

NMOCD

Hobbs

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

EC

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.*

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

MAR 18 2016

RECEIVED

5. Lease Serial No.
NMNM105885

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM1245558. Well Name and No.
PERSEUS 10 FEDERAL COM 3H ✓9. API Well No.
30-005-29137-00-S1 ✓10. Field and Pool, or Exploratory
UNDESIGNATED-WOLFCAMP11. County or Parish, and State
CHAVES COUNTY, NM

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
CHEVRON USA INC. ✓Contact: CINDY H MURILLO
E-Mail: CHERERAMURILLO@CHEVRON.COM3a. Address
15 SMITH ROAD
MIDLAND, TX 797053b. 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 10 T15S R31E SENE 1980FNL 200FEL ✓

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 ADMINISTRATIVE APPROVAL TO SURFACE COMMINGLE OIL, GAS AND WATER PRODUCTION FROM THE WILDCAT; ABO WOLFCAMP POOL THROUGH CHEVRON'S PERSEUS 10 CENTRAL TANK BATTERY. CHEVRON REQUESTS THE APPROVAL TO MINIMIZE SURFACE DISTURBANCE AND FUTURE TRAFFIC BY CONCENTRATING ACTIVITIES AT ONE BATTERY. WELLS PRODUCING IN THIS BATTERY INCLUDE THE PERSEUS 10 FEDERAL COM #3H AND PERSEUS 10 FEDERAL COM #4H. THESE WELLS ARE LOCATED IN SECTION 10, T15S, R31E, CHAVES COUNTY, NEW MEXICO. API#S ARE INCLUDED:

PERSEUS 10 FEDERAL COM #3H API# 30-005-29137 LEASE # NMNM124555
PERSEUS 10 FEDERAL COM #4H API# 30-005-29204 LEASE # NMNM130824

PLEASE FIND ATTACHED SURFACE COMMINGLE APPLICATION

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

Electronic Submission #333449 verified by the BLM Well Information System
For CHEVRON USA INC., sent to the Roswell
Committed to AFMSS for processing by DAVID GLASS on 03/11/2016 (16DRG0179SE)

Name (Printed/Typed) CINDY H MURILLO

Title PERMITTING SPECIALIST

Signature (Electronic Submission)

Date 03/11/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

/S/ DAVID R. GLASS

Title

PETROLEUM ENGINEER

MAR 14 2016

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

ROSWELL FIELD OFFICE

Kc

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 **

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

MAR 22 2016



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

HOBBS OCD

MAR 18 2016

RECEIVED

March 11, 2016

Bureau of Land Management
Roswell Field Office
2909 W. Second Street
Roswell, New Mexico 88201

Application for surface commingling, Wildcat Abo-Wolfcamp Pool, Chaves County, NM (Section 10, T15S, R31E)

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas, and water production from the Wildcat Abo-Wolfcamp Pool through Chevron's Perseus 10 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 Perseus 10 Federal Com #3H and Perseus 10 Federal Com #4H. These wells are located in Section 10, T21S, R31E, Chaves County, New Mexico.

The working interest and Federal royalty rate are the same for leases involved in this request (100% Chevron, 12.5% Federal). Working, royalty and overriding interest owners have been notified of this proposal via certified mail.

These well were completed in October 2013. Production from each well is measured continuously through three-phase metering separators located at the Perseus 10 central tank battery. The three-phase separators measure oil through turbine meters and gas through EFM's.

Sincerely,

Cindy Herrera-Murillo
Permitting Specialist

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Perseus 10 Federal Com #3H and Perseus 10 Federal Com #4H

[PLACEHOLDER FOR SUNDRY]

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Perseus 10 Federal Com #3H and Perseus 10 Federal Com #4H

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

Proposal for Perseus 10 Federal Com #3H and Perseus 10 Federal Com #4H:
Chevron U.S.A. Inc. is requesting approval for the Central Tank Battery and off lease measurement, sales and storage for the following wells:

Communitization Agreement NMNM 124555

Well Name	Location	API#	Pool 97715	BOPD	Oil Gravity	MCFPD	Gas BTU
Perseus 10 Federal Com #3H	SENE Sec 10 T15S, R31E	30-005-29137	Wildcat; Abo-Wolfcamp	18	39.8	33	1317

Communitization Agreement NMNM 130824

Well Name	Location	API#	Pool 97715	BOPD	Oil Gravity	MCFPD	Gas BTU
Perseus 10 Federal Com #4H	NENE Sec 10 T15S, R31E	30-005-29204	Wildcat; Abo-Wolfcamp	38	39.8	45	1317

Attached is a map that displays the Communitization Agreements, Federal and State leases and well locations in Section 10, T15S, R31E.

