Form 3160-5 (June 2015)

# UNITED STATES Carlsbad Field Office MB NO. 1004-0137 BUREAU OF LAND MANAGEMENT OF THE INTERIOR OCD Hobbs Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS UNITED STATES Carlsbad Field Office MB NO. 1004-0137 Expires: January 31, 2018 Sundry NOTICES AND REPORTS ON WELLS Williple--See Attached

Do not uso thi	is form for proposals to drill	or to re enter an					
abandoned wel	6. If Indian, All	ottee or Tribe Name					
SUBMIT IN 1	TRIPLICATE - Other instruct	ions on page 2	7. If Unit or CA MultipleS	A/Agreement, Name and/or No. See Attached			
1. Type of Well  ☑ Oil Well ☐ Gas Well ☐ Oth	ner	MAY 16	8. Well Name at MultipleSe				
2. Name of Operator CHEVRON USA INCORPORA	Contact: DEN	IISE PINKERTON	9. API Well No	See Attached			
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706		Phone No. (include area code): 432-687-7375	10. Field and P	ool or Exploratory Area See Attached			
4. Location of Well (Footage, Sec., T	., R., M., or Survey Description)		11. County or F	Parish, State			
MultipleSee Attached			LEA COU	NTY, NM			
12. CHECK THE AF	PPROPRIATE BOX(ES) TO	INDICATE NATURE OF	NOTICE, REPORT, OR	R OTHER DATA			
TYPE OF SUBMISSION		TYPE OF	ACTION				
Notice of Intent     ■	☐ Acidize	☐ Deepen	☐ Production (Start/Resur	ne)			
Notice of Intent	☐ Alter Casing	☐ Hydraulic Fracturing	□ Reclamation	■ Well Integrity			
☐ Subsequent Report	□ Casing Repair	■ New Construction	□ Recomplete	<b>⊠</b> Other			
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	□ Temporarily Abandon	Surface Commingling			
	☐ Convert to Injection	☐ Plug Back	■ Water Disposal				
If the proposal is to deepen directions Attach the Bond under which the won following completion of the involved testing has been completed. Final Attach the site is ready for final Chevron U.S.A. Inc. respectful production from the Talco 25.2 Pools) to a common central deaffect royalty value of gas. Gameasurement. Each well's ship measurement at each facility.  The working interest and royal Dinwiddie 23 Federal #1 Working, royalty and overridin	rk will be performed or provide the Bill operations. If the operation results is andonment Notices must be filed on inal inspection.  Illy requests administrative app 25 35 Federal #1H (Bone Sprielivery point gas sales meter as production will be allocated are of gas will be calculated but the same of gas will are as follow WI 100%; NRI 75%; RI 12.50% WI 100%; NRI 87.5%, RI 12.5 g interest owners have been retrue and correct.	and No. on file with BLM/BIA. In a multiple completion or reco. Ily after all requirements, including proval to surface comming. In a multiple completion or reco. Ily after all requirements, including proval to surface comming. In a proposed commingling to each lease with continuased on the results of continuation.	Required subsequent reports in mpletion in a new interval, a Foing reclamation, have been completed at the complete of the com	nust be filed within 30 days rm 3160-4 must be filed once			
Co	Electronic Submission #3123 For CHEVRON USA Immitted to AFMSS for process	INCORPORATED, sent to	the Hobbs				
	PINKERTON		TING SPECIALIST				
Signature (Electronic S	Submission)	Date 08/12/20	015				
	THIS SPACE FOR F	EDERAL OR STATE (	OFFICE USE				
Approved By J.D.W	htlocka	Title ~~~	PET	Dare 11/17			
certify that the applicant holds legal or equ	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 States any false, fictitious or fraudulent s	U.S.C. Section 1212, make it a crime statements or representations as to an	e for any person knowingly and y matter within its jurisdiction.	willfully to make to any departn	nent or agency of the United			
(Instructions on page 2) ** BLM REV	ISED ** BLM REVISED **	BLM REVISED ** BLM	REVISED ** BLM REV	VISED **			

