

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator CHEVRON USA INCORPORATED		6. If Indian, Allottee or Tribe Name
Contact: CINDY H MURILLO E-Mail: CHERRERAMURILLO@CHEVRON.COM		7. If Unit or CA/Agreement, Name and/or No. Multiple--See Attached
3a. Address 15 SMITH ROAD MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0431	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory Multiple--See Attached
		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 recompleat 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 recompleat 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 requests approval to Add the above well to the existing surface Commingle Order PLC-393A. The Surface Commingle oil, gas and water production from the Bone Spring pool through Chevron's Brininstool Battery. Wells producing in this batter include the Limestone 11 23 33 #1H, Brininstool 23 23 33 #1H, Brininstool 23 23 33 #2H, Brininstool 25 23 33 #2H. Chevron is requesting to add the Brininstool 24 23 33 #2H. These wells are all located in Section 11, 23, 24 & 25 of T23S, R33E in Lea County. We have spoke to Duncan Whitlock and have verbal approval, he has requested additional information and this information has been sent to BLM to Duncan Whitlock.

Limestone 11 23 33 #1H API# 30-025-41360 Lease # NMNM114985
Brininstool 23 23 33 #1H API# 30-025-41330 Lease # NMNM114986
Brininstool 23 23 33 #2H API# 30-025-41331 Lease # NMNM114986
Brininstool 25 23 33 #2H API# 30-025-41627 Lease # NMNM112940
Brininstool 24 23 33 #2H API# 30-025-41935 Lease # NMNM114986

PLC-393-A

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #286366 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by DUNCAN WHITLOCK on 01/07/2015 (15DW0017SE)	
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 12/29/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J. D. Whitlock</i>	Title EPS	Date 1/7/15
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.

Additional data for EC transaction #286366 that would not fit on the form

5. Lease Serial No., continued

NMNM112940
NMNM114985
NMNM114986

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM114986	NMNM114986	BRININSTOOL 24 23 33 USA 2H	30-025-41935-00-X1	Sec 24 T23S R33E NENW 150FNL 1980FWL 32.296855 N Lat, 103.527724 W Lon
NMNM114985	NMNM114985	LIMESTONE 11 23 33 FED 1H	30-025-41360-00-S1	Sec 11 T23S R33E NWNW 150FNL 650FWL 32.325962 N Lat, 103.549580 W Lon
NMNM112940	NMNM112940	BRININSTOOL 25 23 33 USA 2H	30-025-41627-00-S1	Sec 25 T23S R33E NENW 150FNL 1980FWL 32.282621 N Lat, 103.527722 W Lon
NMNM114986	NMNM114986	BRININSTOOL 23 23 33 USA 1H	30-025-41330-00-S1	Sec 23 T23S R33E NWNW 149FNL 1568FEL 32.297005 N Lat, 103.539687 W Lon
NMNM114986	NMNM114986	BRININSTOOL 23 23 33 USA 2H	30-025-41331-00-S1	Sec 23 T23S R33E NENE 150FNL 400FEL 32.283309 N Lat, 103.535903 W Lon

10. Field and Pool, continued

PRONGHORN
TRIPLE X

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

Proposal for Limestone 11-23-33 Federal #1H, Brininstool 23-23-33 Federal #1H, Brininstool 23-23-33 Federal #2H, and Brininstool 25-23-33 #2H: **Adding Brininstool 24 23 33 #2H**

Chevron USA Inc is requesting approval for the Central Tank Battery, Commingling, and Off lease sales of gas and oil:

Federal Lease NMNM114985

Well Name	Location	API #	Pool 7320	Oil BOPD	Gravities	MCFPD	BTU
Limestone Fed #1H	Sec11, W2W/2 T23SR33E	3002541360	Brininstool; Bone Spring	101	41.9	185	1367

Federal Lease NMNM112940

Well Name	Location	API #	Pool 59900	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 25 Fed #2H	Sec25, E/2W/2 T23SR33E	3002541627	Triple-X; Bone Spring	285	41.9	372	1367

Federal Lease NMNM114986

Well Name	Location	API #	Pool 5150	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 23 Fed #1H	Sec 23, W/2E/2 T23SR33E	3002541330	Bell Lake; Bone Spring	177	41.9	233	1367

Federal Lease NMNM114986

Well Name	Location	API#	Pool 5150	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 23 Fed #2H	Sec 23 W/2E/2 T23SR33E	3002541331	Bell Lake; Bone Spring	347	41.9	336	1367

Federal Lease NMNM114986

Well Name	Location	API#	Pool 5150	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 24 Fed #2H	Sec 24 W/2E/2 T23S R33E	3002541935	Bell Lake; Bone Spring	480	41.9	54	1367

Map shows the federal leases and well locations in Section 11-T23S-R24E & 25-T23S-R33E.