The BLM's interest in both wells is the same. Com Agreement NMNM 124555 involves 80 acres of Federal lease NMNM 105885 at a royalty rate of 12.5% and 80 acres of State lease V0-8266. Com Agreement NMNM 130824 involves 80 acres of Federal lease NMNM 105885 at a royalty rate of 12.5% and 80 acres of State lease V0-8266.

Oil and Gas Metering:

The Perseus 10 Central Tank Battery (CTB) is located at the Perseus 10 Fed Com #3H well pad. There are three oil tanks at the CTB that the wells will utilize and oil will be measured by having qualified field personnel gauge the tanks. The CTB is located in the SE NE of Section 10, Township 15S, Range 31E on Com Agreement NMNM 124555. The produced water will go to two common water tanks on the CTB.

Production from each Com Agreement (CA) is measured continuously through a three-phase metering separator located at the CTB. Oil is measured by MC-II Flow Analyzer turbine meters on the oil outlets and gas is measured by orifice meter runs with Total Flow computers on the gas outlets. The oil from the three-phase separators will then be commingled into a common heater treater with oil and water outlets flowing to common oil and water tanks and gas going to sales on location.

Oil production will be allocated to each CA on a daily basis based on the three-phase metering separators' continuous oil measurements. This ratio will be applied to the total oil production from the facility.

CA NMNM 124555 (Perseus 10 Fed Com #3H) oil allocation meter on the three-phase metering separator consists of a turbine meter (S/N 41116)

CA NMNM 130824 (Perseus 10 Fed Com #4H) oil allocation meter on the three-phase metering separator consists of a turbine meter (S/N 411084)

These oil allocations meters will be proven via a meter loop as per API, NMOCD, and BLM specifications quarterly. The factor obtained will be used to allocate the production volumes.

Gas production will be allocated to each CA based on continuous measurement downstream of the three-phase metering separators. Total sales gas will be measured by utilizing the DCP third party orifice meter fitted with EFM flow computer installed downstream of the VRU discharge and downstream of each CA's gas allocation meter.

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Perseus 10 Federal Com #3H and Perseus 10 Federal Com #4H

Each CA's share of flash gas after the three-phase separators will be allocated based on total oil metered in continuous well tests. The CTB has a common gas sales meter DCP Central Delivery Point (S/N 726160-00) that is located on the southwest side of the CTB.

CA NMNM 124555 (Perseus 10 Fed Com #3H) gas allocation meter on the CTB three-phase metering separator consists of a Total Flow EFM (S/N 39766).

CA NMNM 130824 (Perseus 10 Fed Com #4H) gas allocation meter on the CTB three-phase metering separator consists of a Total Flow EFM (S/N 79426).

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 Flow and Descriptions:

The flow of production is shown in detail on the enclosed process flow diagram and facility diagram maps which show the CA and 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.

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.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Printed Name: Caleb Weaver
Title: Facilities Engineer
Date: 3/11/2016

Economic Justification Work Sheet
Perseus 10 Central Tank Battery

Commingling proposal for Communitization Agreements: NMNM 124555 and NMNM 130824, both of which include Federal lease NMNM 105885