## Additional data for EC transaction #312388 that would not fit on the form

#### 5. Lease Serial No., continued

NMNM101609 NMNM114998

Wells/Facilities, continued

Agreement NMNM114998 NMNM101609 Lease NMNM114998 NMNM101609

**Well/Fac Name, Number**TALCO 25 25 35 FEDERAL 1H 30-025-42548-00-S1

DINWIDDIE 23 FEDERAL 1

30-025-38242-00-S3

Location Sec 25 T25S R35E NWNW 280FNL 660FWL 32.107717 N Lat, 103.327186 W Lon Sec 23 T25S R35E SENE 1400FNL 660FEL

10. Field and Pool, continued

WILDCAT; WOLFCAMP

32. Additional remarks, continued

mail.

# APPLICATION FOR COMMINGLING and OFF LEASE MEASUREMENT AT A COMMON CENTRAL DELIVERY POINT

Proposal for Talco 25 25 35 Federal #1H and Dinwiddie 23 Federal #1:

Chevron U.S.A. Inc. is requesting approval for the Commingling and off lease sales of gas:

Federal Lease	NMNM114998			C	)il	G	as
Well Name	Location	API#	Pool 97088	BOPD	Gravity	MCFPD	BTU
Talco 25 25 35	NW/NW Sec 25,	3002542548	Wildcat;	535*	44.2*	607*	1350*
Federal #1H	T25S, R35E		Bone Spring				
Federal Lease	NMNM101609			C	il	G	as
Well Name	Location	API#	Pool 97779	BOPD	Gravity	MCFPD	BTU
Dinwiddie	SE/NE Sec 23,	3002538242	Wildcat;	0	N/A	100	1350
23 Federal #1	T25S, R35E		Delaware				

<sup>\*</sup>These are proposed numbers

The BLM's interest in these wells is identical.

#### Oil & Gas metering:

There will be no oil commingling between the Talco 25 25 35 Federal #1H and the Dinwiddie 23 Federal #1. Each well's oil will be stored and sold at the facilities located at each of the Talco 25 25 35 Federal #1H (NW/NW Sec 25, T25S, R35E) and the Dinwiddie 23 Federal #1 (SE/NE Sec 23, T25S, R35E) facilities. For gas, there is a common central delivery point (CDP) gas sales meter (S/N 20002442) located in NE/NE Sec 11, T26S, R35E.

Gas production will be allocated to each lease on a daily basis based on continuous measurement from the three-phase test separator's equipped with Tele Flow electronic flow measurement (EFM) computers  $(S/N^*)$ . The sum production will be applied to the total gas metered by the Regency sales meter  $(S/N^*)$ .

Talco 25 25 35 Federal #1H gas allocation meter on the Talco 25 facility three-phase test separator consists of a Tele Flow EFM (S/N\*).

Dinwiddie 23 Federal #1 gas allocation meter on the Dinwiddie facility three-phase test separator consists of a Tele Flow EFM (0181442).

There will be no oil commingling at these well locations.

All metering serial numbers (S/N\*) will be provided prior to production from these wells.

#### **Process and Flow Descriptions:**

The flow of production is shown in detail on the enclosed facility diagrams and map, which shows the lease boundaries, location of wells, flow lines, facility, and gas sales meter. The commingling of this production will not result in reduced royalty or improper measurement of production.

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

After separation and measurement, the gas will go to the central delivery point metered by Regency sales meter (S/N 20002442) and is located in NE/NE Sec 11, T26S, R35E on Federal Lease # NMNM101609.

All working, royalty, and overriding interest owners have been notified.

