

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

HOBBS OCD

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS** APR 16 2014  
*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.**

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. J KEATS 1 24 32 40H
2. Name of Operator CHEVRON MIDCONTINENT LP		9. API Well No. 30-025-41582-00-X1
Contact: CINDY H MURILLO E-Mail: CHERRERAMURILLO@CHEVRON.COM		
3a. Address 15 SMITH ROAD MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0431	10. Field and Pool, or Exploratory TRIPLE X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T24S R32E SESE 330FSL 400FEL 32.240246 N Lat, 103.620599 W Lon		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 recomplete 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.

Approved For 90 days  
7-1-14

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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 AFMSS for processing by DEBORAH HAM on 03/28/2014 (14DMH0180SE)</b>	
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 03/28/2014

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK	Title EPS	Date 04/01/2014
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.

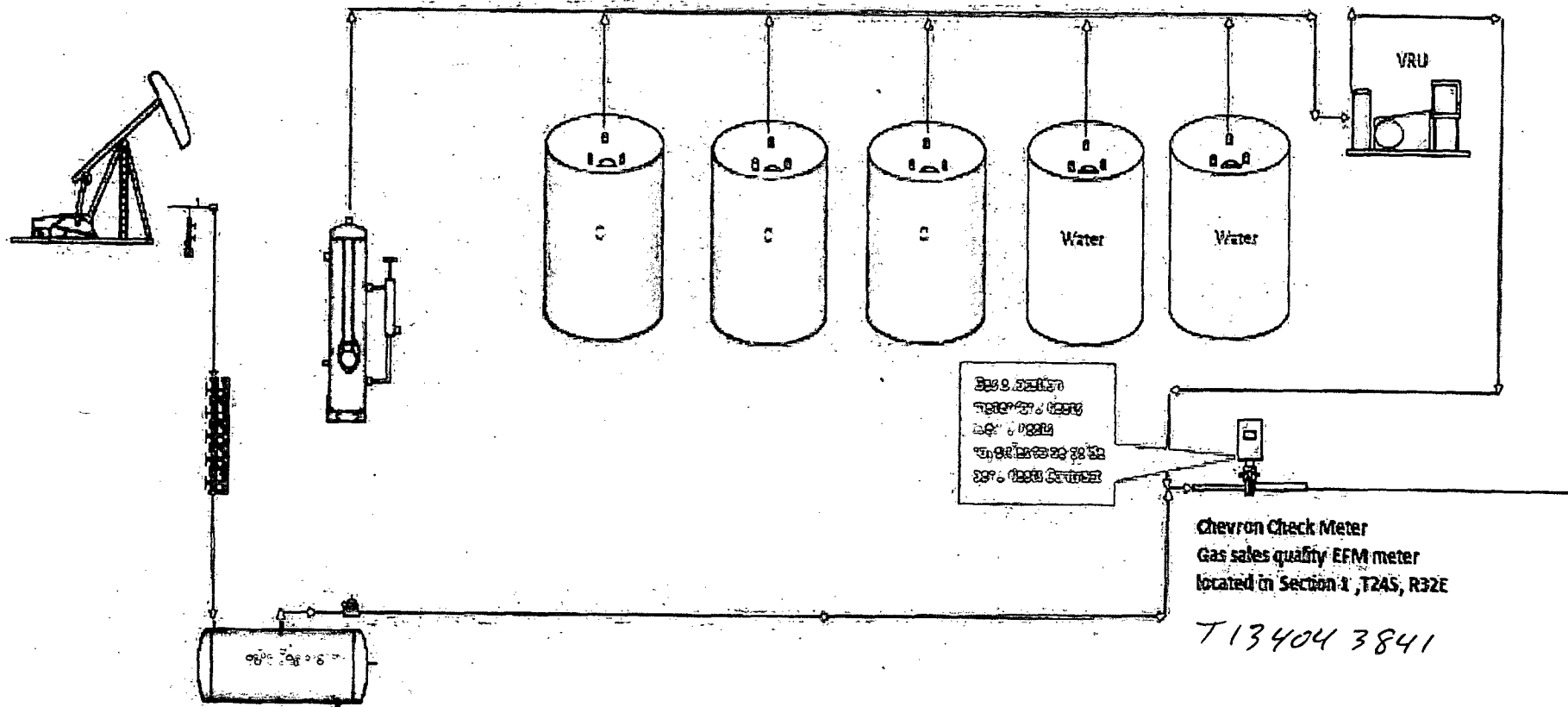
\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