The BLM's interest in these leases is the same. Lease NMNM114985 royalty rate is 12.5%, Lease NMNM112940 royalty rate is 12.5%, and Lease NMNM114986 royalty rate is 12.5 %.

Oil & Gas metering:

The central tank battery (Brininstool Central Tank Battery) will be located in the NENE portion of Sect 23 T23S, R33E. There are three oil tanks that the wells will utilize and oil will be sold through the central delivery point (CDP) Lease Automated Custody Transfer unit (S/N 11263551-A), which is located at the Brininstool Central Tank Battery (NENE Sect 23 T23S R33E). For gas, they will have a common central delivery point (CDP) gas sales with meter (Targa Gas #76880-00-444) which is located at the Brininstool Central Tank Battery (NENE Sect 23 T23S R33E). The produced water will go to common water tanks on location.

Each well from Lease NMNM 114986 will be tested monthly through a three-phase test separator and continuously through a three-phase production separator located at the Brininstool Central Tank Battery. The Limestone 23 23 33 #1H will be separated into two phases (liquids and gas) at a dedicated satellite facility (Limestone Satellite Facility) on lease NMNM114985 with gas measured at that Satellite facility and liquids continuously measured through a three-phase test separator located at the Brininstool Central

Tank Battery. The Brininstool 25-23-33 #2H will be continuously measured through a three-phase test separator located at the Brininstool Central Tank Battery. Wells will then be commingled through a common heater treater with oil stored in common oil tanks located at the Brininstool Central Tank Battery.

Lease NMNM 114986:

Continuously tested through a three-phase production separator which will measure oil through a coriolis meter (SN 14380707) on the oil outlet line and gas through an orifice meter run with a Total Flow computer (*SN TBD).

Each three phase test will measure oil through a coriolis meter (SN 14385211) on the oil outlet line and gas through an orifice meter run with a Total Flow computer (SN T132022714).

Lease NMNM 114985:

Gas will be continuously measured at the Limestone Satellite Facility through an orifice meter run with a Total Flow Computer (SN T132628898) and each three phase test for wells from this lease will measure oil through a coriolis meter (SN 14385561) on the oil outlet line and gas through an orifice meter run with a Total Flow computer (SN T134246234) located at the Brininstool Central Tank Battery.

Lease NMNM 112940:

Each three phase test will measure oil through a coriolis meter (*SN TBD) on the oil outlet line and gas through an orifice meter run with a Total Flow computer (*SN TBD) located at the Brininstool Central Tank Battery.

Production will be allocated to each well in Lease NMNM 114986 by monthly well test and to the remaining wells by continuous measurement. Each well's share of the central tank battery's total production will be calculated based on the results of these well tests. This ratio will be applied to the total oil production metered by the Lease Automated Custody Transfer(LACT) meter located at the Brininstool central tank battery. The production ratio will also be applied to the total gas production metered by the Targa Resources Corp sales meter.

Limestone 11 23 33 #1H oil allocation meter on the Limestone three-phase test separator at the Brininstool Central Tank Battery consists of a Micro Motion Coriolis meter (S/N 14385561).

Lease NMNM 114986 oil allocation meter on the Brininstool Central Tank Battery three-phase production separator consists of a Micro Motion Coriolis meter (S/N 14380707)

Brininstool 23 23 33 #1H oil allocation meter on the Brininstool central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14385211).

Brininstool 23 23 33 #2H oil allocation meter on the Brininstool central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14385211).

Brininstool 24 23 33 #2H oil allocation meter on the Brininstool central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14385211).