Printed Name: Caleb Brown Title: Facilities Engineer

Date: 8/03/15

Federal Lease NMNM	Royalty Rate	Well Name	BOPD	Oil Gravity (@60 deg)	Value / BBL	MCFPD	DRY BTU	Value / MCF
101609	12.5%	Dinwiddie 23 Federal #1	0	N/A	N/A	10	1350	2.67
114998	12.5%	Talco 25 25 35 Federal #1H	535*	44.2*	46.48	607*	1350*	2.67

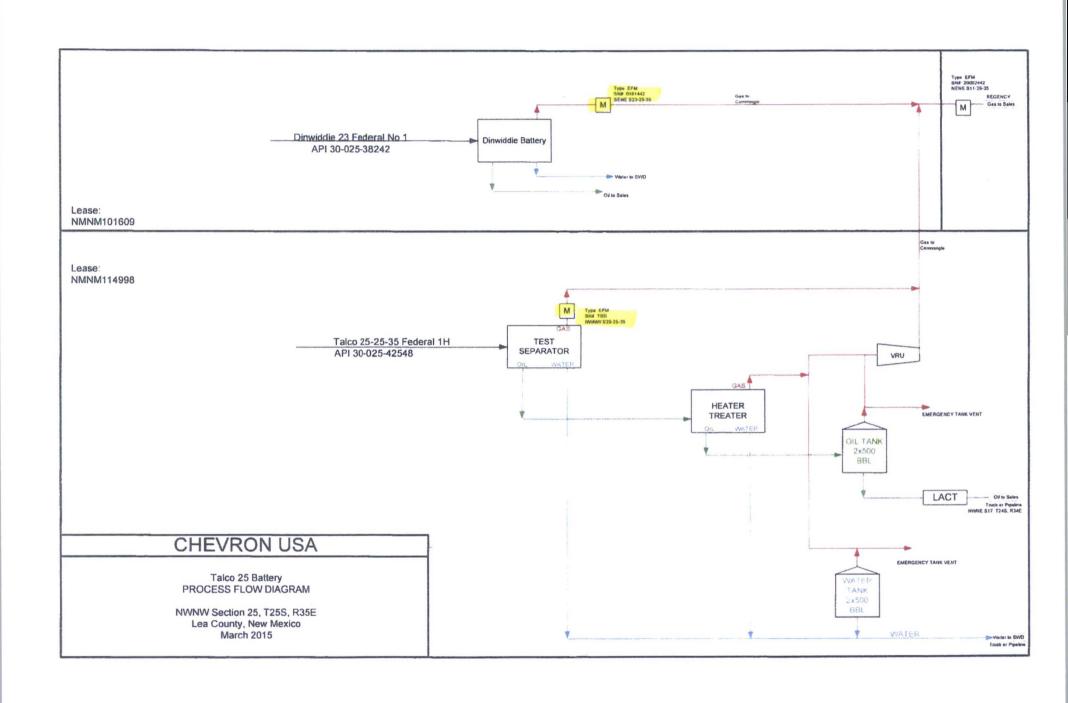
Federal Lease NMNM	Economic combined production	Well Name	BOPD	Oil Gravity (@60 deg)	Value / BBL	MCFPD	DRY BTU	Value / MCF
101609 114998		Dinwiddie 23 Federal #1 / Talco 25 25 35 Federal #1H	535*	44.2*	46.48	617*	1350*	2.67