APR 23 2014

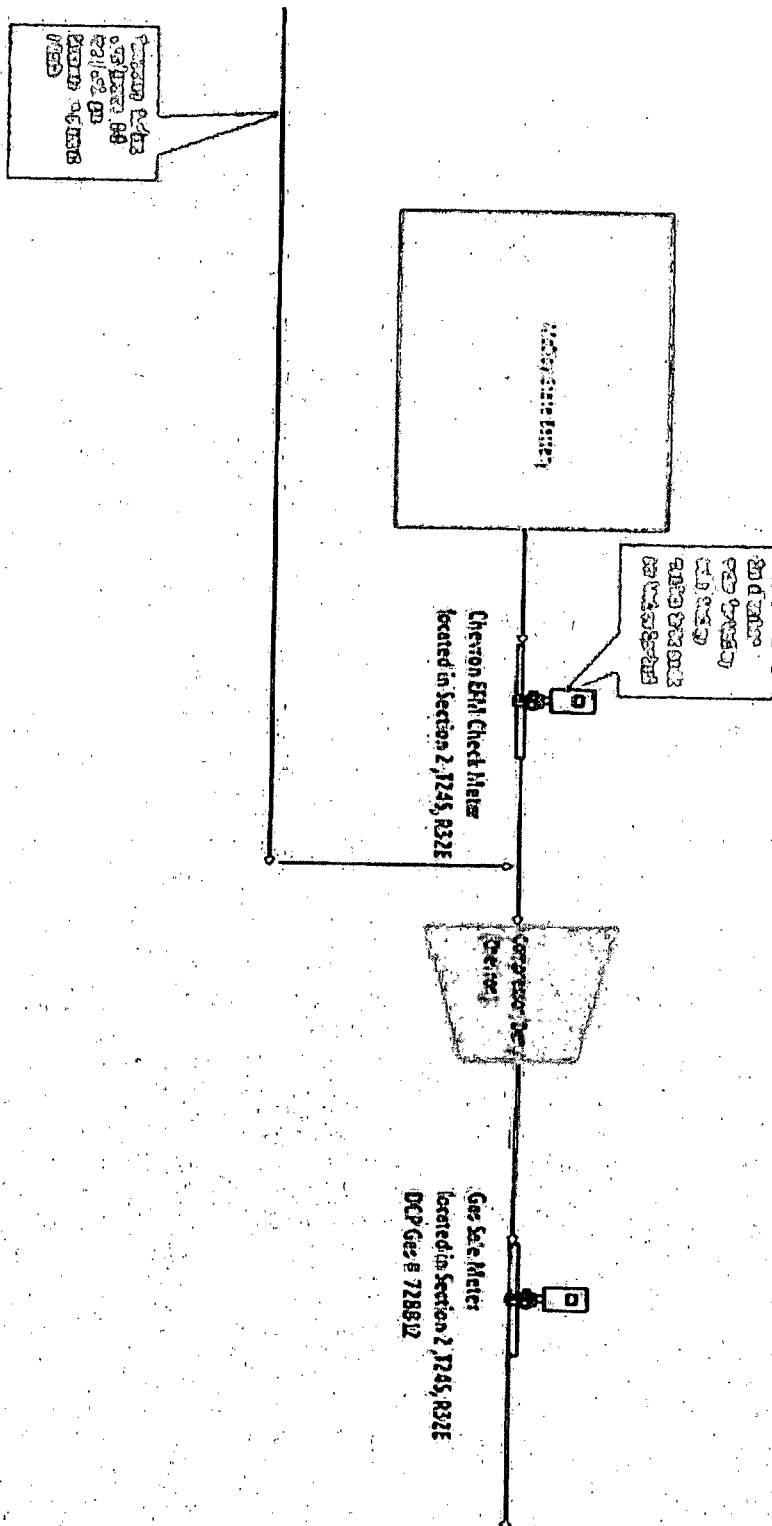
## Revisions to Operator-Submitted EC Data for Sundry Notice #240345