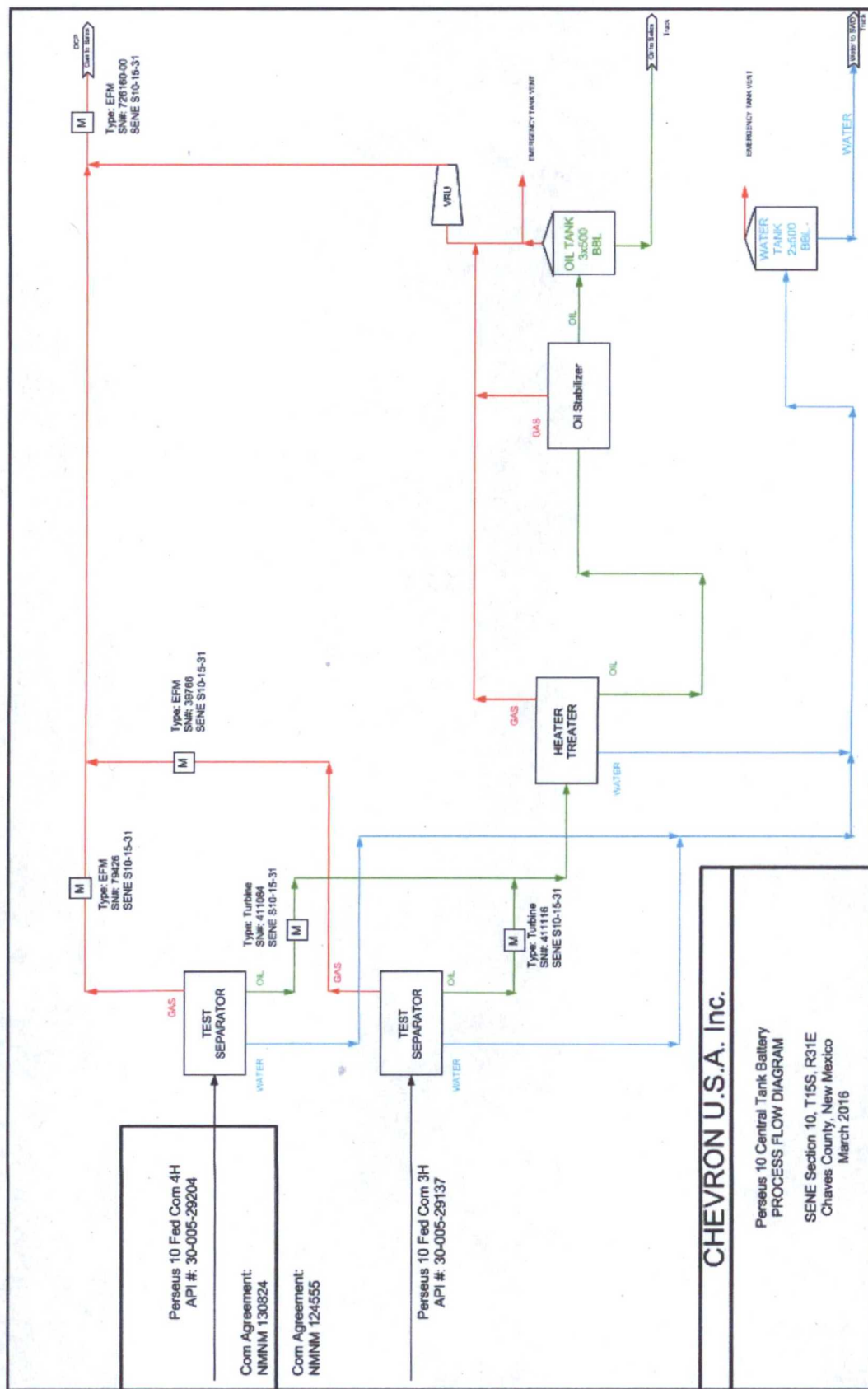
Com Agreement	Royalty Rate on lease NMNM 105885	Well Name	BOPD	Oil Gravity (@60 deg)	Value/b bl	MCFP D	Dry BTU	Value/ mcf
NMNM 124555	12.5%	Perseus 10 Federal Com #3H	18	39.8	\$26.09	33	1317	\$1.43
NMNM 130824	12.5%	Perseus 10 Federal Com #4H	38	39.8	\$26.09	45	1317	\$1.43

Economic combined production	Royalty Rate	BOPD	Oil Gravity (@60 deg)	Value/b bl	MCFP D	DRY BTU	Value/ mcf
Perseus 10 Central Tank Battery	12.5%	56	39.8	\$26.09	78	1317	\$1.43

Wolfcamp oil production in the area is sweet and will be sold at a flat rate of 40 API gravity. Therefore, regardless of the API values of the individual wells, the common stream will be sold as if it was sweet and 40 API gravity. These wells are in the same formation and therefore the BTUs are similar.

