| SUBMIT IN TRIPLICATE - Other Instructions on page | Form 3160-5 (June 2015) SI Do no abando | UNITED STAT DEPARTMENT OF THE BUREAU OF LAND MAN INDRY NOTICES AND REP t use this form for proposals to the company of the com | INTERIOR NAGEMENT ORTS ON WELLS | S | I OMB N | |
|--|--|--|--|--|--|---|
| Solit Well Gas Well Other Multiple-See Attached See Atta | SUE | BMIT IN TRIPLICATE - Other in | nstructions on page 2 | <u> </u> | 7. If Unit or CA/Agro | eement, Name and/or No. |
| 2. Name of Operation Chick/PKON USA INCORPORATED E-Mail: LBECERRAGE—IN (Include Chicky | • • | ell 📋 Other | / | · - | 8 Well Name and No MultipleSee Att | ached 0.005. 4455 |
| South DEAUVILLE BLVD Ph: 432-687-7655 | | | LAURA BECERRA RRA@CHEVRON.COM | | 🌓 9. API Well No. | |
| 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Alter Casing Alter Casing Alter Casing Bepair Bushaudonnent Notice Casing Repair Brial Abandonnent Notice Change Plans Plug and Abandon Plug and Abandon Temporarily A | 6301 DEAUVILLE BL | | | |). Field and Pool or Multiple-See A | Exploratory Area Attached |
| TYPE OF SUBMISSION Acidize | | | ion) | | | |
| Subsequent Report | 12. CHECK | THE APPROPRIATE BOX(E | S) TO INDICATE NAT | URE OF N | OTICE, REPORT, OR OT | HER DATA |
| Solbecquent Report | TYPE OF SUBMISSI | ON | · 1 | YPE OF AC | TION | |
| Electronic Submission #452702 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by PRI SCILLA PEREZ on 02/04/2019 (19PP0927SE) Name (Printed/Typed) LAURA BECERRA Title REGULATORY SPECIALIST Date 01/31/2019 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved By_DYLAN RQSSMANGO | ☐ Subsequent Report ☐ Final Abandonment 13. Describe Proposed or Con If the proposal is to deepe Attach the Bond under wh following completion of it testing has been complete determined that the site is Chevron U.S.A. resp production from the E and Storage through Chevron requests the activities at one batte | Alter Casing Casing Repair Casing Repair Change Plans Convert to Injection Convert to Injecti | Hydraulic Fra New Construct Plug and Abact Plug Back inent details, including estimat ly, give subsurface locations a ide the Bond No. on file with la results in a multiple completi filed only after all requirement approval to commingle of lolfcamp pools and for O tral Tank Battery. listurbance and future tra | eturing ction ctio | Reclamation Recomplete Temporarily Abandon Water Disposal e of any proposed work and apprend true vertical depths of all pertiquired subsequent reports must betton in a new interval, a Form 31 eclamation, have been completed water assurement, Sales entrating | Well Integrity Other Surface Commingling oximate duration thereof. nent markers and zones. e filed within 30 days 60-4 must be filed once and the operator has |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved By DYLAN ROSSMANGO TitlePETROLEUM ENGINEER Date 05/31/2019 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 Hobbs | , , | Electronic Submission For CHEVRO Committed to AFMSS for pro | ON USA INCORPORÁTED, ocessing by PRISCILLA P | sent to the EREZ on 02 | Hobbs /04/2019 (19PP0927SE) | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved By DYLAN ROSSMANGO TitlePETROLEUM ENGINEER Date 05/31/2019 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 Hobbs | Signature (1 | Electronic Submission) | Date | 01/31/2019 | | |
| 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 Hobbs | | · · · · · · · · · · · · · · · · · · · | | | FICE USE | |
| | Conditions of approval, if any, certify that the applicant holds | are attached. Approval of this notice do | oes not warrant or the subject lease | | ENGINEER | Date 05/31/2019 |

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)
** BLM REVISED **

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and are

Additional data for EC transaction #452702 that would not fit on the form

5. Lease Serial No., continued

NMNM132070 NMNM27506

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

NMNM135806 NMNM135966

Wells/Facilities, continued

| Agreement NMNM27506 | Lease NMNM27506 | Well/Fac Name, Number SD EA 18 19 FED COM P15 16H | API Number 30-025-44088-00-X1 |
|---|---|--|---|
| NMNM27506 NMNM27506 | NMNM27506 NMNM27506 | PORTER BROWN 1H SALADO DRAW 18 26 33 FED 3H | 30-025-40802-00-S1 30-025-42278-00-S1 |
| NMNM27506 | NMNM27506 | \$ALADO DRAW 18 26 33 FED 4H | 30-025-42279-00-S1 |
| NMNM27506 | NMNM27506 | SALADO DRAW 19 26 33 FED 3H | 30-025-42280-00-S1 |
| NMNM27506 | NMNM27506 | SALADO DRAW 19 26 33 FED 4H | 30-025-42281-00-S1 |
| NMNM27506 NMNM27506 NMNM27506 NMNM27506 NMNM27506 NMNM135806 NMNM135806 NMNM135996 NMNM135996 NMNM135996 NMNM135990 | NMNM27506 NMNM27506 NMNM27506 NMNM27506 NMNM27506 NMNM27506 NMNM27506 NMLC065880A NMLC065880A NMLC065880A NMLC065880A | SD EA 18 FEDERAL P6 5H SD EA 18 FEDERAL P6 6H SD EA 19 FEDERAL P6 6H SD EA 19 FEDERAL P6 7H SD EA 19 FEDERAL P6 7H SALADO DRAW 18 26 33 FED CO SALADO DRAW 19 26 73 FED CO SD EA 18 19 FED COM P15 17H | 08/02/02/02/05-42660-00-S1 08/04/02/05-42661-00-S1 08/02/02/02/02/02/02/02/02/02/02/02/02/02/ |
| NMNM132070 | NMNM132070 | SD EA 18 19 FED COM P15 18H | 30-025-44090-00-X1 |
| NMNM132070 | NMNM132070 | SD EA 18 19 FED COM P15 19H | 30-025-44167-00-X1 |
| NMNM132070 | NMNM132070 | SD EA 18 19 FED COM P15 20H | 30-025 -44 091-00-X1 |

Location
Sec 18 T26S R33E NENE 455FNL 980FEL
32.049538 N Lat, 103.606003 W Lon
Sec 19 T26S R33E SESE 340FSL 340FEL
Sec 18 T26S R33E NENW 200FNL 1943FWL
32.035590 N Lat, 103.613078 W Lon
Sec 19 T26S R33E NENW 200FNL 1993FWL
32.035590 N Lat, 103.612917 W Lon
Sec 19 T26S R33E NENW 200FNL 1968FWL
32.035590 N Lat, 103.612988 W Lon
Sec 19 T26S R33E NENW 200FNL 2018FWL
32.035590 N Lat, 103.612989 W Lon
Sec 19 T26S R33E NEW 200FNL 2018FWL
32.035590 N Lat, 103.612980 W Lon
Sec 19 T26S R33E NWNE 266FNL 1778FEL
Sec 19 T26S R33E NWNE 266FNL 1778FEL
Sec 19 T26S R33E NWNE 27FNL 1747FEL
Sec 19 T26S R33E NWNE 27FNL 1747FEL
Sec 19 T26S R33E NWNE 27FNL 1747FEL
Sec 19 T26S R33E NWNE 27FNL 174FFEL
Sec 19 T26S R33E NWNE 30FNL 93FWL
Sec 18 T26S R33E NENE 455FNL 93FEL
32.049538 N Lat, 103.605599 W Lon
Sec 18 T26S R33E NENE 455FNL 905FEL
32.049538 N Lat, 103.605599 W Lon
Sec 18 T26S R33E NENE 455FNL 905FEL
32.049538 N Lat, 103.605759 W Lon
Sec 18 T26S R33E NENE 455FNL 905FEL
32.049538 N Lat, 103.605759 W Lon
Sec 18 T26S R33E NENE 455FNL 905FEL
32.049538 N Lat, 103.605759 W Lon
Sec 18 T26S R33E NENE 455FNL 905FEL
32.049538 N Lat, 103.605209 W Lon

10. Field and Pool, continued

UNDESIGNATED WC025G06S263319P-BONE SPRING WC025G09S263327G-UP WOLFCAMP WILDCAT;WOLFCAMP

Revisions to Operator-Submitted EC Data for Sundry Notice #452702

Operator Submitted

SUBCOM NOI

Lease:

NMNM27506

Agreement:

Sundry Type:

Operator:

CHEVRON USA INC 6301 DEAUVILLE BLVD MIDLAND, TX 79706 Ph: 432-687-7665

Admin Contact:

LAURA BECERRA

REGULATORY SPECIALIST
E-Mail: LBECERRA@CHEVRON.COM

Ph: 432-687-7655

Tech Contact:

LAURA BECERRA

REGULATORY SPECIALIST E-Mail: LBECERRA@CHEVRON.COM

Ph: 432-687-7655

Location:

State: County NM LEA

Field/Pool:

SANDERS TANK; UPR WOLFCAMP

Well/Facility:

SD EA 18 19 FED COM P15 16H

Sec 18 T26S R33E Mer NMP NENE 455FNL 980FEL

BLM Revised (AFMSS)

SURCOM

NOI

NMNM132070 NMNM27506

NMNM135806 (NMNM135806) NMNM135966 (NMNM135996)

CHEVRON USA INCORPORATED 6301 DEAUVILLE BLVD MIDLAND, TX 79706 Ph: 432,687,7100 Fx: 432-687-7221

LAURA BECERRA REGULATORY SPECIALIST E-Mail: LBECERRA@CHEVRON.COM

Ph: 432-687-7655

LAURA BECERRA REGULATORY SPECIALIST

E-Mail: LBECERRA@CHEVRON.COM

Ph: 432-687-7655

NM LEA

BONE SPRINGS JENNINGS

UNDESIGNATED

WC025G06S263319P-BONE SPRING WC025G09S263327G-UP WOLFCAMP

WILDCAT:WOLFCAMP

SD EA 18 19 FED COM P15 16H Sec 18 T26S R33E NENE 455FNL 980FEL 32.049538 N Lat, 103.606003 W Lon PORTER BROWN 1H Sec 19 T26S R33E SESE 340FSL 340FEL SALADO DRAW 18 26 33 FED 3H Sec 18 T26S R33E NENW 200FNL 1943FWL

SALADO DRAW 18 26 33 FED 3H
Sec 18 T26S R33E NENW 200FNL 1943FWL
32.035590 N Lat, 103.613078 W Lon
SALADO DRAW 18 26 33 FED 4H
Sec 19 T26S R33E NENW 200FNL 1993FWL
32.035590 N Lat, 103.612917 W Lon
SALADO DRAW 19 26 33 FED 3H
Sec 19 T26S R33E NENW 200FNL 1968FWL
32.035590 N Lat, 103.612998 W Lon
SALADO DRAW 19 26 33 FED 4H
Sec 19 T26S R33E NENW 200FNL 2018FWL
32.035590 N Lat, 103.612998 W Lon
SALADO DRAW 19 26 33 FED 4H
Sec 19 T26S R33E NENW 200FNL 2018FWL
32.035590 N Lat, 103.612836 W Lon
SD EA 18 FEDERAL P6 5H
Sec 19 T26S R33E NWNE 266FNL 1778FEL
SD EA 18 FEDERAL P6 5H
Sec 19 T26S R33E NWNE 247FNL 1763FEL
SD EA 19 FEDERAL P6 5H
Sec 19 T26S R33E NWNE 227FNL 1747FEL
SD EA 19 FEDERAL P6 6H
Sec 19 T26S R33E NWNE 207FNL 1732FEL
SD EA 19 FEDERAL P6 6H
Sec 19 T26S R33E NWNE 207FNL 1732FEL
SD EA 19 FEDERAL P6 7H
Sec 19 T26S R33E NWNE 188FNL 1716FEL
SALADO DRAW 18 26 33 FED COM 1H
Sec 19 T26S R33E LOT 1 200FNL 879FWL
SALADO DRAW 18 26 33 FED COM 2H
Sec 19 T26S R33E LOT 1 200FNL 898FWL
SALADO DRAW 19 26 33 FED COM 1H
Sec 19 T26S R33E LOT 1 200FNL 898FWL
SALADO DRAW 19 26 33 FED COM 2H
Sec 19 T26S R33E LOT 1 200FNL 898FWL
SALADO DRAW 19 26 33 FED COM 2H
Sec 19 T26S R33E LOT 1 200FNL 898FWL
SALADO DRAW 19 26 33 FED COM 2H
Sec 19 T26S R33E LOT 1 200FNL 898FWL
SALADO DRAW 19 26 33 FED COM 2H
Sec 19 T26S R33E LOT 1 200FNL 898FWL
SALADO DRAW 19 26 33 FED COM 2H
Sec 19 T26S R33E LOT 1 200FNL 948FWL
SD EA 18 19 FED COM P15 17H
Sec 18 T26S R33E NENE 455FNL 955FEL
32.049538 N Lat, 103.605919 W Lon
SD EA 18 19 FED COM P15 17H

32.049538 N Lat, 103.605919 W Lon SD EA 18 19 FED COM P15 18H Sec 18 T26S R33E NENE 455FNL 930FEL

32.049538 N Lat, 103.605858 W Lon

SD EA 18 19 FED COM P15 19H Sec 18 T26S R33E NENE 455FNL 905FEL 32.049538 N Lat, 103.605759 W Lon SD EA 18 19 FED COM P15 20H Sec 18 T26S R33E NENE 455FNL 880FEL 32.049412 N Lat, 103.605209 W Lon

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

Salado Draw 18 19, 18 26, 19 26, EA 18, & EA 19 wells (see list below)

Chevron USA Inc. May 31, 2018 Condition of Approval Lease/CA Commingling, Off lease/CA Storage, Measurement and Sales

- 1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
- 5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
- 6. Gas measurement for allocation must be measured as per Onshore Order #5 or 43 CFR 3175 and API requirements for sales meters, or as approved in this approval to commingle production.
- 7. Oil measurement for allocation must be measured as per Onshore Order #4 or 43 CFR 3174 and API requirements for oil measurement, or as approved in this approval to commingle production.
- 8. 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 43 CFR 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer. These volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33" for royalty-bearing flared gas and disposition code 63 for royalty-bearing vented gas.

DC 33 = Flared gas - royalty due

DC 63 = Vented gas - royalty due

- 9. This agency shall be notified of any change in sales method or location of sales point.
- 10. Additional wells and/or leases/CAs require additional commingling approvals.
- 11. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
- 12. Submit meter numbers upon installation of meters and also provide updated facility diagram with meters numbers.
- 13. This approval does not authorize any by passes around any allocation meter or metering separator, this is to include the use of headers to divert production to other production equipment other than the approve measurement points.

| Well Name | API# | Formation | Lease/CA |
|---------------------------------|------------|-------------|--------------|
| Train 1: | | | • |
| Salado Draw 18 26 33 Federal 4H | 3002542279 | Bone Spring | NM27506 |
| Salado Draw 18 26 33 Federal 3H | 3002542278 | Bone Spring | NM27506 |
| Salado Draw 19 26 33 Federal 4H | 3002542281 | Bone Spring | NM27506 |
| Salado Draw 19 26 33 Federal 3H | 3002542280 | Bone Spring | NM27506 |
| SD EA 19 Federal P6 5H | 3002542797 | Bone Spring | NM27506 |
| SD EA 19 Federal P6 6H | 3002542798 | Bone Spring | NM27506 |
| SD EA 19 Federal P6 7H | 3002542799 | Bone Spring | NM27506 |
| SD EA 18 Federal P6 5H | 3002542795 | Bone Spring | NM27506 |
| SD EA 18 Federal P6 6H | 3002542796 | Bone Spring | NM27506 |
| Porter Brown 1H | 3002540802 | Bone Spring | NM27506 |
| Salado Draw 18 26 33 Federal 1H | 3002542659 | Bone Spring | CA-NM135806 |
| Salado Draw 18 26 33 Federal 2H | 3002542660 | Bone Spring | CA-NM135806 |
| Salado Draw 19 26 33 Federal 1H | 3002542661 | Bone Spring | CA-NM135996 |
| Salado Draw 19 26 33 Federal 2H | 3002542662 | Bone Spring | CA-NM135996 |
| Train 2A: | | | |
| | | | |
| SD EA 18 19 P15 Fed Com 16H | 3002544088 | Wolfcamp | NM27506 |
| Train 2B: | | | |
| SD EA 18 19 P15 Fed Com 20H | 3002544091 | Bone Spring | CA-Pending#1 |
| Train 3: | | | |
| | | | |
| SD EA 18 19 P15 Fed Com 17H | 3002544089 | Wolfcamp | CA-Pending#2 |
| SD EA 18 19 P15 Fed Com 18H | 3002544090 | Wolfcamp | CA-Pending#2 |
| SD EA 18 19 P15 Fed Com 19H | 3002544167 | Wolfcamp | CA-Pending#2 |
| | | | |

Leases NMNM27506, NMLC0065880A, NMNM132069, NMNM132070; All have a Royalty Rate of 12.5%

CA-NMNM135806 - includes Lease NM27506 - 75.0253% & NMNM132069 - 24.9747%

CA-NMNM135996 - includes Lease NM27506 - 74.9874% & NMLC065880A - 25.0126%

CA-Pending#1 - includes Lease NMNM132070 - 75% & FEE - 25%

CA-Pending#2 - includes Lease NMNM27506 - 50% & NMNM132070 - 37.5% & FEE - 12.5%

5/31/2019 DR



Chevron North America
Exploration and Production Company
(A Chevron U.S.A. Inc. Division)
6301 Deauville Blvd
Midland, TX 79706
Tel 432.687.7665
LBecerra@Chevron.com

January 25, 2019

Bureau of Land Management Attn: Engineering Department

<u>Commingling & Off-Lease Measurement Application, Jennings; Upper Bone Spring Shale</u> (97838)/Sanders Tank; Upper Wolfcamp (98097), Lea County, NM (Sec. 18 & 19, T26S-R33E)

Dear Sir/Madam.

