

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.5. Lease Serial No.
NMNM118108

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM1386188. Well Name and No.
HH SO 8 P2 5H9. API Well No.
30-015-4393510. Field and Pool or Exploratory Area
PURPLE SAGE;WOLFCAMP (GAS)11. County or Parish, State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
CHEVRON USA INC
Contact: LAURA BECERRA
E-Mail: LBECCERRA@CHEVRON.COM3a. Address
6301 DEAUVILLE BLVD
MIDLAND, TX 797063b. Phone No. (include area code)
Ph: 432-687-76654. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 17 T26S R27E Mer NMP NWNW 255FNL 960FWL**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Production Facility Changes
	☐ Convert to Injection	☐ Plug Back	☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Chevron USA respectfully requests approval to utilize a gas lift buy back meter downstream of the FMP which will be maintained at an FMP level to allow for gas lift of wells royalty free.

Site facility diagrams, COMM and Unit Agreements are attached to this request.

***This request replaces sundry EC # 505595 submitted 3/4/2020 with a commingling application. The application is still pending with the NMOCD for administrative order.

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

**Electronic Submission #509418 verified by the BLM Well Information System
For CHEVRON USA INC, sent to the Carlsbad**

Name (Printed/Typed) LAURA BECERRA

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 04/02/2020

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.

(Instructions on page 2)

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



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

March 17, 2020

RE: Application for production facility change of the Purple Sage Wolfcamp (gas) pool (98220), Eddy County, NM; Hayhurst New Mexico Section 9 CTB, NM; Hayhurst New Mexico Section 10 CTB; and Hayhurst New Mexico Section 35 CTB.

The Hayhurst New Mexico Section 9 CTB is located in the SWSW (UL: P), Sec. 9, T26S-R27E and includes wells in COMM Agreement NMNM 138618. The Hayhurst New Mexico Section 10 CTB is located in the NENE (UL: P), Sec. 10, T26S-R27E. The Hayhurst New Mexico Section 35 CTB is located in the NENE (UL: P), Sec. 35, T27S-R27E. HHNM 10 CTB and 35 CTB include wells under Cicada Unitization Agreement (R-14459 / NMNM 137168x).

This application is to allow for usage of a gas lift buy back meter located downstream of gas FMP at each CTB to allow for centralized compressed gas back to wells in the form of gas lift for wells only. These meters will be managed at an FMP level for accuracy and calibration. Any gas utilized within each CTB for heater treater fuel will be pulled off upstream of the gas FMP and is not part of this request. All oil and gas production in all 3 CTB's will have gas and oil FMP's at the CTB's prior to commingling.

Monthly production for the last 6 months is attached for all producing wells.

HH SO 17 20 Fed 002 1H-6H and HH SO 8 5 Fed 004 1H-6H are new wells (quantity 12) and are targeted to begin producing in September-November 2020 into HHNM CTB 9.

The thirty wells producing into HHNM CTB 9 will be tested under the following conditions:

Range 1: 3 tests per month

Range 2: 2 tests per month

Range 3: 1 test per month

<u>HHNM CTB 9 Well Name</u>	<u>Range of Decline</u>
HH SO 17 20 FED 001 1H	1
HH SO 17 20 FED 001 2H	1
HH SO 17 20 FED 001 3H	1
HH SO 17 20 FED 001 4H	1
HH SO 17 20 FED 001 5H	1
HH SO 17 20 FED 001 6H	1
HH SO 8 5 FED 003 1H	1
HH SO 8 5 FED 003 2H	1
HH SO 8 5 FED 003 3H	1
HH SO 8 5 FED 003 4H	1
HH SO 8 5 FED 003 5H	1

HH SO 8 5 FED 003 6H	1
HH SO 8 P2 0013H	3
HH SO 8 P2 0014H	3
HH SO 8 P2 0021H	3
HH SO 8 P2 005H	3
HH SO 8 P2 006H	3
HH SO 8 P2 022H	3
HH SO 17 20 Federal 002 1H	1/not yet producing
HH SO 17 20 Federal 002 2H	1/not yet producing
HH SO 17 20 Federal 002 3H	1/not yet producing
HH SO 17 20 Federal 002 4H	1/not yet producing
HH SO 17 20 Federal 002 5H	1/not yet producing
HH SO 17 20 Federal 002 6H	1/not yet producing
HH SO 8 5 FEDERAL 004 1H	1/not yet producing
HH SO 8 5 FEDERAL 004 2H	1/not yet producing
HH SO 8 5 FEDERAL 004 3H	1/not yet producing
HH SO 8 5 FEDERAL 004 4H	1/not yet producing
HH SO 8 5 FEDERAL 004 5H	1/not yet producing
HH SO 8 5 FEDERAL 004 6H	1/not yet producing

Cicaida Unit 27-32H listed below are wells that are expected to begin producing into HHNM CTB 10 in 3Q2020. The wells producing into this facility will be tested under the following conditions at minimum:

Range 1: 3 tests per month

Range 2: 2 tests per month

Range 3: 1 test per month

HHNM Pkg 10 Well Name

Range of Decline

CICADA UNIT 13H	Range 2
CICADA UNIT 14H	Range 2
CICADA UNIT 15H	Range 2
CICADA UNIT 16H	Range 2
CICADA UNIT 17H	Range 2
CICADA UNIT 18H	Range 2
CICADA UNIT 1H	Range 3
CICADA UNIT 2H	Range 3
CICADA UNIT 3H	Range 3
CICADA UNIT 4H	Range 3
CICADA UNIT 5H	Range 3
CICADA UNIT 6H	Range 3
CICADA UNIT 27H	Range 1/Not Yet Producing
CICADA UNIT 28H	Range 1/Not Yet Producing
CICADA UNIT 29H	Range 1/Not Yet Producing
CICADA UNIT 30H	Range 1/Not Yet Producing

CICADA UNIT 31H
CICADA UNIT 32H

Range 1/Not Yet Producing
Range 1/Not Yet Producing

Cicada Unit 19-26H and Cicada Unit 33-40H are new wells (quantity 16) and are targeted to begin producing into HHNM CTB 35 in June 2020 and late 4Q2020/early 1Q2021 respectively.