Printed Name: Tim Wallace
Title: Production Engineer
Date: 03/08/2016

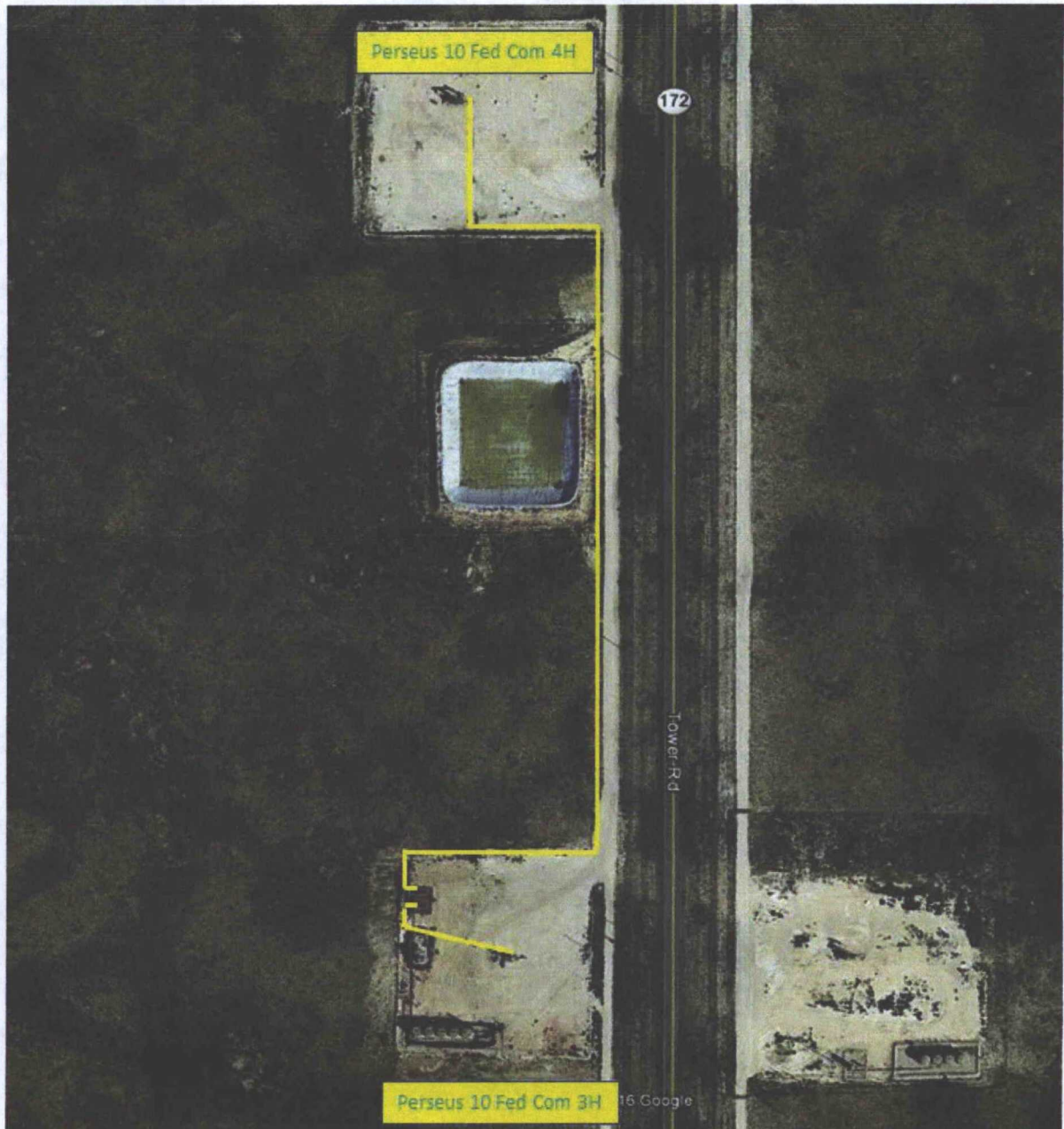
APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
 Perseus 10 Federal Com #3H and Perseus 10 Federal Com #4H