Chevron U.S.A. Inc. respectfully requests administrative approval to commingle oil, gas, and water production from the Bone Spring Shale and Upper Wolfcamp pools and for Off-Lease Measurement, Sales and Storage through Chevron's Salado Draw 19 Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. A list of wells producing to this battery is attached.

These wells are located in the NE4NE4 of Section 19, T26S-R33E, Lea County, New Mexico. C-102s for all wells connected to this battery and facility diagrams are included with this notification.

The royalty rate for BLM leases (NMNM 27506, NMNM 132069, NMNM 132070 and NMLC 065880-A) is 12.5%. However, due to private fee in the NE/4 NE/4 of Section 18, the BLM's royalty distribution will vary across the acreage. Chevron plans to commingle the Bone Spring and Wolfcamp production covering the aforementioned BLM leases. Attached you will find a table with a list of wells and royalty details.

All wells will be tested monthly to meet all federal and state requirements. Additionally, Value of Oil will not be affected because the wells will be completed in the same formation; therefore, the APIs will be the same or similar. The value of gas will not be affected due to different formations as BTUs are expected to be the same or similar.

Names of all WIO and RIO are included with this request. All owners are being notified of this request and that each will have 20 days with which to object to the commingling request per NMOCD Rule 19.15.12.10 Surface Commingle C. (4) c.

Sincerely,

Laura Becerra

Regulatory Specialist

Midcontinent BU

WELL LIST

| Federal Lease USA NMNM 2750 | 06 | | |
|-----------------------------|---------------------------------|--------------|-----------------------------------|
| Well Name | Location | API# | Pool 97838 |
| | Sec. 19, NENW, T26S-R33E | 30-025-42279 | Jennings; Upper Bone Spring Shale |
| | Sec. 19, NENW, T26S-R33E | 30-025-42278 | Jennings; Upper Bone Spring Shale |
| | Sec. 19, NENW, T26S-R33E | 30-025-42281 | Jennings; Upper Bone Spring Shale |
| | Sec. 19, NENW, T26S-R33E | 30-025-42280 | Jennings; Upper Bone Spring Shale |
| | Sec. 19, NWNE, T26S-R33E | 30-025-42797 | Jennings; Upper Bone Spring Shale |
| | Sec. 19, NWNE, T26S-R33E | 30-025-42798 | Jennings; Upper Bone Spring Shale |
| | Sec. 19, NWNE, T26S-R33E | 30-025-42799 | Jennings; Upper Bone Spring Shale |
| | Sec. 19, NWNE, T26S-R33E | 30-025-42795 | Jennings; Upper Bone Spring Shale |
| | Sec. 19, NWNE, T26S-R33E | 30-025-42796 | Jennings; Upper Bone Spring Shale |
| | Sec. 19, SESE, T26S-R33E | 30-025-40802 | Jennings; Upper Bone Spring Shale |
| Well Name | Location | API# | Pool 98097 |
| | Sec. 18, NENE, T26S-R33E | 30-025-44088 | Sanders Tank; Upper Wolfcamp |
| Federal Lease USA NMNM 2750 | 6, USA NMNM 132069 | | |
| COM Agreement NM 135806 | | | |
| Well Name | Location | API# | Pool 97838 |
| | Sec. 19, NWNW, T26S-R33E | 30-025-42659 | Jennings; Upper Bone Spring Shale |
| | Sec. 19, NWNW, T26S-R33E | 30-025-42660 | Jennings; Upper Bone Spring Shale |
| Federal Lease USA NMNM 2750 | 6, USA NMLC 065880A | | |
| COM Agreement NM 135996 | | | |
| Well Name | Location | API# | Pool 97838 |
| | Sec. 19, NWNW, T26S-R33E | 30-025-42661 | Jennings; Upper Bone Spring Shale |
| | Sec. 19, NWNW, T26S-R33E | 30-025-42662 | Jennings; Upper Bone Spring Shale |
| Federal Lease USA NMNM 2750 | 6, USA NMNM 132070, Private Fee | | |
| *COM awaiting approval | | | |
| Well Name | Location | API# | Pool 98097 |
| | Sec. 18, NENE, T26S-R33E | 30-025-44089 | Sanders Tank; Upper Wolfcamp |
| | Sec. 18, NENE, T26S-R33E | 30-025-44090 | Sanders Tank; Upper Wolfcamp |
| | Sec. 18, NENE, T26S-R33E | 30-025-44167 | Sanders Tank; Upper Wolfcamp |
| Federal Lease USA NMNM 1320 | 70, Private Fee | | |
| *COM awaiting approval | | | |
| Well Name | Location | API# | Pool 97955 |
| | Sec. 18, NENE, T26S-R33E | 30-025-44091 | WC-025 G-06 S263319P; Bone Spring |

The royalty rate for the BLM leases listed above is the same -- 12.5%. However, due to private fee in the NE/4 NE/4 of Section 18, the BLM's royalty distribution will vary across the acreage.

The BLM's royalty distribution in the wells highlighted in green is the same at 12.5% RI, the BLM's royalty distribution in the well highlighted in orange is the same at 10.9375% RI and the BLM's royalty distribution in the well highlighted in yellow is 9.375% RI.

Due to this, Chevron will separately treat and meter production from the green wells, orange wells and yellow well as further depicted on the Facilities Diagram included within this packet. Please note however, Chevron will be commingling Bone Spring and Wolfcamp production from the green wells.

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc. Salado Draw 19 Central Tank Battery

Oil & Gas metering:

The central tank battery (Salado Draw 19 Central Tank Battery) is located in the NWNW corner of Sect 19 T26S, R33E. For gas, there will be a common central delivery point (CDP) gas sales as well as a gas compression station that takes combined suction gas from CTB 19 and CTB 29. This compressor station sends gas either to a High Pressure sales point (Enterprise, DCP) or to a gas lift system. The produced water will go to common water tanks on location and then to the SWD station that will be located in the SWSW portion of Sect 13 T26S, R32E or third party disposal.

In order to meet all commingling requirements, the Salado Draw 18 19 Fed Com P15 #20H will produce through it's own production train (Train 2B) for separation and measurement. Salado Draw 18 19 Fed Com P15 #16H will produce through Train 2A. The remaining wells from Pad 15, Salado Draw 18 19 Fed Com P15 (#17H, #18H, and #19H), will produce through Train 3 for separation and measurement, described in the below PFD.

Trains 1, 2A, 2B, & 3 will have their own coriolis meter downstream of each heater treater (*SN 14465580, 14505433, TBD, & 14765033, respectively). Produced gas from Train 1 will be measured and totaled with an Orifice Meter and a EFM Flow computer downstream of hte Inlet Separator (SN: 2300250191). Train 2A gas will be measured in the same configuration (SN: 2300250192) as well as Trains 2B & 3 (SN: 5300250195 & TBD). This is further described in the Process Flow Diagram below.

After all wells are metered at their heater treaters, the oil will be sent to common oil tanks and sold through common LACT units (SN: 4300250051 & TBD).

All wells will at a minimum be tested monthly in order to meet all federal and state requirements regardless of the phase of decline. For wells that are in Range 1 of decline based on R-14299, the wells will be tested at least three times per month. The value of gas will not be affected due to different formations as BTUs are expected to be the same or similar.

Flash gas from the Tanks and the Heated Vessels (Heated Production Separator & Heater Treater) will be compressed via the VRU/FGC system and metered with a common meter (orifice meter containing a EFM Flow computer, SN 2300250193). Allocation will occur as described in the Allocation Methodology Section.

All produced gas from CTB #19 will be meter with 2 common orifice meters and EFM Flow computers, SN 2300250229 & TBD.

Flaring in the event of an upset will also be measured with an orifice meter fitted with an EFM Flow Computer (SN 7300250008). Pilot gas for the flare will be measured with 2-orifice meters containing EFM flow computers (SN 6300250011 & 6300250012). These flare meters are located downstream of the common sales orifice meter.

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Salado Draw 19 Central Tank Battery

Chevron U.S.A. Inc.

Gas Lift -

Gas from Salado Draw 19 CTB and Salado Draw 29 CTB will be combined upstream of the Salado Draw 19 Compressor Station. Each CTB's gas will be continuously measured utilizing orifice meters fitted with EFM flow computers located at Salado Draw 19 CTB (SN 2300250229) and Salado Draw 29 CTB (SN 2300250228) prior to entering the Compressor Station suction. Gas will be utilized by the compressor station as needed for gas lift of wells in Sections 18, 19 and 29. Total gas lift volumes for each well will be measured through individual well gas lift orifice meters fitted with Total Flow EFM flow computers.