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

Range 1: 3 tests per month

Range 2: 2 tests per month

Range 3: 1 test per month

HHNM CTB 35 Well Name

Range of Decline

CICADA UNIT 10H	Range 2
CICADA UNIT 11H	Range 2
CICADA UNIT 12H	Range 2
CICADA UNIT 7H	Range 2
CICADA UNIT 8H	Range 2
CICADA UNIT 9H	Range 2
CICADA UNIT 19H	1/not yet producing
CICADA UNIT 20H	1/not yet producing
CICADA UNIT 21H	1/not yet producing
CICADA UNIT 22H	1/not yet producing
CICADA UNIT 23H	1/not yet producing
CICADA UNIT 24H	1/not yet producing
CICADA UNIT 25H	1/not yet producing
CICADA UNIT 26H	1/not yet producing
CICADA UNIT 33H	1/not yet producing
CICADA UNIT 34H	1/not yet producing
CICADA UNIT 35H	1/not yet producing
CICADA UNIT 36H	1/not yet producing
CICADA UNIT 37H	1/not yet producing
CICADA UNIT 38H	1/not yet producing
CICADA UNIT 39H	1/not yet producing
CICADA UNIT 40H	1/not yet producing

Jenna Kennedy
Facilities Engineer

HHNM Section 9 Central Tank Battery**Oil & Gas metering:**

The central tank battery (HHNM Section 9 CTB) is located in the SWSW corner of Sect 9 T26S, R27E. Gas will be metered at the end of each Train. From there it will be gathered, compressed and sold at a common central delivery point (CDP) gas sales as well as a gas compression station that takes combined suction gas from CTB 9 Train 1 & 2, CTB 10 Train 1 & 2, and CTB 35 Train 1 & 2. This compressor station sends gas either to a High Pressure sales point (Enterprise/Targa) or to a gas lift system. The produced water will go to common water tanks on location and then to Chevron SWD facilities before being disposed in injection wells or sent to Solaris (third party) SWD station.

In order to meet all commingling requirements, the HHNM Section 9 CTB production will be produced and metered prior to leaving the CTB.

Oil from all wells will be sent to common oil tanks and sold through common LACT units (SN: 1726E10061 and 1724E10059). All wells will be tested monthly in order to meet all federal and state requirements regardless of the phase of decline. The value of gas will not be affected due to different formations as BTUs are expected to be the same or similar.

Gas Processing:

Gas from HHNM CTB 9 will flow to the HHNM Section 10 Rental Compressor Station, or the HHNM Section 10 Electric Compressor Station. The CTB's gas will be continuously measured utilizing orifice meters fitted with EFM flow computers located at HHNM Section 9 CTB (Low pressure: SN T184242121, SN T190352620 and HP: SN T170368891) prior to entering the Compressor Station suction or sales. Compressed gas will be utilized for gas lift of wells producing into Section 9 CTB. Total gas lift volumes for each well will be measured through individual well gas lift orifice meters fitted with Total Flow EFM flow computers. A common gas lift meter for wells producing into HHNM S9 CTB will be located at the HHNM S9 CTB outlet (SN : T173289422) as well as a common gas lift meter at the compressor station outlet for total gas lift volume via Total Flow EFM (SN 15101147).

Gas lift Well Meters:**Pkg 8 Pad 1**

- HH SO 17 20 Federal 001 1H: SN- 2300150283
- HH SO 17 20 Federal 001 2H: SN- 2300150284
- HH SO 17 20 Federal 001 3H: SN- 2300150285
- HH SO 17 20 Federal 001 4H: SN- 2300150286
- HH SO 17 20 Federal 001 5H: SN- 2300150287
- HH SO 17 20 Federal 001 6H: SN- 2300150288

Pkg 2 Pad 2

- HHSO 8 P2 5H : SN- 2300150213
- HHSO 8 P2 6H : SN- 2300150214
- HHSO 8 P2 13H : SN- 2300150215
- HHSO 8 P2 14H : SN- 2300150216
- HHSO 8 P2 21H : SN- 2300150211
- HHSO 8 P2 22H : SN- 2300150212

Pkg 5 Pad 3

HHNM Section 9 Central Tank Battery

- HHSO 8 5 FED 003 1H: SN- 2300150275
- HHSO 8 5 FED 003 2H: SN- 2300150276
- HHSO 8 5 FED 003 3H: SN- 2300150277
- HHSO 8 5 FED 003 4H: SN- 2300150280
- HHSO 8 5 FED 003 5H: SN- 2300150281
- HHSO 8 5 FED 003 6H: SN- 2300150282

Pkg 7 Pad 4

- HH SO 8 5 FEDERAL 004 1H- TBD
- HH SO 8 5 FEDERAL 004 2H- TBD
- HH SO 8 5 FEDERAL 004 3H- TBD
- HH SO 8 5 FEDERAL 004 4H- TBD
- HH SO 8 5 FEDERAL 004 5H- TBD
- HH SO 8 5 FEDERAL 004 6H- TBD

Pkg 6 Pad 2

- HH SO 17 20 Federal 002 1H- TBD
- HH SO 17 20 Federal 002 2H- TBD
- HH SO 17 20 Federal 002 3H- TBD
- HH SO 17 20 Federal 002 4H- TBD
- HH SO 17 20 Federal 002 5H- TBD
- HH SO 17 20 Federal 002 6H- TBD

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 of gas for gaslift/artificial lift of wells will reduce the number of surface facilities, provide for a more economic facility design and reduce overall emissions by having more efficient gas compression utilization—specifically centralized electric compression for the majority of all gas.

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.

Total Sales Gas from CTB 9 = CTB 9 T1 LP Check Meter 1 (SN:T18424212) +
 CTB 9 T1 LP Check Meter 2(SN:T190352620) + CTB 9 HP Check Meter(SN:T170368891)
 + CTB 9 T2 LP Check Meter 1 (SN:T183535795) +
 CTB 9 T2 LP Check Meter 2(SN:T183535791) + CTB 9 Gas Lift meter (SN:T173289422) –
 CTB 9 Gas Lift Buy Back (SN:T181216041) – Total Gas Lift

Total Gas Lift = Sum of all well gas lift meters

CTB 9 Produced Gas = CTB 9 T1 LP Check Meter 1 (SN:T18424212) +
 CTB 9 T1 LP Check Meter 2(SN:T190352620) + CTB 9 HP Check Meter(SN:T170368891)
 + CTB 9 T2 LP Check Meter 1 (SN:T183535795) +
 CTB 9 T2 LP Check Meter 2(SN:T183535791) + CTB 9 Gas Lift meter (SN:T173289422) –
 CTB 9 Gas Lift Buy Back (SN:T181216041)

CTB 9 Oil = CTB 9 LACT A (SN: 1726E10061) + CTB 9 LACT B(SN: 1724E10059)

