

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.5. Lease Serial No.
NMNM56263

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM1170358. Well Name and No.
CODORNIZ 28 FEDERAL 29. API Well No.
30-025-36196-00-S110. Field and Pool or Exploratory Area
QUAIL RIDGE11. County or Parish, State
LEA COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

CHEVRON USA INCORPORATED

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: 575-263-0445

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 28 T19S R34E NWSW 1980FSL 660FWL

12. CHECK THE 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"/> Hydraulic Fracturing	<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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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. RESPECTFULLY REQUEST ADMINISTRATIVE APPROVAL TO SURFACE COMMINGLE OIL, GAS AND WATER PRODUCTION FROM THE QUAIL RIDGE MORROW GAS POOL THROUGH CHEVRON'S CODORNIZ 28 FEDERAL 3 CENTRAL TANK BATTERY. CHEVRON REQUESTS THE APPROVAL TO MINIMIZE SURFACE DISTURBANCE AND FUTURE TRAFFIC BY CONCENTRATING ACTIVITIES AT ONE BATTERY. WELLS PRODUCING TO THIS BATTERY INCLUDE THE CODORNIZ 28 FEDERAL #2 AND CODORNIZ 28 FEDERAL #3. THESE WELLS ARE LOCATED IN SECTION 28, T19S, R34E IN LEA COUNTY, NEW MEXICO. API'S INCLUDED:

CODORNIZ 28 FEDERAL #2 API# 30-025-36196 LEASE# NMNM56263
CODORNIZ 28 FEDEARL #3 API# 30-025-37523 LEASE# NMNM56263

THE OWNERSHIP IS IDENTICAL.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #364983 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 02/03/2017 (17PP0143SE)

Name (Printed/Typed) CINDY H MURILLO

Title PERMITTING SPECIALIST

Signature (Electronic Submission)

Date 01/26/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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 CFO

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)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #364983 that would not fit on the form

32. Additional remarks, continued

THERE ARE TWO OIL TANKS AT THE CTB THAT THE WELLS WILL UTILIZE THE TOTAL OIL WILL BE MEASURED BY HAVING QUALIFIED FIELD PERSONNEL GAUGE THE TANKS. THE CTB IS LOCATED IN THE SWSE OF SECTION 28 T18S AND R34E ON FEDERAL LEASE NMNM57285. FOR GAS THERE IS A CENTRAL DELIVERY POINT(CDP) GAS SALES METER., THE PRODUCED WATER WILL GO TO ONE COMMON WATER TANK ON LOCATION.

PLEASE FIND ATTACHED SURFACE COMMINGLE APPLICATION FOR THE ABOVE WELLS AND FACILITY DIAGRAMS AND MAPS.

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

Proposal for commingling all oil, water, and gas for the Codorniz wells. Proposal to commingle the oil, water, and some entrained gas for the CORDORNIZ 28 FED #2 AND CODORNIZ 28 FED #3

Proposal for Codorniz Central Tank Battery
Chevron USA Inc. is requesting approval for the Commingling of oil and gas.

Codorniz Central Tank Battery							
Well Names	Locations	API Numbers	Pool	Oil BOPD	Oil Gravity	Gas MCFPD	Gas BTU
Codorniz 28 Fed #2	28-19S-34E	30-025-36196	Quail Ridge; Delaware	60	40	200	0
Codorniz 28 Fed #3	28-19S-34E	30-025-37523	Quail Ridge; Morrow (Gas)	0	0	11	1156

Oil & Gas metering:

The Codorniz 28 Federal 3 Battery (CTB) is located at the Codorniz 28 Federal #3. The production from the Codorniz 28 Federal #3 will go into a 2 phase production separator and then one to a common heater treater shared by both wells. The Codorniz 28 Federal #2 will go into the heater treater. Each well will be tested once per month to quantify oil, water and gas by shutting in the well not being tested and metering the tested well via turbine meters installed on the heater treater and the gas allocation meter. There are two oil tanks at the centralized tank battery that the wells will utilize and total oil will be measured by having qualified field personnel gauge the tanks. The CTB is located in the SWSE of Section 28, Township 19S, Range 34E. on Federal Lease NMNM57285. For gas there is a central delivery point (CDP) gas sales meter. The produced water will go to one common water tank on location.

Each well will be tested monthly through a three-phase test heater treater located at the Codorniz 28 Federal 3 CTB. Oil and water are measured by a turbine meters on the oil and water outlets and gas is measured by an orifice meter on the gas outlet.