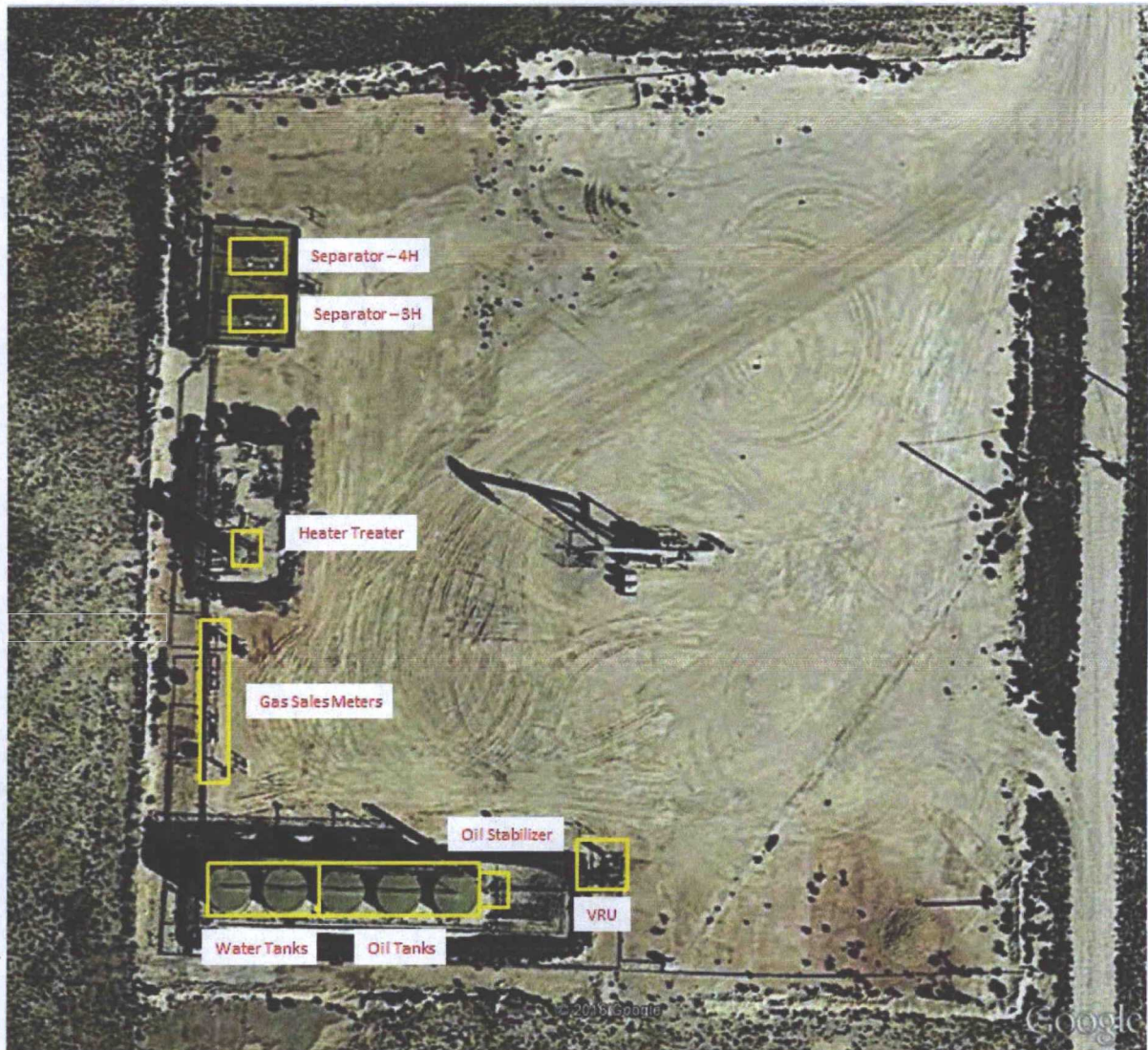


APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Perseus 10 Federal Com #3H and Perseus 10 Federal Com #4H



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Perseus 10 Federal Com #3H and Perseus 10 Federal Com #4H





DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Time: 11:39 AM

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Run Date: 03/09/2016

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres 800.000
Serial Number NMNM-- - 105885

Name & Address	Serial Number: NMNM-- - 105885	Int Rel	% Interest	
CHEVRON USA INC	15 SMITH RD	MIDLAND TX 797055423	LESSEE	50.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	LESSEE	50.000000000
LEGACY RESERVES OPERATING LP	303 W WALL ST STE 1800	MIDLAND TX 797015106	OPERATING RIGHTS	0.000000000