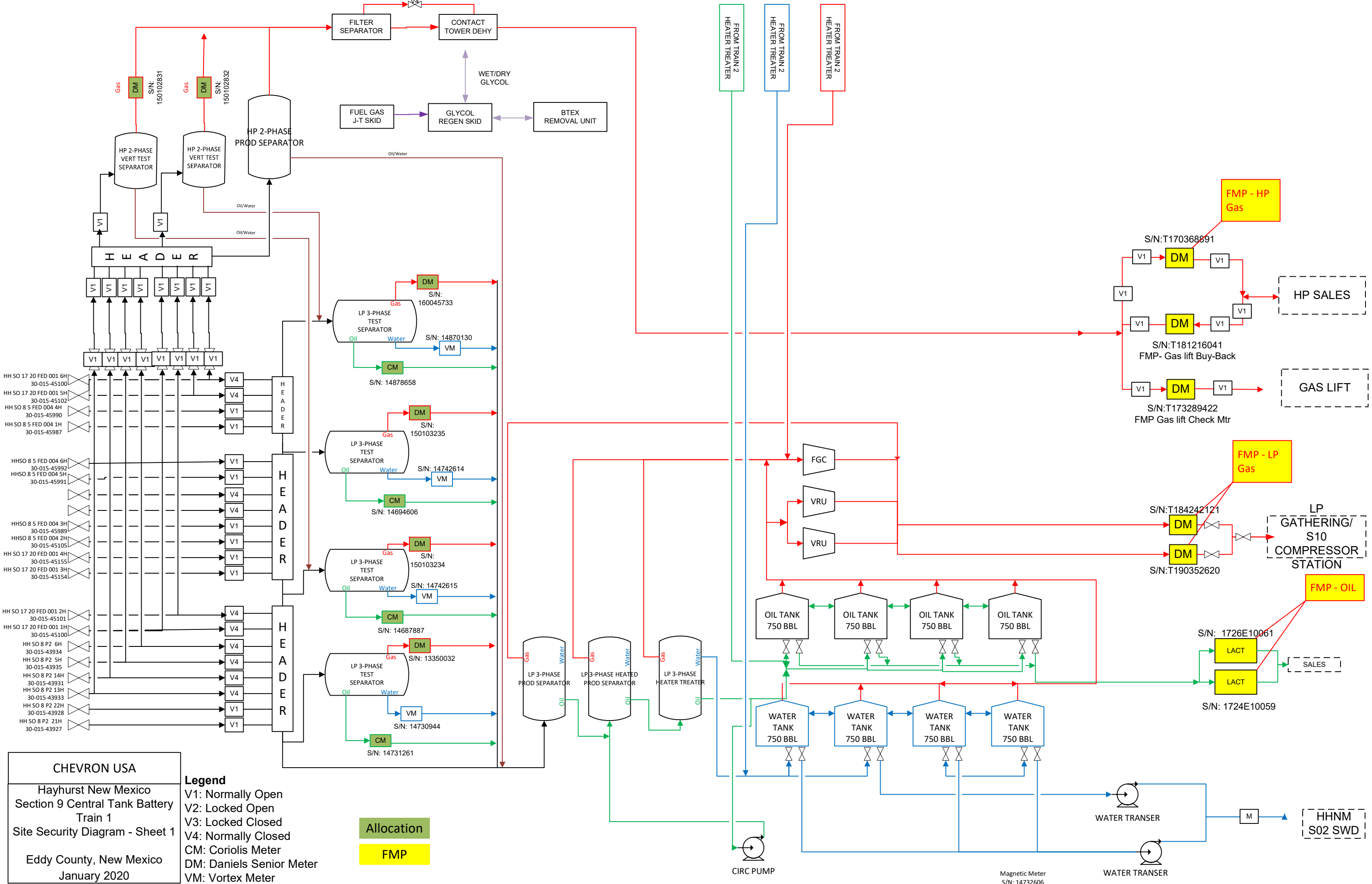
CHEVRON USA

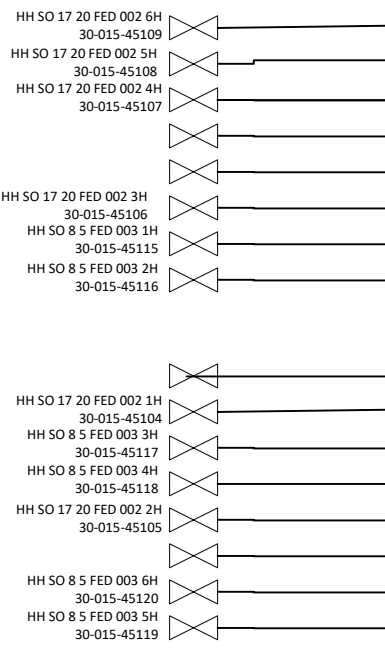
Hayhurst New Mexico
Section 9 Central Tank Battery
Train 1
Site Security Diagram - Sheet 1

Eddy County, New Mexico
January 2020

Legend
V1: Normally Open
V2: Locked Open
V3: Locked Closed
V4: Normally Closed
CM: Coriolis Meter
DM: Daniels Senior Meter
VM: Vortex Meter

Allocation
FMP

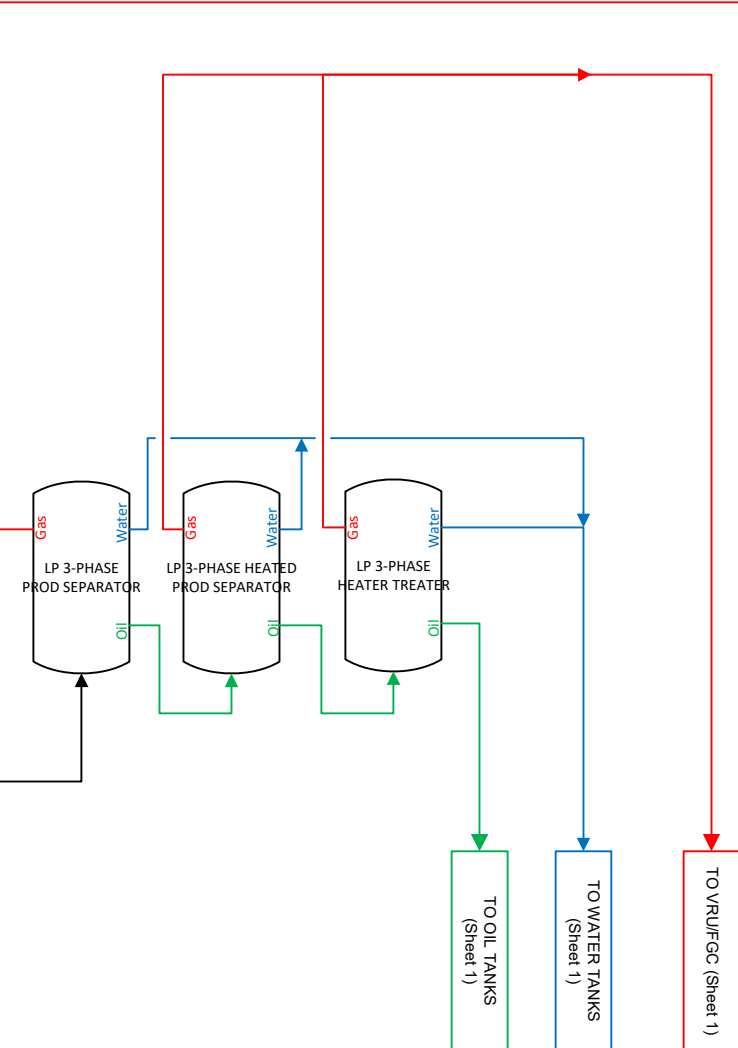
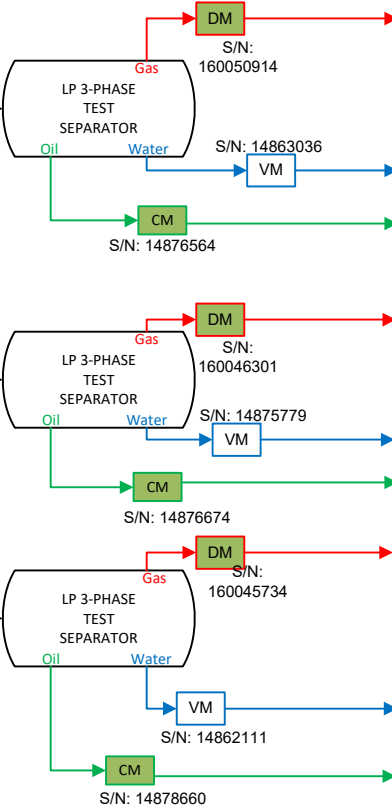