Brininstool 25 23 33 #2H oil allocation meter on the Brininstool 25 three-phase test separator located at the Brininstool Central Tank Battery consists of a Micro Motion Coriolis meter (*S/N TBD).

These meters will be proven as per API, NMOCD, and BLM specifications when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter. The factor obtained will be used to allocate the production volumes.

Gas production will be allocated on a daily basis based on the results of a monthly well test of each well. Flash gas will be measured utilizing a V-Cone meter fitted with EFM flow computer installed downstream of the VRU discharge (*SN TBD) and each well's share of flash gas will be allocated based on total oil metered in monthly well tests.

Limestone 11 23 33 Federal #1H gas allocation meter on the Limestone Production Satellite two-phase test separator consists of a Total Flow EFM (S/N T132628898) and on the Limestone three-phase test separator located at the Brininstool Central Tank Battery consists of a Total Flow EFM (SN T134246234).

Lease NMNM 114986 gas allocation meter on the Brininstool Central Tank Battery three-phase production separator consists of a Total Flow EFM (*S/N TBD)

Brininstool 23 23 33 Federal #1H gas allocation meter on the Brininstool central tank battery three-phase test separator consists of a Total Flow EFM (S/N T132022714).

Brininstool 23 23 33 Federal #2H gas allocation meter on the Brininstool central tank battery three-phase test separator consists of a Total Flow EFM (S/N T132022714).

Brininstool 24 23 33 Federal #2H gas allocation meter on the Brininstool central tank battery three-phase test separator consists of a Total Flow EFM (S/N T132022714).

Brininstool 25 23 33 Federal #2H gas allocation meter on the Brininstool central tank battery three-phase test separator consists of a Total Flow EFM (*S/N TBD).

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 facility diagram and map which shows the lease boundaries, location of wells, location of flow lines, facility, 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 the surface facility footprint and overall emissions.

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

A central tank battery is located on the Brininstool Federal #1H located in Sec. 23 NENE, T23S-R33E, on federal lease NMNM114986 in Lea County, New Mexico. The production from the five wells will be routed to the Brininstool Central Tank Battery. After separation and allocation measurement, the oil, gas, and water will go to common oil tanks, water tank, and gas CDP located in Section 23.

Limestone 11 23 33 #1H and Brininstool 25 23 33 #2H will require off lease measurement, storage and sales of oil and gas.

No working, royalty, and overriding interest owners will have to be notified. Chevron is the only working interest owner.

*All Serial Numbers will be identified and communicated as soon as permanent equipment is in place.

Federal Lease	Lease description	WI / NRI	Lease	Royalty Interest
NMNM114985	Limestone #1H	100% / 87.5%	Federal	12.5%
NMNM112940	Brininstool 23#2H	100% / 87.5%	Federal	12.5%
NMNM114986	Brininstool 23#1H	100% / 87.5%	Federal	12.5%
NMNM114986	Brininstool 25 #2H	100% / 87.5%	Federal	12.5%
NMNM114986	Brininstool 24 #2H	100%/87.5%	Federal	12.5%

Chevron is the only working interest for each lease.

A list of all interest owner addresses is below:

Chevron USA Inc P.O. Box 4791 Houston, TX 77210-4791	Bureau of Land Management New Mexico State Office PO Box 27115 Santa Fe, NM 87502-0115
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LIMESTONE SATELLITE FACILITY

Limestone 11-23-33 Fed 1H
Sec 11, T-23S, R33E
150 FNL, 650 FWL
API: 30-025-41360

HEADER

2-PHASE
PUMP-OUT
VESSEL
OIL + WATER

M EFM
S/N: T132626808

Lease:
NMNM114986

BRINSTOOL CENTRAL TANK BATTERY

Brininstool 23-23-33 Fed 1H
Sec 23, T-23S, R33E
149 FNL, 1568 FEL
API: 30-025-41330

Brininstool 23-23-33 Fed 2H
Sec 23, T-23S, R33E
150 FNL, 400 FEL
API: 30-025-41331

Brininstool 24-23-33 Fed 2H
Sec 23, T-23S, R33E
150 FNL, 1980 FWL
API: 30-025-41935

Lease
NMNM114986

Lease Line: 25-23-33
NMNM112940

Brininstool 25-23-33 USA #2H
Sec 25, T-23S, R33E
50 FNL & 1980 FSL
API: 30-025-41627