Mer Twp	Rng	Sec	STyp	SNr SUFF	Subdivision	District/Field Office	County	Mgmt Agency
23	01505	0310E 003	ALIQ		SW;	ROSWELL FIELD OFFICE	CHAVES	BUREAU OF LAND MGMT
23	01505	0310E 010	ALIQ		W2;	ROSWELL FIELD OFFICE	CHAVES	BUREAU OF LAND MGMT
23	01505	0310E 015	ALIQ		W2;	ROSWELL FIELD OFFICE	CHAVES	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remark	Pending Office
01/16/2001	397	CASE ESTABLISHED	200101062	
01/17/2001	191	SALE HELD		
01/17/2001	267	BID RECEIVED	\$224000.00;	
01/17/2001	392	MONIES RECEIVED	\$1600.00;	
01/26/2001	392	MONIES RECEIVED	\$222400.00;	
02/09/2001	237	LEASE ISSUED		
02/09/2001	974	AUTOMATED RECORD VERIF		
02/15/2001	084	RENTAL RECEIVED BY ONRR	\$1200;21/MULTIPLE	
03/01/2001	496	FUND CODE	05;145003	
03/01/2001	530	RLTY RATE - 12 1/2%		
03/01/2001	868	EFFECTIVE DATE		
04/06/2001	140	ASGN FILED	CHALFANT PROPERTIES;1	
05/18/2001	139	ASGN APPROVED	EFF 05/01/01;	
05/18/2001	974	AUTOMATED RECORD VERIF	LR	
01/17/2002	963	CASE MICROFILMED/SCANNED		
06/07/2002	140	ASGN FILED	CHESAPEAKE EXPLORAT;1	
08/13/2002	139	ASGN APPROVED	EFF 07/01/02;	
08/13/2002	974	AUTOMATED RECORD VERIF	MV	
07/14/2005	791	TERMINAT'N NOTICE ISSUED	CLASS II;	
08/12/2005	792	TERMINATION VACATED		
08/12/2005	974	AUTOMATED RECORD VERIF	SSF	
08/03/2007	140	ASGN FILED	HARVEY E/COG OIL &;1	
09/12/2007	139	ASGN APPROVED	EFF 09/01/07;	
09/12/2007	974	AUTOMATED RECORD VERIF	MV	
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED	CHESA EXP LP/EXP LLC	
07/01/2009	246	LEASE COMMITTED TO CA	CA NM-123640	
07/01/2009	643	PRODUCTION DETERMINATION	/1/	
07/01/2009	650	HELD BY PROD - ACTUAL	/1/	
07/01/2009	658	MEMO OF 1ST PROD-ACTUAL	/1/NMNM123640;	
03/15/2010	246	LEASE COMMITTED TO CA	CA NM-124555	
03/17/2010	940	NAME CHANGE RECOGNIZED	COG O&G/COG OPER	

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

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
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Run Date: 03/08/2016

04/01/2010	246	LEASE COMMITTED TO CA	CA NM-124864
04/20/2010	246	LEASE COMMITTED TO CA	CA-NM-125103
09/10/2010	643	PRODUCTION DETERMINATION	/2/
09/10/2010	658	MEMO OF 1ST PROD-ACTUAL	/2/NMNM124864;
09/29/2010	643	PRODUCTION DETERMINATION	/3/
09/29/2010	658	MEMO OF 1ST PROD-ACTUAL	/3/NMNM125103;
11/04/2010	643	PRODUCTION DETERMINATION	/4/
11/04/2010	658	MEMO OF 1ST PROD-ACTUAL	/4/NMNM124555;
11/22/2010	246	LEASE COMMITTED TO CA	CA-NM-125711
01/19/2011	643	PRODUCTION DETERMINATION	/5/
01/19/2011	658	MEMO OF 1ST PROD-ACTUAL	/5/NMNM125711;
02/03/2011	246	LEASE COMMITTED TO CA	CA-NM-125999
04/15/2011	246	LEASE COMMITTED TO CA	CA NM-126805
08/05/2011	643	PRODUCTION DETERMINATION	/6/
08/05/2011	658	MEMO OF 1ST PROD-ACTUAL	/6/NMNM126805;
02/08/2012	643	PRODUCTION DETERMINATION	/7/
02/08/2012	658	MEMO OF 1ST PROD-ACTUAL	/7/NMNM125999;
06/06/2012	246	LEASE COMMITTED TO CA	
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1
01/22/2013	575	APD FILED	PERSEUS 10 FED COM4;
02/12/2013	576	APD APPROVED	
04/09/2013	139	ASGN APPROVED	EFF 12/01/12;
04/18/2013	246	LEASE COMMITTED TO CA	NMNM130824;
07/10/2013	932	TRF OPER RGTS FILED	COG OPERA/LEGACY RE;1
11/22/2013	246	LEASE COMMITTED TO CA	NMNM130562;
12/11/2013	104	ADDTL INFO RQSTD	
12/23/2013	933	TRF OPER RGTS APPROVED	EFF 08/01/13;
02/24/2014	103	ADDTL INFO RECD	LEO 3 FED. COM 2H;
02/27/2014	221	DRAINAGE IDENTIFIED	
05/27/2014	974	AUTOMATED RECORD VERIF	BW;
02/11/2015	899	TRF OF ORR FILED	1

