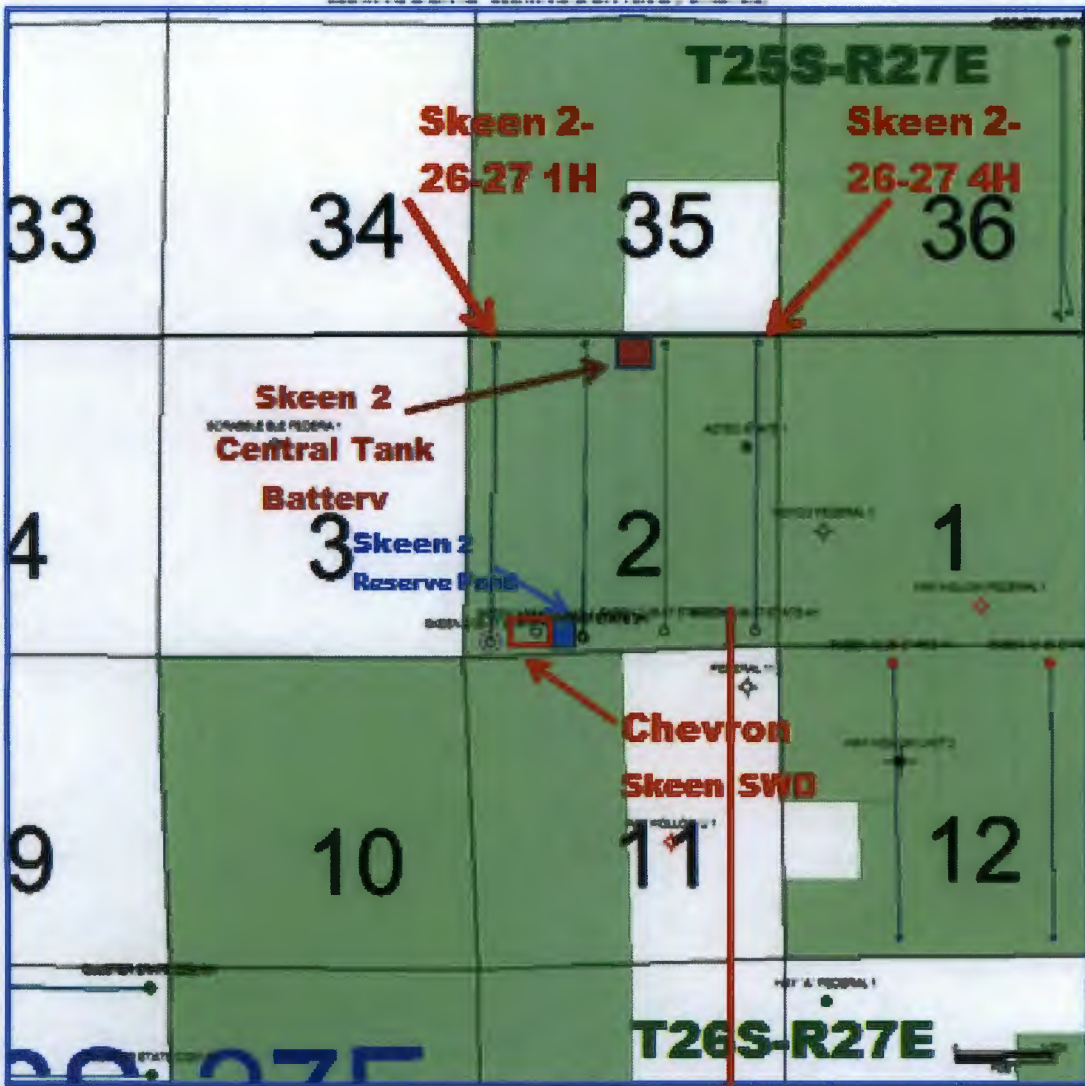
Skeen 2-26-27 St
No. 2H Well
FNL=175'
FWL=1980'

Proposed Pad &
Access Road for Skeen
2-26-27 St No. 1H
Well (As-Staked)

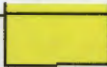
LEGEND	
	Proposed Well
	Section Line
	Existing Fenceline

CHEVRON U.S.A. INC.
PROPOSED PAD & ACCESS ROAD
SKEEN 2-26-27 ST NO. 2H WELL
SECTION 2, T26S-R27E
EDDY COUNTY, NEW MEXICO

DRAWN BY: BMO		REVISIONS	
PROJ. MGR.: DBM	No. 1	DATE: 04/09/2013	REVISED BY: BMO
DATE: 01/18/2013	No.	DATE:	REVISED BY:
FILENAME: T:\2012\128636\DWG\CUI-Skeen 2-26-27 ST 2H SUP.dwg			