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	SURCOM NOI	SURCOM NOI
Lease:	NMNM111964	NMNM111964
Agreement:		
Operator:	CHEVRON USA INC 15 SMITH RD MIDLAND, TX 79705 Ph: 575-263-0431	CHEVRON MIDCONTINENT LP 15 SMITH ROAD MIDLAND, TX 79705 Ph: 432.687.7375
Admin Contact:	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM  Ph: 575-263-0431 Fx: 575-263-0431	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM  Ph: 575-263-0431 Fx: 575-263-0431
Tech Contact:	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM  Ph: 575-263-0431 Fx: 575-263-0431	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM  Ph: 575-263-0431 Fx: 575-263-0431
Location:		
State:	NM	NM
County:	LEA	LEA
Field/Pool:	TRIPLE X;BONE SPRING	TRIPLE X
Well/Facility:	J KEATS 40H Sec 1 T24S R32E Mer NMP 330FSL 400FEL	J KEATS 1 24 32 40H Sec 1 T24S R32E SESE 330FSL 400FEL 32.240246 N Lat, 103.620599 W Lon

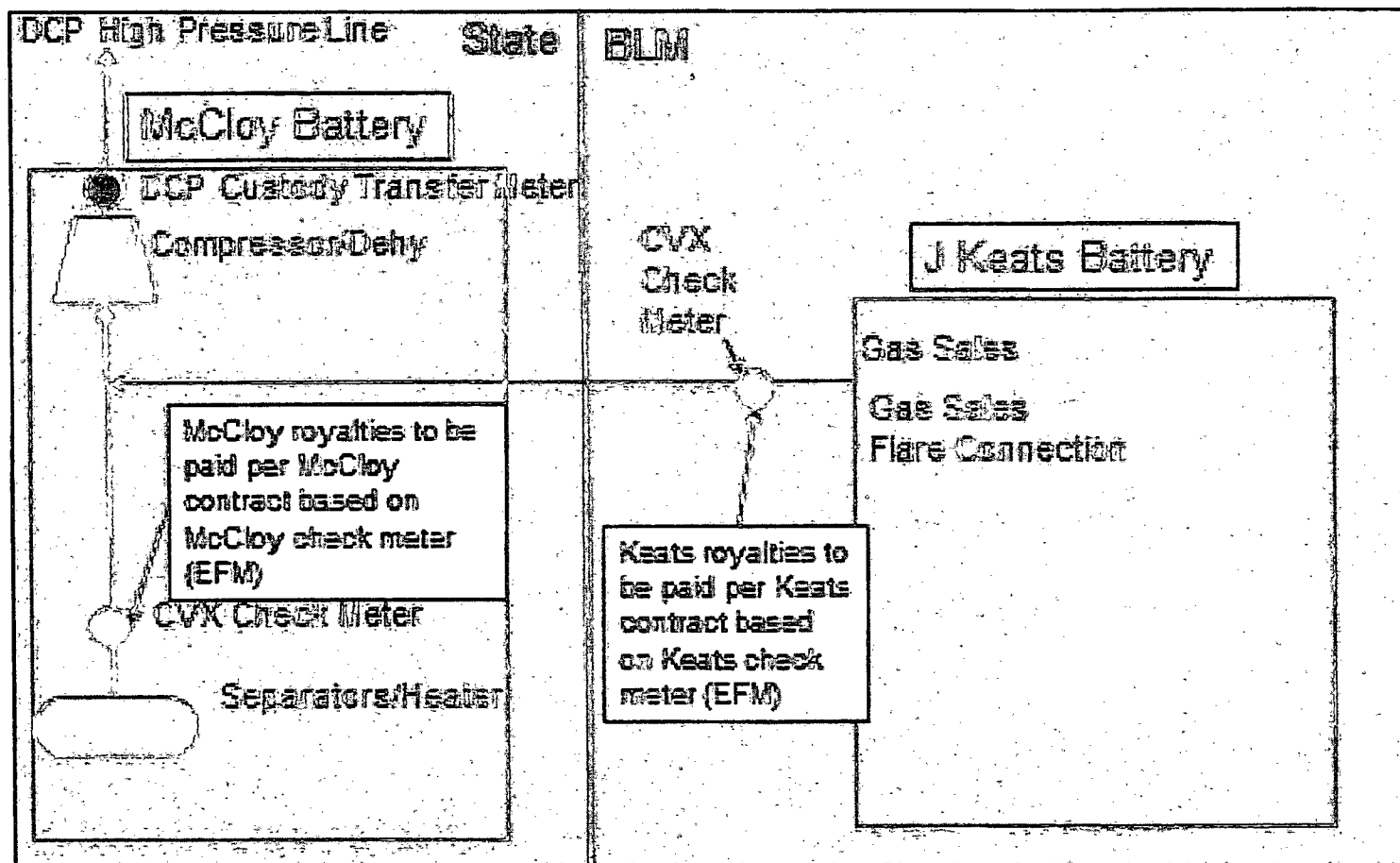
Keats Federal Tank Battery  
Sec 1, T24S, R32E

