

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office

OCD Hobbs

FORM 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.

5. Lease Serial No.
NMNM113417 / NM 113418

6. If Indian, Allottee or Tribe Name

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

CHEVRON MIDCONTINENT LP

Contact: CINDY H MURILLO

E-Mail: CHERRAMURILLO@CHEVRON.COM

8. Well Name and No.

ANTELOPE RIDGE 11 24 34 FED 3H

9. API Well No.

30-025-42318

3a. Address

1616 W. BENDER BLVD
HOBBS, NM 88240

3b. Phone No. (include area code)

Ph: 575-263-0431
Fx: 575-263-0445

10. Field and Pool, or Exploratory

RED HILLS; BONE SPRING N

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

Sec 11 T24S R34E Mer NMP NWNE 330FSL 990FWL

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 MIDCONTINENT L.P. REQUESTS ADMINISTRATIVE APPROVAL TO SURFACE COMMINGLE OIL, GAS AND WATER PRODUCTION FROM THE BONE SPRING POOL THROUGH CHEVRON'S PRODIGAL SUN CENTRAL TANK BATTERY. WELLS PRODUCING IN THIS BATTERY INCLUDE THE ANTELOPE RIDGE 11 24 34 FED #3H; PRODIGAL SUN 17 24 34 #1H AND MADERA 17 FED #1H. ALL WELLS WILL BE COMPLETE WITHIN THE SECOND BONE SPRING SAND FORMATION. THESE WELLS ARE LOCATED IN SECTIONS 11 & 17, T24S, R34E, LEA COUNTY, NEW MEXICO. API#'S ARE INCLUDED.

ANTELOPE RIDGE 11 24 34 FED #3H API#30-025-42318 LEASE#NMNM113417
PRODIGAL SUN 17 24 34 FED #1H API#30-025-41957 LEASE#NMNM113418
MADERA 17 FED #1H API#30-025-41199 LEASE#NMNM113418

**THIS SURFACE COMMINGLE APPLICATION HAS BEEN AMENDED. THIS REPLACES EC# 299971 SUBMITTED ON

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

Electronic Submission #308701 verified by the BLM Well Information System
For CHEVRON MIDCONTINENT LP, sent to the Hobbs
Committed to AFMSS for processing by LINDA JIMENEZ on 07/27/2015 ()

Name (Printed/Typed) CINDY H MURILLO

Title PERMITTING SPECIALIST

Signature (Electronic Submission)

Date 07/09/2015

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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Additional data for EC transaction #308701 that would not fit on the form

32. Additional remarks, continued

04/30/2015.**

PLEASE DISREGARD EC# 308686 SUBMITTED UNDER INCORRECT OPERATOR



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

July 9, 2015

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

Application for surface commingling, Bone Spring Pool, Lea County, NM (T24S-R34E, Sec 11 & 17)

Dear Sirs,

Chevron Midcontinent, L.P. respectfully requests administrative approval to surface commingle oil, gas, and water production from the Bone Spring Pool through Chevron's Prodigal Sun 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 Chevron Antelope Ridge 11 24 34 Federal #3H, Prodigal Sun 17 24 34 #1H, and Madera 17 Federal #1H. All wells will be completed within the Second Bone Spring sand Formation. These wells are located in Sections 11 & 17, T24S-R34E, Lea County, New Mexico. API's for each well are included with this notification.

The working interest and royalties for each well are as follows:

Antelope Ridge 11 24 34 Federal #3H	WI 75%; NRI 65.625%; RI 12.50%
Prodigal Sun 17 24 34 #1H	WI 100%; NRI 80%; RI 12.50%
Madera 17 Federal #1H	WI 100%; NIR 80%; RI 12.50%

Working, royalty and overriding interest owners will be notified of this proposal via certified mail.

These wells will be horizontally drilled by summer of 2015. Each well will be tested monthly through a three-phase test separator located at the Prodigal Sun Central tank battery. The three phase test separator will measure oil through a turbine meter on the oil outlet line and gas through an orifice meter run with a Total flow computer on the gas outlet line. A schematic showing this configuration is attached.

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
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H



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 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Cherreramurillo@chevron.com

January 16, 2015

Oil Conservation Division
Attn: Engineering Department
61220 S. St. Francis Drive
Santa Fe, NM 87505

Application for surface commingling, Bone Spring Pool, Lea County, NM (T24S-R34E, Sec11 & 17)

Dear Sirs,

Chevron North America respectfully requests administrative approval to surface commingle oil, gas, and water production from the Bone Spring Pool through Chevron's Prodigal Sun 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 Chevron Antelope Ridge 11 24 34 Federal #3H; Prodigal Sun 17 24 34 Federal #1H. All wells will be complete within the Second Bone Spring sand Formation, per attached map. These wells are located in section 11 & 17, T24S-R34E, Lea County, New Mexico. APDs for each well, which includes surface plats, are included with this notification.

The working interest and royalties are as follows:

Antelope Ridge 11 24 34 Federal #3H	WI 75%; NRI 65.625%; RI 12.5%
Prodigal Sun 17 24 34 #1H	WI 100%; NRI 80%; RI 12.50%

Working, royalty, and overriding interest owners will be notified of this proposal via certified mail.

These wells will be horizontally drilled in Spring of 2015. Each well will be tested monthly through a three-phase test separator located at the Prodigal Sun central tank battery. The three phase test separator will measure oil through a coriolis meter on the oil outlet line and gas through an orifice meter run with a Total flow computer on the gas outlet line. A schematic showing this configuration is attached.

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
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

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

Proposal for Prodigal Sun 17-24-34 #1H; Antelope Ridge 11-24-34 Federal #3H and Madera 17 Federal #1H:

Chevron Midcontinent, L.P. is requesting approval for the Central Tank Battery and off – lease measurement, sales and storage for the following wells:

Federal Lease NMNM113417 (12.5% Royalty Rate)				Oil		Gas	
Well Name	Location	API#	Pool 96434	BOPD	Gravity	MCFPD	BTU
Antelope Ridge	SW/4 SW/4 Sec	30-025-42318	Red Hills;	350*	42.8*	385*	1360*
11 24 34 Federal #3H	11, T24S, R34E		Bone Spring, North				

Federal Lease NMNM113418 (12.5% Royalty Rate)				Oil		Gas	
Well Name	Location	API#	Pool 96434	BOPD	Gravity	MCFPD	BTU
Prodigal Sun	NW/4 NE/4, Sec	30-025-41957	Red Hills;	100*	42.8*	100*	1360*
17 24 34 #1H	17, T24S, R34E		Bone Spring, North				

Federal Lease NMNM113418 (12.5% Royalty Rate)				Oil		Gas	
Well Name	Location	API#	Pool 96434	BOPD	Gravity	MCFPD	BTU
Madera 17	NE/4 NE/4, Sec	30-025-41199	Red Hills;	685*	42.8*	864*	1360*
Federal #1H	17, T24S, R34E		Bone Spring, North				

*These are proposed numbers

Attached is a map which displays the federal leases and well locations in Sections 11 & 17, T24S, R34E.