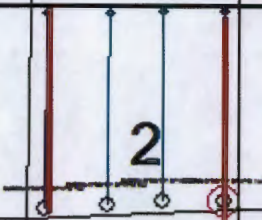
30	29	28	27	26	25	30	
31	32	33	34	35	36	31	
6	5	4	3	2	1	6	
7	8	9	10	11	12	7	
18	17	16	15	14	13	18	
19	20	21	22	23	24	19	

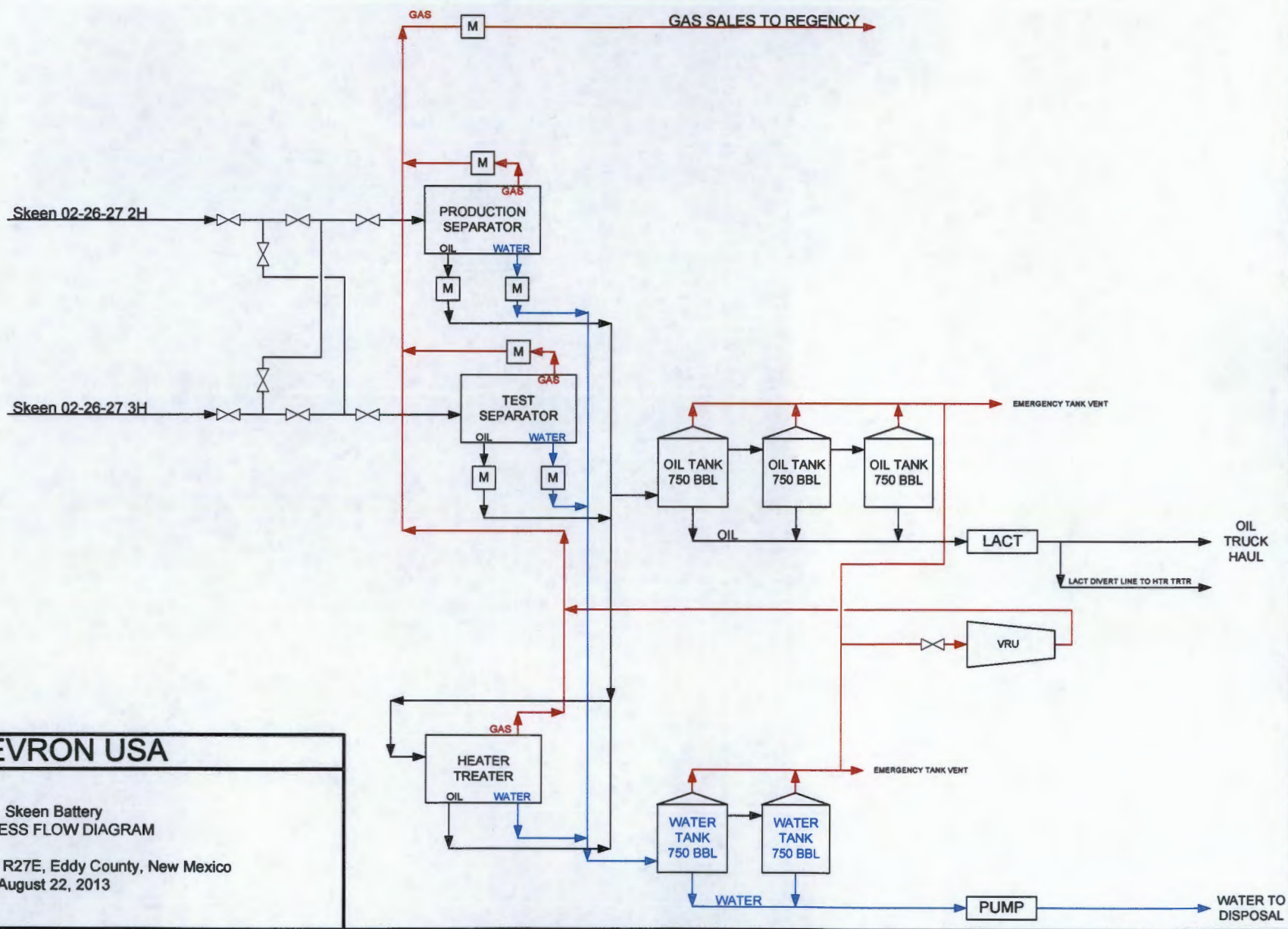


SKEEN 2-26-27 STATE 1H

SKEEN 2-26-27 STATE 4H

26S-27E





CHEVRON USA

Skeen Battery
PROCESS FLOW DIAGRAM

Section 02, T26S, R27E, Eddy County, New Mexico
August 22, 2013



DAILY PRODUCTION REPORT

3/24/2014 3:55:16 PM

3/16/2014 to 3/24/2014

Area	HOBBS FMT			
Sub Area	HOBBS			
Operator Route	6010005 - ROUTE 5			
Collection Point	SKEEN 34 STATE COM 1H			
DAY	OIL (bpd)	WATER (bpd)	GAS (mscf)	BOEG
1/1/2014	5.58	163.00	1140.00	195.58
1/2/2014	5.58	175.00	1126.00	193.25
1/3/2014	5.58	163.00	1112.00	190.91
1/4/2014	8.37	221.00	1091.00	190.20
1/5/2014	5.58	235.00	1284.00	219.58
1/6/2014	5.58	221.00	1278.00	218.58
1/7/2014	2.79	0.00	513.51	88.38
1/8/2014	0.00	52.00	0.00	0.00
1/9/2014	8.37	187.00	905.95	159.36
1/10/2014	5.58	143.00	1454.28	247.96
1/11/2014	5.58	158.00	1340.26	228.96
1/12/2014	8.37	102.00	1285.00	222.54
1/13/2014	8.37	185.00	1252.00	217.04
1/14/2014	13.96	174.00	1236.00	219.96
1/15/2014	11.16	246.00	1227.00	215.66
1/16/2014	13.28	296.00	1219.00	216.45
1/17/2014	5.59	205.00	1222.00	209.26
1/18/2014	5.59	238.00	1212.00	207.59
1/19/2014	5.59	174.00	1198.75	205.38
1/20/2014	7.68	202.00	1197.15	207.21
1/21/2014	9.29	198.00	1184.00	206.62
1/22/2014	8.37	144.00	1189.20	206.57
1/23/2014	8.37	250.00	1184.76	205.83
1/24/2014	8.37	182.00	1178.02	204.71
1/25/2014	5.58	142.00	1157.74	198.54
1/26/2014	8.37	242.00	1186.00	206.04
1/27/2014	11.16	205.00	1185.00	208.66
1/28/2014	8.37	174.00	1187.00	206.20
1/29/2014	8.37	177.00	1183.00	205.54
1/30/2014	8.37	158.00	1182.00	205.37
1/31/2014	8.37	196.00	1173.00	203.87
2/1/2014	8.37	147.00	1178.00	204.70
2/2/2014	8.37	196.00	1181.00	205.20
2/3/2014	5.58	174.00	1177.00	201.75
2/4/2014	11.16	156.00	1182.00	208.16
2/5/2014	8.37	47.00	1177.00	204.54
2/6/2014	16.75	293.00	1175.00	212.58