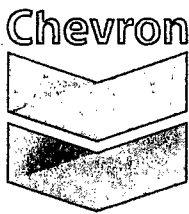


**Middle State Tank Battery Ped**  
**Sec 2, 1245, R32E**



# Temporary J Keats Gas Takeaway Initial Configuration - Est 2-3 mo duration





**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 cursive script that reads "Cindy Herrera-Murillo".

Cindy Herrera-Murillo  
Permitting Specialist

Chevron



Drilling Engineer: Kyle Johnson

Superintendent: Dan Jovanovic

Geologist: Ryan Jensen

Well Name: J Keats 1-24-32 40H  
 Target: Second Bone Springs Sand  
 County, State: Lea, NM

Surface Location: 330' FSL 400' FEL, Section 1, Township 24 S, Range 32 E

BH Location: 330' FNL 340' FWL, Section 1, Township 24 S, Range 32 E

SHL Latitude: 32.240246  
 SHL Longitude: -103.620599  
 BHL Latitude: N/A  
 BHL Longitude: N/A  
 Coordinates: NAD 27

SHL North: 451851  
 SHL East: 720368  
 BHL North: 456472  
 BHL East: 720402  
 Coordinates: NMSPC

Drilling Rig: Ensign 153

Directional: Phoenix

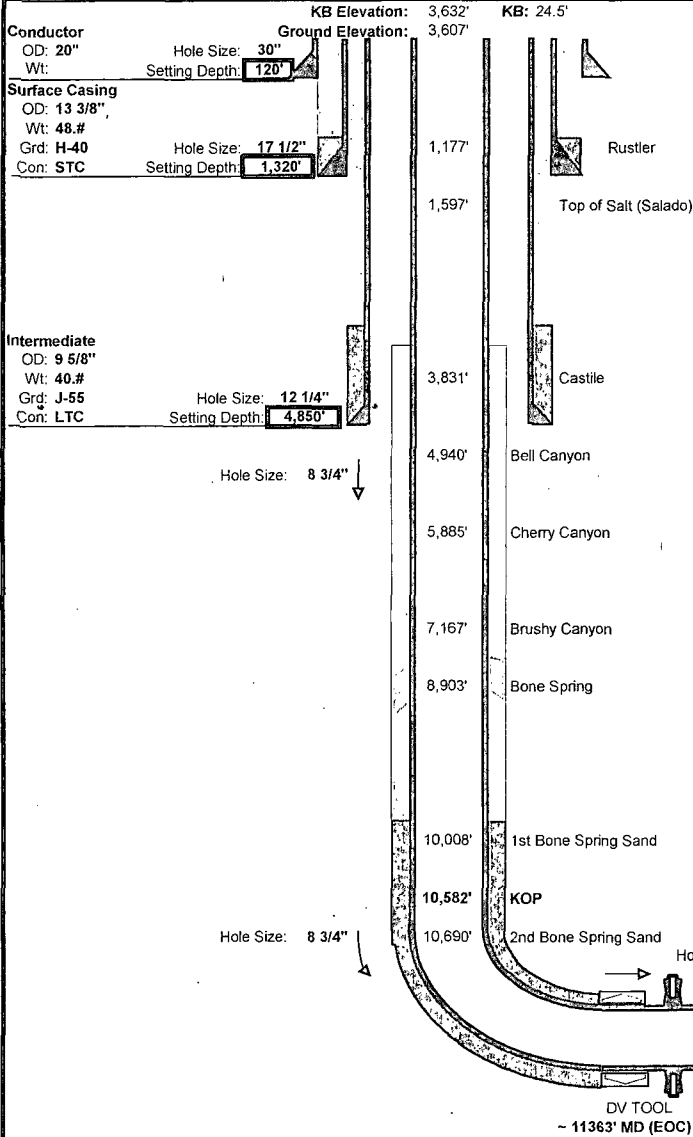
Drilling Mud: Nova

Cement: Halliburton

Wellhead: GE/Vetco

Property Number: N/A

WBS Number: Not Yet Issued



Wellhead Equipment	
13-3/8"	13-3/8" 5M SH-2 Multibowl
9-5/8"	No Additional Head Necessary
5-1/2"	11" 5M x 7-1/16" 10M Tubing Head
N/A	N/A