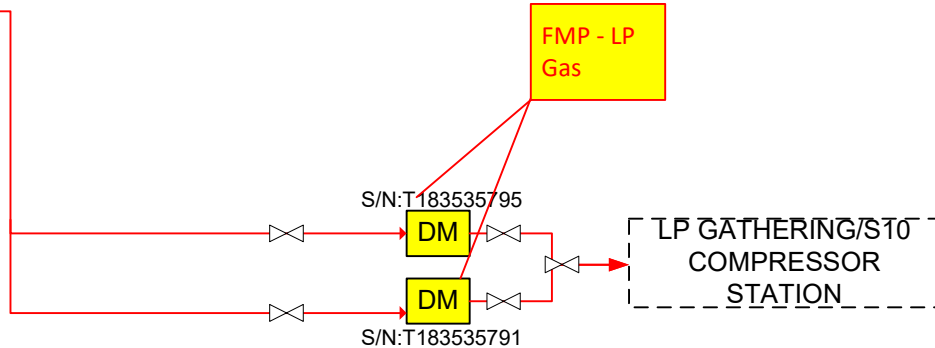
Legend

V1: Normally Open
V2: Locked Open
V3: Locked Closed
V4: Normally Closed
CM: Coriolis Meter
DM: Daniels Senior Meter
VM: Vortex Meter

Allocation
FMP



TO OIL TANKS (Sheet 1)
TO WATER TANKS (Sheet 1)
TO VRU/GC (Sheet 1)



HHNM Section 10 Central Tank Battery**Oil & Gas metering:**

The central tank battery (HHNM Section 10 CTB) is located in the NENE corner of Sect 10 T26S, R27E. Gas will be metered before leaving the CTB, some producing through a high pressure end, and some through low pressure. From there it will be gathered, compressed and sold at a common central delivery point (CDP) gas sales as well as a gas compression station that takes combined suction gas from CTB 10 Train 1; CTB 9 Train 1 & 2; and CTB 35 Train 1 & 2. This compressor station sends gas either to a High Pressure sales point (Enterprise/Targa) or to a gas lift system. The produced water will go to common water tanks on location and then to a Chevron water disposal system, recycled, or Solaris (third party) SWD station.

In order to meet all commingling requirements, the HHNM Section 10 CTB production will be produced and metered prior to leaving the CTB.

Oil from all wells will be sent to common oil tanks and sold through common LACT units (SN: 1723E10070 and 1723E10072). All wells will be tested monthly in order to meet all federal and state requirements regardless of the phase of decline. The value of gas will not be affected due to different formations as BTUs are expected to be the same or similar.

Gas Processing:

Gas from HHNM CTB 10 will flow to the HHNM Section 10 Rental Compressor Station, or the HHNM Section 10 Electric Compressor Station. The CTB's gas will be continuously measured utilizing orifice meters fitted with EFM flow computers located at HHNM Section 10 CTB (Low pressure: SN 150044101, SN 150044103 and HP: SN 150101146, SN 160016266) prior to entering the Compressor Station suction or sales. Compressed gas will be utilized for gas lift of wells producing into Section 10 CTB. Total gas lift volumes for each well will be measured through individual well gas lift orifice meters fitted with Total Flow EFM flow computers.

<u>Well Name</u>	<u>Gas Lift Meter SN</u>
CICADA UNIT 13H	2300150253
CICADA UNIT 14H	2300150252
CICADA UNIT 15H	2300150251
CICADA UNIT 16H	2300150250
CICADA UNIT 17H	2300150249
CICADA UNIT 18H	2300150248
CICADA UNIT 1H	2300150201
CICADA UNIT 2H	2300150202
CICADA UNIT 3H	2300150203
CICADA UNIT 4H	2300150204
CICADA UNIT 5H	2300150205
CICADA UNIT 6H	2300150206
CICADA UNIT 27H	TBD
CICADA UNIT 28H	TBD
CICADA UNIT 29H	TBD
CICADA UNIT 30H	TBD
CICADA UNIT 31H	TBD

HHNM Section 10 Central Tank Battery

CICADA UNIT 32H

TBD

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 of gas for gaslift/artificial lift of wells will reduce the number of surface facilities, provide for a more economic facility design and reduce overall emissions by having more efficient gas compression utilization—specifically centralized electric compression for the majority of all gas.

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.

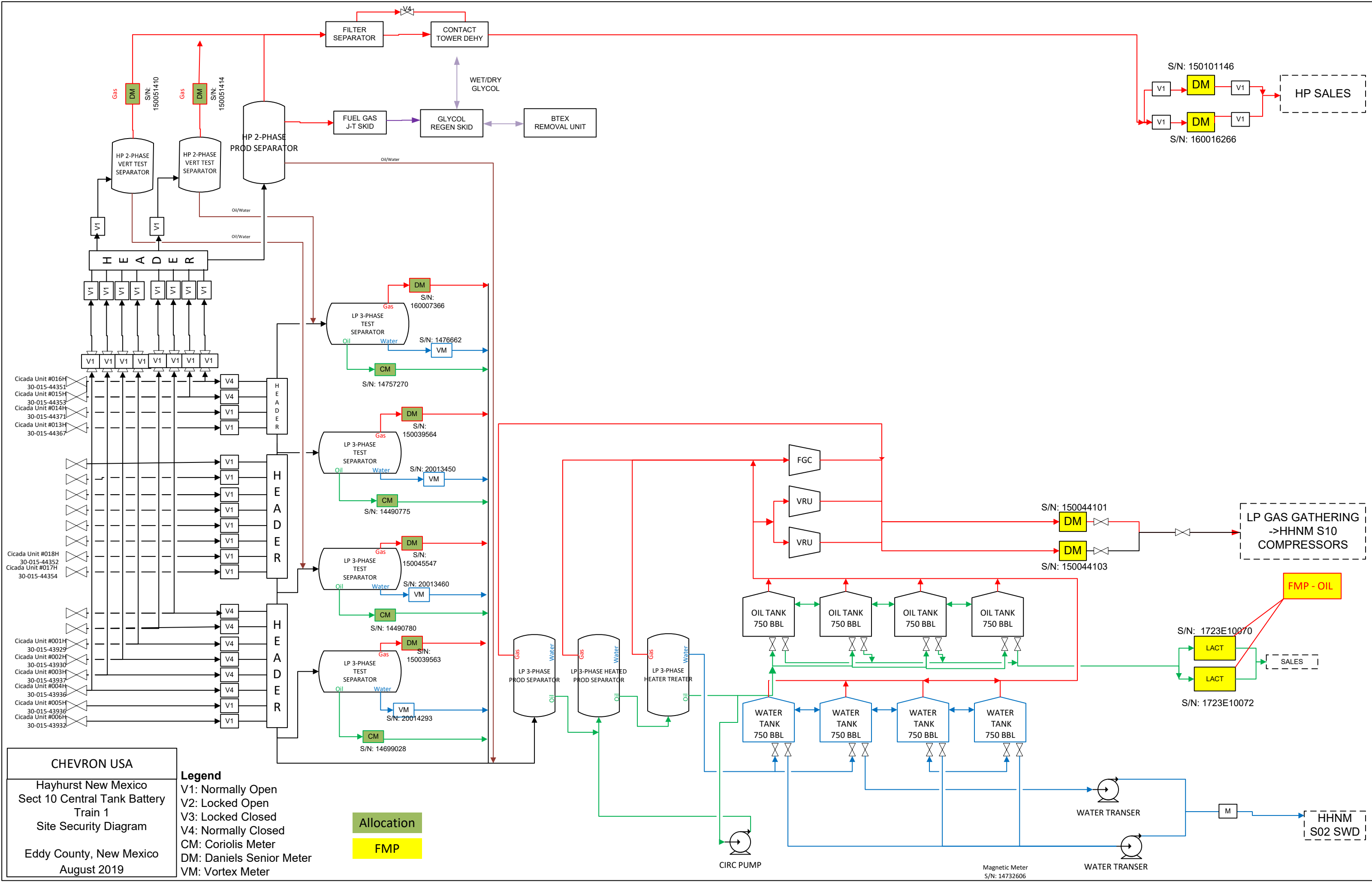
***Total Sales Gas from CTB 10 = CTB 10 T1 LP Check Meter 1 (SN: 150044101) +
CTB 10 T1 LP Check Meter 2(SN: 150044103) + CTB 10 HP Check Meter(SN: 150101146)- Total
Gas Lift***