Serial Number: NMNM-- 105885

Line Nr	Remarks
0002	-
0003	09/12/07 PER MMS RENTAL PD FOR 01-07, DUE 03/01/08

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Time: 11:45 AM

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Run Date: 03/09/2018

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

160.000

NMNM-- - 124555

Commodity 410: NATURAL GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 124555

Name & Address	Int Rel	% Interest
BLM ROSWELL F-U	ROSWELL NM 88201	0.000000000
CHEVRON USA INC	HOUSTON TX 770027327	100.000000000

Serial Number: NMNM-- - 124555

Mer Twp	Range	Sec	STyp	SNr Suf	Subdivision	District/Field Office	County	Mgmt Agency
23	01S05	0310E	010	ALIQ	S2N2;	ROSWELL FIELD OFFICE	CHAVES	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 124555

Act Date	Code	Action	Action Remark	Pending Office
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
03/15/2010	387	CASE ESTABLISHED		
03/15/2010	516	FORMATION	WILDCAT/WOLFCAMP;	
03/15/2010	525	ACRES-NONFEDERAL	80.00;50.00%ST	
03/15/2010	526	ACRES-FED INT 100%	80.00;50.00%FED	
03/15/2010	868	EFFECTIVE DATE		
03/25/2010	580	PROPOSAL RECEIVED	CA RECEIVED;	
04/27/2010	334	AGRMT APPROVED		
04/29/2010	005	NEPA ANALYSIS APPROVED	NM-P010-2010-95-CX;	
10/04/2010	654	AGRMT PRODUCING		
10/04/2010	690	AGRMT VALIDATED		
11/04/2010	643	PRODUCTION DETERMINATION	3H-PERSEUS 10 FED COM	
11/04/2010	658	MEMO OF 1ST PROD-ACTUAL	3H-PERSEUS 10 FED COM	
02/27/2014	590	DESIG OF AGENT		
03/17/2014	672	SUCCESSOR OPERATOR	CHEVRON NORTH AMERICA	
03/17/2014	974	AUTOMATED RECORD VERIF	BW;	

Serial Number: NMNM-- - 124555

Line Nr	Remarks	TR#	LEASE SERIAL NO	AC COMMITTED	%INTEREST
0002					
0003		1	NMNM-105885	80.00	50.00
0004		2	STATE	80.00	50.00
0005			TOTAL	160.00	100.00

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Time: 11:45 AM

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Run Date: 03/09/2016

01 02-25-1920;041STAT0437;30USC181

Case Type 318310: O&G COMMUNITIZATION AGRMT

Commodity 410: NATURAL GAS

Case Disposition: AUTHORIZED

Total Acres
160.000

Serial Number
NMNM-- - 130824

Name & Address	Serial Number: NMNM-- - 130824	Int Rel	% Interest	
BLM ROSWELL FO	2909 W 2ND ST	ROSWELL NM 88201	OFFICE OF RECORD	0.000000000
CHEVRON USA INC	PO BOX 2100	HOUSTON TX 772522100	OPERATOR	50.000000000
LEGACY RESERVES OPERATING LP	PO BOX 10848	MIDLAND TX 797027848	OPERATOR	50.000000000