The BLM's interest in these wells are identical.

Oil & Gas metering:

The central tank battery will be located at the Prodigal Sun 17-24-34 #1H. There are three oil tanks at the central tank battery that the wells will utilize and oil will be sold through the central delivery point (CDP) Lease Automated Custody Transfer unit (S/N 1328E10063), which is located at the facility in the NW/4 NE/4 of Section 17, T24S, R34E. For gas there is a common central delivery point (CDP) gas sales meter (S/N 161974) which is located at the facility in the NW/4 NE/4 Section 17, T24S, R34E. The produced water will go to a common water tank on location.

Each lease will be measured continuously through a three-phase metering separator located at the Prodigal Sun central tank battery. The three phase separators will measure oil through turbine meters on the oil outlet line and gas through an orifice meter run with a Total Flow computer on the gas outlet line. The wells will then be commingled into a common heater treater and flow to common oil and water tanks with gas going to sales on location.

Oil production will be allocated to each lease on a daily basis based on the three-phase metering separator's continuous oil measurement. This ratio will be applied to the total oil production metered by the Lease Automated Custody Transfer (LACT) meter located at the Prodigal Sun central tank battery (S/N 1328E10063).

Lease NMNM 113418 (Prodigal Sun 17 24 34 #1H and Madera 17 Federal #1H) oil allocation meter on the Prodigal Sun central tank battery three-phase metering separator consists of a Turbine meter (S/N 61780)

Lease NMNM 113417 (Antelope Ridge 11 24 34 Federal #3H) oil allocation meter on the Prodigal Sun central tank battery three-phase metering separator consists of a Turbine meter (S/N 60974).

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
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Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

These meters will be proven via a meter loop 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 to each lease based on continuous measurement downstream of the 3-phase metering separators. Flash gas will be measured utilizing an orifice meter fitted with EFM flow computer installed downstream of the VRU discharge (S/N 150007432) and each lease's share of flash gas will be allocated based on total oil metered in continuous well tests. Prodigal Sun Central Tank Battery bulk gas is based on the total gas production metered by the Targa Resources Corp sales meter (S/N 161974).

Lease NMNM 113418 (Prodigal Sun 17 24 34 #1H and Madera 17 Federal #1H) gas allocation meter on the Prodigal Sun central tank battery three-phase metering separator consists of a Total Flow EFM (S/N 150014161)

Lease NMNM 113417 (Antelope Ridge 11 24 34 Federal #3H) gas allocation meter on the Prodigal Sun central tank battery three-phase test separator consists of a Total Flow EFM (S/N 150029728).

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, and 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 footprint, reduce traffic, and lower overall emissions.

Chevron Midcontinent, L.P. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

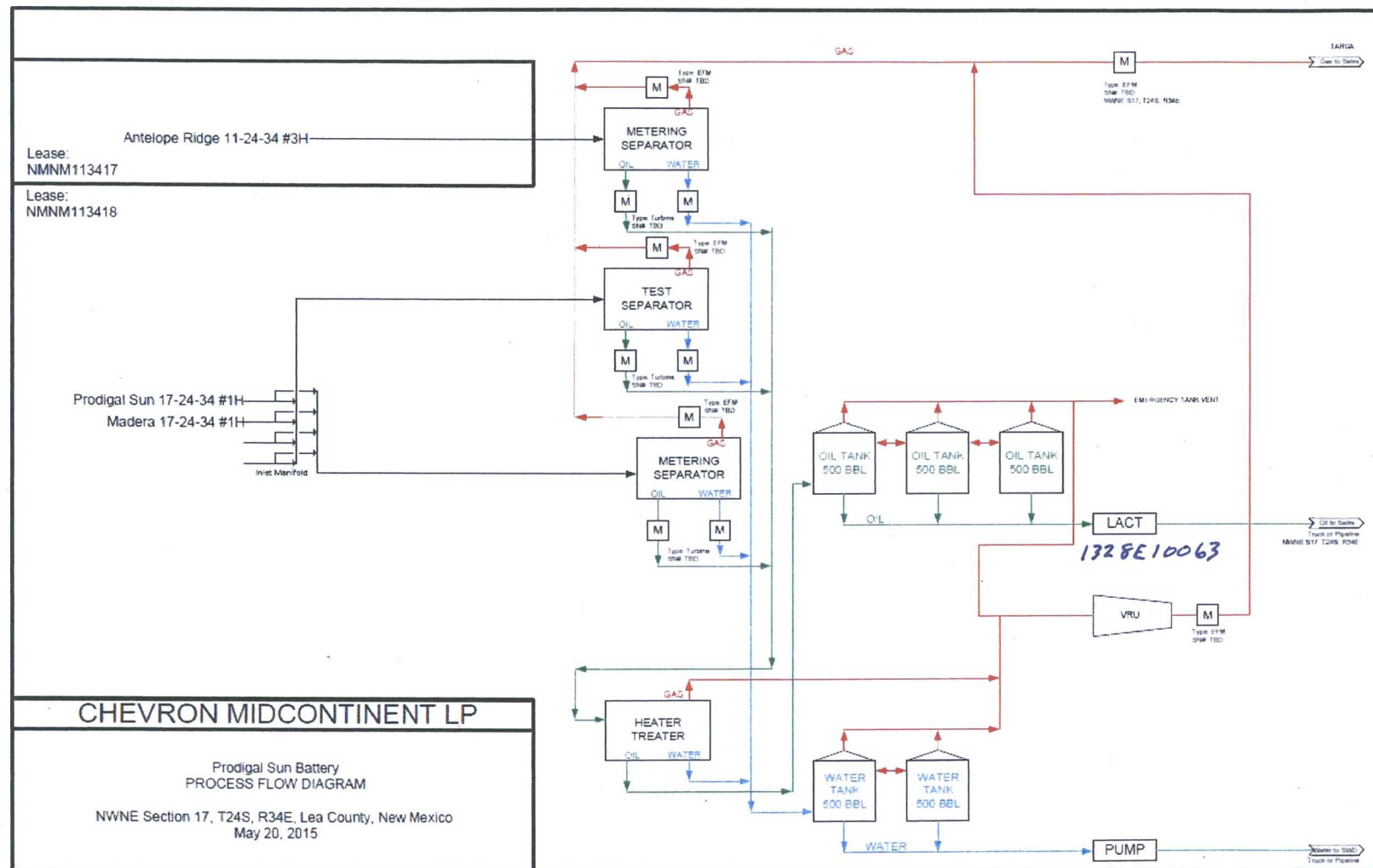
The central tank battery is located in Sec. 17, NW/4 NE/4, T24S-R34E, on federal lease NMNM 113418 in Lea County, New Mexico.