Total Gas Lift = Sum of all well gas lift meters

CTB 10 Produced Gas

***= CTB 10 T1 LP Check Meter 1 (SN: 150044101)
+ CTB 10 T1 LP Check Meter 2(SN: 150044103)
+ CTB 10 HP Check Meter(SN: 150101146)***

CTB 10 Oil = CTB 10 LACT A (SN: 1723E10070) + CTB 10 LACT B(SN: 1723E10072)



HHNM Section 35 Central Tank Battery**Oil & Gas metering:**

The central tank battery (HHNM Section 35 CTB) is located in the NENE corner of Sect 35 T27S, R27E. Gas will be metered before leaving the CTB, some producing through a high pressure end, and some through low pressure. From there it will be gathered, compressed and sold at a common central delivery point (CDP) gas sales as well as a gas compression station that takes combined suction gas from CTB 35 Train 1 & 2, CTB 9 Train 1 & 2, and CTB 10 Train 1. This compressor station sends gas either to a High Pressure sales point (Enterprise/Targa) or to a gas lift system. The produced water will go to common water tanks on location and then to Chevron SWD facilities before being disposed injection wells or sent to Solaris (third party) SWD station.

In order to meet all commingling requirements, the HHNM Section 35 CTB production will be produced and metered prior to leaving the CTB.

Oil from all wells will be sent to common oil tanks and sold through common LACT units (SN: 1726E10014 and 1802E10071). All wells will be tested monthly in order to meet all federal and state requirements regardless of the phase of decline. The value of gas will not be affected due to different formations as BTUs are expected to be the same or similar.

Gas Processing:

Gas from HHNM CTB 35 will flow to the HHNM Section 10 Rental Compressor Station, or the HHNM Section 10 Electric Compressor Station. The CTB's gas will be continuously measured utilizing orifice meters fitted with EFM flow computers located at HHNM Section 35 CTB (Low pressure: SN 160004553, SN 160004552, SN 160072936, SN 160099587; and High Pressure: SN 160000400) prior to entering the Compressor Station suction or sales. Compressed gas will be utilized for gas lift of wells producing into Section 35 CTB. Total gas lift volumes for each well will be measured through individual well gas lift orifice meters fitted with Total Flow EFM flow computers. A common gas lift meter for wells producing into HHNM S35 CTB will be located at the HHNM S35 CTB outlet (SN : 160004588) as well as a common gas lift meter at the compressor station outlet for total gas lift volume via Total Flow EFM (SN 15101147).

Gas lift Well Meters:

<u>Well Name</u>	<u>Gas Lift Meter SN</u>
CICADA UNIT 7H	2300150218
CICADA UNIT 8H	2300150219
CICADA UNIT 9H	2300150220
CICADA UNIT 10H	2300150221
CICADA UNIT 11H	2300150222
CICADA UNIT 12H	2300150223
CICADA UNIT 19H	TBD
CICADA UNIT 20H	TBD
CICADA UNIT 21H	TBD
CICADA UNIT 22H	TBD
CICADA UNIT 23H	TBD
CICADA UNIT 24H	TBD
CICADA UNIT 25H	TBD

HHNM Section 35 Central Tank Battery

CICADA UNIT 26H	TBD
CICADA UNIT 33H	TBD
CICADA UNIT 34H	TBD
CICADA UNIT 35H	TBD
CICADA UNIT 36H	TBD
CICADA UNIT 37H	TBD
CICADA UNIT 38H	TBD
CICADA UNIT 39H	TBD
CICADA UNIT 40H	TBD

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 of gas for gaslift/artificial lift of wells will reduce the number of surface facilities, provide for a more economic facility design and reduce overall emissions by having more efficient gas compression utilization—specifically centralized electric compression for the majority of all gas.