- Salado Draw 18-26-33 Fed Com #1H gas lift meter consists of a Total Flow EFM (SN 2300250221).
- Salado Draw 19-26-33 Fed Com #1H gas lift meter consists of a Total Flow EFM (SN 2300250223).
- Salado Draw 18-26-33 Fed Com #2H gas lift meter consists of a Total Flow EFM (SN 2300250222).
- Salado Draw 19-26-33 Fed Com #2H gas lift meter consists of a Total Flow EFM (SN 2300250224).
- Salado Draw 18-26-33 Fed #3H gas lift meter consists of a Total Flow EFM (SN 2300250205).
- Salado Draw 19-26-33 Fed #3H gas lift meter consists of a Total Flow EFM (SN 2300250206).
- Salado Draw 18-26-33 Fed #4H gas lift meter consists of a Total Flow EFM (SN 2300250208).
- Salado Draw 19-26-33 Fed #4H gas lift meter consists of a Total Flow EFM (SN 2300250207).
- Salado Draw 18-26-33 Fed #5H gas lift meter consists of a Total Flow EFM (*SN TBD).
- Salado Draw 19-26-33 Fed #5H gas lift meter consists of a Total Flow EFM (*SN TBD).
- Salado Draw 18-26-33 Fed #6H gas lift meter consists of a Total Flow EFM (*SN TBD).
- Salado Draw 19-26-33 Fed #6H gas lift meter consists of a Total Flow EFM (*SN TBD).
- Salado Draw 19-26-33 Fed #7H gas lift meter consists of a Total Flow EFM (*SN TBD).
- Porter Brown 19-26-33 Fed #1H gas lift meter consists of a Total Flow EFM (*SN TBD).
- Salado Draw 29-26-33 Fed Com #1H gas lift meter consists of a Total Flow EFM (SN 2300250234).
- Salado Draw 29-26-33 Fed Com #2H gas lift meter consists of a Total Flow EFM (SN 2300250235).
- Salado Draw 29-26-33 Fed Com #3H gas lift meter consists of a Total Flow EFM (SN 2300250236).
- Salado Draw 29-26-33 Fed Com #4H gas lift meter consists of a Total Flow EFM (SN 2300250237).
- Salado Draw 29-26-33 Fed Com #5H gas lift meter consists of a Total Flow EFM (SN 2300250215).
- Salado Draw 29-26-33 Fed Com #6H gas lift meter consists of a Total Flow EFM (SN 2300250216).
- Salado Draw 29-26-33 Fed Com #7H gas lift meter consists of a Total Flow EFM (SN 2300250217).
 Salado Draw 29-26-33 Fed Com #8H gas lift meter consists of a Total Flow EFM (SN 2300250218).
- Moose's Tooth 29-26-33 Fed Com #1H gas lift meter consists of a Total Flow EFM (SN 2300250204).
- Salado Draw 18-19 Fed Com #16H gas lift meter consists of a Total Flow EFM (*SN TBD).
- Salado Draw 18-19 Fed Com #17H gas lift meter consists of a Total Flow EFM (*SN TBD).
- Salado Draw 18-19 Fed Com #18H gas lift meter consists of a Total Flow EFM (*SN TBD).
- Salado Draw 18-19 Fed Com #19H gas lift meter consists of a Total Flow EFM (*SN TBD).
- Salado Draw 18-19 Fed Com #20H gas lift meter consists of a Total Flow EFM (*SN TBD).

Each Sales Point will have an orifice meter fitted with an EFM flow computer.

- Salado Draw 19 DBM Sales EFM (SN 3300250021)
- Salado Draw 29 DBM Sales EFM (SN 01605329)
- Enterprise Sales EFM (SN 5300250193)
- DCP Sales EFM (SN 3300250022)

The total gas sales from these meters will be combined and allocation to the batteries will be conducted based on the following allocation methodology:

SD 19 GAS ALLOCATION

Total Sales Gas from CTB #19 & CTB #29

= SD 19 DBM Meter + SD 29 DBM Meter + Enterprise Sales Meter

+ DCP Sales Meter - DCP Buyback Meter

Total Battery Gas

= SD 19 Battery Bulk Gas (SN 2300250229 + TBD) + SD 19 Fuel Gas

+ SD 29 Battery Bulk Gas + SD 29 Fuel Gas

Total Gas Lift = Sum of all well gas lift meters

SD 19 Gas Lift = Sum of all CTB 19 Gas Lift Meters

SD 19 Produced Gas = SD 19 CTB Meters (SN2300250229 + TBD) + SD 19 Fuel Gas

SD 19 Train 1 Gas Lift

= SD 181H + SD 182H + SD 191H + SD 192H + SD 183H + SD 184H + SD 185H

+ SD 186H + SD 193H + SD 194H + SD 195H + SD 196H + SD 197H

+ Porter Brown 1H

SD 19 Train 2A Gas Lift = **SD 18 19 16H**

SD Train 2B Gas Lift = SD 18 19 20H

SD Train 3 Gas Lift = SD 18 19 17H + SD 18 19 18H + SD 18 19 19H



SD 19 Train 1 Oil%

SD 19 T1 Oil

 $= \frac{}{(SD19 Train 1 Oil + SD19 Train 2A Oil + SD19 Train 2B Oil + SD19 Train 3 Oil)}$

SD 19 Train 2A Oil%

SD 19 T2A Oil

= (SD19 Train 1 Oil + SD19 Train 2A Oil + SD19 Train 2B Oil + SD19 Train 3 Oil)

SD 19 Train 2B Oil%

SD 19 T2B Oil

= (SD19 Train 1 Oil + SD19 Train 2A Oil + SD19 Train 2B Oil + SD19 Train 3 Oil)

SD 19 Train 3 Oil%

SD 19 T3 Oil

 $= \frac{}{(SD19 Train 1 Oil + SD19 Train 2A Oil + SD19 Train 2B Oil + SD19 Train 3 Oil)}$

SD 19 Sales Gas% = $\frac{(SD \ 19 \ Battery \ Gas - SD \ 19 \ Gas \ Lift)}{(Total \ Battery \ Gas - Total \ Gas \ Lift)}$

SD 19 Sales Gas = SD 19 Produced Gas % * (Total Sales + Flared Gas)

SD 19 Train 1 Sales Gas = SD 19 T1 Gas - SD 19 T1 Gas Lift + SD 19 T1 Flash

 $SD\ 19\ Train\ 2A\ Sales\ Gas = SD\ 19\ T2A\ Gas - SD\ 19\ T2A\ Gas\ Lift + SD\ 19\ T2A\ Flash$

SD 19 Train 2B Sales Gas = SD 19 T2B Gas - SD 19 T2B Gas Lift + SD 19 T2B Flash

SD 19 Train 3 Sales Gas = SD 19 T3 Gas - SD 19 T3 Gas Lift + SD 19 T3 Flash

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc. Salado Draw 19 Central Tank Battery

Process and Flow Descriptions:

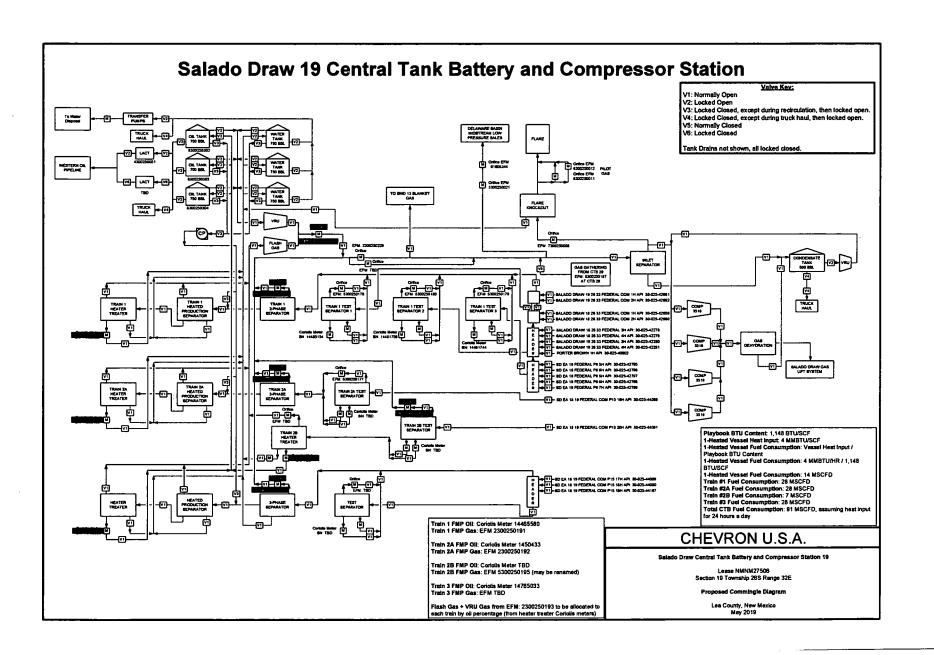
The flow of production is shown in detail on the enclosed facility flow diagram and map which shows the lease boundaries, location of wells, and locations of the flow lines, facility, and gas sales meter. The commingling of this will not result in reduced royalty or improper measurement of production.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

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.