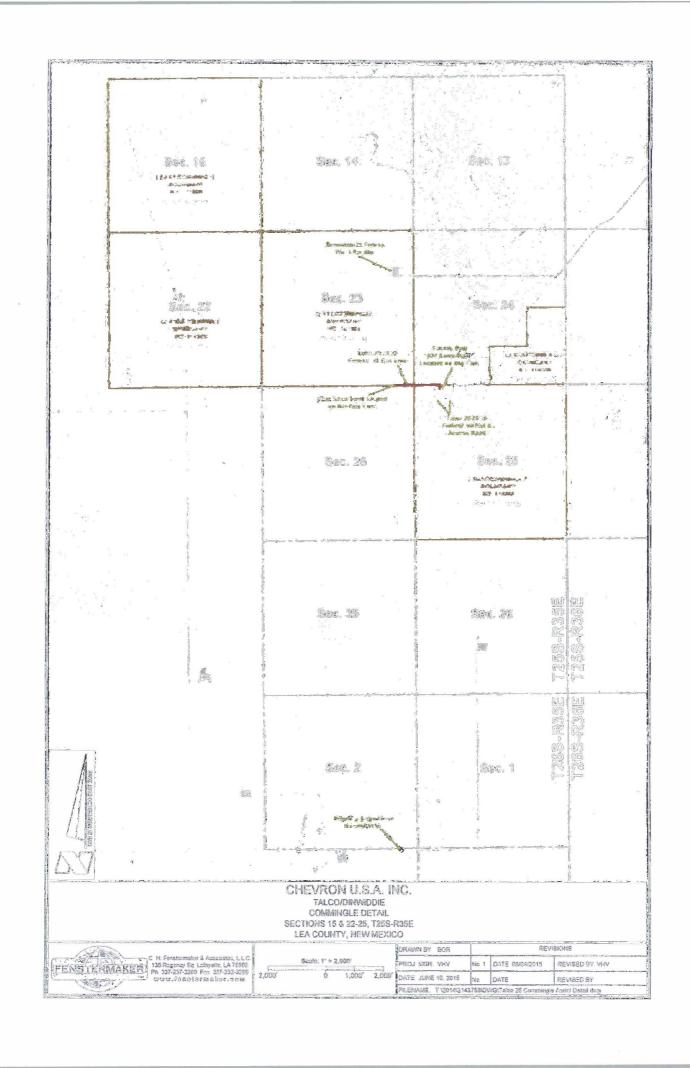
<sup>\*</sup>Actuals will be submitted with completion report\*

The BTU is similar or the same, so the royalty will not be affected.

Printed Name: Christina Davis Title: Reservoir Engineer

Date: 8/03/15





#### Serial Register page from LR2000 is attached on the following pages

Federal Lease	Lease Description	WI/NRI	Lease	Royalty Interest
NMNM101609	Dinwiddie 23 Federal #1	100%/75%	Federal	12.50%
NMNM114998	Talco 25 25 35 Federal #1H	100%/87.5%	Federal	12.50%

A list of interest owner and addresses is below:

#### Dinwiddie 23 Federal #1 and Talco 25 25 35 Federal #1H

Owner Information

Dinwiddie 23 Federal #1 and Talco 25 25 35 Federal #1H Commingling Permit

BLM Lease NMNM101609: ALL of sections 15, 22, and 23- T255-R35E

BLM Lease NMNM-114998: E/2SE/4, SW/4SE/4 of section 24 and all of section 25 T25S R3SE

Lea County, New Mexico

Dinwiddie 23 Federal #1 (API# 30-025-38242)								
Lease	Interest Type	Name	Address	City	State Code	Zip Code		
NMNM-101609	Working Interest	Chevron U.S.A. Inc.	PO Box 2100	Houston	TX	7725		
NMNM-101609	Royalty Interest	<b>BLM-Carisbad Field Office</b>	620 E. Greene Street	Carlsbad	NM	88220		
NMNM-101609	ORRI	Robert E. Landreth	110 W Louisiana, Suite 404	Midland	TX	7970		
NMNM-101609	ORRI	W. Kurt Finkbeiner	PO Box 5052	Midland	TX	7970		
NMNM-101609	ORRI	Steve Defenbaugh	2829 Auburn Drive	Midland	TX	7970		
NMNM-101609	ORRI	Wickerdale Resource	PO Box 2884	Midland	TX	7970		

Talco 25 25 35 Federal #1H (API #30-025-42548)								
Lease Interest Type Name Address City State Code Zip Code								
NMNM-114998	Working Interest	Chevron U.S.A. Inc.	PO Box 2100	Houston	TX	77252		
NMNM-114998	Royalty Interest	BLM-Carlsbad Field Office	620 E. Greene Street	Carisbad	NM	88220		

I have verified that this information is correct.

Robert B MorrHop II. Land Representative

Information provided by:

Land Representative Robert B. Morriso

#### APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Talco 25 25 35 Federal #1H & Dinwiddie 23 Federal #1

Chevron U.S.A. Inc.

#### DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT CASE RECORDATION**

Run Time: 09:42 AM

Page 3 of 3

Run Date: 05/19/2015

(MASS) Serial Register Page

**Total Acres** 

Serial Number

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

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

Commodity 459: OIL & GAS Case Disposition: AUTHORIZED

760.000

NMNM--114998

Name & Address

Serial Number: NMNM- - 114998

Int Rel

% Interest

CHEVRON USA INC

1400 SMITH ST

HOUSTON TX 770027327

LESSEE

000000000000

Serial Number: NMNM--- 114998

Mer Twp Rng Sec STyp SNr Suff Subdivision District/Field Office County Mgmt Agency 23 02505 0350E 024 ALIQ 23 02505 0350E 025 ALL E2SE, SWSE, CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT ENTIRE SECTION CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT

Serial Number: NMNM -- 114998

Act Date	Code	Action	Action Remark	Pending Office
10/04/2005	299	PROTEST FILED	Forest Guardians	
10/18/2005	197	CASE ESTABLISHED	200510061;	
10/19/2005	143	BONUS BID PAYMENT RECD	\$1520.00;	
10/19/2005	191	SALE HELD		
10/19/2005	267	BID RECEIVED	\$418000.00;	
10/31/2005	143	BONUS BID PAYMENT RECD	\$4164BG.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/SCANNED		
09/14/2006	140	ASGN FILED	CHALFANT/CHESAPEAK;	I
10/20/2006	139	ASGN APPROVED	EFF 10/01/0£;	
10/20/2006	974	AUTOMATED RECORD VERIF	362	
06/11/2008	817	MERGER RECOGNIZED	CHEGA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED		
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U	;1
04/09/2013	139	ASON APPROVED	EFF 12/01/12;	
04/09/2013	974	AUTOMATED RECORD VERIF	ANN	
11/30/2015	763	EXPIRES		

Line Nr	Remarks	Serial Number: NMNH 114998
0002	STIPULATIONS ATTACHED TO LEASE.	
2003	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE NOTICE	
0004	SEMM-S-22 PRAIRIE CHICKENS	
0005	04/09/2013 - RENTAL PAID 12/01/2012 PER ONFUR	

#### APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Talco 25 25 35 Federal #1H & Dinwiddie 23 Federal #1

Chevron U.S.A. Inc.

#### DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT** CASE RECORDATION

Page 1 of 3

Run Date: 05/19/2015 (MASS) Serial Register Page

01 12-22-1987;101STAT1330;30USC181 ET SE Case Type 312021: O&G LSE COMP PD -1987 Commodity 459: Oll & GAS **Total Acres** 1,920.000 Serial Number

NMNM-- 101609

Run Time: 09:42 AM

Case Disposition: AUTHORIZED

Name & Address

Serial Number: NMNM-- - 101609

% Interest

CHEVRON USA INC

23 02505 0350E 727

1400 SMITH ST

SE,

HOUSTON TX 770027327

Int Rel LESSEE

100 000000000

Serial Number: NMNM-- - 101609

						Scrial Number, I	MINIMIST - 10 1003	
Mer Twp	Rng	Sec	5Тур	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 02505	0350	E 015	ALIQ		ALL;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MONT
23 02505	0350	E 022	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 02505	0350	E 023	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MIGHT