Production will be allocated to each well by monthly well tests. A 24 hour test will be performed monthly on each well. Each wells share of the central tank battery's total production will be calculated based on the results of each monthly well test. This ratio will be applied to the total oil production metered by tank gauging. This method will also be applied to the total gas production metered by the Targa Sales meter.

These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed process flow diagram and facility diagram maps which show the lease boundaries, well locations, flow line location, CTB, and gas sales meter. The commingling of this production is the most effective economical means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce footprint, reduce traffic, and lower overall emissions.

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 &3

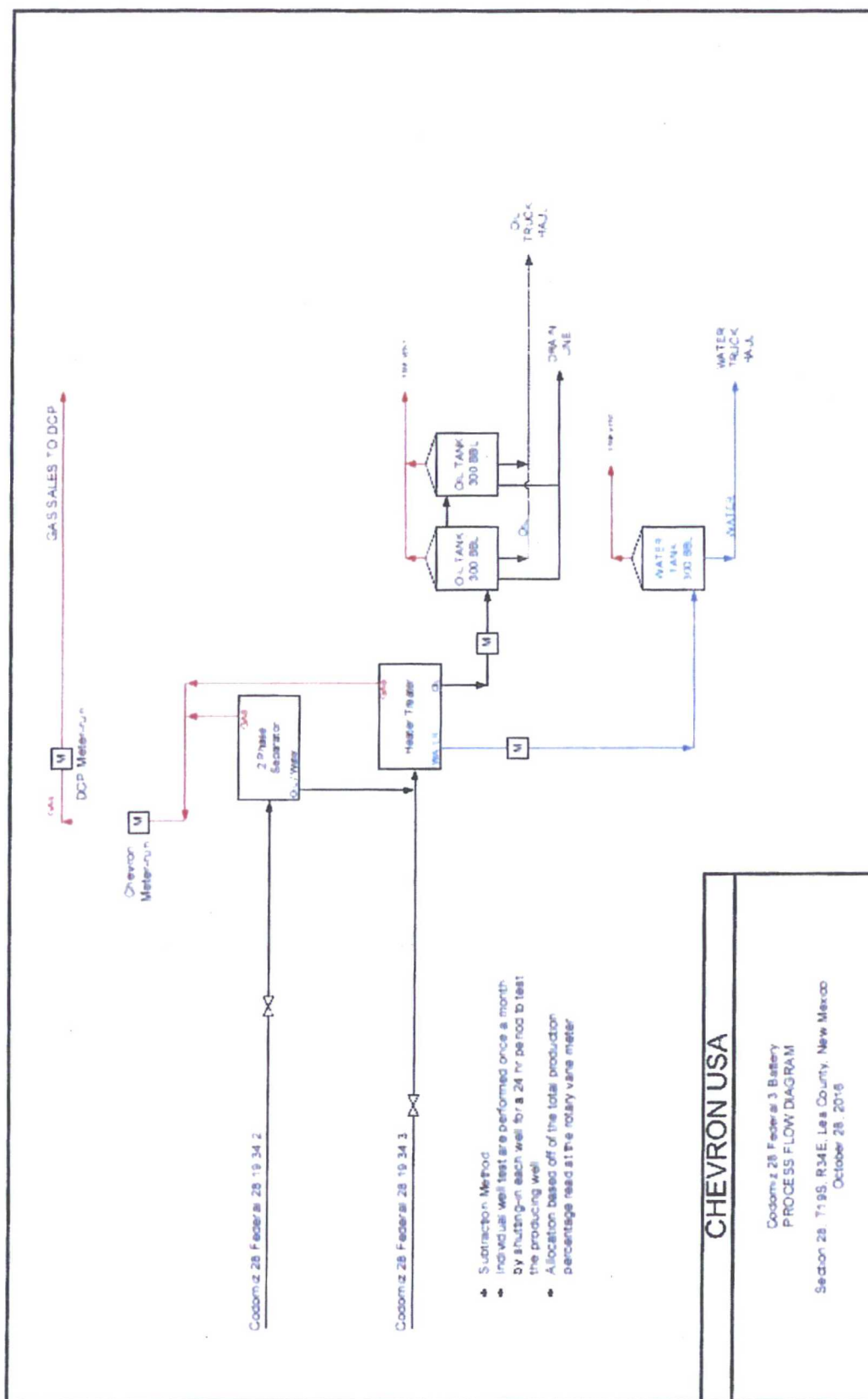
Chevron U.S.A. Inc. understands that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

All royalty and overriding interest owners will be notified, Chevron is the only working interest owner.