Lease Line: 25-23-33
NMNM112940

Lease Line: 23-23-33
NMNM114986

HEADER

CORLIUS
S/N: 14385591

TEST
SEPARATOR
GAS
OIL WATER

M EFM
S/N: T134246234

M EFM
S/N: T132022714

TEST
SEPARATOR
GAS
OIL WATER

CORLIUS
S/N: 14385211

TEST
SEPARATOR
GAS
OIL WATER

CORLIUS
S/N: TBD

PRODUCTION
SEPARATOR
GAS
OIL WATER

M EFM
S/N: TBD

CORLIUS
S/N: 14380707

HEATER
TREATER
GAS
OIL WATER

OIL
TANKS
3 x 750
BBL

EMERGENCY TANK VENT

VRU EFM
S/N: (TBD)

GAS SALES TO TARGA
(located on Battery premises)

GAS TO FLARE

M EFM
S/N: T132427183

M EFM
S/N: T133337323

CHEVRON USA

Brininstool Battery and Limestone Satellite
PROCESS FLOW DIAGRAM
Sec 024, T23S, R33E
Sec 023, T23S, R33E
Sec 025, T23S, R33E
Sec 011, T23S, R33E
Lea County, New Mexico
December 22, 2014

WATER

WATER
TANKS
2 x 750
BBL

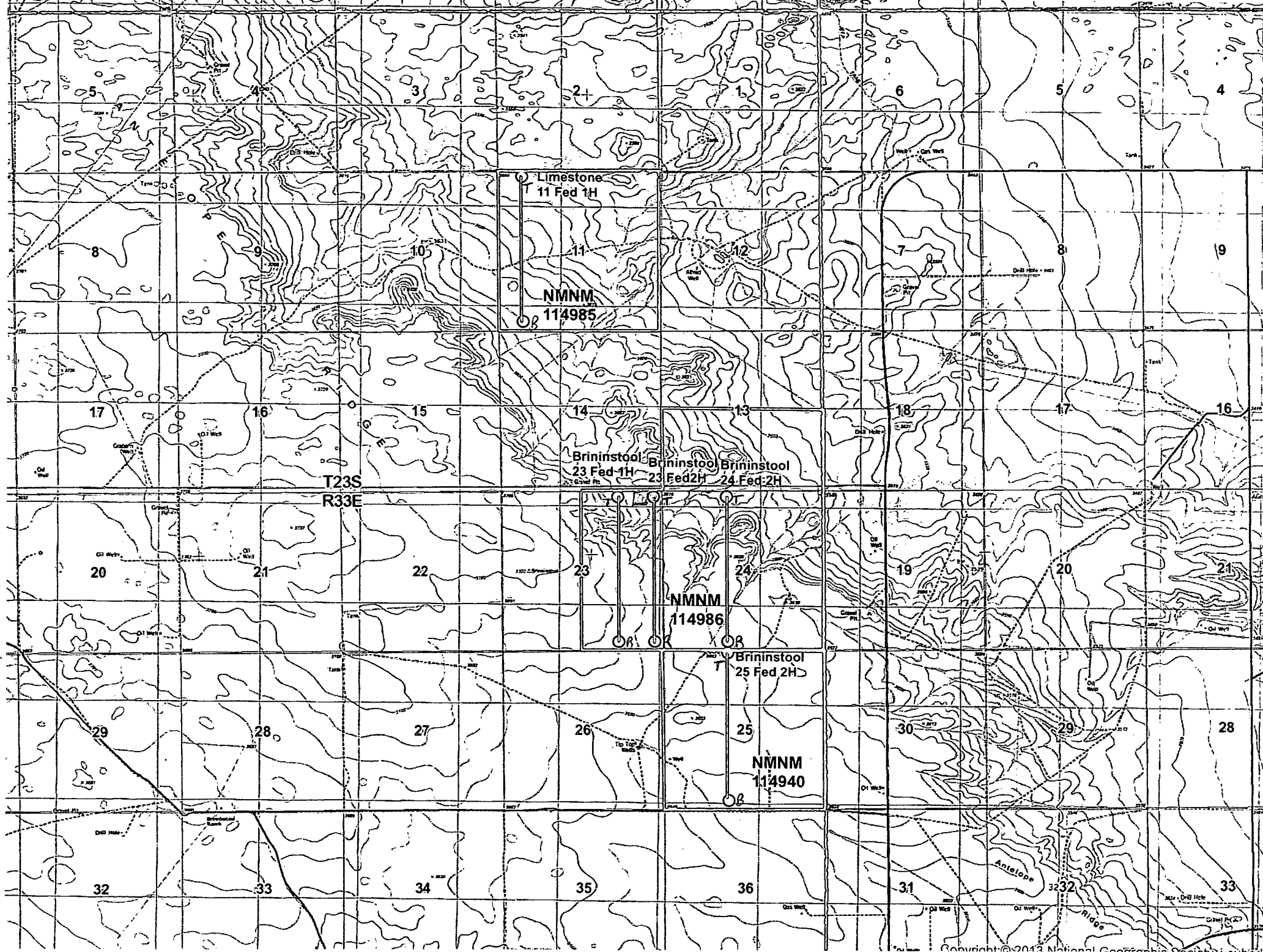
EMERGENCY TANK VENT

LACT
S/N: 112635551-A V-2

LACT DIVERT LINE TO HTR TRTR

OIL
TRUCK
HAUL

WATER
TRUCK
HAUL



Limestone 11-23-33 1H

NM114985

011

NM114985

014

013

T 023 S
R 033 E

Brininstool 23-23-33 1H

Brininstool 23-23-33 2H

T 023 S
R 034 E

Brininstool Tank
Battery

023

NM114986

024

Targa Gas CDP
#76880-00-444

Brininstool 25-23-33 2H

NM112940

025

Limestone 11-23-33 1H

SHL

NM114985

011

BHL

NM114985

014

013

Brininstool 23-23-33 2H

NM114986

T 023 S
R 033 E

Brininstool 23-23-33 1H

023

BHL

SHL

BHL

SHL

Brininstool 24-23-33 2H

024

BHL

T 023 S
R 034 E

Brininstool 25-23-33 2H

SHL

NM112940

025

BHL

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 01/07/15 01:02 PM

Page 1 of 2

01 12-22-1987;101STAT1330;30USC181 ET SEQ

Total Acres
1,039.890

Serial Number
NMNM-- - 114985

