

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs
HOBBS OCD

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 U.S.A. INC.**

3a. Address
15 SMITH ROAD

3b. Phone No. (include area code)
432-687-7261

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330' FSL & 2005' FNL, N-29-18S-32E, N.M.P.M SURVEY, LEA COUNTY,

5. Lease Serial No.

NM 96855

6. If Indian, Allottee or Tribe Name

N/A

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

N/A

8. Well Name and No.

N. LUSK "29" FEDERAL # 1

9. API Well No.

30-025-34673

10. Field and Pool, or Exploratory Area

NORTH LUSK, STRAWN

11. County or Parish, State

LEA CO, NEW MEXICO

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	Pool Commingle
	<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 recomplate 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.)

Application to Pool Commingle

As Per Order PC-1250A&B
Chevron U.S.A., Inc. respectfully requests BLM administrative approval to Surface Commingle the North Lusk 29 Fed # 1, (30-025-34673), and the 2 new drills, Cross Bones 2-29-1 H (30-025-40706) and Cross Bones 1-29-2 H (30-025-40711). Chevron also plans to drill additional wells in 2013, in this same bone springs formation; Cross Bones, 1 29 # 1 H and Cross Bones 2 # 29 # 2 H, and would like to add these 2013 wells to the battery in the future. A well detail list is attached with the current pools, API number, and location information.

The North Lusk 29 Fed # 1 produces in the Strawn formation and is the only well going into the current North Lusk Battery. Chevron would like to decommission the old battery, which is in poor condition and lay a flowline to move the production for the N. Lusk 29 Fed # 1, to the new Cross Bones Battery which is being built for the new Cross Bones wells being drilled in the Bone Spring formation. Both the N. Lusk 29 Fed # 1 and the Cross Bones wells are 100% Chevron working interest.

The Cross Bones battery will be located in Section 29, T18S, R32E, N.M.P.M., Lea County, New Mexico, and a process flow diagram is attached, as shown on the attachment.

For additional information, please contact me at 432-687-7261, or email me at chay@chevron.com.

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

CAROLYN HAYNIE

Title **PE TECHNICAL ASSISTANT**

Signature

Date

10-16-12

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

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)

APPROVED

FEB 11 2013

**BUREAU OF LAND MANAGEMENT
FIELD OFFICE**

ATTACHMENT I

LAND OWNERSHIP STATUS

PREPARED BY Daniel Pequeno, Landman, CPL/ESA

October 3, 2012

Application of Chevron U.S.A. Inc. for Administrative Approval for Surface Pool
Commingle for the Bone Springs Pool:

Chevron's Cross Bones Battery

Section 29, T-18-S, R-32E
Lea County, New Mexico

SECTION 29 – T18S-R32, NMPM – FEDERAL LEASE NM LC 029418 B:

Lease Owner – 100% WI

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Royalty Owner – 1/8 Royalty

Bureau of Land Management
P. O. Box 27115
Santa Fe, New Mexico 87502-0115

Wells located on the Lease are the North Lusk 29 Federal #1 (API # 30-25-34673)
producing from the Strawn Reservoir; Cross bones 1 29-1H (API #30-25-40710), 1 29
2H (API #30-25-40711) & 2 29-1H (API #30-25-40706) to be new drills into the Bone
Springs Reservoir.

Surface Owner for Section 29, T18S-R32E:

Bureau of Land Management
Attention: Mr. Jim Stovall
620 East Greene Street
Carlsbad, New Mexico 87220-6292

[illegible]