Printed Name: Cameron Khalili

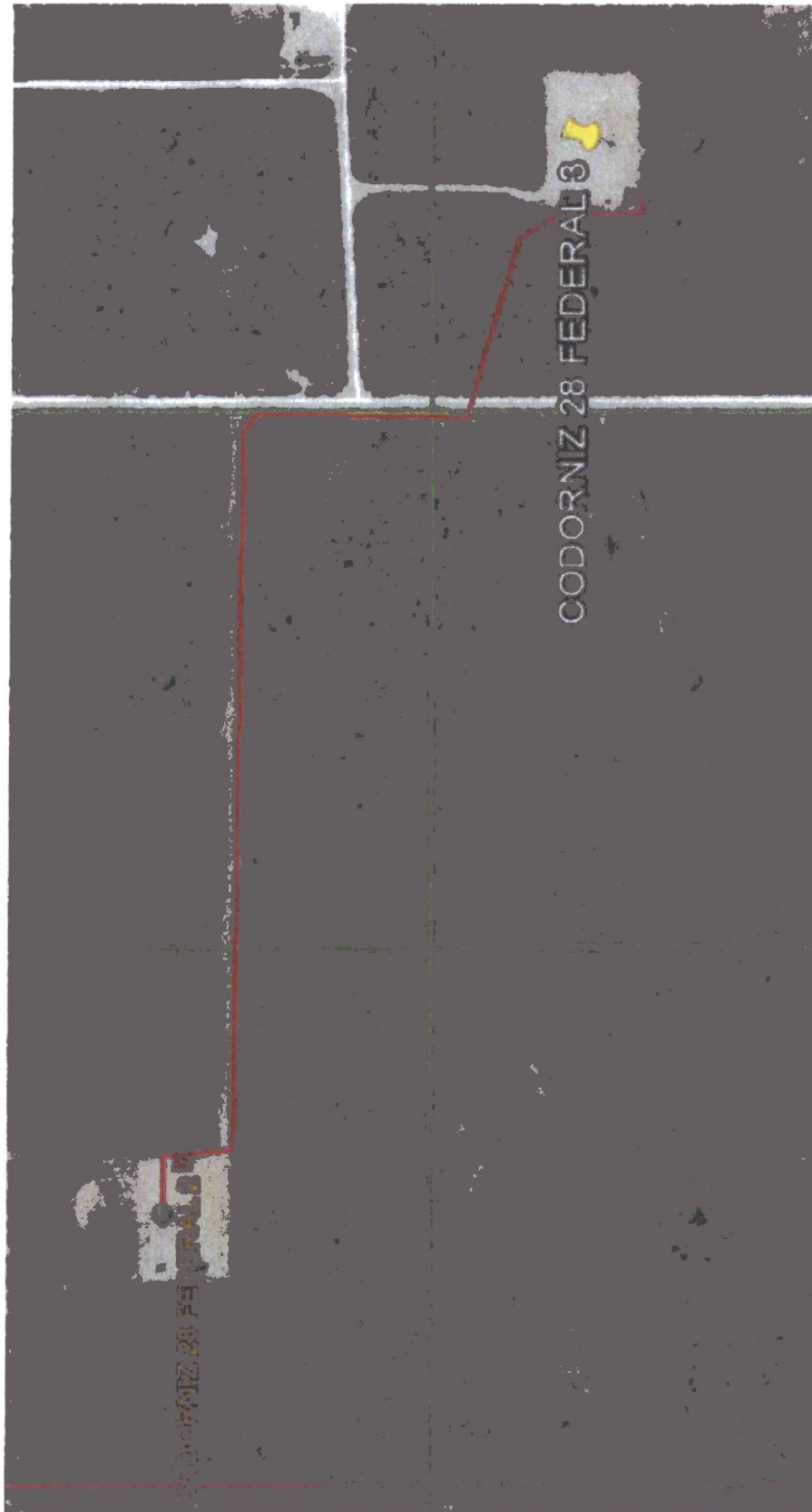
Title: Engineer

Date: 12/14/2016

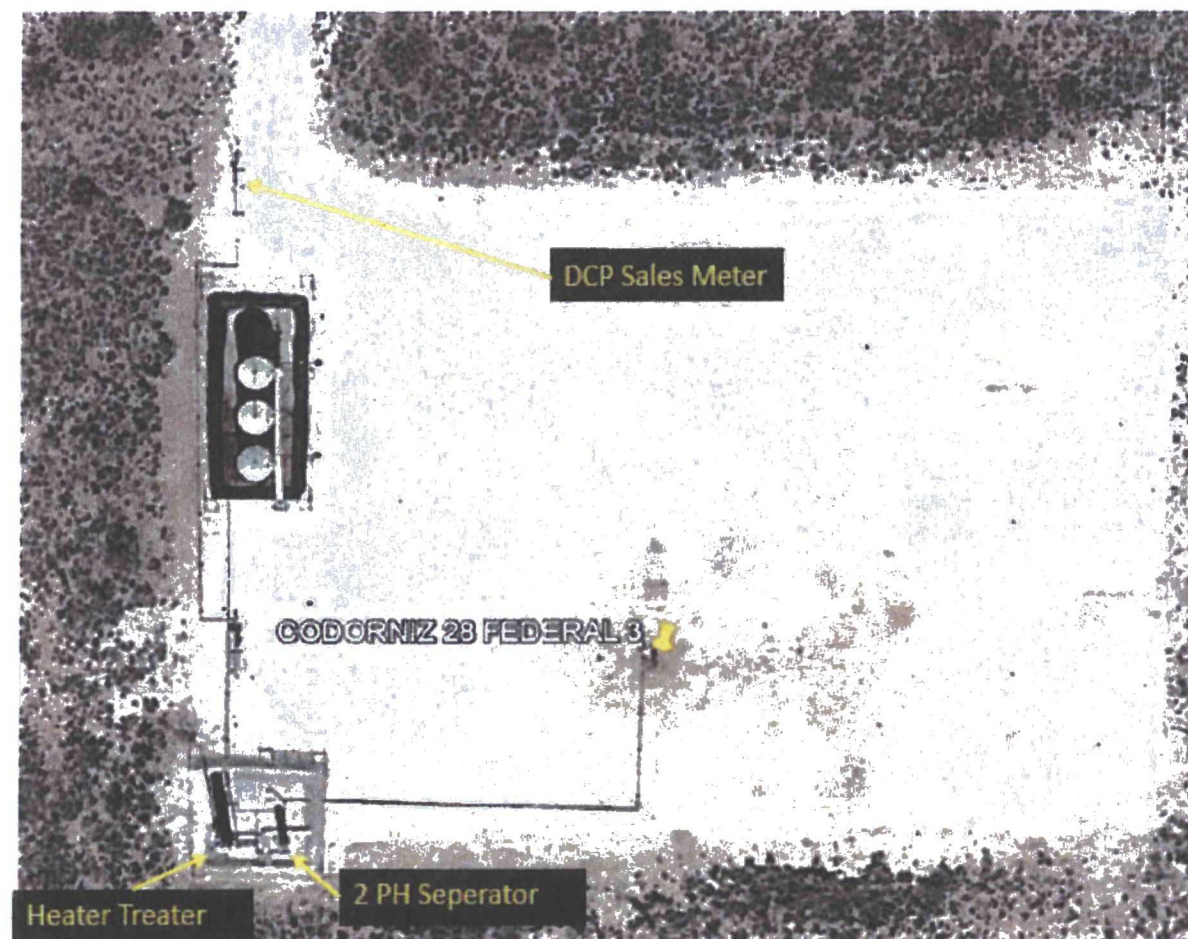


- Subtraction Method
- Individual well test are performed once a month by shutting-in each well for a 24 hr period to test the producing well
- Allocation based off of the total production percentage read at the rotary valve meter