Case Type 312021: O&G LSE COMP PD -1987

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- - 114985

Name & Address	Int Rel	%Interest
CHEVRON USA INC 1400 SMITH ST HOUSTON TX 770027327	LESSEE	100.000000000

Serial Number: NMNM-- - 114985

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0230S	0330E	005	ALIQ	S2NW,W2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0230S	0330E	005	LOTS	3,4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0230S	0330E	011	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0230S	0330E	014	ALIQ	SW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 114985

Act Date	Code	Action	Action Remarks	Pending Office
10/04/2005	299	PROTEST FILED	FOREST GUARDIANS	
10/18/2005	387	CASE ESTABLISHED	200510048;	
10/19/2005	143	BONUS BID PAYMENT RECD	\$2080.00;	
10/19/2005	191	SALE HELD		
10/19/2005	267	BID RECEIVED	\$1014000.00;	
10/31/2005	143	BONUS BID PAYMENT RECD	\$1011920.00;	
11/18/2005	298	PROTEST DISMISSED		
11/22/2005	237	LEASE ISSUED		
11/22/2005	974	AUTOMATED RECORD VERIF	GSB	
12/01/2005	496	FUND CODE	05;145003	
12/01/2005	530	RLTY RATE - 12 1/2%		
12/01/2005	868	EFFECTIVE DATE		
02/21/2006	963	CASE MICROFILMED		
09/14/2006	140	ASGN FILED	CHALFANT/CHESAPEAK;1	
10/19/2006	139	ASGN APPROVED	EFF 10/01/06;	
10/19/2006	974	AUTOMATED RECORD VERIF	MV	
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED		
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1	
04/09/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/09/2013	974	AUTOMATED RECORD VERIF	ANN	
04/02/2014	650	HELD BY PROD - ACTUAL		
04/02/2014	658	MEMO OF 1ST PROD-ACTUAL	/1/	
08/07/2014	643	PRODUCTION DETERMINATION	/i/#1H FED LIMESTONE	