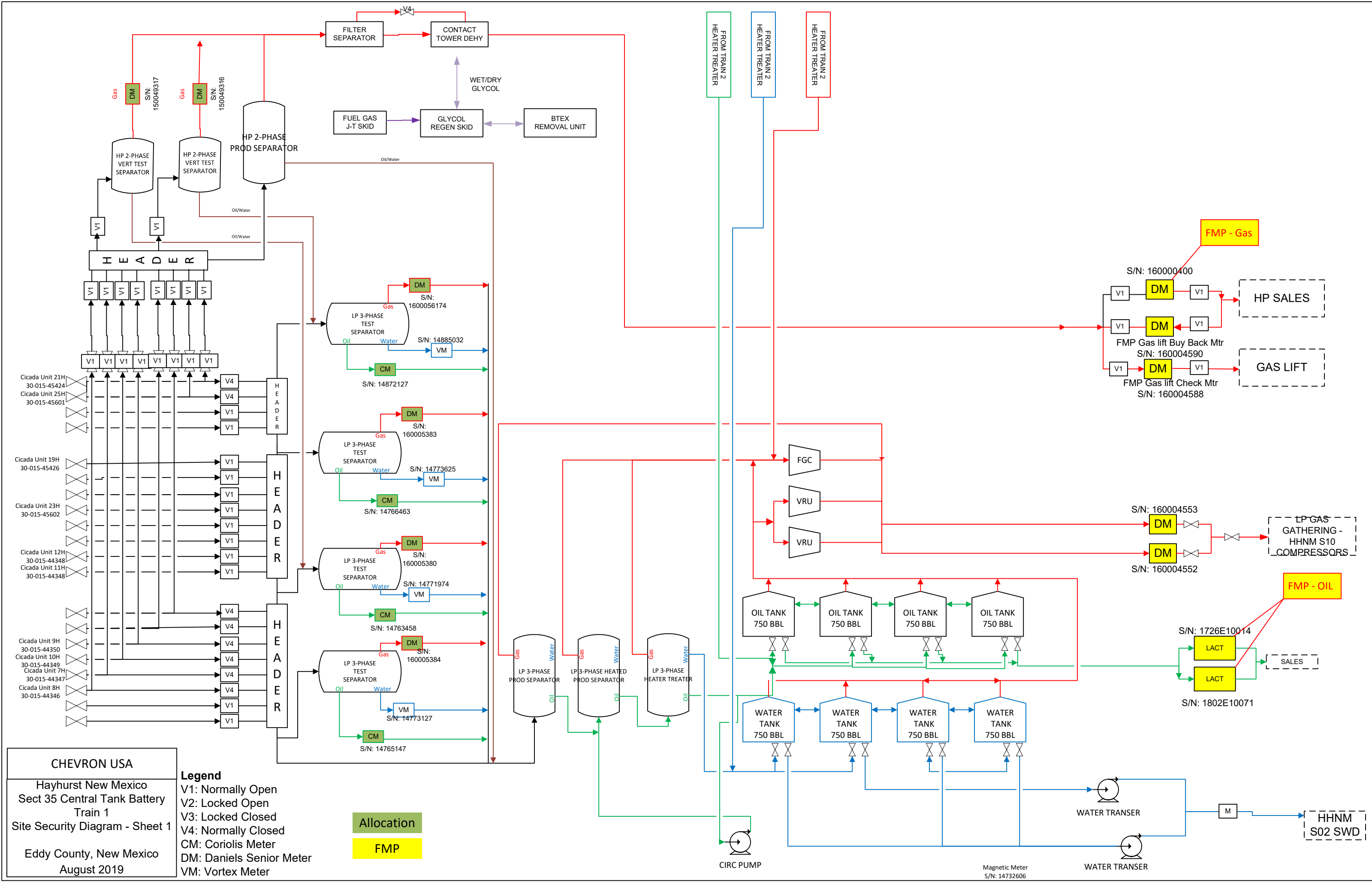
Chevron U.S.A. Inc. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

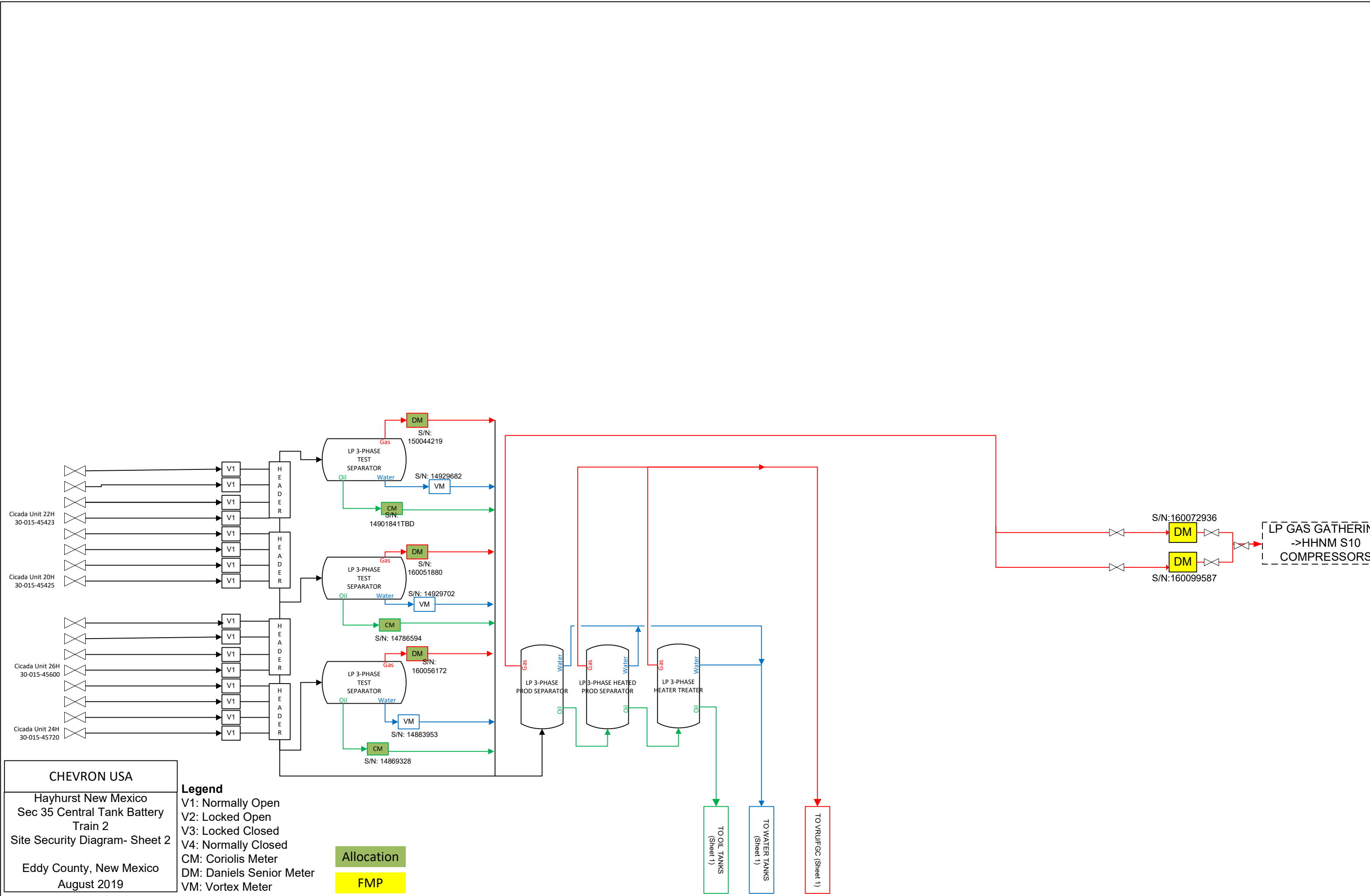
Total Sales Gas from CTB 35 = CTB 35 T1 LP Check Meter 1 (SN: 160004553) +
CTB 35 T1 LP Check Meter 2(SN: 160004552) + CTB 35 HP Check Meter(SN: 160000400)
+ CTB 35 T2 LP Check Meter 1 (SN: 160072936) +
CTB 35 T2 LP Check Meter 2(SN: 160099587) + CTB 35 Gas Lift meter (SN: 160004588) –
CTB 35 Gas Lift Buy Back (SN: 160004590) –Total Gas Lift