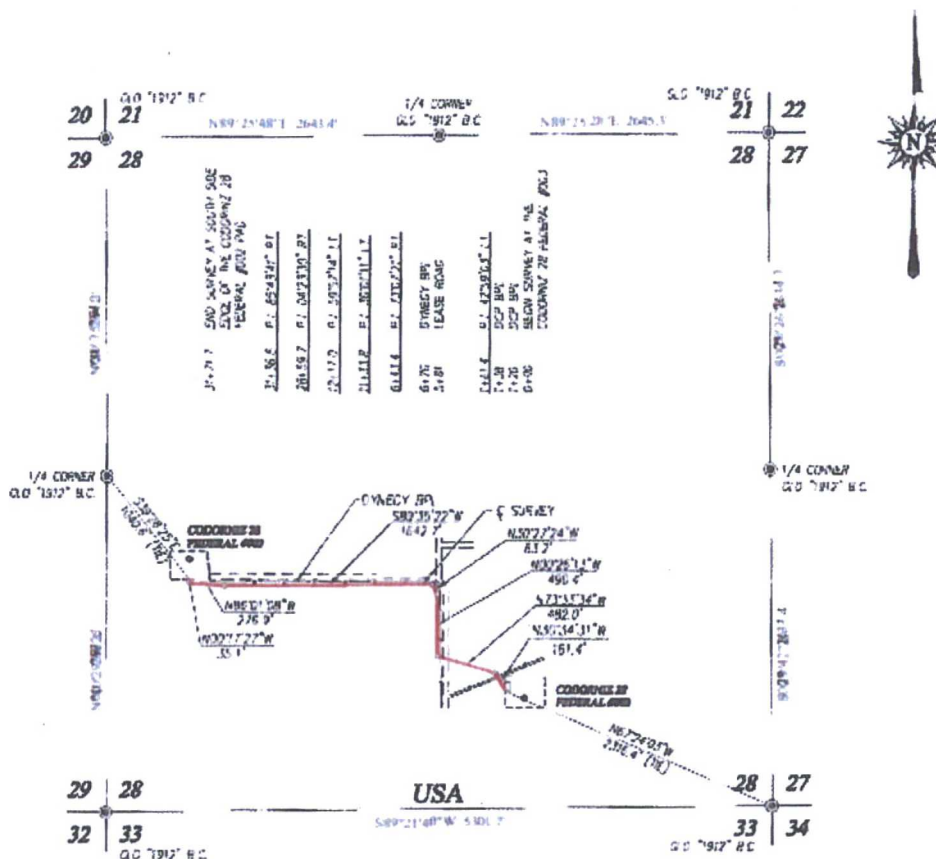
APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 &3



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
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APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 & 3



DESCRIPTION

SURVEY OF A STRIP OF LAND 50.0 FEET WIDE AND 3171.7 FEET OR 0.601 MILES IN LENGTH CROSSING
USA LAND IN SECTION 28, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO
AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

NOTE

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO
THE NEW MEXICO COORDINATE SYSTEM, "EAST ZONE",
NORTH AMERICAN DATUM 1983.

I, RONALD J. EDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 3239,
DO HEREBY CERTIFY THAT THIS SURVEY PLAN AND THE ACTUAL SURVEY
ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR
UNDER MY DIRECT SUPERVISION AND THAT I AM RESPONSIBLE FOR THIS
SURVEY. THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR
SURVEYING IN NEW MEXICO; AND THAT I AM NOT PROVIDING AND CORRECT TO
THE REST OF MY KNOWLEDGE AND BELIEFS.

RONALD J. EDSON *Ronald J. Edson*

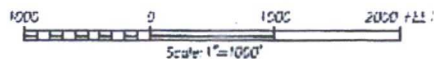
DATE: 3/08/2016



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
432 N. DAL PASO, MOORE, N.M. 88400
(575) 333-3117 www.jwsurvey.com
TYPED 100221000

LEGEND

⊙ DENOTES FOUND CORNER AS NOTED



CHEVRON USA INC

**SURVEY FOR A PIPELINE EASEMENT
TO THE CODORNIZ 28 FEDERAL #002
CROSSING SECTION 28,
TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO**

Survey Date: 2/27/16 CAD Date: 3/2/16 Drawn By: ACK
A.C. No.: 16110201 Rev. Rel. A.C. 15110961 Sheet 1 of 1

Economic Justification Work Sheet
CODORNIZ Central Tank Battery

Unit	Royalty Rate	Federal Tract Percentage of Total Unit Area	BOPD	Oil Gravity	Value / BBL	MCFPD	DRY BTU	Value / MCF
Codorniz 28 Fed #2	12.5%	0%	60	40	37.93	200	1156	1.67
Codorniz 28 Fed #3	12.5%	0%	0	NA	NA	11	1156	1.67

Economic combined gas production	BOPD	Oil Gravity	Value / BBL	MCFPD	DRY BTU	Value / MCF
	60	40	37.93	211	1156	1.67

