

DATE IN 10/31/12	SUSPENSE	ENGINEER Ezeanyin	LOGGED IN 11/1/12	TYPE PC	APP NO: PKUR12301659000
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Chevron USA Inc
North Lusk 29 Federal #1
Cross Bones 2 29 #5 1H 2H
Cross Bones 1 29 #5 1H 2H

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Carolya Haynie _____
 Print or Type Name Signature Title Petroleum Engineering TA Date 10-23-12

chay@chevron.com
 e-mail Address

PC - 1250

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

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

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Chevron U.S.A. Inc.
OPERATOR ADDRESS: 15 Smith Road, Midland, Texas 79705
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
STRAWN / 96678	43.7 / 1620 @ 1.025	NA- NO OIL PROD.	ONLY GAS	\$ 0.00	0
BONE SPRINGS / 41450	36.9 / 1587 @ 43.45	PER WELL EST.	ESTIMATE	\$45,260.00	500 BOPD

- (2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No NA
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Carolyn Haynie TITLE: Petro Eng Tech Assistant DATE: 11/26/2012

TYPE OR PRINT NAME CAROLYN HAYNIE TELEPHONE NO: 432-687-7261

E-MAIL ADDRESS: chay@chevron.com

Ezeanyim, Richard, EMNRD

From: Haynie, Carolyn (CHaynie) [Kelly Services] <CHAY@chevron.com>
Sent: Monday, November 26, 2012 8:39 AM
To: Ezeanyim, Richard, EMNRD
Subject: FW: This is a scanned document from HP LaserJet M9050MFP 009MID
Attachments: [Untitled].pdf

Good Morning Richard,

I have attached the information for the C107-B. The engineers anticipate the production for the new Cross Bones wells will be at about 500 Bbls per day each, but neither is producing at this time. They are fracing the Cross Bones 2 29 # 1 today.

I used the gravity for the Scott Fed # 1 and for the Spear Fed # 1. The N. Lusk is producing only gas, and a small amount of that. Also, Chevron is 100% WIO.

Please let me know if there is any additional you need.

Thanks,

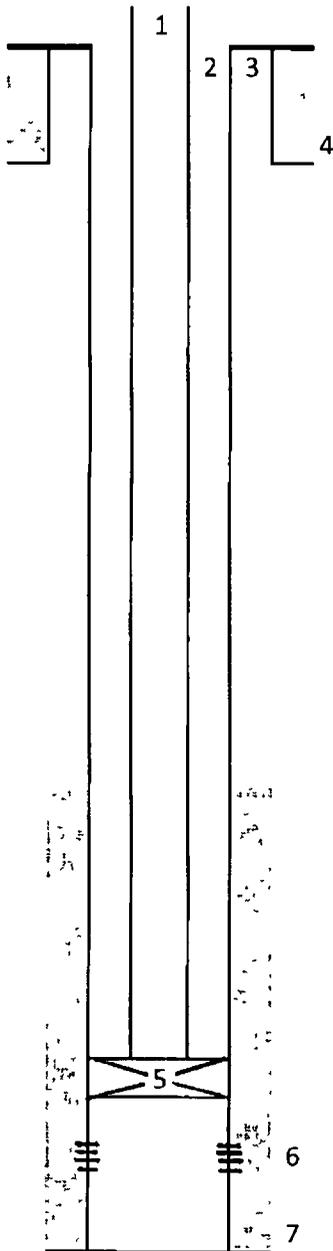
Carolyn Haynie
Chevron U.S.A. Inc.
New Mexico PE TA
For Eunice, Vacuum,
Dollarhide, And Facilities
Room 2242A
Midland, TX
432-687-7261

Please open the attached document. This document was digitally sent to you using an HP Digital Sending device.

?

★ OCD

ROUTINE SCHEDULED TESTING:



- 1 Tubing - Should be internally plastic coated.
- 2 Annulus Between Tbg and Production Csg
- 3 Annulus Between Surface and Production Csg
- 4 Surface Csg
- 5 Packer - Should be 100' above top perf
- 6 Perforations
- 7 Production Csg

Annually we check for pressure and fluid flow on the annulus between tbg /production csg and all csg/csg annulus (No 2 & 3).