A central tank battery is located in the NWNW of Sect 19 T26S, R33E, on federal lease NM27506 in Lea County, New Mexico. After separation and allocation measurement, the oil, gas, and water will go to common oil tanks, common water tanks, and a gas CDP or compression station located at edge of facility pad in T26S, RR33E Section 19.

Printed Name: Matthew Kieke

Title: Facility Engineer Date: 01/15/2019



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

Crude Data

Pricing table:

- Assuming crude price is \$50, the netback should be \$48.10
- Crude Price Assumes NYMEX +/-Roll +/- Midland/Cushing diff = \$50. The current transportation deduct is \$1.90 per bbl.

Crude Statement

"Oil production in the area is currently sold as sweet under an existing contract where Chevron
will receive the same sales price for all crude streams delivered at 49 API gravity and
below. Because all production is expected to be less than 49 API, surface comingling of these
pools will not change the value of the crude sales price under current terms."

Gas Data

Pricing table:

- Assuming crude price is \$50
- Estimate gas value about \$3/Mcf.

Gas Statement:

The commingling of gas between the captioned wells will not have an impact on the value of the production, as the gas to be commingled is produced from a common pool with similar BTUs.



Chevron North America
Exploration and Production Company
(A Chevron U.S.A. Inc. Division)
6301 Deauville Blvd
Midland, TX 79706

January 25, 2019

RE: Application for surface commingling of the Jennings Upper Bone Spring Shale Pool (97838), the Sanders Tank Upper Wolfcamp Pool (98097), & the WC-025 G-06 S263319P Bone Spring Pool (97955), Lea County, NM; Salado Draw 19 Central Tank Battery

The Salado Draw 19 Central Tank Battery is located in the NWNW (UL: P), Sec. 19, T26S-R33E.

Monthly production for the last 6 months is attached. Wells P15 16H, P15 17H, P15 18H, P15 19H, & P15 20H are new wells (quantity 5) and are targeted to begin producing in May 2019.

The thirteen wells producing into this facility will be tested under the following conditions:

- Salado Draw 19 26 33 Fed Com #1H is in Range 3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw 19 26 33 Fed Com #2H is in Range 3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw 18 26 33 Fed Com #1H is in Range 3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw 18 26 33 Fed Com #2H is in Range 3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw 18 26 33 Fed #3H is in Range 3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw 18 26 33 Fed #4H is in Range 3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw 19 26 33 Fed #3H is in Range 3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw 19 26 33 Fed #4H
- Porter Brown #1H is in Range3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw EA 18 Fed P6 #5H is in Range 3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw EA 18 Fed P6 #6H is in Range 3of decline based on R-14299 and will be tested at least once per month:
- Salado Draw EA 19 Fed P6 #5H is in Range 3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw EA 19 Fed P6 #6H is in Range 3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw EA 19 Fed P6 #7H is in Range 3 of decline based on R-14299 and will be tested at least once per month;
- Salado Draw EA 18 19 Fed Com P15 #16H will be in Range 1 of decline based on R-14299 and will be tested at least three times per month;

 Salado Draw EA 18 19 Fed Com P15 #17H will be in Range 1 of decline based on R-14299 and will be tested at least three times per month;

 Salado Draw EA 18 19 Fed Com P15 #18H will be in Range 1 of decline based on R-14299 and will be tested at least three times per month;

 Salado Draw EA 18 19 Fed Com P15 #19H will be in Range 1 of decline based on R-14299 and will be tested at least three times per month;

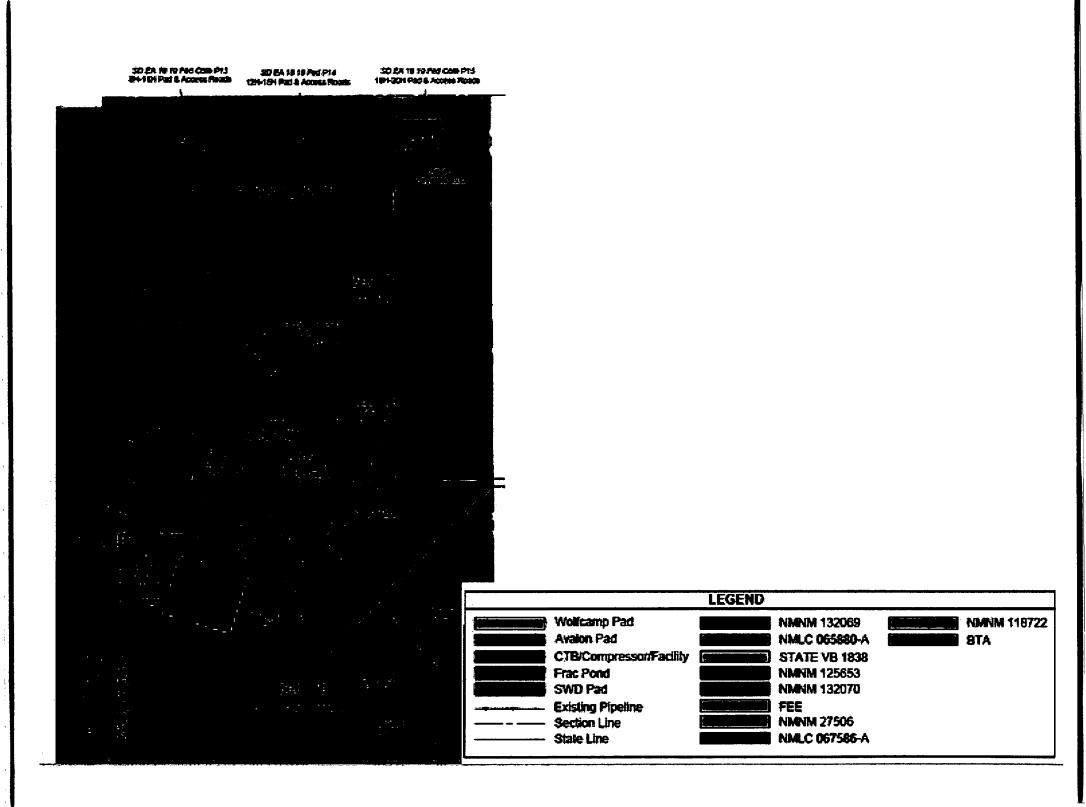
 Salado Draw EA 18 19 Fed Com P15 #20H will be in Range 1 of decline based on R-14299 and will be tested at least three times per month;