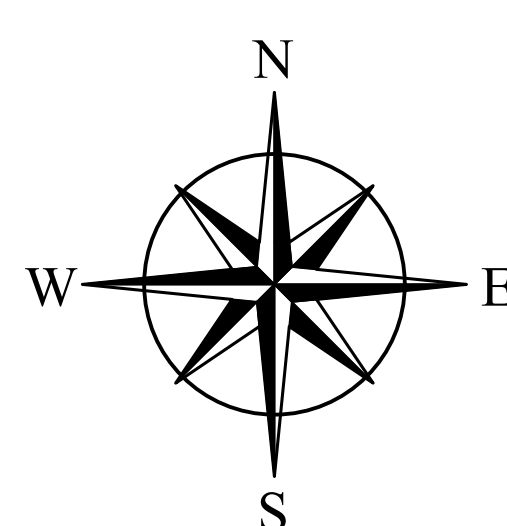
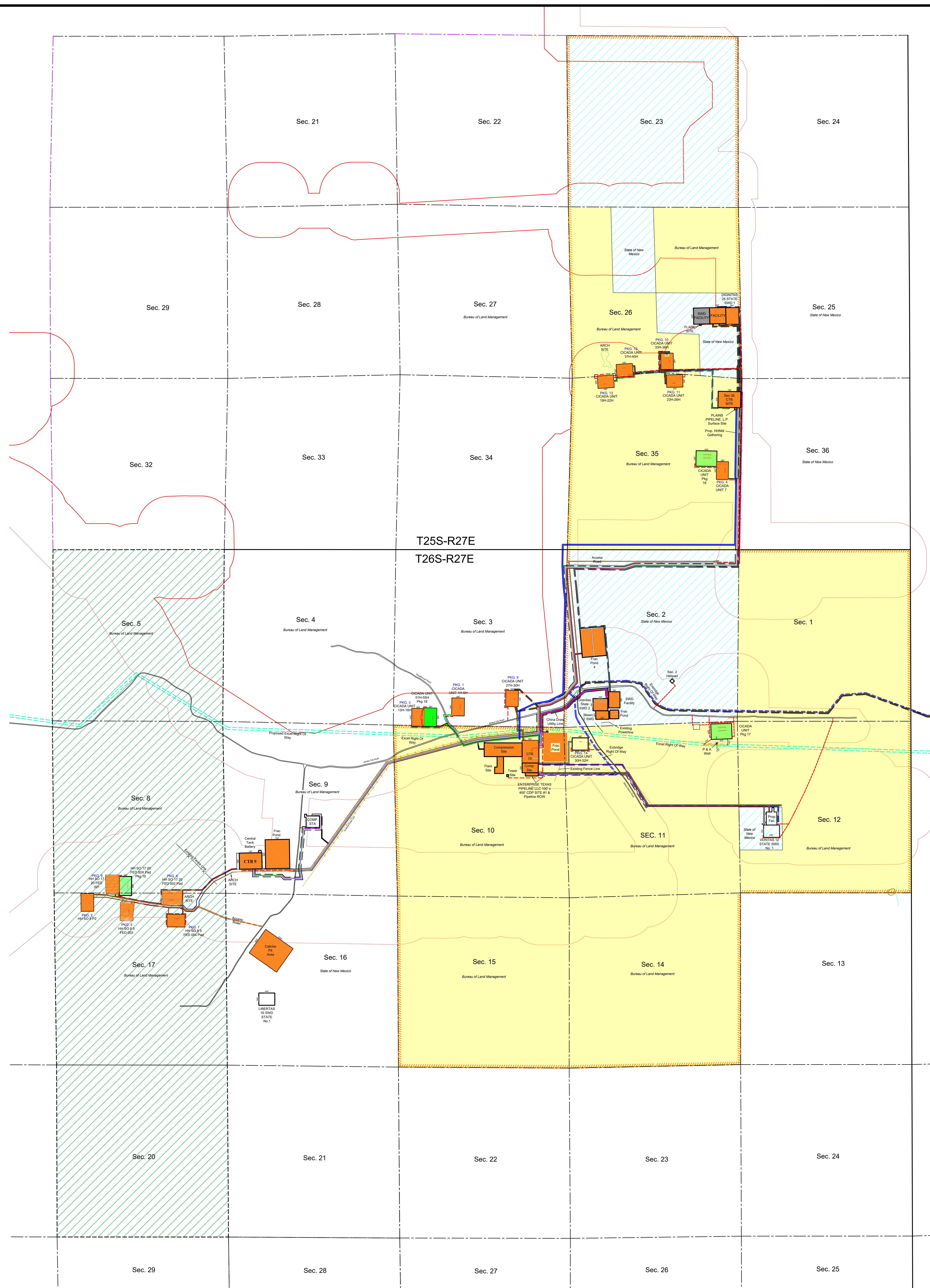
Total Gas Lift = Sum of all well gas lift meters

CTB 35 Produced Gas = CTB 35 T1 LP Check Meter 1 (SN: 160004553) +
CTB 35 T1 LP Check Meter 2(SN: 160004552) + CTB 35 HP Check Meter(SN: 160000400)
+ CTB 35 T2 LP Check Meter 1 (SN: 160072936) +
CTB 35 T2 LP Check Meter 2(SN: 160099587) + CTB 35 Gas Lift meter (SN: 160004588) –
CTB 35 Gas Lift Buy Back (SN: 160004590)

CTB 35 Oil = CTB 35 LACT A (SN: 1726E10014) + CTB 35 LACT B(SN: 1802E10071)







CHEVRON U.S.A. INC.			
REVISIONS		DETAIL	
Init. GDDG	Date Jan. 2019	HAYHURST WORK AREA SEC. XX, TXS-RXK	
Init. GDDG	Date May 2019	SEC. XX, TXS-RXK SEC. XX, TXS-RXK	
Init. GDDG	Date Aug. 2019	EDDY COUNTRY, NEW MEXICO	
Map Projection: NAD83 Coordinate System: NAD 27		DRAWN BY: GMB PROJ. MGR.: GDDG DATE: August 7, 2019 SCALE: 1" = 600'	
FILENAME: T:\2019\152329\DWG\CHAYHURST WORK AREA 1-Sheet Updated.dwg			

Well List

Spacing Unit: Communitization Agreement NMNM 138618; Section 5, 8, 17, 20 T26S R27E