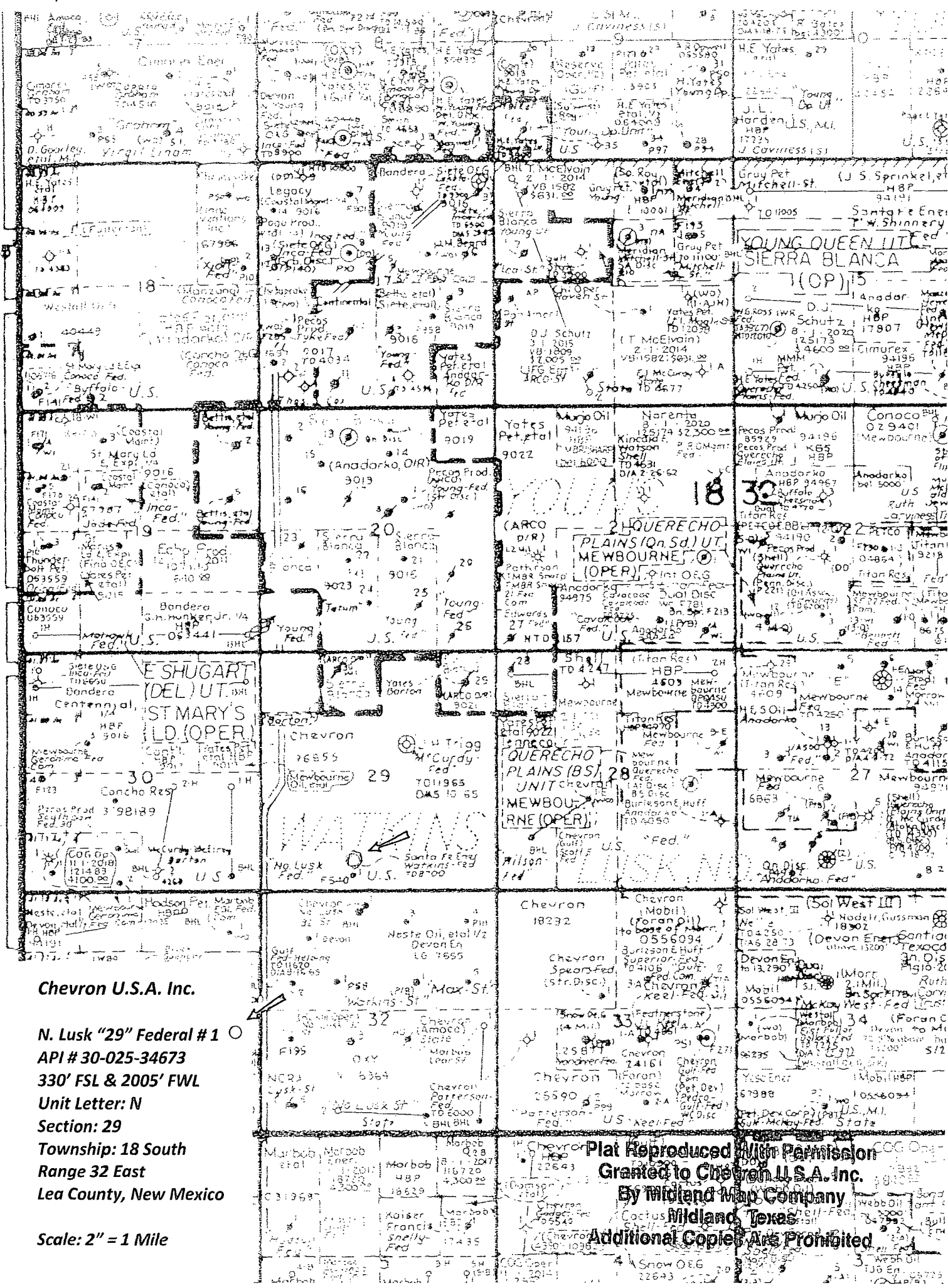


Daily Production - All Data

10/1/2012 to 10/7/2012

Hierarchy: OIL AREA OPERATIONS ->VACUUM ->VACUUM ->4080013 - VACUUM 6 ->N LUSK 29 FED

Date	Collection Point	Oil (BOPD)	Water (BWPD)	Gas (MCFPD)	BOEG (BOEGPD)
10/01/2012	N LUSK 29 FED	0	0	62	10
10/02/2012	N LUSK 29 FED	0	0	60	10
10/03/2012	N LUSK 29 FED	0	0	62	10
10/04/2012	N LUSK 29 FED	0	0	0	0
10/05/2012	N LUSK 29 FED	0	0	0	0
10/06/2012	N LUSK 29 FED	0	0	0	0
10/07/2012	N LUSK 29 FED	0	0	0	0
	Total	0	0	184	30
	Average	0	0	26	4
		0	0	184	30
		0	0	26	4
Total		0	0	184	30



Chevron U.S.A. Inc.

N. Lusk "29" Federal #1

API # 30-025-34673

330' FSL & 2005' FWL

Unit Letter: N

Section: 29

Township: 18 South

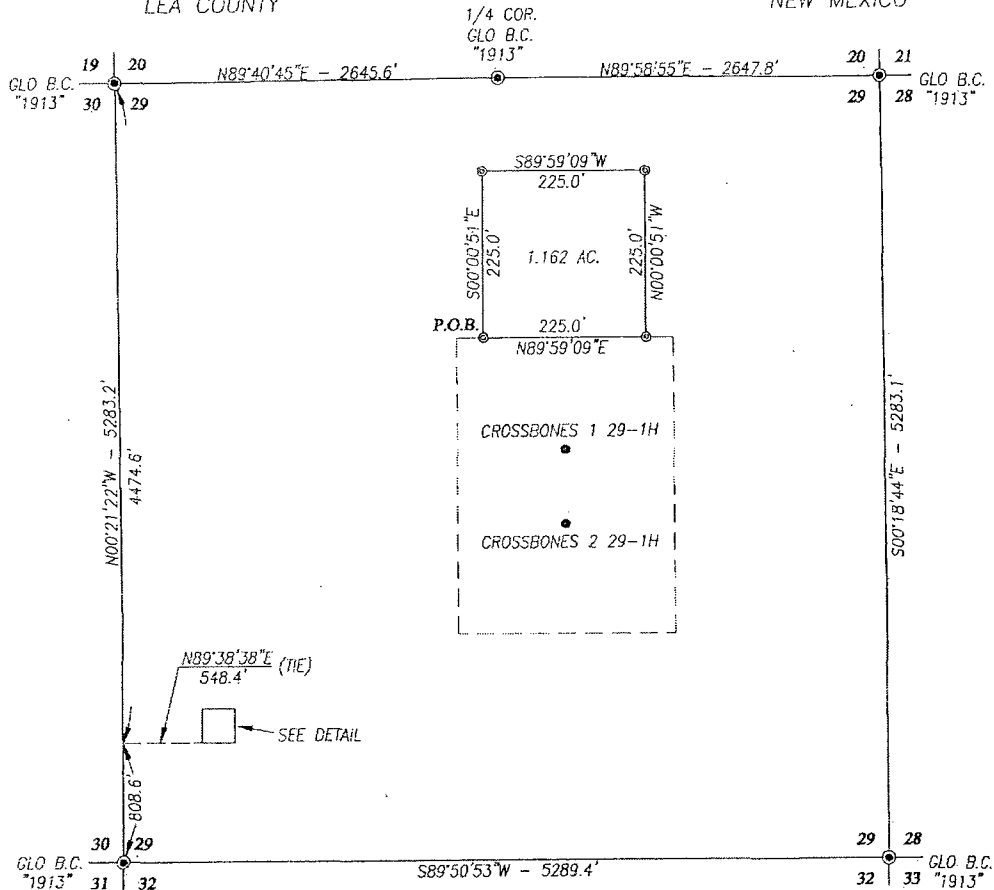
Range 32 East

Lea County, New Mexico

Scale: 2" = 1 Mile

Plat Reproduced With Permission
Granted to Chevron U.S.A. Inc.
By Midland Map Company
Midland, Texas
Additional Copies Are Prohibited

SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY NEW MEXICO



DESCRIPTION

SURVEY FOR A TANK BATTERY SITE LOCATED IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

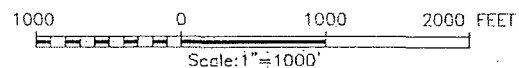
BEGINNING AT THE SOUTHWEST CORNER OF THIS TRACT, WHICH LIES N00°21'22\"W ALONG THE WEST LINE OF SAID SECTION A DISTANCE OF 808.6 FEET AND N89°38'38\"E 548.4 FEET FROM THE SOUTHWEST CORNER; THEN N89°59'09\"E 225.0 FEET; THEN N00°00'51\"W 225.0 FEET; THEN S89°59'09\"W 225.0 FEET; THEN S00°00'51\"E 225.0 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.162 ACRES MORE OR LESS.

NOTE

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

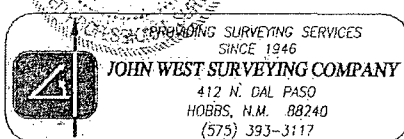
LEGEND

- DENOTES FOUND CORNER AS NOTED
- ⊙ DENOTES SET SPIKE NAIL



I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS ACTUAL ON-THE-GROUND SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

Ronald J. Edson 02/28/2012
GARY G. EDSON, N.M. P.S. No. 12641
RONALD J. EDSON, N.M. P.S. No. 3239

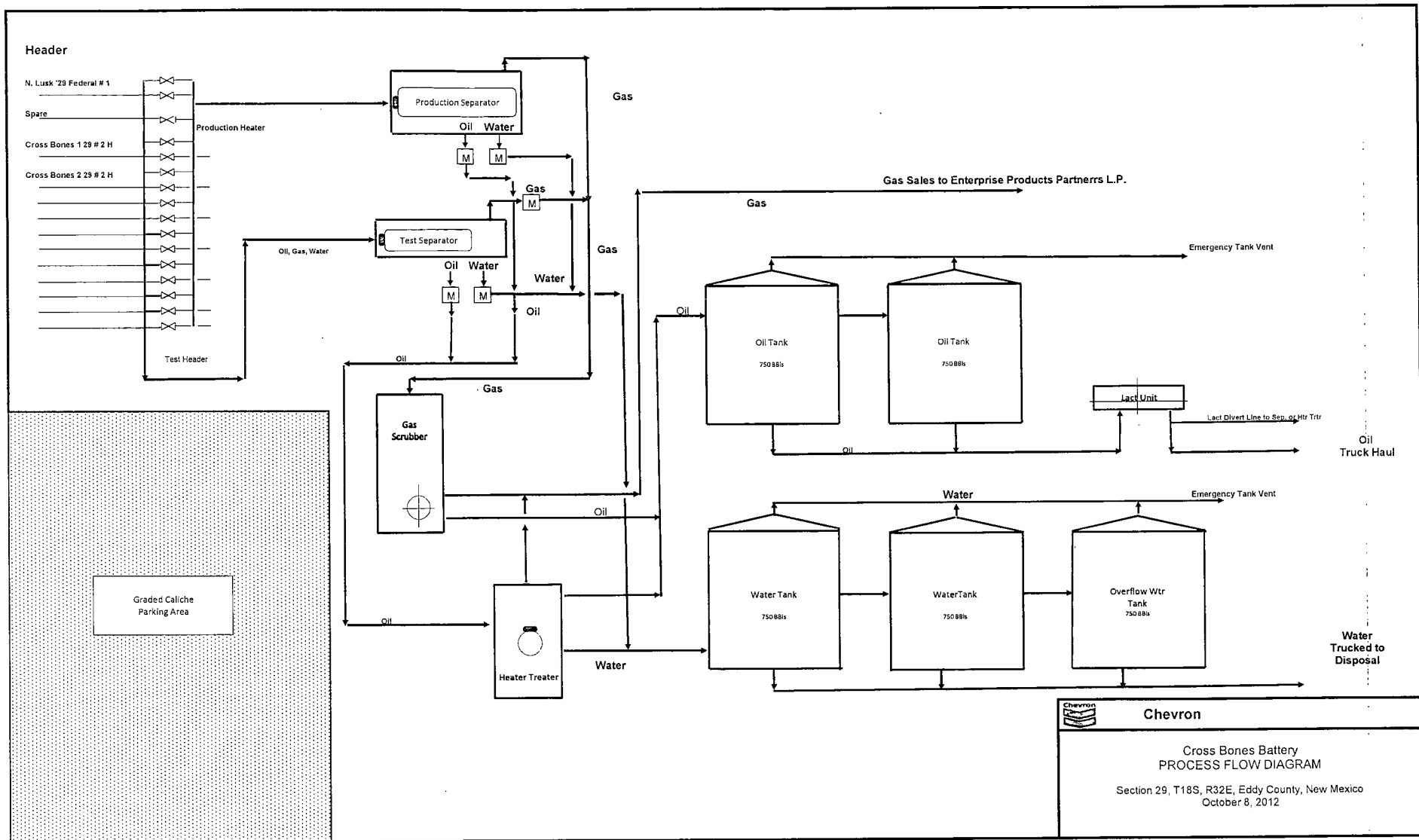


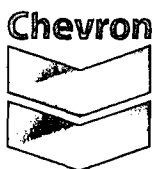
CHEVRON USA, INC.