2/7/2014	8.37	141.00	1177.00	204.54
2/8/2014	11.16	174.00	1180.00	207.83
2/9/2014	11.16	194.00	1167.83	205.80
2/10/2014	11.16	144.00	1174.00	206.83
2/11/2014	11.16	228.00	1126.00	198.83
2/12/2014	6.28	152.00	1124.00	193.61
2/13/2014	11.16	110.00	1162.00	204.83
2/14/2014	8.37	209.00	1160.00	201.70
2/15/2014	5.58	142.00	1153.00	197.75
2/16/2014	8.37	149.00	1154.00	200.70
2/17/2014	9.77	144.00	1154.00	202.10
2/18/2014	9.64	171.00	1153.00	201.81
2/19/2014	11.16	158.00	1151.00	202.99
2/20/2014	2.79	174.00	1149.00	194.29
2/21/2014	5.58	158.00	1144.00	196.25



DAILY PRODUCTION REPORT

3/24/2014 3:55:16 PM

3/16/2014 to 3/24/2014

2/22/2014	8.37	158.00	1138.00	198.04
2/23/2014	11.16	180.00	1140.00	201.16
2/24/2014	5.58	174.00	1146.00	196.58
2/25/2014	5.58	140.00	1148.00	196.91
2/26/2014	13.96	172.00	1143.00	204.46
2/27/2014	11.16	128.00	1139.00	200.99
2/28/2014	5.58	158.00	1139.00	195.41
3/1/2014	8.37	174.00	1137.00	197.87
3/2/2014	8.37	180.00	1147.00	199.54
3/3/2014	8.37	141.00	1146.00	199.37
3/4/2014	5.58	140.00	1138.00	195.25
3/5/2014	19.54	263.00	1145.00	210.37
3/6/2014	13.96	64.00	1138.00	203.63
3/7/2014	2.79	138.00	1139.00	192.62
3/8/2014	5.58	152.00	1138.00	195.25
3/9/2014	13.96	197.00	1134.00	202.96
3/10/2014	8.37	149.00	1129.00	196.54
3/11/2014	0.00	133.00	1125.00	187.50
3/12/2014	0.70	116.00	1121.00	187.53
3/13/2014	8.18	194.00	1109.00	193.01
3/14/2014	5.58	160.00	1114.00	191.25
3/15/2014	8.37	99.00	1128.00	196.37
3/16/2014	5.58	260.00	1126.00	193.25
3/17/2014	11.16	130.00	1068.00	189.16
3/18/2014	11.16	260.00	1101.00	194.66
3/19/2014	13.96	130.00	1073.00	192.79
3/20/2014	11.16	130.00	1101.00	194.66
3/21/2014	8.37	152.00	1095.00	190.87
3/22/2014	8.37	238.00	1117.00	194.54
3/23/2014	0.00	0.00	1117.52	186.25
3/24/2014	0.00	0.00	0.00	0.00
MTD Total :	670.35	13779.00	93461.97	16247.35
MTD Avg:	8.08	166.01	1126.05	195.75
Prev Avg:	5.38	115.43	760.32	132.10
Change +/-	2.69	50.58	365.73	63.65



