



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico



DEC 20 2019 PM02:59

In Reply Refer To
3180 (NM92500)
Cicada Unit NMNM 137168X

DEC 19 2019

R-14459

Chevron USA Inc.
Attn: Chris Cooper
1400 Smith Street
Houston, TX 77002

Re: Initial Wolfcamp Formation Participating Area "A"
Cicada Unit
Eddy County, New Mexico

Dear Chris Cooper:

The Initial Wolfcamp Formation Participating Area "A" is hereby approved effective for the period May 10, 2018 – September 30, 2019, pursuant to Section 11 of the Cicada Unit Agreement, Eddy County, New Mexico. This participating area has been designated NMNM 137168A.

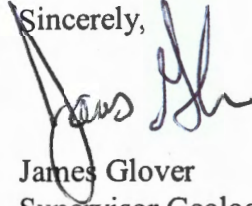
The application establishes an Initial Wolfcamp Formation Participating Area "A" of 5,760.00 acres and is based upon the completion of the unit obligation well, Cicada Unit 4H, located in the NWNE of Section 3, T. 26S, R. 27E, (SHL) and in the SWSE of Section 15, T.26S, R.27E, (BHL), Unit Tract 4, Federal lease NMNM 121473, with an initial potential of 605 BOPD and 5,850 MCFPD on May 10, 2018, from the Wolfcamp Formation.

Copies of the approved request are being distributed to the appropriate agencies and one copy of Exhibits "A" and "B" are returned herewith. Please advise all interested parties of the approval of the Initial Wolfcamp Formation Participating Area "A", **effective May 10, 2018 – September 30, 2019.**

Any production royalties that are due must be reported and paid within 30 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (30 CFR 218.54). If you need assistance or clarification, please contact the Office of Natural Resources Revenue (ONRR) at 1-800-525-9167 or 303-231-3856.

If you have any questions, please call Mustafa Haque, Petroleum Engineer, at (505) 954-2088.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Glover". The signature is stylized and written over the printed name below it.

James Glover
Supervisor Geologist

Two enclosures

1. Exhibit "A"
2. Exhibit "B"

cc:



CFO, Chris Walls w/enclosures

ONRR, leases.blm@onrr.gov w/enclosures

New Mexico State Land Office, Scott Dawson w/enclosures

New Mexico Oil Conservation Division, Phillip Goetze w/enclosures

Exhibit "A"
CICADA UNIT AREA
 Eddy County, New Mexico
 Effective
 May 10, 2018 - September 30, 2019
 Chevron U.S.A. Inc. - Operator

	Acres	Percentage
	Federal Lands 4,240	73.61%
	State Lands 1,520	26.39%
	<hr/> 5,760	<hr/> 100%

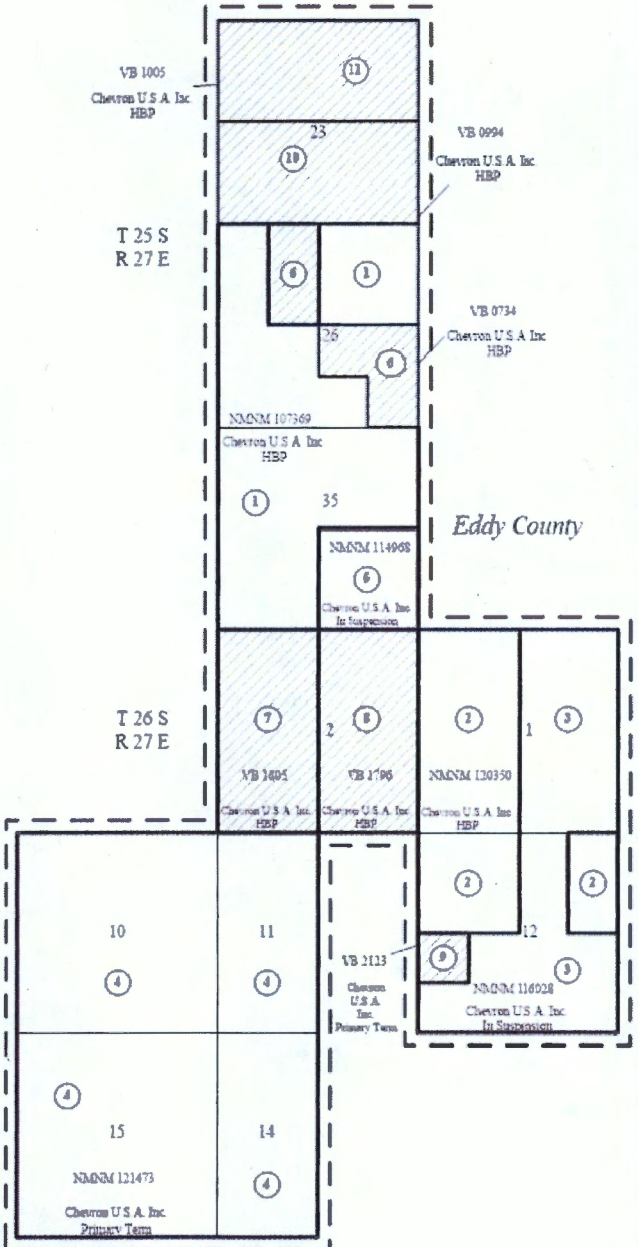
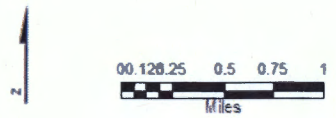