Federal Leases: NMNM 113399, NMNM 118108, NMNM 100549

Well Name	Surface Hole Location					API#	Pool
	Township	Range	Section	Quarter/Quarter	County		
HH SO 17 20 FED 001 1H	26	27	8	SE SW	EDDY	30015451000001	Purple Sage; Wolfcamp (Gas)
HH SO 17 20 FED 001 2H	26	27	8	SE SW	EDDY	30015451010001	Purple Sage; Wolfcamp (Gas)
HH SO 17 20 FED 001 3H	26	27	8	SE SW	EDDY	30015451540001	Purple Sage; Wolfcamp (Gas)
HH SO 17 20 FED 001 4H	26	27	8	SE SW	EDDY	30015451550001	Purple Sage; Wolfcamp (Gas)
HH SO 17 20 FED 001 5H	26	27	8	SE SW	EDDY	30015451020001	Purple Sage; Wolfcamp (Gas)
HH SO 17 20 FED 001 6H	26	27	8	SE SW	EDDY	30015451030001	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FED 003 1H	26	27	17	NE NW	EDDY	30015451150001	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FED 003 2H	26	27	17	NE NW	EDDY	30015451160001	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FED 003 3H	26	27	17	NE NW	EDDY	30015451170001	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FED 003 4H	26	27	17	NE NW	EDDY	30015451180001	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FED 003 5H	26	27	17	NE NW	EDDY	30015451190001	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FED 003 6H	26	27	17	NE NW	EDDY	30015451200001	Purple Sage; Wolfcamp (Gas)
HH SO 8 P2 0013H	26	27	17	NW NW	EDDY	30015439330001	Purple Sage; Wolfcamp (Gas)
HH SO 8 P2 0014H	26	27	17	NW NW	EDDY	30015439310001	Purple Sage; Wolfcamp (Gas)
HH SO 8 P2 0021H	26	27	17	NW NW	EDDY	30015439270001	Purple Sage; Wolfcamp (Gas)
HH SO 8 P2 005H	26	27	17	NW NW	EDDY	30015439350001	Purple Sage; Wolfcamp (Gas)
HH SO 8 P2 006H	26	27	17	NW NW	EDDY	30015439340001	Purple Sage; Wolfcamp (Gas)
HH SO 8 P2 022H	26	27	17	NW NW	EDDY	30015439280001	Purple Sage; Wolfcamp (Gas)
HH SO 17 20 Federal 002 1H	26	27	17	NW NE	EDDY	30015451040000	Purple Sage; Wolfcamp (Gas)
HH SO 17 20 Federal 002 2H	26	27	17	NW NE	EDDY	30015451050000	Purple Sage; Wolfcamp (Gas)
HH SO 17 20 Federal 002 3H	26	27	17	NW NE	EDDY	30015451060000	Purple Sage; Wolfcamp (Gas)
HH SO 17 20 Federal 002 4H	26	27	17	NW NE	EDDY	30015451070000	Purple Sage; Wolfcamp (Gas)
HH SO 17 20 Federal 002 5H	26	27	17	NW NE	EDDY	30015451080000	Purple Sage; Wolfcamp (Gas)
HH SO 17 20 Federal 002 6H	26	27	17	NW NE	EDDY	30015451090000	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FEDERAL 004 1H	26	27	17	NW NE	EDDY	30015459870000	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FEDERAL 004 2H	26	27	17	NW NE	EDDY	30015459880000	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FEDERAL 004 3H	26	27	17	NW NE	EDDY	30015459890000	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FEDERAL 004 4H	26	27	17	NW NE	EDDY	30015459900000	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FEDERAL 004 5H	26	27	17	NW NE	EDDY	30015459910000	Purple Sage; Wolfcamp (Gas)
HH SO 8 5 FEDERAL 004 6H	26	27	17	NW NE	EDDY	30015459920000	Purple Sage; Wolfcamp (Gas)

Spacing Unit: Cicada Unit NMNM 137168X

Federal Leases: NMNM 107369, NMNM 120350, NMNM 116028, NMNM 121473, NMNM 114968, NMNM 138828

Well Name	Surface Hole Location					API#	Pool
	Township	Range	Section	Quarter/Quarter	County		
Cicada Unit # 13H	26	27	3	SW SW	EDDY	30015443670001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 14H	26	27	3	SW SW	EDDY	30015443710001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 15H	26	27	3	SW SW	EDDY	30015443530001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 16H	26	27	3	SW SW	EDDY	30015443510001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 17H	26	27	3	SW SW	EDDY	30015443540001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 18H	26	27	3	SW SW	EDDY	30015443520001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 1H	26	27	3	SE SW	EDDY	30015439290001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 2H	26	27	3	SE SW	EDDY	30015439300001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 3H	26	27	3	SE SW	EDDY	30015439370001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 4H	26	27	3	SE SW	EDDY	30015439360001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 5H	26	27	3	SE SW	EDDY	30015439260001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 6H	26	27	3	SE SW	EDDY	30015439320001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 10H	25	27	35	NE SE	EDDY	30015443490001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 11H	25	27	35	NE SE	EDDY	30015443450001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 12H	25	27	35	NE SE	EDDY	30015443480001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 7H	25	27	35	NE SE	EDDY	30015443470001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 8H	25	27	35	NE SE	EDDY	30015443460001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 9H	25	27	35	NE SE	EDDY	30015443500001	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 023H	25	27	35	NW NE	EDDY	30015456020000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 024H	25	27	35	NW NE	EDDY	30015457200000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 025H	25	27	35	NW NE	EDDY	30015456010000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 026H	25	27	35	NW NE	EDDY	30015456000000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 019H	25	27	35	NW NW	EDDY	30015454260000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 020H	25	27	35	NW NW	EDDY	30015454250000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 021H	25	27	35	NW NW	EDDY	30015454240000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 022H	25	27	35	NW NW	EDDY	30015454230000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 027H	26	27	3	SW SE	EDDY	30015464680000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 028H	26	27	3	SW SE	EDDY	30015464690000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 029H	26	27	3	SW SE	EDDY	30015464700000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 033H	25	27	26	SW SE	EDDY	30015463420000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 034H	25	27	26	SW SE	EDDY	30015463430000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 035H	25	27	26	SW SE	EDDY	30015463440000	Purple Sage; Wolfcamp (Gas)

Cicada Unit # 036H	25	27	26	SW SE	EDDY	30015463450000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 037H	25	27	26	SE SW	EDDY	30015463460000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 038H	25	27	26	SE SW	EDDY	30015463470000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 039H	25	27	26	SE SW	EDDY	30015463480000	Purple Sage; Wolfcamp (Gas)
Cicada Unit # 040H	25	27	26	SE SW	EDDY	30015463490000	Purple Sage; Wolfcamp (Gas)

Chevron plans to commingle gas from the Wolfcamp formation covering the aforementioned BLM leases.

The royalty rate for the BLM leases covered by Communitization Agreement NMNM 138618 above are 12.5% (NMNM 118108, NMNM 100549) and 16.66667% (NMNM113399).

The royalty rate for the BLM leases covered by the Cicada Unit NMNM 137168X above are all 12.5%. However, due to state leases included in the Cicada Unit, the BLM's royalty distribution will vary across the acreage.

The BLM's royalty distribution in the wells highlighted in green is 12.76041669%

The BLM's royalty distribution in the wells highlighted in orange is 9.53125%

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.”

Communitization Agreement NMNM 138618

T26S R27E	TRACT 1 NE/4 240 Acres NMNM 113399
5	TRACT 2 W/2 & SE/4 Sec 5 All of Sec 8 1120 Acres NMNM 118108
8	
17	TRACT 3 All of Sec 17 All of Sec 20 1280 Acres NMNM 100549
20	

Exhibit "A"
CICADA UNIT AREA
Eddy County, New Mexico

Chevron U.S.A. Inc. - Operator

	<u>Acreage</u>	<u>Percentage</u>
 Federal Lands	4,880	76.25%
 State Lands	1,520	23.75%
	<u>6,400</u>	<u>100.00%</u>