Every 5 years or whenever a packer is unseated, we pressure test the tbg/production csg annulus (No 2)

If the well fails the MIT or BHT, the operator is required to shut the well in and determine cause of failure
If the problem is a suspected tbg or packer failure, the operator will submit a form C103 to the OCD, stating their intent to replace tbg or repair packer

If the casing integrity has been compromised or a continuous flow occurs out the bradenhead, the operator should notify the NMOCD immediately and then proceed depending of whether the well is State or Federal

If the well is a Federal well, and the cause of failure is determined to be a flow out of the annulus or the casings integrity has been comprised above the normal packer setting depth, the operator should notify the BLM and submit a sundry notice on BLM form 3160 describing the proposed work.

For State wells the same procedure is required to be filed on a C103.

Post-it® Fax Note	7671	Date	10-23-12	# of pages	2
To	KIM SANCHEZ	From	CAROLYN HAYNE		
Co./Dept.	BCD	Co.	CHEVRON		
Phone #		Phone #	432 687-7261		
Fax #	505 476-3462	Fax #	432 687-7871		



Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

October 8, 2012

New Mexico Oil Conservations Division
1220 South San Francis Drive
Santa Fe, New Mexico 87504

RE: Application to Pool Commingle
Oil and Gas Department

Chevron U.S.A., Inc. respectfully requests administrative approval to Pool Commingle the North Lusk 29 Fed # 1, (30-025-34673), and the 2 new drills, Cross Bones 2-29-1 H (30-025-40706) and Cross Bones 1-29-2 H (30-025-40711) and future Cross Bones, Bone Spring production wells, Cross Bones, 1 29 # 1 H and Cross Bones 2 # 29 # 2 H, which are planned to be drilled in 2013. A well detail list is attached with the current pools, API number, and location information.

The North Lusk 29 Fed # 1 is the only well going into the North Lusk Battery. The battery is in poor condition and Chevron would like to decommission the old battery and lay a flowline to move the N. Lusk 29 Fed # 1 production to the new Cross Bones Battery which is being built for the new Cross Bones wells of which the first well is in progress in the Bone Spring formation. Both the N. Lusk 29 Fed # 1 and the Cross Bones wells are 100% Chevron working interest, and the BLM notification information is included with the attachments.

The Cross Bones battery will be located in Section 29, T18S, R32E, N.M.P.M., Lea County, New Mexico, and a process flow diagram is attached as an approximation of the new battery, now in progress.

Current plans are to produce the Cross Bones wells into a 3-phase separator with meters for oil, water, and gas, in accordance with applicable provisions of the NMOCD's Manual for the installation and Operation of Commingling Facilities. The gas will be sold on site to Enterprise Products Partners L.P., and the oil will be trucked to sales and water will be for disposal.

If you require additional information, please contact me by telephone at 432-687-7261, or by email at chay@chevron.com.

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

NM OCD District 1, Hobbs
Ryan Warmke Paul Brown
Nick Moschetti Danielle Reyna
Sean Cheben Central Files

ATTACHMENT I

LAND OWNERSHIP STATUS

PREPARED BY Daniel Pequeno, Landman, CPL/ESA

October 3, 2012

Application of Chevron U.S.A. Inc. for Administrative Approval for Surface Pool
Commingle for the Bone Springs Pool:

Chevron's Cross Bones Battery

Section 29, T-18-S, R-32E
Lea County, New Mexico

SECTION 29 –T18S-R32, NMPM – FEDERAL LEASE NM LC 029418 B:

Lease Owner – 100% WI

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Royalty Owner – 1/8 Royalty

Bureau of Land Management
P. O. Box 27115
Santa Fe, New Mexico 87502-0115

Wells located on the Lease are the North Lusk 29 Federal #1 (API # 30-25-34673)
producing from the Strawn Reservoir; Cross bones 1 29-1H (API #30-25-40710), 1 29
2H (API #30-25-40711) & 2 29-1H (API #30-25-40706) to be new drills into the Bone
Springs Reservoir.

Surface Owner for Section 29, T18S-R32E:

Bureau of Land Management
Attention: Mr. Jim Stovall
620 East Greene Street
Carlsbad, New Mexico 87220-6292