**SURVEY FOR A TANK BATTERY SITE
LOCATED IN
SECTION 29, TOWNSHIP 18-SOUTH,
RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO**

Survey Date: 2/1/12	Sheet 1 of 1 Sheets
W.O. Number: 12.11.0193	Drawn By: GJE
Date: 2/24/12	CAD File: 12110193







Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

October 8, 2012

New Mexico Oil Conservations Division
1220 South San Francis Drive
Santa Fe, New Mexico 87504

RE: Application to Pool Commingle
Oil and Gas Department

Chevron U.S.A., Inc. respectfully requests administrative approval to Pool Commingle the North Lusk 29 Fed # 1, (30-025-34673), and the 2 new drills, Cross Bones 2-29-1 H (30-025-40706) and Cross Bones 1-29-2 H (30-025-40711) and future Cross Bones, Bone Spring production wells, Cross Bones, 1 29 # 1 H and Cross Bones 2 # 29 # 2 H, which are planned to be drilled in 2013. A well detail list is attached with the current pools, API number, and location information.

The North Lusk 29 Fed # 1 is the only well going into the North Lusk Battery. The battery is in poor condition and Chevron would like to decommission the old battery and lay a flowline to move the N. Lusk 29 Fed # 1 production to the new Cross Bones Battery which is being built for the new Cross Bones wells of which the first well is in progress in the Bone Spring formation. Both the N. Lusk 29 Fed # 1 and the Cross Bones wells are 100% Chevron working interest, and the BLM notification information is included with the attachments.

The Cross Bones battery will be located in Section 29, T18S, R32E, N.M.P.M., Lea County, New Mexico, and a process flow diagram is attached as an approximation of the new battery, now is progress.

Current plans are to produce the Cross Bones wells into a 3-phase separator with meters for oil, water, and gas, in accordance with applicable provisions of the NMOCD's Manual for the installation and Operation of Commingling Facilities. The gas will be sold on site to Enterprise Products Partners L.P., and the oil will be trucked to sales and water will be for disposal.

If you require additional information, please contact me by telephone at 432-687-7261, or by email at chay@chevron.com.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant
Enclosure

NM OCD District 1, Hobbs
Ryan Warmke Paul Brown
Nick Moschetti Danielle Reyna
Sean Cheben Central Files

EXHIBIT "A"

HOBBS OCD

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

AUG 02 2012

Form C-102
Revised July 16, 2010
Submit to Appropriate
District Office

RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40711	Pool Code 41450	Pool Name LUSK; BONE SPRING, NORTH
Property Code 39383	Property Name CROSS BONES 1 29	Well Number 2H
OGRID No. 4323	Operator Name CHEVRON USA INC.	Elevation 3699'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	29	18-S	32-E		1980	SOUTH	990	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
I	29	18-S	32-E		1650	SOUTH	330	EAST	LEA
Dedicated Acres 16.0	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