Exhibit "B"
Schedule Showing the Percentage and Ownership of Oil and Gas Interests
Ciada Unit Area
Eddy County, New Mexico
Effective

May 10, 2018 - September 30, 2019

Ownership reflected herein covers those formations lying below the stratigraphic equivalent of the top of the Wolfcamp Formation encountered at a true vertical depth of 9,092 feet down to the stratigraphic equivalent of the bottom of the Wolfcamp formation at a true vertical depth of 11,233 feet as encountered in the Hay Hollow Unit 2 well in Section 12, Township 36 South, Range 27 East, N.M.P.M., Eddy County, New Mexico (API #30-015-21549)

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
1	Federal Lands <u>T25S, R27E, N.M.P.M</u>	920	NMNM 107369 Effective December 1, 2001	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc.	100%	None Chevron U.S.A. Inc. 1
	Section 26: NE/4, SW/4SE/4, W/2NW/4, SW/4						
	Section 35: N/2, SW/4		HBP				
2	Federal Lands <u>T26S, R27E, N.M.P.M</u>	560	NMNM 120350 Effective August 1, 2008	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc.	100%	None Chevron U.S.A. Inc. 1
	Section 1: W/2						
	Section 12: E/2NE/4, NW/4		HBP				
3	Federal Lands <u>T26S, R27E, N.M.P.M</u>	680	NMNM 116028 Effective July 1, 2006 In Suspension	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc.	100%	None Chevron U.S.A. Inc. 1
	Section 1: E/2						
	Section 12: W/2NE/4, SE/4, NE/4SW/4, S/2SW/4						

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
4	Federal Lands <u>T26S, R27E, N.M.P.M</u>	1920	NMNM 121473 Effective January 1, 2009	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc. 100%	None	Chevron U.S.A. Inc. 1
	Section 10: All						
	Section 11: W/2						
	Section 14: W/2		Primary Term				
	Section 15: All						
5	Federal Lands <u>T25S, R27E, N.M.P.M</u>	160	NMNM 114968 Effective November 20, 2005	12.5% Royalty U.S.A. - All	Mewbourne Oil Co. Oxy Y-1 Company 33.34%	Oxy Y-1 Company EOG A Resources, Inc. EOG M Resources, Inc.	4.1675% Chevron U.S.A. Inc. 1 1.6665% 1.6665%
	Section 35: SE/4						
	In Suspension						

5 FEDERAL TRACTS TOTALING 4,240 ACRES OR 73.61% OF THE UNIT AREA

6	State Lands <u>T25S, R27E, N.M.P.M</u>	200	VB-0734 Effective August 1, 2005	18.75% Royalty State of New Mexico - All	Chevron U.S.A. Inc. 100%	None	Chevron U.S.A. Inc. 1
	Section 26: E/2NW/4, E/2SE/4, NW/4SE/4						
	HBP						

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
7	State Lands <u>T26S, R27E, N.M.P.M</u>	320	VB-1805 Effective February 1, 2010	18.75% Royalty State of New Mexico - All	Chevron U.S.A. Inc. 100%	None	Chevron U.S.A. Inc. 1
	Section 2: W/2						
			HBP				
8	State Lands <u>T26S, R27E, N.M.P.M</u>	320	VB-1796 Effective February 1, 2010	18.75% Royalty State of New Mexico - All	Chevron U.S.A. Inc. 100%	None	Chevron U.S.A. Inc. 1
	Section 2: E/2						
			HBP				
9	State Lands <u>T26S, R27E, N.M.P.M</u>	40	VB-2123 Effective January 1, 2012	18.75% Royalty State of New Mexico - All	Chevron U.S.A. Inc. 100%	None	Chevron U.S.A. Inc. 1
	Section 12: NW/4SW/4						
			Primary Term				

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE	
10	<u>State Lands</u> <u>T25S, R27E, N.M.P.M</u>	320	VB-0994 Effective September 1, 2006	18.75% Royalty State of New Mexico - All	Chevron U.S.A. Inc. 100%	Chevron U.S.A. Inc.	6.2500% Chevron Midcontinent, L.P.	65 34
	Section 23: S/2							
			HBP					
11	<u>State Lands</u> <u>T25S, R27E, N.M.P.M</u>	320	VB-1005 Effective September 1, 2006	18.75% Royalty State of New Mexico - All	Chevron U.S.A. Inc. 100%	Chevron U.S.A. Inc.	6.2500% Chevron Midcontinent, L.P.	65 34
	Section 23: N/2							
			HBP					
6 STATE TRACTS TOTALING 1,520 ACRES OR 26.39% OF THE UNIT AREA								

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11 TRACTS TOTALING 5,760 ACRES IN THE UNIT AREA

RECAPITULATION

Tract No.	No. Acres Committed	Percentage of Interest in Unit Area
1	920	15.972222%
2	560	9.722222%
3	680	11.805559%
4	1920	33.333339%
5	160	2.77778%
6	200	3.472222%
7	320	5.55556%
8	320	5.55556%
9	40	0.694444%
10	320	5.55556%
11	320	5.55556%
TOTAL	5,760	100.000000%

End of Exhibit "B"