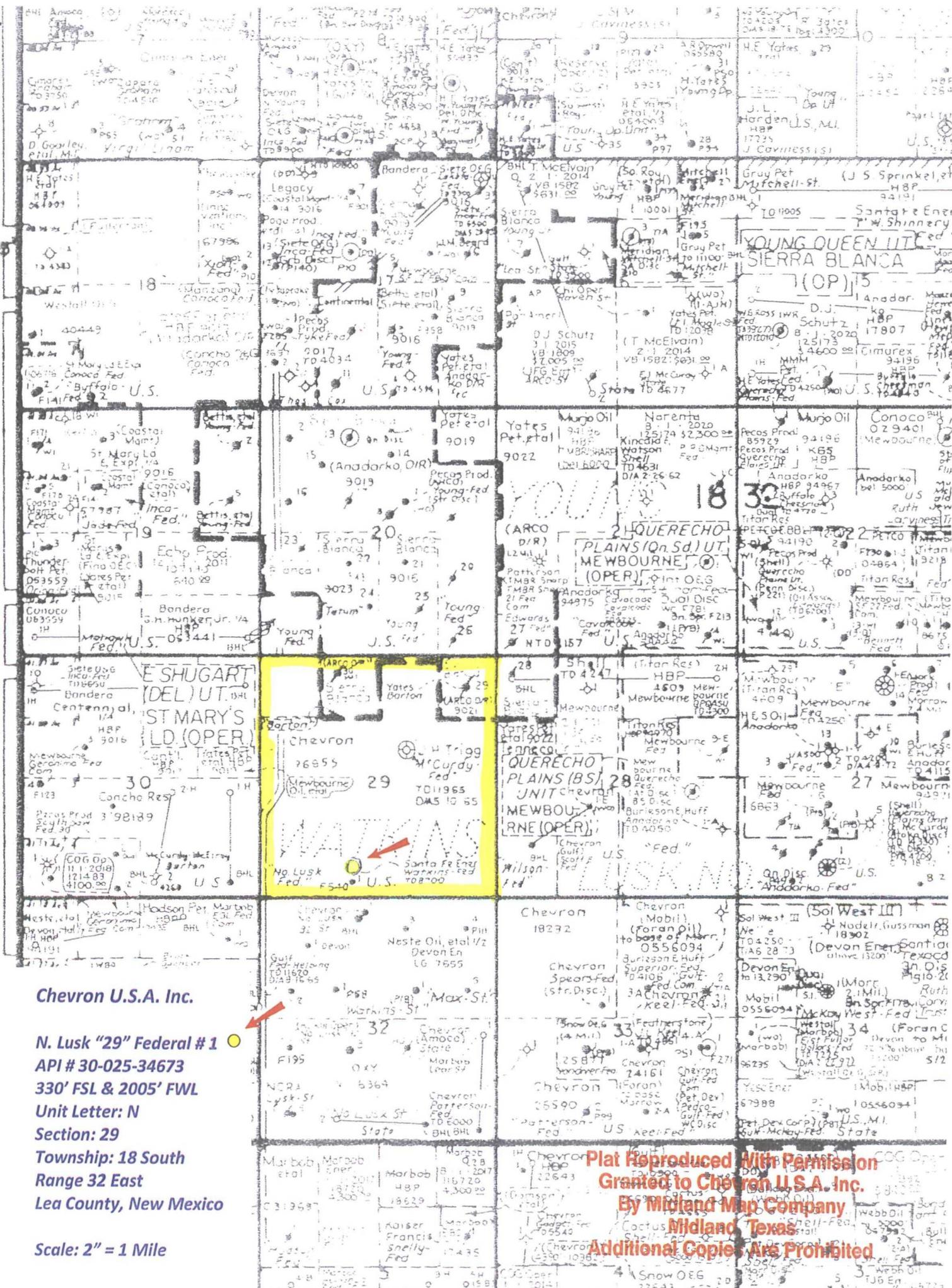


Daily Production - All Data

10/1/2012 to 10/7/2012

Hierarchy: OIL AREA OPERATIONS ->VACUUM ->VACUUM ->4080013 - VACUUM 6 ->N LUSK 29 FED

Date	Collection Point	Oil (BOPD)	Water (BWPD)	Gas (MCFPD)	BOEG (BOEGPD)
10/01/2012	N LUSK 29 FED	0	0	62	10
10/02/2012	N LUSK 29 FED	0	0	60	10
10/03/2012	N LUSK 29 FED	0	0	62	10
10/04/2012	N LUSK 29 FED	0	0	0	0
10/05/2012	N LUSK 29 FED	0	0	0	0
10/06/2012	N LUSK 29 FED	0	0	0	0
10/07/2012	N LUSK 29 FED	0	0	0	0
	Total	0	0	184	30
	Average	0	0	26	4
		0	0	184	30
		0	0	26	4
Total		0	0	184	30



Chevron U.S.A. Inc.