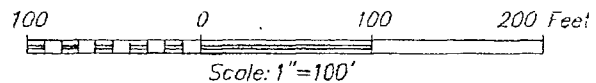
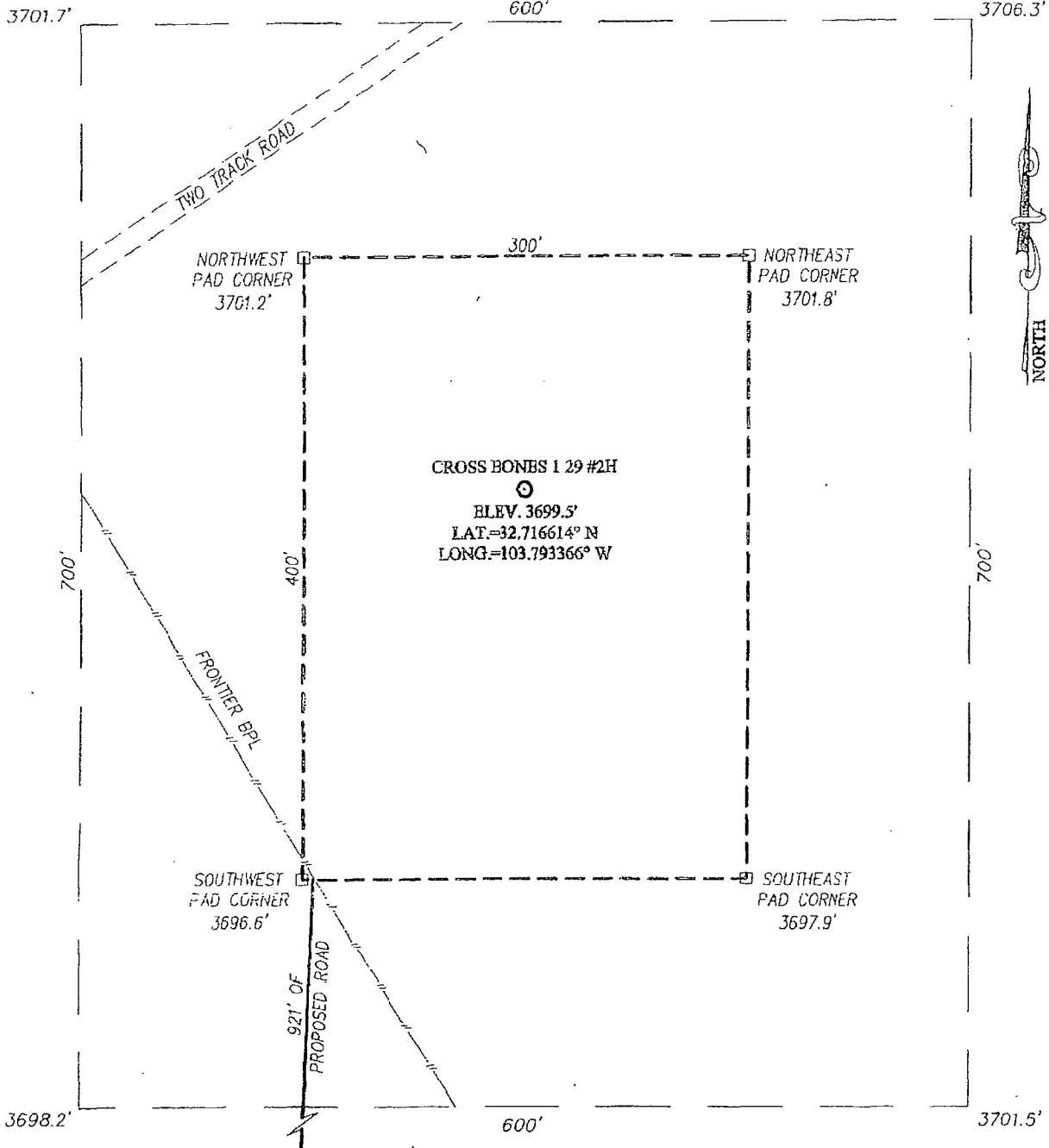
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=624838.0 N X=666073.3 E</p> <p>LAT.=32 716614" N LONG.=103 793366" W</p> <p>BOTTOM HOLE LOCATION Y=624518.5 N X=670045.0 E</p>	<p>DETAIL</p> <p>3701.7' 3706.3'</p> <p>700'</p> <p>3698.2' 3701.5'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby 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> 6-18-12 Signature Date Denise Pinkerton Printed Name Lea Keida Chevon.com Email Address</p>
	<p>S.L. SEE DETAIL</p> <p>990'</p> <p>GRID AZ = 94°35'56"</p> <p>HORIZ. DIST = 3985.4'</p> <p>1980'</p> <p>330'</p> <p>B.H.</p> <p>1650'</p>	<p>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>JUNE 7, 2011</p> <p>Date of Survey Signature & Seal of Professional Surveyor: RONALD J. EIDSON NEW MEXICO 3239 Certificate Number Gary E. Eidson 12641 Ronald J. Eidson 3239 DSS JWSC W.O.: 11.11.1115</p>

AUG 06 2012

SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.

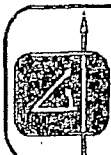
LEA COUNTY

NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #529 AND CO. RD. #L126 (MALJAMAR RD.), GO SOUTH ON CO. RD. #L126 APPROX. 5.7 MILES. THIS LOCATION STAKE IS APPROX. 525 FEET EAST.



PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

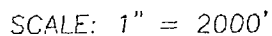
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

CHEVRON USA INC.

CROSS BONES 1 29 #2H WELL
LOCATED 1980 FEET FROM THE SOUTH LINE
AND 990 FEET FROM THE WEST LINE OF SECTION 29,
TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

Survey Date: 6/7/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.1115	Dr. By: DSS
Date: 8/3/11	Rel. W.O.: 11111115
	Scale: 1"=100'

THE NORTH



SEC. 29 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1980' FSL & 990' FWL

ELEVATION 3699'

OPERATOR CHEVRON USA INC.

LEASE CROSS BONES 1 29

U.S.G.S. TOPOGRAPHIC MAP
GREENWOOD LAKE, N.M.