DAILY PRODUCTION REPORT

3/24/2014 3:55:16 PM

3/16/2014 to 3/24/2014

Area	HOBBS FMT			
Sub Area	HOBBS			
Operator Route	6010005 - ROUTE 5			
Collection Point	SKEEN CTB			
DAY	OIL (bpd)	WATER (bpd)	GAS (mscf)	BOEG
3/16/2014	0.00	0.00	0.00	0.00
3/17/2014	595.02	2025.00	0.00	595.02
3/18/2014	435.29	1419.00	0.00	435.29
3/19/2014	326.62	2157.00	0.00	326.62
3/20/2014	66.96	1986.00	0.00	66.96
3/21/2014	50.22	1900.00	0.00	50.22
3/22/2014	0.00	1646.00	0.00	0.00
3/23/2014	0.00	0.00	0.00	0.00
MTD Total :	1474.11	11133.00	0.00	1474.11
MTD Avg:	184.26	1391.63	0.00	184.26
Prev Avg:	#NUM!	#NUM!	#NUM!	#####
Change +/-	#NUM!	#NUM!	#NUM!	#####

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-41047 & 30-015-41117
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Chevron USA Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 15 Smith Rd. Midland TX 79705		7. Lease Name or Unit Agreement Name Skeen 2 26 27 State
4. Well Location B 150 feet from the North line and 1980 feet from the East line Unit Letter C : 150 feet from the North line and 1980 feet from the East line Section 2 Township 26S Range 27E NMPM County Eddy		8. Well Number #2H & #3H
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 4323
10. Pool name or Wildcat Delaware River; Bone Spring (16800)		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: Surface Commingle Skeen #2H & Skeen #3H <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CTB-694

Chevron North America respectfully requests administrative approval to surface commingle oil, gas, and water production from the Delaware River, Bone Spring Pool through Chevron's Skeen Battery. Wells producing to this battery include the Chevron Skeen 2 State 2H and the Skeen 2 State 3H (which will be horizontally drilled in fall 2013 into the Second Bone Spring sand Formation, attached map). These wells are located in section 2, T26S-R27E, Eddy County, New Mexico. APDs for each well, which includes surface plats, are included with this notification.

Subject to approval of New Mexico State Land Office prior to commencing commingling
Approval recommended 10-8-13
David K. Brooks
Examine

Spud Date: Estimated for Mid of Oct 2013

Rig Release Date: Estimated for Mid of Nov 2013

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

SIGNATURE *Cindy Herrera-Murillo* TITLE Permitting Specialist DATE 09/11/2013

Type or print name Cindy Herrera-Murillo E-mail address: Cherreramurillo@Chevron.com PHONE: 575-263-0431

For State Use Only

APPROVED BY: *Ami Bailey* TITLE Director DATE 10/8/13
 Conditions of Approval (if any):

Skeen 2 State #1H, #2H, #3H and #4H

Owner Information

Skeen 2 State #1H, #2H, #3H and #4H Commingling Permit

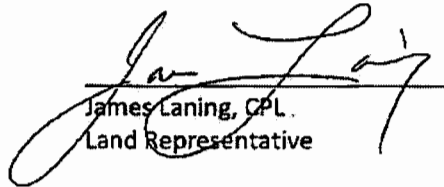
State of New Mexico Leases VB-1805 (W/2 of Section 2, T26S, R27E, Eddy Co., NM) & VB-1796 (E/2 of Section 2, T26S, R27E, Eddy Co., NM)

Section 2, T26S, R27E

Eddy County, New Mexico

<u>Interest Type</u>	<u>Name</u>	<u>ADDRESS</u>	<u>CITY</u>	<u>STATE CODE</u>	<u>ZIP CODE</u>
Working Interest	Chevron U.S.A. Inc.	PO Box 2100	Houston	TX	77252-2100
Royalty Interest	State of New Mexico	PO Box 1148	Santa Fe	NM	87504-1148

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


James Laning, CPL.
Land Representative