Matthew Kieke Facilities Engineer

1-25-2019

| | | Jun-18 | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 |
|-----------------------------|-------|--------|--------|--------|--------|--------|--------|
| | Oil | 1,054 | 977 | 1,049 | 968 | 1,160 | 962 |
| SALADO DRAW 18 26 33 FED 4H | Gas | 19,458 | 20,649 | 23,548 | 19,163 | 20,661 | 19,575 |
| | Water | 883 | 1,772 | 1,551 | 944 | 1,074 | 892 |
| | Oil | 579 | 645 | 811 | 763 | 900 | 721 |
| SALADO DRAW 18 26 33 FED 3H | Gas | 16,716 | 18,084 | 18,191 | 15,629 | 16,537 | 14,437 |
| | Water | 581 | 795 | 1,001 | 556 | 723 | 667 |
| | Oil | 882 | 833 | 864 | 806 | 834 | 811 |
| SALADO DRAW 19 26 33 FED 4H | Gas | 23,275 | 19,980 | 23,894 | 18,224 | 12,218 | 17,717 |
| | Water | 639 | 943 | 819 | 613 | 572 | 466 |
| | Oil | 882 | 811 | 805 | 567 | 994 | 849 |
| SALADO DRAW 19 26 33 FED 3H | Gas | 21,645 | 21,814 | 22,726 | 18,074 | 19,777 | 15,787 |
| | Water | 1,451 | 1,529 | 1,603 | 1,533 | 1,841 | 1,510 |
| | Oil | 1,124 | 1,107 | 1,233 | 1,036 | 1,329 | 940 |
| SD EA 19 FED P6 5H | Gas | 34,222 | 34,142 | 28,607 | 25,447 | 28,744 | 21,120 |
| | Water | 1,348 | 1,519 | 1,463 | 1,232 | 1,674 | 1,261 |
| | Oil | 935 | 1,458 | 1,268 | 1,148 | 1,337 | 1,020 |
| SD EA 19 FED P6 6H | Gas | 21,116 | 23,035 | 19,798 | 17,818 | 20,422 | 13,222 |
| | Water | 4,502 | 3,626 | 3,230 | 2,994 | 4,011 | 3,408 |
| | Qil | 1,465 | 1,483 | 1,508 | 1,305 | 1,390 | 1,153 |
| SD EA 19 FED P6 7H | Gas | 24,244 | 25,737 | 25,930 | 23,491 | 22,754 | 17,780 |
| | Water | 1,074 | 1,179 | 1,331 | 1,268 | 1,470 | 1,265 |
| | Qil | 1,592 | 1,289 | 1,169 | 1,027 | 1,072 | 1,235 |
| SD EA 18 FED P6 5H | Gas | 21,530 | 25,510 | 25,745 | 23,483 | 21,052 | 30,117 |
| | Water | 697 | 801 | 939 | 851 | 867 | 1,058 |
| | Oil | 2,272 | 2,055 | 2,171 | 1,890 | 2,091 | 1,747 |
| SD EA 18 FED P6 6H | Gas | 23,189 | 20,604 | 22,928 | 19,505 | 21,420 | 16,173 |
| | Water | 700 | 731 | 848 | 744 | 900 | 672 |
| | Oil | 782 | 785 | 840 | 895 | 946 | 1,029 |
| PORTER BROWN 1H | Gas | 7,274 | 6,358 | 3,490 | 7,329 | 21,253 | 17,281 |
| | Water | 362 | 439 | 512 | ¹ 554 | 569 | 545 |
| | Oil | 1,671 | 1,489 | 1,236 | 1,143 | 993 | 1,077 |
| SALADO DRAW 18 26 33 FED 1H | Gas | 7,950 | 9,641 | 8,798 | 4,806 | 388 | 2,568 |
| | Water | 2,693 | 3,388 | 2,081 | 1,851 | 1,351 | 1,723 |
| | Oil | 1,297 | 1,133 | 1,045 | 949 | 1,193 | 943 |
| SALADO DRAW 18 26 33 FED 2H | Gas | 9,237 | 12,466 | 14,655 | 11,457 | 16,570 | 14,232 |
| | Water | 1,787 | 1,778 | 1,073 | 892 | 974 | 841 |
| | Oil | 1,277 | 1,217 | 1,097 | 955 | 951 | 892 |
| SALADO DRAW 19 26 33 FED 1H | Gas | 4,004 | 4,434 | 8,913 | 7,018 | 8,751 | 7,915 |
| | Water | 3,039 | 3,947 | 2,624 | 1,994 | 1,902 | 1,822 |
| | Oil | 802 | 917 | 966 | 782 | 954 | 845 |
| SALADO DRAW 19 26 33 FED 2H | Gas | 16,905 | 16,589 | 22,960 | 18,468 | 24,468 | 24,255 |
| | Water | 2,071 | 1,737 | 894 | 1,104 | 795 | 504 |

_



| RECEIVED: | REVIEWER: | TYPE | APP NO: |
|-----------|------------|------|---------|
| RECEIVED. | KEVIEVVER. | III | AFF NO. |
| | | | |
| | [| l | |

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION



| | | nosting Purpout | |
|--|--|---|--|
| | - Geological & Engii 1220 South St. Francis Drive | • | |
| | ADMINISTRATIVE APP | LICATION CHECKLIST | |
| THIS CI | HECKLIST IS MANDATORY FOR ALL ADMINISTRATI REGULATIONS WHICH REQUIRE PROCESS | | |
| Applicant: CHE | VRON USA INC | OGR | RID Number: 4323 |
| Well Name: SD EA 1 | | API:_ | 30-025-44088 |
| Pool: SANDERS T | ANK; UPPER WOLFCAMP | Pool | Code: 97838 |
| SUBMIT ACCURA | TE AND COMPLETE INFORMATION | I REQUIRED TO PROCESS ED BELOW | THE TYPE OF APPLICATION |
| 1) TYPE OF APPLIC | CATION: Check those which app | v for [A] | |
| • | - Spacing Unit – Simultaneous De | | |
| □N | · • <u>—</u> | |]SD |
| [II] Inject [II] Inject 2) NOTIFICATION A. Offset of the control of the c | ningling – Storage – Measuremer DHC | OLS OLM E - Enhanced Oil Recov C EOR PPR h apply. nue owners al by SLO al by BLM on or publication is attac | FOR OCD ONLY Notice Complete Application Content Complete Ched, and/or, |
| administrative understand the | approval is accurate and complete no action will be taken on this e submitted to the Division. | ete to the best of my kn | owledge. I also |
| No | e: Statement must be completed by an indi | idual with managerial and/or su | pervisory capacity. |
| | | 1/04/2016 | |
| I ALIDA DECEDDA | | 1/24/2018 Date | |
| LAURA BECERRA | | 24.0 | |
| Print or Type Name | | (432) 687-7665 | |
| , , , , , | | Phone Numbe | er |
| | | | • |
| / Omber , | | LBECERRA@CI | HEVRON.COM |
| Signature | | 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 I | FOR SURFACE | COMMINGLING | (DIVERSE | OWNERSHIP) | | |
|--|---|---|--------------------|---|-----------------|--|
| OPERATOR NAME: Chevron | USA Inc. | | | | | |
| | auville Blvd., Midla | ınd, TX 79706 | | | | |
| APPLICATION TYPE: | 5 - · · | = | | | | |
| | g ⊠Pool and Lease Co | • • – | Storage and Measur | ement (Only if not Surface | Commingled) | |
| LEASE TYPE: Fee | State | | h | N-4 N- | | |
| Is this an Amendment to existing Order Have the Bureau of Land Management ☐ Yes ☐ No | | | | | ingling | |
| | | L COMMINGLIN s with the following in | | | | |
| (1) Pool Names and Codes | Gravities / BTU of Non-Commingled Production | Calculated Gravities / BTU of Commingled Production | | Calculated Value of Commingled Production | Volumes | |
| Jennings; Upper Bone Spring (97838) | 44.7/ 1287 | | | | | |
| Sanders Tank; Upper Wolfcamp (98097) | 46.5/1233 | } | | | | |
| WC-025 G-06 S263319P; Bn Spg (97955) | 44.7/1287 |] | | | | |
| | | | | | | |
| | | | | | <u> </u> | |
| (2) Are any wells producing at top allowal (3) Has all interest owners been notified b (4) Measurement type: Metering [(5) Will commingling decrease the value of | y certified mail of the pro Other (Specify) | | | ing should be approved | | |
| | | SE COMMINGLINGS with the following in | | | | |
| (1) Pool Name and Code. Upper Bone (2) Is all production from same source of s (3) Has all interest owners been notified by (4) Measurement type: Metering □ | Spring (97838), Upper \upply? □Yes ☑No certified mail of the prop | Wolfcamp (98097), Bone o | | 0 | | |
| | ` ' | LEASE COMMIN | | | | |
| (1) Complete Sections A and E. | | | | | | |
| /1 |) OFF I FASE ST | ODACE and MEA | CHDEMENT | | | |
| (1 | | ORAGE and MEA ets with the following | | | | |
| (1) Is all production from same source of (2) Include proof of notice to all interest of | supply? 🔲 Yes 🖾 N | | | | | |
| | | | | | | |
| <u> </u> | Please attach sheet | RMATION (for all s with the following in | | ypes) | | |
| A schematic diagram of facility, including legal location. A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. 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 an | nd belief. | | | |
| SIGNATURE: | | ITLE:_Permitting_Spec | cialist | DATE:1/24 | 4/2019 | |
| TYPE OR PRINT NAME Laura Beco | erra | | TE | LEPHONE NO.: <u>(432)</u> | <u>687-7665</u> | |
| F-MAIL ADDRESS: | hevron com | | | | | |

Run Date/Time: 11/28/2018 14:31 PM

Page 1 Of 2
Serial Number

01 02-25-1920;041STAT0437;30USC226

Case Type 311111: O&G LSE NONCOMP PUB LAND

Commodity 459: OIL & GAS Case Disposition: AUTHORIZED

Total Acres:

39.730

NMLC 0065880A

| | | | | Serial Number: NML | C 0 065880A |
|-----------------|----------------|---------|-----------|--------------------|---------------|
| Name & Address | | | | Int Rel | % Interest |
| ACME LAND CO | PO BOX 66 | JOPLIN | MO 64802 | OPERATING RIGHTS | 0.000000000 |
| CHEVRON USA INC | 6301 DEAUVILLE | MIDLAND | TX 797062 | 964 LESSEE | 100.000000000 |

| | _ | _ | | | | | | | | nber: NMLC 0 065880A |
|------|--------|-------|--------|---------|-----------|------|--------------------|------------------------|------------|----------------------|
| Mer | IWp | Rng | Sec | SType | <u>Nr</u> | Suff | <u>Subdivision</u> | District/ Fleld Office | County | Mgmt Agency |
| 23 | 0260S | 0330E | 019 | LOTS | | | 4; | CARLSBAD FIELD OFFICE | LEA | BUREAU OF LAND MGMT |
| Reli | nquis | hed/W | 'ithdr | awn Lan | nds | | | | Serial Num | nber: NMLC 0 065880A |
| 23 | 0260S | 0330E | 718 | FF | | 02 | L1,3,4,SEGR; | PECOS DISTRICT OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0260S | 0330E | 718 | FF | | 03 | W2E2,E2W2,SEGR; | PECOS DISTRICT OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0260S | 0330E | 718 | FF | | 01 | L2 ASGN; | PECOS DISTRICT OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0260\$ | 0330E | 719 | FF | | 01 | L1-3,SEGR; | PECOS DISTRICT OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0260S | 0330E | 719 | FF | | 02 | E2,E2W2,SEGR; | PECOS DISTRICT OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0260\$ | 0330E | 720 | FF | | | ALL,SEGR; | PECOS DISTRICT OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0260\$ | 0330E | 729 | FF | | | N2,SW,SEGR; | PECOS DISTRICT OFFICE | LEA | BUREAU OF LAND MGMT |

| Act Date | Act Code | Action Txt | Action Remarks | Serial Number: NMLC 0 065880A Pending Off |
|------------|----------|-------------------------|-----------------------|---|
| 08/31/1948 | 387 | CASE ESTABLISHED | | - |
| 09/01/1948 | 496 | FUND CODE | 05;145003 | |
| 09/01/1948 | 530 | RLTY RATE - 12 1/2% | | |
| 09/01/1948 | 868 | EFFECTIVE DATE | | |
| 04/09/1953 | 140 | ASGN FILED | P BROWN/G LITTLEFIELD | |
| 06/22/1955 | 553 | CASE CREATED BY ASGN | OUT OF NMLC065880; | |
| 07/28/1958 | 140 | ASGN FILED | G LITTLEFIELD/RNLY | |
| 08/20/1958 | 570 | CASE SEGREGATED BY ASGN | INTO NMLC065880-B; | |
| 05/26/1959 | 315 | RENTAL RATE DET/ADJ | \$2.00; | |
| 06/23/1959 | 140 | ASGN FILED | LITTLEFIELD/GULF | |
| 07/22/1959 | 139 | ASGN APPROVED | EFF 07/01/59; | |
| 01/08/1960 | 650 | HELD BY PROD - ACTUAL | | |

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

Action Remarks

Run Date/Time: 11/28/2018 14:31 PM

Act Code Action Txt

Act Date

Page 2 Of 2

Serial Number: NMLC-- 0 065880A

Pending Off

| 01/08/1960 | 658 | MEMO OF 1ST PROD-ACTUAL | | |
|-------------|------|----------------------------|-----------------------|------------------------------|
| 03/11/1960 | 102 | NOTICE SENT-PROD STATUS | | |
| 05/26/1960 | 510 | KMA CLASSIFIED | | |
| 10/31/1973 | 700 | LEASE SEGREGATED | INTO NMNM27506; | |
| 11/01/1973 | 232 | LEASE COMMITTED TO UNIT | NMNM70994X;N EL MAR | |
| 10/24/1979 | 940 | NAME CHANGE RECOGNIZED | CONTL OIL/CONOCO INC | |
| 07/15/1986 | 817 | MERGER RECOGNIZED | CHEVRON USA/GULF OIL | |
| 07/15/1986 | 940 | NAME CHANGE RECOGNIZED | GULF OIL/CHEVRON USA | |
| 05/07/1987 | 963 | CASE MICROFILMED/SCANNED | CNUM 104,293 DS | |
| 10/01/1992 | 621 | RLTY RED-STRIPPER WELL | 7.7%;/1/ | |
| 04/05/1993 | 625 | RLTY REDUCTION APPV | /1/ | |
| 08/15/1994 | 932 | TRF OPER RGTS FILED | CONOCO/CHILDRESS | |
| 08/29/1994 | 932 | TRF OPER RGTS FILED | NEAL/ACME LAND CO | |
| 11/21/1994 | 933 | TRF OPER RGTS APPROVED | EFF 09/01/94; | |
| 11/21/1994 | 974 | AUTOMATED RECORD VERIF | LBO | |
| 12/01/1994 | 933 | TRF OPER RGTS APPROVED | EFF 09/01/94; | |
| 06/27/2013 | 899 | TRF OF ORR FILED | 1 | |
| 04/27/2015 | 932 | TRF OPER RGTS FILED | CHILDRESS/ACME LAND;1 | |
| 05/29/2015 | 933 | TRF OPER RGTS APPROVED | EFF 05/01/15; | |
| 05/29/2015 | 974 | AUTOMATED RECORD VERIF | LBO | |
| 12/01/2015 | 246 | LEASE COMMITTED TO CA | NMNM135996; | |
| 02/15/2016 | 658 | MEMO OF 1ST PROD-ACTUAL | /2/NMNM135996;#2H | |
| 07/07/2016 | 643 | PRODUCTION DETERMINATION | 121 | |
| | | | | |
| Line Number | Rema | rk Text | | Serial Number: NMLC 0 065880 |
| 0002 | BOND | ED OPERATOR(S)- | | |
| 0003 | 12/0 | 1/1994 - CHILDRESS ROYALTY | CO NM2331 S/W; | |

Run Date/Time: 11/28/2018 7:56 AM

Page 1 Of 4 Serial Number

01 02-25-1920;041STAT0437;30USC226

Case Type 311111: O&G LSE NONCOMP PUB LAND

Commodity 459: OIL & GAS **Case Disposition: AUTHORIZED** **Total Acres:**

1,517.740

NMNM 027506

Serial Number: NMNM-- - 027506

Serial Number: NMNM-- - 027506

% interest

Name & Address **CHEVRON USA INC**

6301 DEAUVILLE

MIDLAND

TX 797062964

Int Rel LESSEE

100.000000000

| Mer | Twp Rng | Sec | SType | Nr Su | ff Subdivision | District/ Field Office | County | Mgmt Agency |
|-----|-------------|-----|-------|-------|----------------|------------------------|--------|---------------------|
| 23 | 0260S 0330E | 018 | LOTS | | 1,3,4; | CARLSBAD FIELD OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0260S 0330E | 018 | ALIQ | | W2E2,E2W2; | CARLSBAD FIELD OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0260S 0330E | 019 | LOTS | | 1,2,3; | CARLSBAD FIELD OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0260S 0330E | 019 | ALIQ | | E2,E2W2; | CARLSBAD FIELD OFFICE | LEA | BUREAU OF LAND MGMT |

Relinquished/Withdrawn Lands

23 0260S 0330E 720 FF

23 0260S 0330E 029 ALIQ

ALL, ASGN;

N2,SW;

PECOS DISTRICT OFFICE

CARLSBAD FIELD OFFICE LEA

LEA

Serial Number: NMNM-- - 027506 BUREAU OF LAND MGMT

BUREAU OF LAND MGMT

| Act Date | Act Code | Action Txt | Action Remarks | Serial Number: NMNM027506 Pending Off |
|------------|----------|--------------------------|----------------------|---------------------------------------|
| 08/31/1948 | 387 | CASE ESTABLISHED | | |
| 09/01/1948 | 496 | FUND CODE | 05;145003 | |
| 09/01/1948 | 530 | RLTY RATE - 12 1/2% | | |
| 09/01/1948 | 868 | EFFECTIVE DATE | | |
| 11/01/1973 | 209 | CASE CREATED BY SEGR | OUT OF NMLC065880A; | |
| 11/01/1973 | 648 | EXT BY PROD ON ASSOC LSE | NMLC065880A; | |
| 08/12/1983 | 932 | TRF OPER RGTS FILED | | |
| 08/13/1983 | 933 | TRF OPER RGTS APPROVED | (1)EFF 12/01/80; | |
| 08/13/1983 | 933 | TRF OPER RGTS APPROVED | (2)EFF 12/01/80; | |
| 08/16/1983 | 932 | TRF OPER RGTS FILED | | |
| 07/17/1984 | 500 | GEOGRAPHIC NAME | EL MAR/SALDADO DRAW; | |
| 07/17/1984 | 510 | KMA CLASSIFIED | | |
| 08/15/1984 | 111 | RENTAL RECEIVED | \$0;84-85 | |
| 08/31/1984 | 315 | RENTAL RATE DET/ADJ | \$2.00; | |
| 02/27/1985 | 932 | TRF OPER RGTS FILED | | |