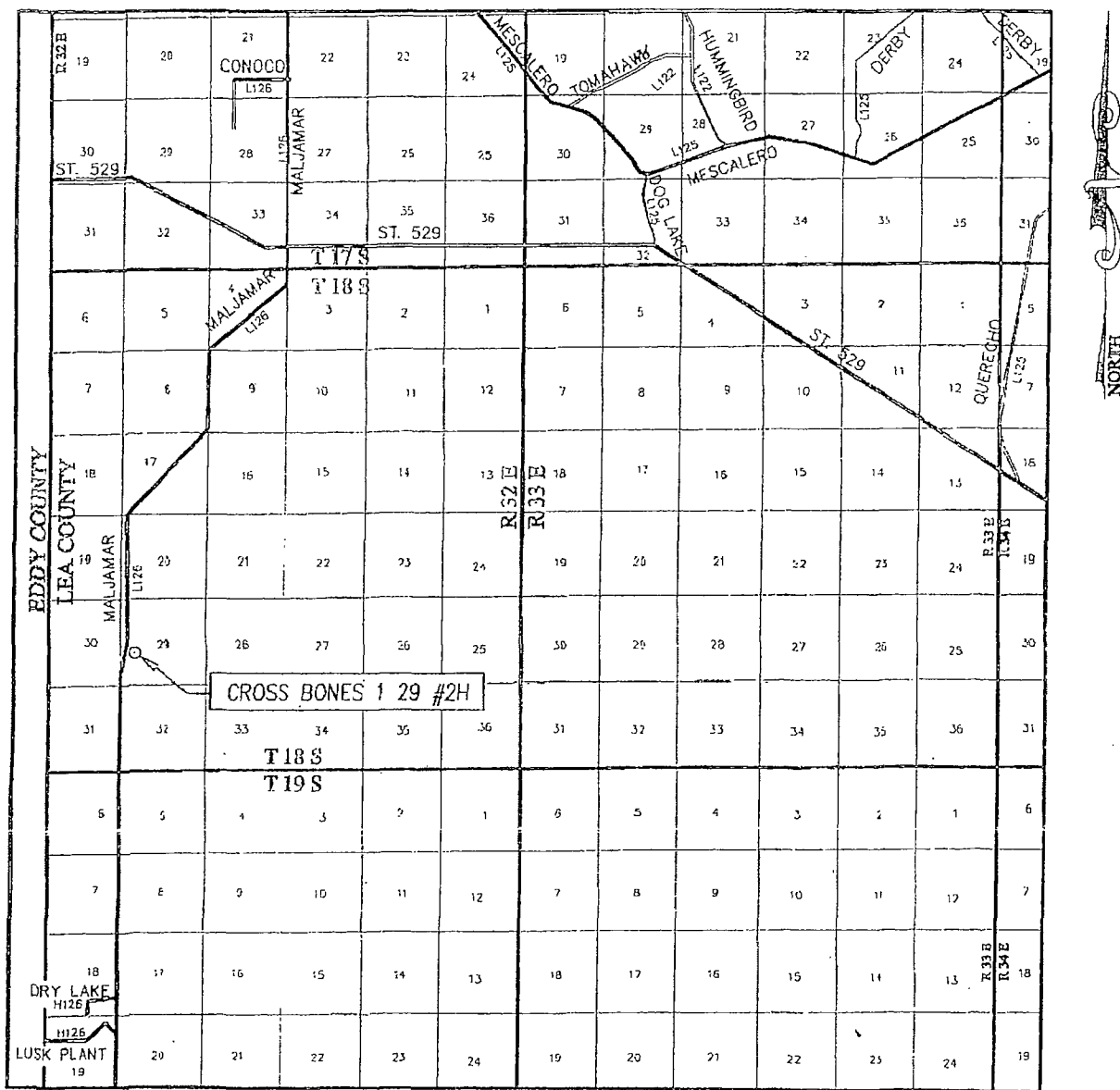


PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 29 TWP. 18-S. RGE. 32-E

SURVEY N.M.P.M.

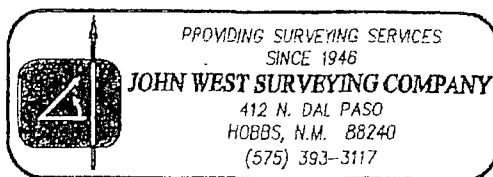
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1980' FSL & 990' FWL

ELEVATION 3699'

OPERATOR CHEVRON USA INC.

LEASE CROSS BONES 1 29



DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

HOBBS OCD

AUG 01 2012

RECEIVED

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 July 16, 2010
Submit to Appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40706	Pool Code 41450	Pool Name LUISK BONE SPRING NORTH
Property Code 39378	Property Name CROSS BONES 2 29	Well Number 1H
GRID No. 4323	Operator Name CHEVRON USA INC	Elevation 3693'

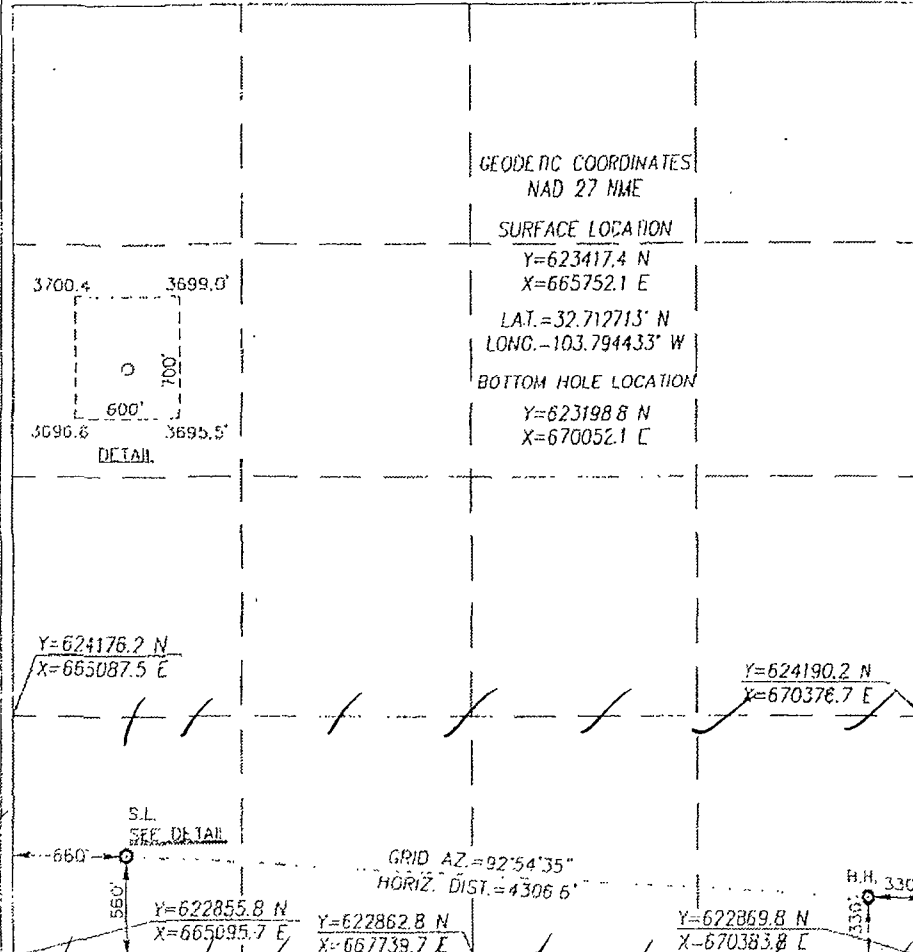
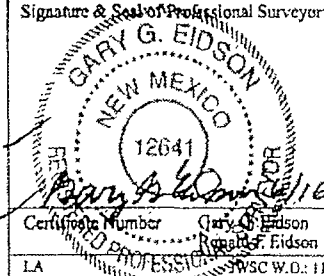
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	29	18-S	32-E		560	SOUTH	660	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
P	29	18-S	32-E		330	SOUTH	330	EAST	LEA
Dedicated Acres 1.60	Joint or Infill	Consolidation Code	Order No.						