Antelope Ridge 11 24 34 Federal #3H will require off lease measurement, storage and sales of oil and gas.

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

Printed Name: Caleb Brown
Title: Facilities Engineer
Date: 5/26/15

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Midcontinent, L.P.
 Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H



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**Economic Justification Work Sheet
Prodigal Sun Central Tank Battery**

Commingling proposal for leases: NMNM113417 and NMNM113418

Federal Lease NMNM	Royalty Rate	Well Name	BOPD	Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
113417	12.5%	Antelope Ridge 11 24 34 Federal #3H	350	42.8	\$58.00/bbl	385	1360	\$3.08/mcf
113418	12.5%	Prodigal Sun 17 24 34 #1H	100	42.8	\$58.00/bbl	100	1360	\$3.08/mcf
113418	12.5%	Madera 17 Federal #1H	685*	42.8*	\$58.00/bbl	864*	1360*	\$3.08/mcf

Federal Lease NMNM	Economic combined production	Well Names	BOPD	Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
113417 113418		Prodigal Sun 17-24-34 #1H, Antelope Ridge 11-24-34 Federal #3H, and Madera 17 Federal #1H	1135*	42.8*	\$58.00/bbl	3340	1360*	\$3.08/mcf

*These are estimated numbers. Actuals will be supplied after completion.

Bone Spring 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 BTU's are similar.

Printed Name: Christina Davis

Title: Reservoir Engineer

Date: 10/30/2014

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

Serial Register page form LR2000 is attached on the following pages:

Federal Lease	Lease Description	WI/NRI	Lease	Royalty Interest
NMNM113417	Antelope Ridge 11 24 34 #3H	75 % and 65.625%	Federal	12.50%
NMNM113418	Prodigal Sun 17-1H	100% and 80.00%	Federal	12.50%
NMNM113418	Madera 17 #1H	100% and 80.00%	Federal	12.500%

A list of interest owner and addresses is below:

Antelope Ridge 11 24 34 #3H

Interest Type	Name	Address	City	State	Zip Code
Working Interest	Chevron Midcontinent , LP	P. O. Box 2100	Houston	Texas	77252-2100
Working Interest	COG Operating LLC	One Concho Center, 600 Illinois Ave	Midland	Texas	79701
Royalty Interest	United States of America	P O Box 1148	Santa Fe	New Mexico	87504-1148

Prodigal Sun 17 24 34 #1H

Interest Type	Name	Address	City	State	Zip Code
Working Interest	Chevron Midcontinent LP	P.O. Box 2100	Houston	Texas	77252-2100
Overriding Royalty Interest	The Allar Company	Post Office Box 1567	Graham	Texas	76450
Overriding Royalty Interest	John Thoma	Post Office Box 17656	Golden	Colorado	80402
Overriding Royalty Interest	Sandra Thoma	8530 Mill Run Rd.	Athens	Texas	75751
Overriding Royalty Interest	Regeneration Energy Corp	Post Office Box 210	Artesia	New Mexico	88211-0210
Royalty Interest	United States of America	P O Box 1148	Santa Fe	New Mexico	87504-1148

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May 22, 2015

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Overriding Royalty Interest	Sandra Thoma	8530 Mill Run Rd.	Athens	Texas	75751
Overriding Royalty Interest	Regeneration Energy Corp.	Post Office Box 210	Artesia	New Mexico	88211-0210
Royalty Interest	United States of America	PO Box 1148	Santa Fe	New Mexico	87504-1148

Madera 17 Federal #001H

BLM Lease NMNM 113418

E/2E 2 of Section 17, Township 24 South, Range 34 East, Lea County, New Mexico

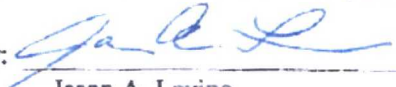
Interest Type	Name	Address	City	State	Zip Code
Working Interest	Chevron Midcontinent, L.P.	P.O. Box 2100	Houston	Texas	77252-2100
Overriding Royalty Interest	The Allar Company	Post Office Box 1567	Graham	Texas	76450
Overriding Royalty Interest	John Thoma	Post Office Box 17656	Golden	Colorado	80402
Overriding Royalty Interest	Sandra Thoma	8530 Mill Run Rd.	Athens	Texas	75751
Overriding Royalty Interest	Regeneration Energy Corp.	Post Office Box 210	Artesia	New Mexico	88211-0210
Royalty Interest	United States of America	PO Box 1148	Santa Fe	New Mexico	87504-1148

I verify that the information is correct.