Relinquished/Withdrawn Lands

ALIQ

Serial Number: NMNM-- - 101609

CARLISBAD FIELD OFFICE

LEA

BUREAU OF LAND MGMT

Serial Number: NMNM- - 101609

Act Date	Code	Action	Action Remark	Pending Office
10/20/1998	387	CASE ESTABLISHED	9810068	
10/21/1998	191	SALE HELD		
10/21/1998	267	BID RECEIVED	#9568D.DD;	
10/21/1998	392	MONIES RECEIVED	\$4160.00;	
11/02/1998	392	MONIES RECEIVED	\$91520.00;	
11/12/1998	237	LEASE ISSUED		
11/12/1998	974	AUTOMATED RECORD VERIF	TBO	
12/01/1998	496	FUND CODE	05:145003	
12/01/1998	530	RLTY RATE - 12 1/2%		
12/01/1998	868	EFFECTIVE DATE		
12/07/1998	084	RENTAL RECEIVED BY ONTR	\$3120.00;11/MULTIPLE	
12/11/1998	963	CASE MICROPILMED/SCANNED		
11/01/1999	084	RENTAL RECEIVED BY CHRR	\$3120;21/166	
12/27/1999	899	TRF OF ORR FILED		
11/06/2000	084	RENTAL RECEIVED BY ONRR	\$3120;21/171	
08/19/2002	899	TRF OF ORR FILED	BELL, MARK; 1	
04/23/2004	791	TERMINAT'N NOTICE ISSUED	CLASS II;	
04/27/2004	792	TERMINATION VACATED	CLASS II;	
04/27/2004	974	AUTOMATED RECORD VERIF	GSB	
05/16/2005	140	ASGN FILED	LANDRETH/CHESAPEAK; 1	
07/22/2005	139	ASGN APPROVED	EFF 05/01/05;	
07/22/2005	974	AUTOMATED RECORD VERIF	MV	
11/13/2006	899	TRP OF ORR FILED	1	
07/14/2007	650	HELD BY PROD - ACTUAL	/1/	
09/12/2007	643	PRODUCTION DETERMINATION	/1/	
09/12/2007	658	MEMO OF 1ST PROD-ACTUAL	/1/#1 PEDDINWIDDE 23;	
06/11/2009	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
09/22/2008	817	MERGER RECOGNIZED	CHESA EXP LP/EXP LLC	
08/03/2012	899	TRF OF ORR FILED	1	
08/03/2012	899	TRF OF ORR FILED	2	
08/03/2012	899	TRF OF ORR FILED	3	
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U; 1	
04/24/2013	139	ASCN APPROVED	EFF 12/01/12;	

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



**Britany Cortez** Permit Specialist Midcontinent BU Chevron North America
Exploration and Production Company
(A Chevron U.S.A. Inc. Division)
15 Smith Road
Midland, TX 79705
Tel 432-687-7415
Bcortez@chevron.com

August 6, 2015

Bureau of Land Management Carlsbad Field Office 620 E. Greene St. Carlsbad, NM 88220

Application for surface commingling, Bone Spring Pool & Delaware Pools, Lea County, NM (T25S-R35E, Sec 23 & 25)

Dear Sirs or Madams,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle gas production from the Talco 25 25 35 Federal #1H (Bone Spring) & Dinwiddie 23 Federal #1 (Delaware Pools) to a common central delivery point gas sales meter. The proposed commingling will not affect royalty value of gas. Gas production will be allocated to each lease with continuous measurement. Each well's share of gas will be calculated based on the results of continuous measurement at each facility.

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

Dinwiddie 23 Federal #1

WI 100%; NRI 75%; RI 12.50%

Talco 25 25 35 Federal #1H

WI 100%; NRI 87.5%; RI 12.50%

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

Sincerely,

Routany Coulez
Britany Cortez

Permitting Specialist



Britany Cortex Permit Specialist Midcontinent BU

Chevron North America Exploration and Production Company (A Chevron U.S.A. Inc. Division) 15 Smith Road Midland, TX 79705 Tal 432-587-7415 Bcortez@chevron.com

July 23, 2015

Oil Conservation Division Attn: Engineering Department 1220 S. St. Francis Drive Santa Fe, New Mexico 87505

Application for surface commingling, Bone Spring Pool & Delaware Pools, Lea County, NM (T25S-R35E, Sec 23 & 25)

Dear Sirs or Madams,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle gas production from the Talco 25 25 35 Federal #1H (Bone Spring) & Dinwlddie 23 Federal #1 (Delaware Pools) to a common central delivery point gas sales meter. The proposed commingling will not affect royalty value of gas. Gas production will be allocated to each lease with continuous measurement. Each well's share of gas will be calculated based on the results of continuous measurement at each facility.