Mer Twp Rng Sec	STyp	SNr Suf	Subdivision	District/Field Office	County	Mgmt Agency
23 0150S 0310E 010	ALIQ		N2N2;	ROSWELL FIELD OFFICE	CHAVES	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remark	Pending Office
03/25/2013	005	NEPA ANALYSIS APPROVED	EA-NMP010-2013-142;	
04/18/2013	387	CASE ESTABLISHED		
04/18/2013	501	REFERENCE NUMBER	NM-130824	
04/18/2013	516	FORMATION	WOLFCAMP;	
04/18/2013	525	ACRES-NONFEDERAL	80.00;50.00% STATE	
04/18/2013	526	ACRES-FED INT 100%	80.00;50.00%	
04/18/2013	868	EFFECTIVE DATE		
07/15/2013	580	PROPOSAL RECEIVED		
10/04/2013	654	AGRMT PRODUCING	4H-PERSEUS 10 FED COM	
02/28/2014	104	ADDTL INFO RQSTD	COG'S RATIFICATION;	
04/10/2014	687	AGRMT JOINDER APPROVED	COG;	
11/06/2014	580	PROPOSAL RECEIVED	CA RECEIVED;	
01/21/2015	334	AGRMT APPROVED	NM-130824	
02/12/2015	334	AGRMT APPROVED	VO-8266	
04/08/2015	658	MEMO OF 1ST PROD-ACTUAL		
04/08/2015	974	AUTOMATED RECORD VERIF	BM;	

Line Nr	Remarks	Serial Number: NMNM-- - 130824
	TOTAL 160.00	100.0000
0002	/A/RECAPITULATION EFFECTIVE 04/18/2013	
0003	TR# LEASE SERIAL NO AC COMMITTED %INTEREST	
0004	1 NMNM105885 80.00 50.0000	
0005	2 VO-8266 80.00 50.0000	

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Perseus 10 Federal Com #3H and Perseus 10 Federal Com #4H



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

March 08, 2016

Re: Application for Surface Commingling
Chevron's Perseus Central Tank Battery
Section 10, T15S, R31E,
Chaves County, New Mexico

Legacy Reserves Operating LP
P O Box 10848
Midland, TX 79702
Working Interest Owner,

Chevron U.S.A. Inc. respectfully gives notice of intent to surface commingle oil, gas and water production from the
Wildcat; Wolfcamp Pool through Chevron's Perseus Central Tank Battery. Wells producing to this battery include e
Chevron Perseus 10 Federal Com #3H and Perseus 10 Federal Com #4H. These wells are located in section 10,
T15S; R31E, Chaves County, New Mexico.

The working interest and royalties for each well are as follows:
Perseus 10 Federal Com #3H (WI 75%; NRI 63.541%; RI 12.5%)
Perseus 10 Federal Com #4H (WI 75%; NRI 63.541%; RI 12.5%)

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, or by email at: cherreramurillo@chevron.com.

Sincerely,

Cindy Herrera-Murillo

Cindy Herrera-Murillo
Regulatory Specialist

U.S. Postal Service™
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OFFICIAL USE

TEDE ST10 5000 0470 ST02

3.30
2.10
58
658

Legacy Reserves Operating LP
P O Box 10848
Midland, TX 79702

PS Form 3800

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Perseus 10 Federal Com #3H and Perseus 10 Federal Com #4H

CERTIFIED MAILING LIST

**Wells and Com Agreements: Perseus 10 Federal Com #3H (CA NMNM 124555) and Perseus 10
Federal Com #4H (CA NMNM 130824)**

Respondent Name / Address:

Legacy Reserves Operating LP
P. O. Box 10848
Midland, TX 79702

Certified Receipt #

7015 0640 0005 0115 3031

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.

Cindy Herrera-Murillo
Print or Type Name

Cindy Herrera-Murillo
Signature

Permitting Specialist
Title

03/11/2016
Date

Cheerteramurillo@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. _____
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 allowables? ☐ 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. WILDCAT G-05 S1531110; ABO-WOLFCAMP
(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 attach 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: 03/11/2016

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

E-MAIL ADDRESS: CHERRERAMURILLO@CHEVRON.COM

MAR 18 2016**RECEIVED**

**Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287
(575) 627-0272**

**Off-Lease Measurement, Off-Lease Storage, And Surface Commingling
Conditions Of Approval**

1. This agency will be notified of any change in your sales method or location of the sales meter.
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 is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. Contact the BLM Roswell Field Office at least 24 hours prior to the commencing any monthly well test. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.
7. 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 to the BLM Roswell Field Office at 2909 West Second Street, Roswell, New Mexico 88201-1287 for wells in Chaves or Roosevelt County if you have not already done so.