Sincerely,

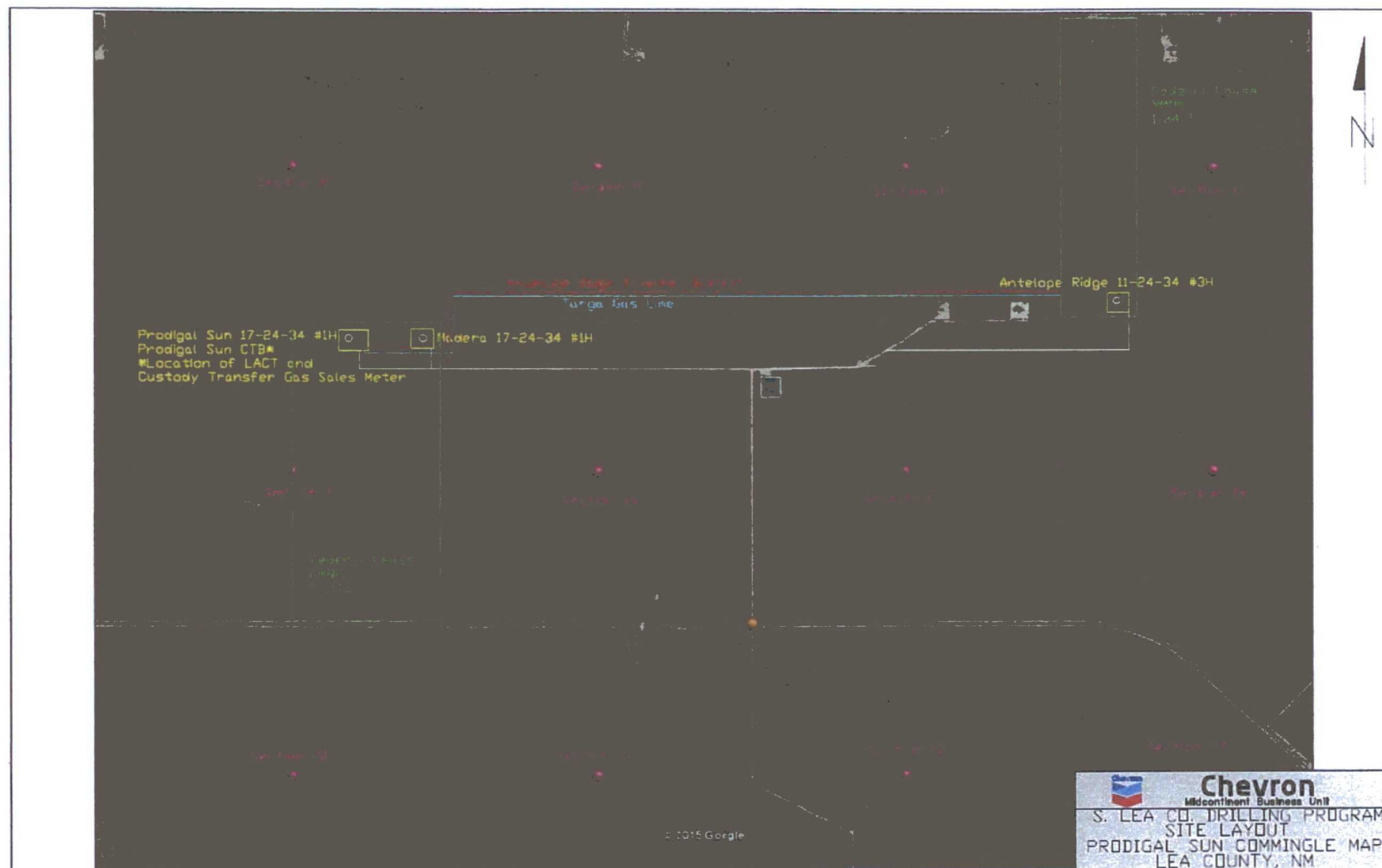
CHEVRON MIDCONTINENT, L.P.

By:

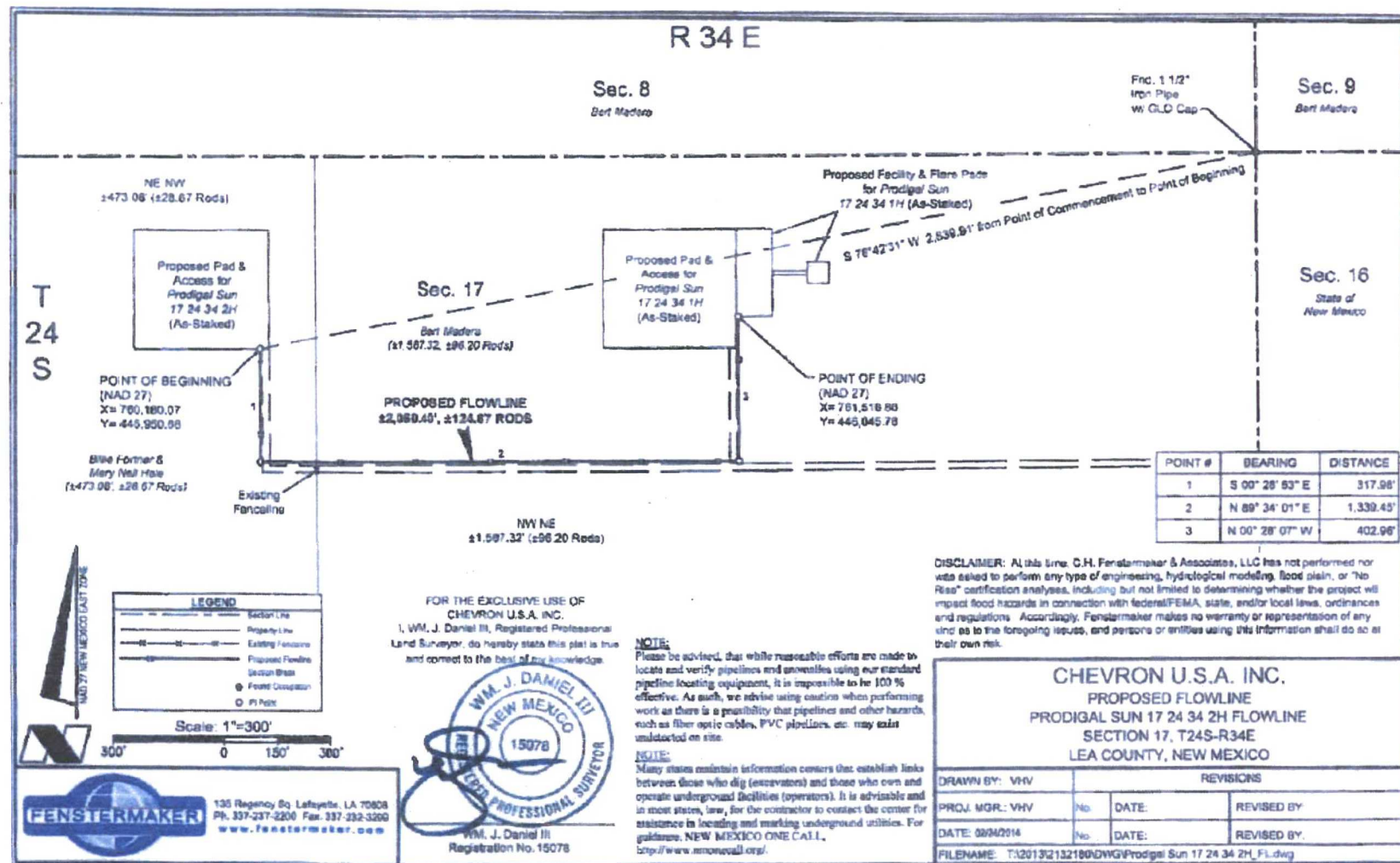

Jason A. Levine

Land Representative

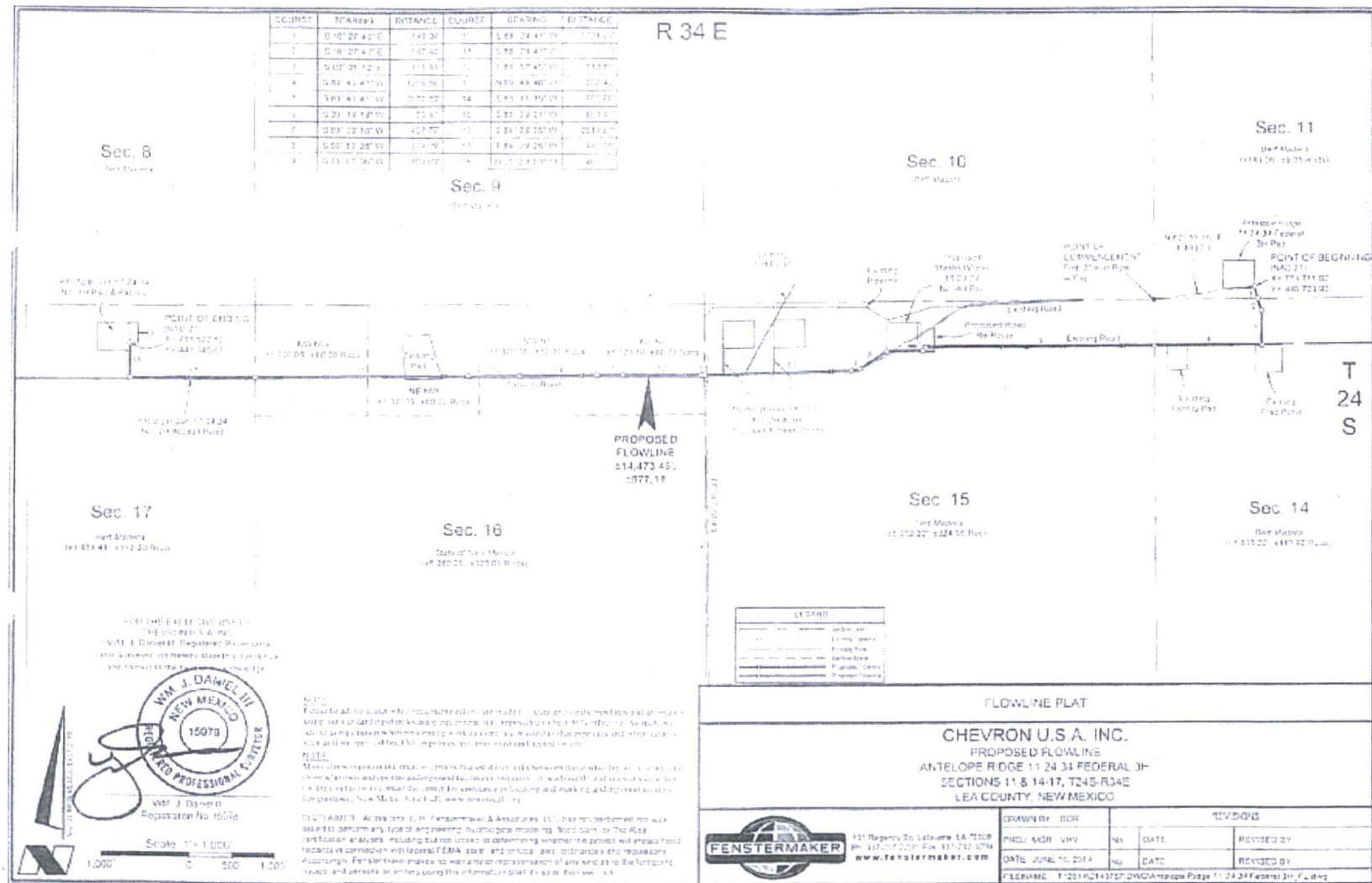
APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Midcontinent, L.P.
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APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Midcontinent, L.P.
 Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Midcontinent, L.P.
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APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Midcontinent,
L.P.

Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
PIPELINE RIGHT-OF-WAY

Right-of-Way Easement R-34363
Antelope Ridge Federal #3H

This indenture made this 19th day of December 2014 by and between the State of New Mexico, acting by and through its Commissioner of Public Lands, "Grantor", Chevron U.S.A. Inc. whose address is 15 Smith Road, Midland, Texas, 79705

WITNESSETH:

That Grantor, for and in consideration of the sum of \$9,600.00-----Nine Thousand Six Hundred Dollars and 00/100 cash in hand, receipt of which is hereby acknowledged, and other good and valuable consideration, hereby conveys to grantee a right-of-way for the sole and exclusive purpose of 3" surface flowline the right to enter upon the real estate hereinafter described at any time that it may see fit to construct, maintain and repair the structures upon the right-of-way, together with the right to remove trees, brush, undergrowth, and other obstructions interfering with the location, construction, and maintenance of said right-of-way.

The right-of-way hereby granted covers a strip of land 30 feet in width in Lea County, as more particularly described by the attached centerline description and survey plats, which are incorporated herein as **Exhibit A**.

This grant is made upon the following express terms and conditions:

1. This right-of-way is granted for a term of 35 years. The grant may be renewed for additional periods upon application to Grantor. Any such renewals are subject to such terms and conditions as the Grantor may require, and payment of compensation.
2. Grantor reserves the right to authorize or grant rights-of-way or other easements to third parties, which may be over, parallel to, or across this right-of-way. In such cases, the subsequent grantee may, at the discretion of the Grantor, be required to post a bond guaranteeing payment for damages to the installations and improvements of Grantee herein. In crossing any right-of-way for a highway, road, telephone, telegraph, transmission line, etc. Grantee herein will exercise due care so as not to interfere with said rights-of-way and will comply with all applicable laws, rules, and regulations in connection with the making of such crossings.
3. The right to grant additional rights-of-way or easements within this right-of-way belongs exclusively to Grantor. Grantor hereby agrees, however, that in the event Grantor elects to exercise such right and if Grantee herein is the New Mexico State Highway and Transportation Department, Grantor will secure in writing the agreement of subsequent right-of-way grantee that no facilities will be constructed or installed within the right-of-way subsequently granted without first obtaining from the Department a permit prescribing the conditions under which facilities may be placed within such right-of-way in accordance with the Department's applicable rules and regulations.
4. GRANTEE EXPRESSLY AGREES THAT PRIOR TO THE CONSTRUCTION OR INSTALLATION OF ANY FACILITIES WITHIN THE RIGHT-OF-WAY GRANTED HEREIN, GRANTEE WILL DETERMINE WHETHER THE RIGHT-OF-WAY IS WITHIN A PREVIOUSLY ESTABLISHED NEW MEXICO STATE HIGHWAY AND TRANSPORTATION DEPARTMENT RIGHT-OF-WAY, AND IF IT IS, GRANTEE WILL OBTAIN FROM THE DEPARTMENT A PERMIT THAT PRESCRIBES THE CONDITIONS UNDER WHICH

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

(2)

Right-of-Way Easement No. R-34363

FACILITIES MAY BE PLACED WITHIN THE RIGHT-OF-WAY IN ACCORDANCE WITH THE DEPARTMENT'S APPLICABLE RULES AND REGULATIONS. GRANTEE FURTHER UNDERSTANDS AND AGREES THAT THE FAILURE TO OBTAIN SUCH PERMIT SHALL RESULT IN THE FORCIBLE REMOVAL BY THE DEPARTMENT OF ANY FACILITIES THAT MAY BE CONSTRUCTED OR INSTALLED WITHIN THE RIGHT-OF-WAY.