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

Dinwiddie 23 Federal #1 Talco 25 25 35 Federal #1H WI 100%; NRI 75%; RI 12.50% WI 100%; NRI 87.5%; RI 12.50%

Working, royalty and overriding interest owners have been notified of this proposal via certified

Sincerely.

Britany Cortez
Permitting Specialist

## APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Talco 25 25 35 Federal #1H & Dinwiddie 23 Federal #1

Chevron U.S.A. Inc.



June 17, 2015

Robert E. Landreth (Transfer from service label)
110 W. Louisiana Suite 404 PS Form 3811, July 2013
Midland, TX 79701

SENDER, COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the revense that we can return the card to you. Attach this card to the back of the maliple or on the front if space permits.  Article Addressed to:  A UDLA E, Landrat	B. Received by Printed Name) C. Date of Delive  LTNDA CAST F.  D. Is defivery address different from Item 17 Yes  If YES, enter delivery address below: No
110 W. Lauisiana Suite 204 Midland, TX 7976	3. Service Type  3. Certified Mesi*   Priority Mesi Express*   Registered   Return Receipt for Merchandi   Insured Mail   Collect on Delivery  4. Restricted Delivery/ (Extra Fee)   Yea
Article Number     (Transfer from service label)	מברב מקור בממם ממשמילונים
PS Form 3811 July 2013 Do	mestic Return Receipt

Re: <u>Corrected Notification</u>
Application for Surface Commingling
Dinwiddie 23 Federal #1 & Talco 25-25-35 Federal #1H
Santa Fe, New Mexico 87505

Dear Mr. Landreth,

Chevron U.S.A. Inc. hereby gives notice of intent to surface commingle gas production to a common central delivery point gas sales meter for the Dinwiddie 23 Federal #1 (30-025-38242) and the Talco 25-25-35 Federal #1H (30-025-42548). There will be no oil commingling at these sites. Please note that this correspondence replaces the recent notice sent to you, dated 6/9/15. The previous notice listed incorrect well names.

The proposed commingling will reduce the surface facility footprint and overall emissions. The commingling of this production will not result in reduced royalty or improper measurement of production.

Any objections to this proposal must be sent to the following address within 20 days of receipt of this notification:

New Mexico Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87504

If you require additional information please contact me at bcortez@chevron.com or 432-687-7415.

Sincerely,

Routing Coston

#### APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc. Talco 25 25 35 Federal #1H & Dinwiddie 23 Federal #1

#### Certified letters for Surface Commingle for Talco 25-25-35 Federal 1H & Dinwiddie 23 Federal 1

Name	Address	Interest	Date sent	Cert Letter #
Robert E Landreth	110 W. Louisiana, Suit 404 Midland, TX 79701	ORRI	6/17/2015	7013 0600 0001 7470 2721
W. Kurt Finkbeiner	PO Box 5052 Midland, TX 79704	ORRI	6/17/2015	7013 0600 0001 7470 2738
Steve Defenbaugh	2829 Auburn Drive Midland, TX 79705	ORRI	6/17/2015	7013 0600 0001 7470 2745
Wickerdale Resource	PO Box 2884 Midland, TX 79702	ORRI	6/17/2015	7013 0600 0001 7470 2752

## **Chevron Functional Contacts**

Contact Name	Function	<b>Phone Number</b>	Email Address
Michelle Burkett	FE Team Lead / Primary Point of Contact	(432) 687-7265	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
Britany Cortez	Regulatory Specialist	(432) 687-7415	BCortez@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
Robert Morrison	Subsurface Land	(713) 372-6707	rmorrisonjr@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

Talco 25 25 35 Federal 1H & Dinwiddie 23 Federal 1 3002542548 & 3002538242 Leases NMNM114998, NMNM101609

## Chevron USA INCORPORATED

May 11, 2017

## Condition of Approval

Surface commingling of gas and off lease measurement and sales of gas.

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