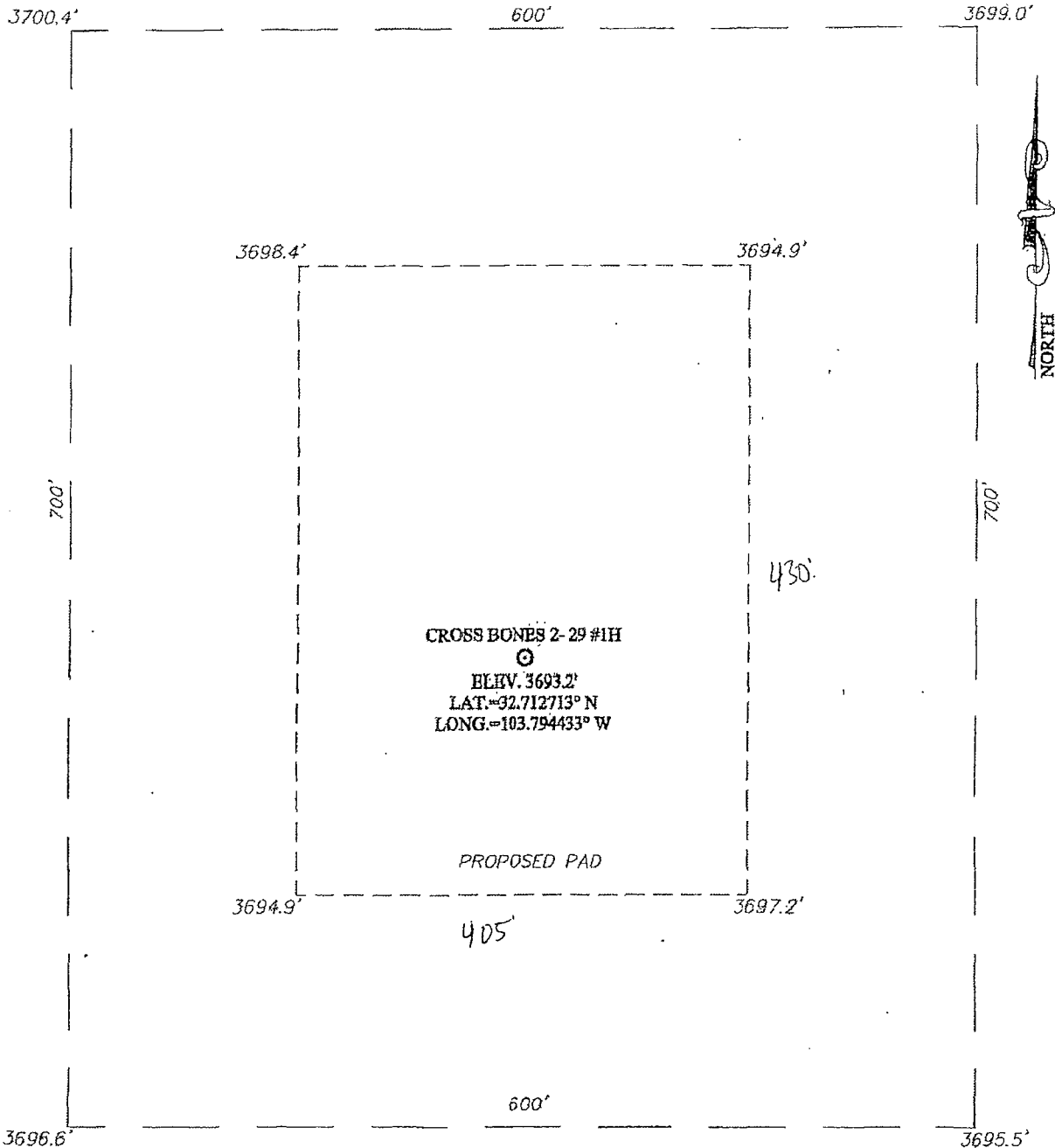
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</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 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 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> 126-12 Signature Date Denise Pinkerton Printed Name Leah.jd@chevron.com E-mail Address</p> <p>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>JUNE 7, 2011 Date of Survey Signature & Seal of Professional Surveyor:  Certificate Number Gary G. Eidson 12641 Ronald F. Eidson 3239 LA PROFESSIONAL SURVEYOR WSC W.D. 11.11.117</p>
--	--

SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.