Serial Number: NMNM-- - 114985

Line Nr	Remarks
0002	STIPULATIONS ATTACHED TO LEASE:
0003	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE NOTICE
0004	SENM-S-19 PLAYAS AND ALKALI LAKES
0005	SENM-S-22 PRAIRIE CHICKENS - SEC. 05

**NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM**

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Page 1 of 2

Run Date/Time: 01/07/15 01:09 PM

01 12-22-1987;101STAT1330;30USC181 ET SEQ	Total Acres	Serial Number
Case Type 312021: O&G LSE COMP PD -1987	640.000	NMNM-- - 112940
Commodity 459: OIL & GAS L		
Case Disposition: AUTHORIZED	Case File Juris:	

Serial Number: NMNM-- - 112940

Name & Address	Int Rel	%Interest
CHEVRON USA INC 1400 SMITH ST HOUSTON TX 770027327	LESSEE	100.000000000

Serial Number: NMNM-- - 112940

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0230S	0330E	025	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 112940

Act Date	Code	Action	Action Remarks	Pending Office
10/19/2004	299	PROTEST FILED		
10/19/2004	387	CASE ESTABLISHED	200410069;	
10/20/2004	143	BONUS BID PAYMENT RECD	\$1280.00;	
10/20/2004	191	SALE HELD		
10/20/2004	267	BID RECEIVED	\$96000.00;	
11/01/2004	143	BONUS BID PAYMENT RECD	\$94720.00;	
12/17/2004	298	PROTEST DISMISSED		
12/21/2004	237	LEASE ISSUED		
12/21/2004	974	AUTOMATED RECORD VERIF	LBO	
01/01/2005	496	FUND CODE	05;145003	
01/01/2005	530	RLTY RATE - 12 1/2%		
01/01/2005	868	EFFECTIVE DATE		
01/27/2005	963	CASE MICROFILMED		
02/28/2005	140	ASGN FILED	UPLAND/CHESAPEAKE E;1	
04/08/2005	139	ASGN APPROVED	EFF 03/01/05;	
04/08/2005	974	AUTOMATED RECORD VERIF	ANN	
05/17/2006	650	HELD BY PROD - ACTUAL	/1/	
10/11/2006	643	PRODUCTION DETERMINATION	/1/	
10/11/2006	658	MEMO OF 1ST PROD-ACTUAL	/1/#1 BRINSTOOL 25;	
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED		
11/27/2012	140	ASGN FILED	CHESAPEAKE/CHEVRON U;1	
04/24/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/24/2013	974	AUTOMATED RECORD VERIF	ANN	

Serial Number: NMNM-- - 112940

Line Nr	Remarks
0002	STIPULATIONS ATTACHED TO LEASE:
0003	SENM-S-22 PRAIRIE CHICKENS
0004	SENM-S-25 VISUAL RESOURCE MANAGEMENT
0005	NM-11-LN SPECIAL CULTURAL RESOURCE
0006	04/24/2013 - OPERATOR BONDED

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 01/07/15 01:11 PM

Page 1 of 1

01 12-22-1987;101STAT1330;30USC181 ET SEQ

Total Acres

Serial Number

Case Type 312021: O&G LSE COMP PD -1987

1,280.000

NMNM-- - 114986

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- - 114986

Name & Address

Int Rel

%Interest

CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327	LESSEE	100.000000000
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Serial Number: NMNM-- - 114986

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0230S	0330E	013	ALIQ	S2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0230S	0330E	023	ALIQ	E2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0230S	0330E	024	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 114986