Required BOP Stack	13-5/8" 5K- Double, Annular, Rot Head w/orbit valve

Mud				
Depth	Type	Weight	F. Vis	FL
0' - 1,320'	Spud Mud	8.3 - 8.7	32 - 34	NC - NC
1,320' - 4,850'	Brine	9.5 - 10.1	28 - 29	NC - NC
4,850' - 10,582'	FW/Cut Brine	8.3 - 9.5	28 - 29	NC - NC
10,582' - 11,363'	Cut Brine	8.3 - 9.5	28 - 30	15 - 25
11,363' - 15,475'	FW/Cut Brine	8.3 - 9.5	28 - 29	15 - 25

Cement							
Slurry	Top	Btm	Wt	Yld	%Exc	Bbl	Sx
Surface							
Lead	0'	1,020'	13.5	1.75	250	412	1322
Tail	1,020'	1,320'	14.8	1.36	250	144	595
Intermediate							
Lead	0'	4,250'	12.9	1.87	250	661	1983
Tail	4,250'	4,850'	14.8	1.33	250	124	523
Production							
Lead	4,350'	10,082'	12.5	1.8	75.0	435.1	1350
Tail	10,082'	11,363'	15.6	1.2	75.0	101.9	481

Type	Logs	Interval	Vendor
Mudlogs	2 man mudlog	Int Csg to TD	Selman
LWD	MWD Gamma	Int Csg to TD	Phoenix
Wireline	Triple Combo	KOP to Surface	Baker

Directional Plan						
Target Line:	11063' KBTVD @ 0°VS with a 90.4 deg inc					
Target Window:	20' above, 20' below, 50' left, 50' right					
KOP	MD	INC	AZM	TVD	VS	DLS
EOB	10,582'	0.00	0.00	10,582'	0'	0.00
TD	11,363'	90.40	0.41	11,060'	481'	12.00
	15,475'	90.40	0.41	11,031'	4,620'	0.00
Hardlines:	Lateral- 330' from parallel lease lines. Vertical- Actual Lease Lines					
Notes:	Please note SHL and BHL distance from lease lines					