5. In clearing the right-of-way, Grantee agrees to dispose of brush and other debris so as not to interfere with the movement of livestock of state agriculture lessees.
6. All pipelines placed on said lands by virtue of this grant shall be buried not less than twenty inches (20") deep. An exception to this requirement may be granted on other than agricultural lands when hard rock is encountered which would require blasting, or when a temporary pipeline is necessary and will not unduly hamper other surface uses. Deviation of the twenty-inch depth must be shown on the plat accompanying the application for right-of-way or by the filing of an amended plat upon completion of construction.
7. Grantee hereby agrees to carefully avoid destruction or injury to any improvements or livestock lawfully upon the premises described herein, to close all gates immediately upon passing through same, and to pay promptly the reasonable and just damages for any injury or destruction arising from construction or maintenance of this right-of-way.
8. Grantee shall not assign this right-of-way without the prior written approval of Grantor, which shall not be unreasonably withheld. Such approval may be conditioned upon the agreement by Grantee's assignee to additional conditions and covenants and may require payment of additional compensation to Grantor. This right-of-way is for the sole purpose stated and no other. Grantee agrees not to sell or otherwise grant to any person or entity any interest therein or the right to use any portion thereof.
9. The rights granted herein are subject to valid existing rights.
10. Grantor reserves the right to execute leases for oil and gas, coal, and minerals of whatsoever kind and for geothermal resources development and operation, the right to sell or dispose of same and the right to grant rights-of-way and easements related to such leasing.
11. In all matter affecting the premises described herein or operations thereon, Grantee, its employees, agents and contractors shall, at their own expense, fully comply with all laws, regulations, rules, ordinances, and requirements of any governmental authority or agency, which may be enacted or promulgated, including, but not limited to, requirements or enactment's pertaining to conservation, sanitation, aesthetics, pollution, cultural properties, fire, or ecology, including those provisions of the New Mexico Cultural Properties Act, §§18-6-1 through 17, NMSA 1978, that attach criminal penalties to the appropriation, excavation, injury or destruction of any site or object of historical, archaeological, architectural, or scientific value located on state lands. In addition, Grantee, its employees, agents and contractors must comply with the provisions of the Pipeline Safety Act, §§ 70-3-11 through 20, NMSA 1978, and rules enacted pursuant to the Act, and agree to provide the Public Regulation Commission access to records of compliance.

Non-use of the right-of-way granted herein for any period in excess of one (1) year without the prior written consent of Grantor shall be conclusive proof of abandonment of the right-of-way, and shall cause the right-of-way to lapse *ipso facto* and revert to Grantor without further action or notice required of Grantor; and non-use for shorter periods shall place upon grantee the burden of providing that there was no intent to abandon. Grantee's abandonment cannot be waived by any action or inaction of Grantor or by Grantor's failure to discover such abandonment. The resumption of use by Grantee after abandonment shall be deemed a trespass. Grantee, if other than a governmental entity that is provided

2019 DEC 5 PM 8 35

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

(3)

Right-of-Way Easement No. R-34363

immunity from suit by the New Mexico Tort Claims Act, agrees to save and hold harmless, defend and indemnify the State of New Mexico, the Commissioner of Public Lands, and his agents or employees, in their official and individual capacities, of and from any and all liability, claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with the operations of Grantee, its employees, agents, or contractors hereunder; provided however that such claims, losses, or damages are not caused by the negligence or willful misconduct of Grantor.

12. Notwithstanding anything contained herein, Grantor may cancel this grant for violation of any of the covenants of this agreement; provided, however, that before any such cancellation shall become effective, Grantor shall mail to grantee or any approved assignee, by certified mail addressed to the post office address of Grantee or such assignee shown by Land Office records, a - sixty (60) day notice of intention to cancel, specifying the default for which the grant is subject to cancellation. No proof of receipt of notice shall be necessary and sixty (60) days after such mailing, Grantor may enter cancellation unless Grantee shall have sooner remedied the default to the satisfaction of Grantor.
13. Grantee agrees to preserve and protect the natural environmental conditions of the land encompassed in this grant, and to take those reclamation or corrective actions that are accepted soil and water conservation practices and that are deemed necessary by Grantor to protect the land from pollution, erosion, or other environmental degradation.
14. Grantee agrees to reclaim by grading, leveling, or terracing all areas disturbed by the construction or maintenance of the right-of-way or operations thereon and to landscape such areas at its own cost and expense. Landscaping shall include the planting of native grasses, shrubs, or other vegetation so as to return disturbed areas to their natural state and prevent water and wind erosion.
15. This grant shall become effective upon its execution by Grantor.

SC 8 WB S 030 H102

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

(4)

Right-of-Way Easement No. R-34363

GRANTEE: Chevron U.S.A. Inc.
By: J.K. Beckham
D.K. Beckham, Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF Texas
COUNTY OF Midland

The foregoing instrument was acknowledged before me this 1st day of December, 20 14,
by D.K. Beckham, Attorney-in-Fact of Chevron U.S.A. Inc. a
Pennsylvania corporation, on behalf of said corporation.

My Commission Expires:

11-19-2016



Susanne Strickland
NOTARY PUBLIC

STATE OF NEW MEXICO

BY: Ray Powell
Ray Powell, M.S., D.V.M.
Commissioner of Public Lands

DATE: 12-19-14

S
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APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

METES AND BOUNDS DESCRIPTION OF
A PROPOSED FLOWLINE
SECTIONS 11, 14, 15, 16 & 17, T24S-R34E
LEA COUNTY, NEW MEXICO

R 34363
EXHIBIT A
1 OF 3

Survey of a proposed flowline crossing private and State of New Mexico lands in Sections 11, 14, 15, 16 & 17 of Township 24 South Range 34 East, N.M.P.M Lea County, New Mexico.