Printed Name: Cameron Khalili
 Title: Reservoir Engineer
 Date: 12/14/2016

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 &3



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production
Company
1616 W. Bender Blvd Room 134
Hobbs FMT, Hobbs, NM 88240
Tel: 575-263-0431
Fax: 575-263-0445
cherreramurillo@chevron.com

January 09, 2017

Re: Application for Surface Commingling
Chevron's Codorniz Central Tank Battery
Section 28, T19S, R34E.
Lea County, New Mexico

Dennis Eimers
PO Box 50637
Midland, TX 79710

Override Royalty Interest Owner,

Chevron U.S.A. Inc. respectfully gives notice of intent to surface commingle oil, gas and water production from the Quail Ridge Morrow (Gas) Pool through Chevron's Codorniz Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. Wells producing to this battery include the Codorniz 28 Federal #2 and Codorniz 28 Federal #3 located in Section 28, T 19S, R-34E, NMPM, Lea County

The working interest and federal royalty rate are the same for all leases involved in this request (97.5% Chevron). Each well will be tested monthly through a three-phase test heater treater located at the Codorniz 28 Federal Central Tank Battery. Oil and water are measured by a turbine meter on the oil and water outlets and gas is measured by an orifice meter on the gas outlet. Production will be allocated to each well by monthly well tests. A 24 hour test will be performed monthly on each well. Each well share the CTB's total production. The total production will be calculated based on the results of each monthly well test. This ratio will be applied to the total oil production metered by tank gauging. This method will also be applied to the total gas production metered by the DCP sales meter.

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.

Sincerely,

Cindy Herrera Murillo

Cindy Herrera Murillo
Regulatory Specialist

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
 - Print your name and address on the reverse so that we can return the card to you.
 - Attach this card to the back of the mailpiece or on the front if space permits.
- Article Addressed to

Dennis Eimers
PO Box 50637
Midland, TX 79710



9590 9401 0006 5168 5754 17

2. Article Number (Affix only from outside label)

7011 0110 0002 0274 7921

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☐ Agent ☐ Addressee
- B. Received by (Printed Name) *Dennis Eimers* C. Date of Delivery *1/11/17*
- D. Is delivery address different from item 1? ☐ Yes ☐ No
- If YES, enter delivery address below

Dennis Eimers
1/11

3. Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☐ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Insured Mail®
 - ☐ Insured Mail Restricted Delivery
 - ☐ Registered Mail®
 - ☐ Registered Mail Restricted Delivery
 - ☐ Return Receipt for Merchandise
 - ☐ Signature Confirmation®
 - ☐ Signature Confirmation Restricted Delivery
 - ☐ Signature Confirmation Restricted Delivery



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 134
Hobbs FMT, Hobbs, NM 88240
Tel 575-263-0431
Cherreramurillo@chevron.com

January 19, 2017

Oil Conservation Division
Attn: Engineering Department
1220 St. Francis Drive
Santa Fe, NM87505

Application for surface commingle, Quail Ridge:Morrow Gas Lea County, NM (T19S, R34E, Section 28)

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas and water production from the Quail Ridge Morrow Gas Pool through Chevron's Cordorniz 28 Federal 3 Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. Wells producing to this battery include the Codorniz 28 Federal #2 and Codorniz 28 Federal #3. These wells are located in Section 28, T 19S, R 34E in Lea County, New Mexico.

The working interest and federal royalty rate are the same for all leases involved in this request (100% Chevron,). These wells were completed in the 2003 & 2005. Each well will be tested monthly through a turbine meters installed on the heater treater and the gas allocation meter. There are two oil tanks at the CTB that the wells utilize and total oil will be measured by having a qualified field personnel gauge. Each well will be tested monthly through a three phase heater treater located at the Codorniz 28 Federal CTB. Oil and water are measured by a turbine meter on the oil and water outlets and gas is measured by an orifice meter on the gas outlet.

Sincerely,

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

Cindy Herrera-Murillo
Permitting Specialist

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 &3

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA INC .CODORNIZ 28 FED 2 & 3