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

| Run Date/Time | e: 11/28/201 | 8 7:56 AM (MASS |) Serial Register Page | | Page 3 Of 4 |
|---------------|--------------|--------------------------|------------------------|-------------------------------|-------------|
| Act Date | Act Code | Action Txt | Action Remarks | Serial Number: Pending Off | NMNM 027506 |
| 03/05/2013 | 899 | TRF OF ORR FILED | 2 | | |
| 03/05/2013 | 899 | TRF OF ORR FILED | 5 | | |
| 03/05/2013 | 899 | TRF OF ORR FILED | 3 | | |
| 03/18/2013 | 643 | PRODUCTION DETERMINATION | - | | |
| 03/18/2013 | 650 | HELD BY PROD - ACTUAL | /1/1H-PORTER BROWN; | | |
| 05/08/2013 | 658 | MEMO OF 1ST PROD-ACTUAL | /1#1H; | | |
| 05/24/2013 | 899 | TRF OF ORR FILED | 1 | | |
| 05/24/2013 | 899 | TRF OF ORR FILED | 2 | | |
| 05/24/2013 | 899 | TRF OF ORR FILED | 3 | | |
| 06/18/2013 | 899 | TRF OF ORR FILED | 1 | | |
| 06/27/2013 | 899 | TRF OF ORR FILED | 1 | | |
| 05/07/2014 | 899 | TRF OF ORR FILED | 1 | | |
| 05/07/2014 | 899 | TRF OF ORR FILED | 2 | | |
| 05/09/2014 | 899 | TRF OF ORR FILED | 2 | | |
| 5/09/2014 | 899 | TRF OF ORR FILED | 1 | | |
| 05/09/2014 | 899 | TRF OF ORR FILED | 3 | | |
| 05/29/2014 | 899 | TRF OF ORR FILED | 2 | | |
| 5/29/2014 | 899 | TRF OF ORR FILED | 1 | | |
| 03/01/2015 | 246 | LEASE COMMITTED TO CA | NMNM134673; | | |
| 3/11/2015 | 658 | MEMO OF 1ST PROD-ACTUAL | /1/NMNM134673;#1H | | |
| 06/18/2015 | 643 | PRODUCTION DETERMINATION | /1/ | | |
| 09/01/2015 | 246 | LEASE COMMITTED TO CA | NMNM135620; | | |
| 09/24/2015 | 658 | MEMO OF 1ST PROD-ACTUAL | /2/NMNM135620;#7H | | |
| 12/01/2015 | 246 | LEASE COMMITTED TO CA | NMNM135806; | | |
| 12/01/2015 | 246 | LEASE COMMITTED TO CA | NMNM135996; | | |
| 01/01/2016 | 246 | LEASE COMMITTED TO CA | NMNM136451; | | |
| 02/15/2016 | 658 | MEMO OF 1ST PROD-ACTUAL | /4/NMNM135996;#2H | | |
| 03/01/2016 | 643 | PRODUCTION DETERMINATION | <i>121</i> | | |
| 03/04/2016 | 658 | MEMO OF 1ST PROD-ACTUAL | /5/NMNM136451;#2H | | |
| 03/29/2016 | 658 | MEMO OF 1ST PROD-ACTUAL | /3/NMNM135806;#2H | | |
| 04/26/2016 | 643 | PRODUCTION DETERMINATION | /3/ | | |
| 07/07/2016 | 643 | PRODUCTION DETERMINATION | /4/ | | |
| 10/28/2016 | 643 | PRODUCTION DETERMINATION | /5/ | | |

Line Number Remark Text Serial Number: NMNM--- 027506

Run Date/Time: 11/28/2018 7:57 AM

Page 1 Of 2

Serial Number

01 12-22-1987;101STAT1330;30USC181 ET SEQ Case Type 312021: O&G LSE COMP PD -1987

Commodity 459: OIL & GAS **Case Disposition: AUTHORIZED** **Total Acres:** 120.000

NMNM 132070

Serial Number: NMNM-- 132070

Name & Address

Int Rel

% Interest

CHEVRON USA INC

6301 DEAUVILLE

MIDLAND

TX 797062964

LESSEE

100.000000000

Serial Number: NMNM-- 132070

Mer Twp Rng

Sec SType

Nr

Suff Subdivision SENE,E2SE:

District/ Field Office CARLSBAD FIELD OFFICE

County

Mgmt Agency BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

0260S 0330E 018 ALIQ

Serial Number: NMNM- 132070

Serial Number: NMNM- 132070

| Act Date | Act Code | Action Txt | Action Remarks | Pending Off |
|------------|----------|------------------------|-----------------------|-------------|
| 11/25/2013 | 387 | CASE ESTABLISHED | 201402011; | |
| 02/26/2014 | 143 | BONUS BID PAYMENT RECD | \$240.00; | |
| 02/26/2014 | 191 | SALE HELD | | |
| 02/26/2014 | 267 | BID RECEIVED | \$1140000.00; | |
| 02/28/2014 | 143 | BONUS BID PAYMENT RECD | \$1139760.00; | |
| 05/15/2014 | 237 | LEASE ISSUED | | |
| 05/15/2014 | 974 | AUTOMATED RECORD VERIF | LBO | |
| 06/01/2014 | 496 | FUND CODE | 05;145003 | |
| 06/01/2014 | 530 | RLTY RATE - 12 1/2% | | |
| 06/01/2014 | 868 | EFFECTIVE DATE | | |
| 08/14/2014 | 140 | ASGN FILED | FEDERAL A/CHEVRON U;1 | |
| 09/08/2014 | 139 | ASGN APPROVED | EFF 09/01/14; | |
| 09/08/2014 | 974 | AUTOMATED RECORD VERIF | EMR | |
| 05/31/2024 | 763 | EXPIRES | | |

| Line Number | Remark Text | Serial Number: NMNM— 132070 |
|-------------|---|-----------------------------|
| 0002 | STIPULATIONS ATTACHED TO LEASE: | |
| 0003 | NM-11-LN SPECIAL CULTURAL RESOURCE | |
| 0004 | SENM-S-17 SLOPES OR FRAGILE SOILS | |
| 0005 | SENM-S-20 SPRINGS, SEEPS AND TANKS | |
| | NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT | INTENDED BY BLM |



Shalyce HolmesLand Representative

Mid-Continent Business Unit North American Exploration and Production Co., a division of Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 77002 Tel 713-372-6051 SLHolmes@chevron.com

November 6, 2018

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Interest Owners

RE:

Request for Commingling & Off-Lease Measurement

See List of Wells Attached Sec. 18 & 19, T26S-R33E

Pool 97838 – Jennings; Upper Bone Spring Shale Pool 98097 – Sanders Tank; Upper Wolfcamp

Lea County, New Mexico

Dear Sir/Madam;

This letter is to advise you that Chevron U.S.A. Inc. is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval to commingle production from the attached list of wells and for Off-Lease Measurement, Sales & Storage at a common Central Tank Battery.

A summary of our application to the Division is attached for reference.

Any objections or requests that a hearing should be held regarding this application must be submitted to the NMOCD Sante Fe office within 20 days from the date of this letter.

Please feel free to contact the undersigned at 713-372-6051 should you have any questions, or require any additional information.

Regards

Shalyce Holmes
Land Representative

List of Interest Owners

| Name | Address | Interest Type |
|---------------------------------|---------------------------------|---------------|
| Chevron U.S.A. Inc. | 1400 Smith Street | WI |
| | Houton, TX 77002 | <u> </u> |
| COG Operating, LLC | 600 West Illinois Avenue | WI |
| | Midland, TX 79701 | |
| RSC Resources, L.P. | Att: Randy S. Cates | WI |
| | 6824 Island Circle | |
| | Midland, TX 79707 | |
| Bradly S. Bates | 101 Blackberry Court | WI |
| | Midland, TX 79705 | |
| Sagebrush Interests, LLC | 2450 Fondren, Suite 112 | WI |
| | Houtson, TX 77063 | |
| Charlotte W. Schuman and | 2121 South Yorktown | RI |
| Karlyn S. Doyle, Co-Trustees of | Apt. 305 | |
| the Charlotte W. Chuman Trust | Tulsa, Oklahoma 74114 | |
| | | |
| Tilden Capital Minerals, LLC | 307 W 7th St #1203 | RI |
| | Fort Worth, Texas 76102 | |
| GGM Exploration, Inc. | 420 Thorckmorton St #200 | RI |
| | Fort Worth, Texas 76102 | |
| TD Minerals, LLC | 811 Westchester Dr. #900 | RI |
| | Dallas, TX 75225 | |
| HAP Land, LLC | 5353 Fannin St, Apt 1401 | RI |
| | Houston, Texas 77004 | |
| AE&J Royalites, LLC | 23 Bergen St | RI |
| | Brooklyn, NY 11201 | |
| Estate of J. Harold Schuman | Matthew Schuman | RI |
| | 789 Horatio Blvd., Buffalo | |
| | Grove, IL 60089 | |
| | | |
| | Liessa Schuman Wright, 5777 | |
| | Carell Avenue, Agoura Hills, CA | |
| | 91301 | |
| Commerce First Royalties, LP | 14241 Dallas Parkway | RI |
| | Suite 600 | |
| | Dallas, TX 75254 | |
| The United States of America | 620 E Greene St. | RI |
| Bureau of Land Management | Carlsbad, New Mexico 88220 | |