COMMENCING at the Southwest corner of said Section 11 of Township 24 South Range 34 East at a found 2" Iron Pipe with Cap; thence North 82 degrees 35 minutes 06 seconds East 1,193.63 feet to the POINT OF BEGINNING having the following coordinates: X= 774,711.82 and Y= 446,723.92 (New Mexico State Plane Coordinate System, East Zone, NAD 27);

Thence South 16 degrees 27 minutes 40 seconds East 149.36 feet to a common section line of said Sections 11 & 14 of Township 24 South Range 34 East;

Thence South 16 degrees 27 minutes 40 seconds East 147.48 feet;

Thence South 00 degrees 31 minutes 12 seconds East 415.88 feet;

Thence South 89 degrees 43 minutes 41 seconds West 1,266.86 feet to a common section line of said Sections 14 & 15 of Township 24 South Range 34 East;

Thence South 89 degrees 43 minutes 41 seconds West 2,677.89 feet;

Thence South 39 degrees 19 minutes 19 seconds West 50.41 feet;

Thence South 89 degrees 33 minutes 15 seconds West 427.77 feet;

Thence South 56 degrees 53 minutes 35 seconds West 374.09 feet;

Thence South 78 degrees 07 minutes 36 seconds West 100.09 feet;

Thence South 88 degrees 29 minutes 41 seconds West 1,731.97 feet to a common section line of said Sections 15 & 16 of Township 24 South Range 34 East;

Thence South 88 degrees 29 minutes 41 seconds West 39.39 feet;

Thence South 89 degrees 57 minutes 45 seconds West 913.85 feet;

Thence North 89 degrees 48 minutes 48 seconds West 302.43 feet;

Thence South 89 degrees 18 minutes 19 seconds West 905.60 feet;

Thence South 89 degrees 39 minutes 21 seconds West 604.45 feet;

Thence South 89 degrees 28 minutes 35 seconds West 2,514.53 feet to a common section line of said Sections 16 & 17 of Township 24 South Range 34 East;

REC'D 6 PM 8 27

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

R- 34363
EXHIBIT A
2 OF 3

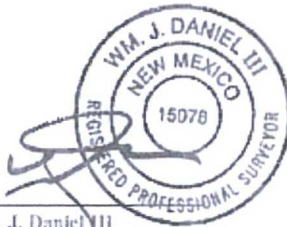
Thence South 89 degrees 29 minutes 25 seconds West 1,446.38 feet;

Thence North 00 degrees 29 minutes 03 seconds west 405.03 feet to the POINT OF ENDING having the following coordinates: X= 761,522.82 and Y= 446,045.83 [New Mexico State Plane Coordinate System, East Zone, NAD 27];

Reference is hereby made to a separate plat of the subject proposed flowline.

The bearings recited hereon are oriented to NAD 27 New Mexico East Zone.

This description represents a survey made on the ground of a proposed flowline and is intended solely for that purpose. This description does not represent a boundary survey.



WM. J. Daniel III
Registered Professional Land Surveyor #15078
C.H. Penstemaker & Associates, L.L.C.
135 Regency Square
Lafayette, LA 70508
337-237-2200

2009 OCT 6 PM 8 27

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Midcontinent, L.P.

Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

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

Run Time: 11:07 AM

Page 1 of 1

Run Date: 11/10/2014

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

Total Acres

Serial Number

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

440.020

NMNM-- - 113417

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 113417

Name & Address

Int Rel

% Interest

CHEVRON MIDCONTINENT LP
THE ALLAR CO111115 WILCREST
PO BOX 1567HOUSTON TX 77099
GRAHAM TX 76450OPERATING RIGHTS
LESSEE0.00000000
100.00000000

Serial Number: NMNM-- - 113417

Mer Twp	Range	Sec	STyp	Snr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0340S	0340E	001	ALIQ	SWNW/NWSW	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0340S	0340E	001	LOTS	4	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0340S	0340E	011	ALIQ	E2E2,W2W2	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 113417

Act Date	Code	Action	Action Remark	Pending Office
01/18/2005	299	PROTEST FILED		
01/18/2005	387	CASE ESTABLISHED	200501041;	
01/19/2005	191	SALE HELD		
01/19/2005	267	BID RECEIVED	\$266650.00;	
02/28/2005	237	LEASE ISSUED		
02/28/2005	298	PROTEST DISMISSED		
02/28/2005	974	AUTOMATED RECORD VERIF	LR	
03/01/2005	496	FUND CODE	05,145003	
03/01/2005	530	RLTY RATE - 12 1/2%		
03/01/2005	868	EFFECTIVE DATE		
06/20/2005	963	CASE MICROFILMED		
03/20/2006	932	TRF OPER RGTS FILED	ALLAR/PURE RESOURCE;1	
03/31/2006	940	NAME CHANGE RECOGNIZED	PURE RES/CHEVRON MIDC	
04/24/2006	933	TRF OPER RGTS APPROVED	EFF 04/01/06;	
04/24/2006	974	AUTOMATED RECORD VERIF	ANN	
08/09/2006	899	TRF OF ORR FILED	1	
08/12/2013	899	TRF OF ORR FILED	1	
08/15/2013	899	TRF OF ORR FILED	1	
08/15/2013	932	TRF OPER RGTS FILED	ALLAR/REGENERATION;1	
02/28/2014	933	TRF OPER RGTS APPROVED	EFF 09/01/13;	
02/28/2014	974	AUTOMATED RECORD VERIF	BTM	
06/02/2014	899	TRF OF ORR FILED	1	
02/28/2015	763	EXPIRES		

Serial Number: NMNM-- - 113417

Line Nr	Remarks
02	STIPULATIONS ATTACHED TO LEASE:
03	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE
04	NOTICE

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

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

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

Run Time: 11:05 AM

Page 1 of 2

Run Date: 11/10/2014

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

Total Acres 640.000
Serial Number NMNM-- - 113418

Name & Address	Serial Number: NMNM-- - 113418	Int Rel	% Interest
CHEVRON MIDCONTINENT LP	PO BOX 2100	HOUSTON TX 772522100	OPERATING RIGHTS 0.000000000
REGENERATION ENERGY CORP	PO BOX 210	ARTESIA NM 882110210	OPERATING RIGHTS 0.000000000
THE ALLAR CO	PO BOX 1567	GRAHAM TX 76450	OPERATING RIGHTS 0.000000000
THE ALLAR CO	PO BOX 1567	GRAHAM TX 76450	LESSEE 100.000000000