CODORNIZ CENTRAL TANK BATTERY

Owner Information

Section 28, T19S, R34E, NMMP, Lea County, New Mexico

Lease	Interest Type	Interest %	Name	Address	City	State	Zip Code
USA NMNM 57285 LSE	WI	97.5	CHEVRON USA INC	PO Box 4791	Houston	TX	77210 4791
USA NMNM 57285 LSE	WI	2.5%	TLW INVESTMENTS LLC	PO BOX 301535	Dallas	TX	75303-1535
USA NMNM 57285 LSE	RI	14.583334%	OFFICE OF NATURAL RESOURCES REVENUE	PO BOX 25627	Denver	CO	80225-0627
USA NMNM 57285 LSE	OR	0.75%	WAYNE NEWKUMET	P O BOX 11330	Midland	TX	79102
USA NMNM 57285 LSE	OR	0.785%	STEVEN N. GARRITY	4821 EASTMAN DRIVE	Oklahoma City	OK	73122
USA NMNM 57285 LSE	OR	0.11718%	SHOGOIL AND GAS CO LLC	PO BOX 209	Hay Springs	NE	69347
USA NMNM 57285 LSE	OR	0.117189%	SHOGOIL AND GAS CO II LLC	PO BOX 29450	Santa Fe	NM	87592-9450
USA NMNM 57285 LSE	OR	0.234374%	BALOG FAMILY TRUST	PO BOX 111890	Anchorage	AK	99511-1890
USA NMNM 57285 LSE	OR	0.234374%	JACK V WALKER REV TRUST	PO BOX 102256	Anchorage	AK	99510-2256
USA NMNM 57285 LSE	OR	0.937501%	JAMES & CELIA STIVASON FAM TR	9500 HARRITT RD SP 97	Lakeside	CA	92040

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 & 3

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA INC .CODORNIZ 28 FED 2 & 3

USA NMNM 57285 LSE	OR	0.75%	DENNIS EIMERS	PO BOX 50537	Midland	TX	79710
USA NMNM 57285 LSE	OR	0.75%	JERRY BARNES	1657 LIV 510	Chillicothe	MO	64601
USA NMNM 57285 LSE	OR	0.234373%	MARGARETE PETERSON	4817 NEW CASTLE WAY	Anchorage	AK	99503-7042
USA NMNM 57285 LSE	OR	0.5%	ATLAS INVESTMENT CORP	ADDRESS UNKNOWN	Harrisburg	PA	17120

I have verified that this information is correct


Jimmy Smith

Land Representative

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 &3

CERTIFIED MAILING 1151

Wells and Leases: Codorniz Central Tank Battery (Section 28 195, RJ4L NMNM57245)

<u>Respondant Name/Address:</u>	<u>Certified Receipt #</u>
TLW Investments LLC P O Box 301535 Dallas, TX 75303-1535	7011 0110 0002 0279 8096
Office of Natural Resources P O Box 25627 Denver, CO 802254-0627	7011 0110 0002 0279 8072
State of New Mexico Land Office P.O. Box 1148 Santa Fe, NM 87504	7010 2780 003 4019 3744
Wayne Newkumet PO Box 11330 Midland, TX 79702	7011 0110 0002 0279 8089
Steven N. Garrity 4821 Eastman Drive Oklahoma City, OK 73122	7011 0110 0002 0279 7860
Shogoli and Gas Co LLC P O Box 209 Hay Springs, NE 69347	7011 0110 0002 0279 7877
Shogoli and Gas LLC PO Box 29450 Santa Fe, NM 87592-9450	7011 0110 0002 0279 7884
Jack V. Walker Rev Trust PO Box 102256 Anchorage, AK 99510-2256	7011 0110 0002 0279 7907
James & Celia Stivason Family Trust 9500 Harritt Rd Sp 97 Lakeside, CA 92040	7011 0110 0002 0279 7914

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 &3

CERTIFIED MAILING LIST

Wells and Phases: Codorniz Central Tank Battery (Section 28, 19S, R34E, N44N/45S, 28T5)

Dennis Eimers
P O Box 50637
Midland, TX 79710

7011 0110 0002 0279 7921

Jerry Barnes
1657 Liv 510
Chillicothe, MO 64601

7011 0110 0002 0279 7945

Margaret Peterson
4817 New Castle Way
Anchorage AK, 99503-7042

7011 0110 0002 0279 7938

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 &3

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management Commissioner of Public Lands State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or.
- [F] ☐ Waivers are Attached
- [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Cody Hanna-Murphy Cody Hanna-Murphy Engineering Supervisor 11/18/01
Print or Type Name Signature Title Date
cody.hanna-murphy@chevron.com
e-mail Address

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

**Codorniz 28 Federal 2 & 3 – 3002536196 & 3002537523
Leases NMNM56263 & CA NMNM117035**

**Chevron USA Incorporated
February 24, 2017
Condition of Approval
Pool Commingling of lease production**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments or product accountability.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.