Act Date	Code	Action	Action Remarks	Pending Office
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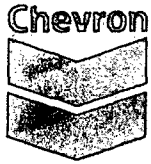
10/04/2005	299	PROTEST FILED	Forest Guardians	
10/18/2005	387	CASE ESTABLISHED	200510049;	
10/19/2005	143	BONUS BID PAYMENT RECD	\$2560.00;	
10/19/2005	191	SALE HELD		
10/19/2005	267	BID RECEIVED	\$544000.00;	
10/31/2005	143	BONUS BID PAYMENT RECD	\$541440.00;	
11/18/2005	298	PROTEST DISMISSED		
11/22/2005	237	LEASE ISSUED		
11/22/2005	974	AUTOMATED RECORD VERIF	GSB	
12/01/2005	496	FUND CODE	05;145003;	
12/01/2005	530	RLTY RATE - 12 1/2%		
12/01/2005	868	EFFECTIVE DATE		
02/21/2006	963	CASE MICROFILMED		
09/14/2006	140	ASGN FILED	CHALFANT/CHESAPEAK;1	
10/20/2006	139	ASGN APPROVED	EFF 10/01/06;	
10/20/2006	974	AUTOMATED RECORD VERIF	MV	
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED		
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1	
04/09/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/09/2013	974	AUTOMATED RECORD VERIF	ANN	
03/17/2014	643	PRODUCTION DETERMINATION	/1/ 30-025-41330;	
03/17/2014	650	HELD BY PROD - ACTUAL	/1/	
04/23/2014	658	MEMO OF 1ST PROD-ACTUAL	/1/ 30-025-41330;	

Line Nr Remarks

Serial Number: NMNM-- - 114986

0002	STIPULATIONS ATTACHED TO LEASE:
0003	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE NOTICE
0004	SENM-S-19 PLAYAS AND ALKALI LAKES
0005	04/09/2013 - RENTAL PAID 12/01/2013 PER ONRR

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

**Chevron North America
Exploration and Production
Company**
1616 W. Bender Blvd Rm #121
Hobbs FMT, Hobbs, NM 88240
Tel 575-263-0431
Fax 575-263-0445
cherreramurillo@chevron.com

August 20, 2014

**Bureau of Land Management
New Mexico State Office
620 E. Greene St.
Carlsbad NM 88220**

Application for Amending Surface Commingle, Bone Spring Pool, Lea County, NM (T23S, -R33E, Section 11, 23 & 25) and adding Section 24

Dear Sirs:

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas and water production from the Bone Spring pool through Chevron's Brininstool Battery. Chevron request the approval to minimize surface disturbance and future traffic by concentrating activities at on battery. Wells producing to this battery include the Chevron Brininstool 23 23 33 #1H; Brininstool 23 23 33 #2H, Brininstool 25 23 33 #2H and Limestone 11 23.33 Federal #1. **Chevron is requesting to add the Brininstool 24 23 33 #2H** to existing Surface Commingle order PLC-393. All wells are completed within the Second Bone Spring sand formation, per attached map. These wells are located in Section 11, 23 & 25 and adding Section 24, T23S-R33E, Lea County, New Mexico.

The working interest and royalties are the same for all 4 leases involved in this request. (100 Chevron). All wells are allocated by monthly well test with coriolis on oil and EFM on gas. A schematic showing this configuration is attached.

Sincerely,

A handwritten signature in cursive script that reads "Cindy Herrera-Murillo".

Cindy Herrera-Murillo
Regulatory Specialist
Enclosure

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	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]

[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 PLC 393 to include Brininstool 24 Fed #2H

[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.

Cindy Herrera-Murillo
 Print or Type Name

Cindy Herrera-Murillo
 Signature

Permitting Specialist
 Title

08/20/2014
 Date

Cherreramurillo@chevron.com
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: CHEVRON USA INC

OPERATOR ADDRESS: 1616 W. BENDER BLVD HOBBS, NM 88240

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC 393
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowances? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code. BONE SPRING
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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: 08/20/2014

TYPE OR PRINT NAME CINDY HERRERA-MURILLO TELEPHONE NO.: 575-263-0431

E-MAIL ADDRESS: Cherreramurillo@chevron.com

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

**Limestone 11 23 33 #1, Lease: NM114985
Brininstool 23 23 33 #1H, Lease: NM114986
Brininstool 23 23 33 #2H, Lease: NM114986
Brininstool 25 23 33 #2H, Lease: NM112940
Brininstool 24 23 33 #2H, Lease: NM114986**

Chevron USA Inc.

January 7, 2015

Condition of Approval

Commingling of lease production and off lease measurement, storage and sales

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.
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 Onshore Order #5 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.
11. Variance to Onshore Order #4 oil measurement to use Coriolis meters is approved with this approval.
12. Need to provide actual Gravity and BTU values for each well. (see highlighted area in approval)