Mer Twp Rng Sec	STyp	SNr SUFF	Subdivision	District/Field Office	County	Mgmt Agency
23 02405 0340E 017	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remark	Pending Office
01/18/2005	299	PROTEST FILED		
01/18/2005	387	CASE ESTABLISHED	200501042;	
01/19/2005	191	SALE HELD		
01/19/2005	267	BID RECEIVED	\$336000.00;	
02/28/2005	237	LEASE ISSUED		
02/28/2005	298	PROTEST DISMISSED		
02/28/2005	974	AUTOMATED RECORD VERIF	LR	
03/01/2005	496	FUND CODE	05;145003	
03/01/2005	530	RLTY RATE - 12 1/2%		
03/01/2005	968	EFFECTIVE DATE		
06/20/2005	963	CASE MICROFILMED		
03/20/2006	932	TRF OPER RGTS FILED	ALLAR/PURE RESOURCE;1	
03/31/2006	940	NAME CHANGE RECOGNIZED	PURE RES/CHEVRON MIDC	
04/24/2006	933	TRF OPER RGTS APPROVED	EFF 04/01/06;	
04/24/2006	974	AUTOMATED RECORD VERIF	ANN	
08/09/2006	899	TRF OF OWR FILED	1	
01/07/2008	932	TRF OPER RGTS FILED	CHEVRON MIDCO/ALLAR;1	
02/11/2008	933	TRF OPER RGTS APPROVED	EFF 02/01/08;	
02/11/2008	974	AUTOMATED RECORD VERIF	ANN	
08/12/2013	899	TRF OF OWR FILED	1	
08/15/2013	899	TRF OF OWR FILED	1	
08/15/2013	932	TRF OPER RGTS FILED	ALLAR/REGENERATION;1	
02/07/2014	932	TRF OPER RGTS FILED	ALLAR/CHEVRON MIDCO;1	
02/07/2014	932	TRF OPER RGTS FILED	CHEVRON M/REGENERAT;1	
02/07/2014	932	TRF OPER RGTS FILED	CHEVRON MIDCO/ALLAR;1	
02/07/2014	932	TRF OPER RGTS FILED	REGENERAT/CHEVRON M;1	
03/31/2014	899	TRF OF OWR FILED	1	
05/07/2014	558	TRF OPER RGTS RET UNAPPV	FILED 08/15/13;	
05/07/2014	957	TRF OPER RGTS DENIED	ALLAR/REGENERATION;	
05/07/2014	974	AUTOMATED RECORD VERIF	BTM	
05/08/2014	042	CASE SENT TO	JSERRANO;	
06/09/2014	932	TRF OPER RGTS FILED	ALLAR COM/CHEVRON M;1	
08/12/2014	933	TRF OPER RGTS APPROVED	1 EFF 07/01/14;	
08/12/2014	933	TRF OPER RGTS APPROVED	2 EFF 07/01/14;	

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

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production
Company
1615 W. Bender Blvd Room 121
Hobbs FMT, Hobbs, NM 88240
Tel 575-263-0431
Fax 575-263-0445
cherreramurillo@chevron.com

December 8, 2013

Re: Application for Surface Commingling
Chevron's Prodigal Sun Central Tank Battery
Section 17, T24S, R34E,
Lea County, New Mexico

COG Operating LLC
One Concho Center
600 W. Illinois Ave
Midland, TX 79701
Working Interest Owner,

Chevron U.S.A. Inc. respectfully gives notice of intent to surface commingle oil, gas and water production from the Red Hills, Bone Spring Pool through Chevron's Prodigal Sun Central Tank Battery. Wells producing to this battery include the Chevron Antelope Ridge 11 24 34 Federal #3H and Prodigal Sun 17 24 34 #1H (which will be horizontally drilled in the Fall of 2013 into the Bone Spring sand formation, attached map). These wells are located in section 11 & 17, township 24 South and Range 34 East.

The working interest and royalties are as follows:

Antelope Ridge 11 24 34 Federal #3H

(WI/75.00% ;NRI 65.625% ;RI 12.5%)

Prodigal Sun 17 24 34 #1H

(WI/100% ; NRI 80% ; 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 TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$.48
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.48
Send To	COG Operating LLC
Street Apt. Box	One Concho Center
or PO Box No	600 W. Illinois Ave
City State ZIP+4	Midland, TX 79701

PS Form 3800, August 2008 See Reverse for Instructions

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

CERTIFIED MAILING LIST

**Wells and Leases: Antelope Ridge 11 24 34 Federal #3H (NMNM113417), Prodigal Sun 17 24 34
#1H (NMNM113418), and Madera 17 Federal #1H (NMNM113418)**

Respondent Name / Address:

Certified Receipt #

Sandra Thoma
8530 Mill Run Road
Athens, TX 75751

7011 0110 0002 0279 8225

COG Operating LLC
One Concho Center, 600 W. Illinois Ave.
Midland, TX 79701

7011 0110 0002 0279 8232

The Allar Company
P.O. Box 1567
Graham, TX 76450

7011 0110 0002 0279 8249

John Thoma
P.O. Box 17656
Golden, CO 80402

7011 0110 0002 0279 8256

Regeneration Energy Corp.
P.O. Box 210
Artesia, NM 88211

7011 0110 0002 0279 8263

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

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 _____

[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

05/28/2015
Date

Cherreramurillo@chevron.com
e-mail Address

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Arteson, 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

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

Form C-107-B
Revised August 1, 2011

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 _____
(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 B:

(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: 05/28/2015

TYPE OR PRINT NAME: CINDY HERRERA-MURILLO TELEPHONE NO.: 575-263-0411

E-MAIL ADDRESS: Chenramurillo@chevron.com

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron
Midcontinent, L.P.
Prodigal Sun 17 24 34 #1H, Antelope Ridge 11 24 34 Federal #3H, and Madera 17 Federal #1H

Chevron Functional Contacts

Contact Name	Function	Phone Number	Email Address
Nick Wann	<i>FE Team Lead / Primary Point of Contact</i>	(432) 687-7852	NWann@chevron.com
Caleb Brown	Facilities Engineer	(432) 687-7326	Caleb.Brown@chevron.com
David Macurdy	Regulatory Team Lead	(713) 754-3826	david.macurdy@chevron.com
Cindy Herrera-Murillo	Regulatory Specialist	(575) 263-0431	CHerreraMurillo@chevron.com
Clayton Williams	Execution Team Lead	(713) 372-0978	clay.williams@chevron.com
Danny Boone	Project Manager	(713) 372-5390	DBoone@chevron.com
Chidubem Alinnor	Drilling	(713) 372-6475	alinnor@chevron.com
Christina Davis	Reservoir Engineer	(713) 372-1095	Christina.Davis@chevron.com
India Isbell	Subsurface Land Team Lead	(713) 372-1288	Indialsbell@chevron.com
Jason Levine	Subsurface Land	(713) 372-5313	JLevine@chevron.com
Kevin Dickerson	Surface Land	(432) 687-7104	Kevin.Dickerson@chevron.com

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

Chevron Midcontinent LP

December 21, 2016

Condition of Approval

Surface commingling, off lease storage measurement and sales and alternate method of measurement.

Antelope Ridge 11 24 34 Fed 3H, Prodigal Sun 17 24 34 Fed 1H, & Madera 17 Fed 1H

3002542318, 3002541957, & 3002541199

Lease NM113417 & NM003418

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. Approval for alternate method of measurement for oil production. turbine meters will be used off 3 phase separators for allocation of oil production and oil will be sold through a common LACT meter at facility.