LEA COUNTY

NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #529 AND MALJAMAR ROAD, GO SOUTH ON MALJAMAR ROAD APPROX. 5.9 MILES. THIS LOCATION STAKE IS APPROX. 350 FEET EAST.



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY

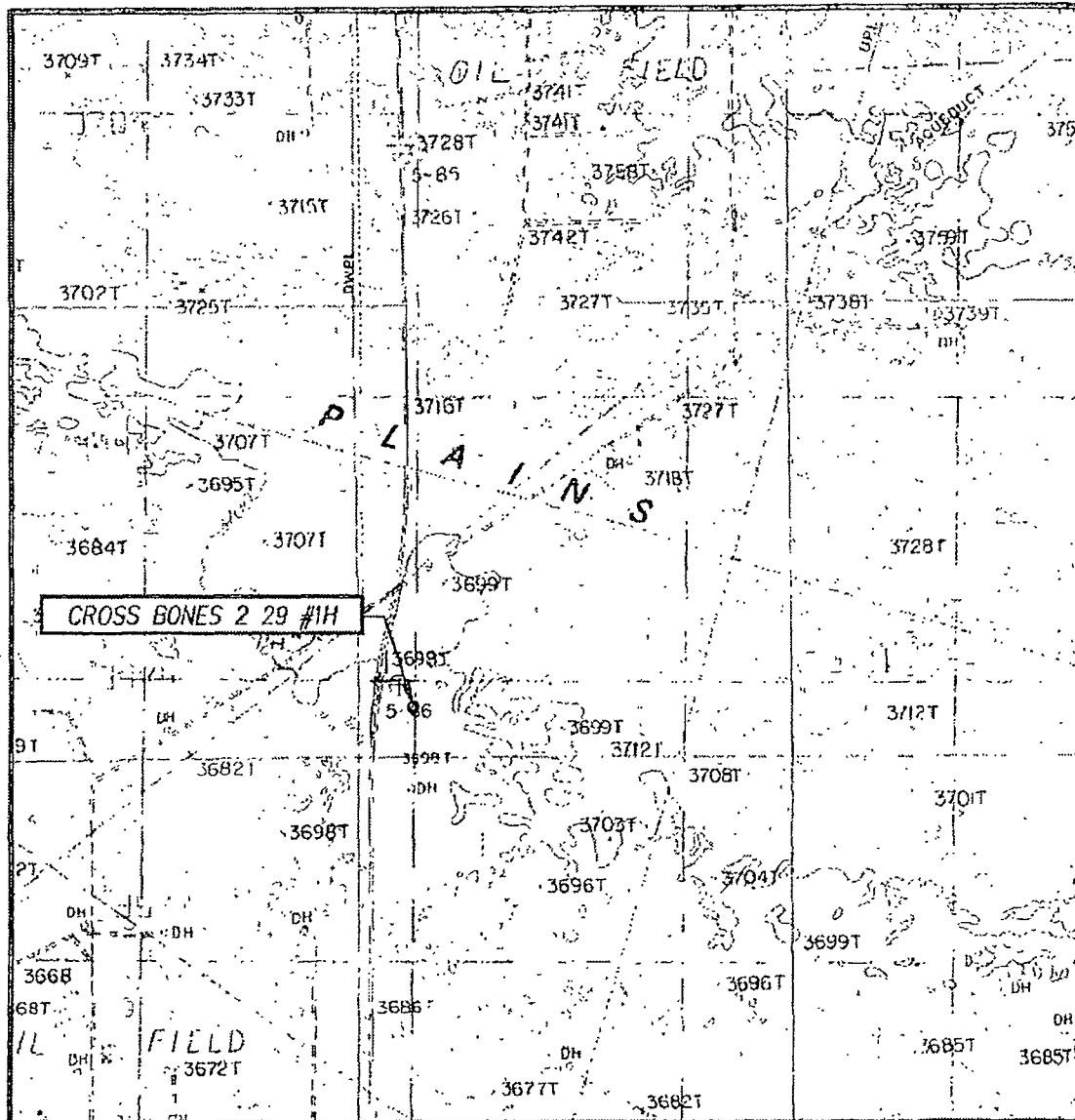
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

CHEVRON USA INC

CROSS BONES 2 29 #1H WELL
LOCATED 560 FEET FROM THE SOUTH LINE
AND 660 FEET FROM THE WEST LINE OF SECTION 29,
TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

Survey Date: 6/7/11	Sheet 1 of 1 Sheets	
W.O. Number: 11.11.1117	Dr. By: LA	Rev 1:
Date: 6/13/11	Rel. W.O.:	11111117 Scale: 1"=100'

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
GREENWOOD LAKE, N.M. - 10'

SEC. 29 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

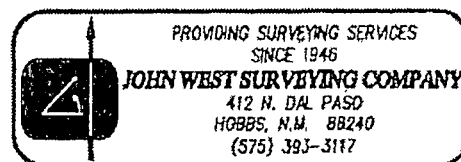
DESCRIPTION 560' FSL & 660' FWL

ELEVATION 3693'

OPERATOR CHEVRON USA INC

LEASE CROSS BONES 2 29

U.S.G.S. TOPOGRAPHIC MAP
GREENWOOD LAKE, N.M.



VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 29 TWP. 18-S RGE 32-E

SURVEY _____ N.M.P.M. _____

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 560' FSL & 660' FWL

ELEVATION 3693'

OPERATOR CHEVRON USA INC

LEASE CROSS BONES 2 29