N. Lusk "29" Federal # 1

API # 30-025-34673

330' FSL & 2005' FWL

Unit Letter: N

Section: 29

Township: 18 South

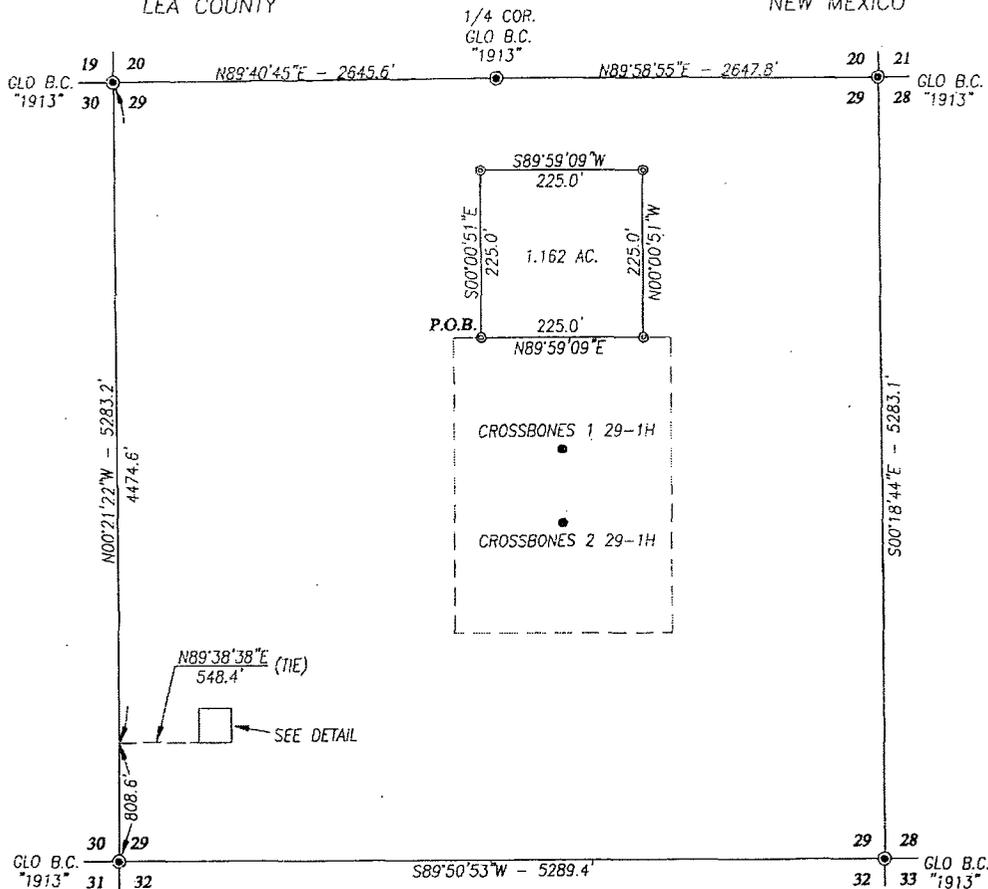
Range 32 East

Lea County, New Mexico

Scale: 2" = 1 Mile

Plat Reproduced With Permission
Granted to Chevron U.S.A. Inc.
By Midland Map Company
Midland, Texas
Additional Copies Are Prohibited

SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY NEW MEXICO



DESCRIPTION

SURVEY FOR A TANK BATTERY SITE LOCATED IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

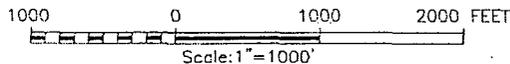
BEGINNING AT THE SOUTHWEST CORNER OF THIS TRACT, WHICH LIES $N00^{\circ}21'22''W$ ALONG THE WEST LINE OF SAID SECTION A DISTANCE OF 808.6 FEET AND $N89^{\circ}38'38''E$ 548.4 FEET FROM THE SOUTHWEST CORNER; THEN $N89^{\circ}59'09''E$ 225.0 FEET; THEN $N00^{\circ}00'51''W$ 225.0 FEET; THEN $S89^{\circ}59'09''W$ 225.0 FEET; THEN $S00^{\circ}00'51''E$ 225.0 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.162 ACRES MORE OR LESS.

NOTE

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

LEGEND

- DENOTES FOUND CORNER AS NOTED
- ⊙ DENOTES SET SPIKE NAIL



I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS ACTUAL ON-THE-GROUND SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

Ronald J. Edson 02/28/2017
GARY G. EDSON, N.M. P.S. No. 12641
RONALD J. EDSON, N.M. P.S. No. 3239

PROVIDING SURVEYING SERVICES SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

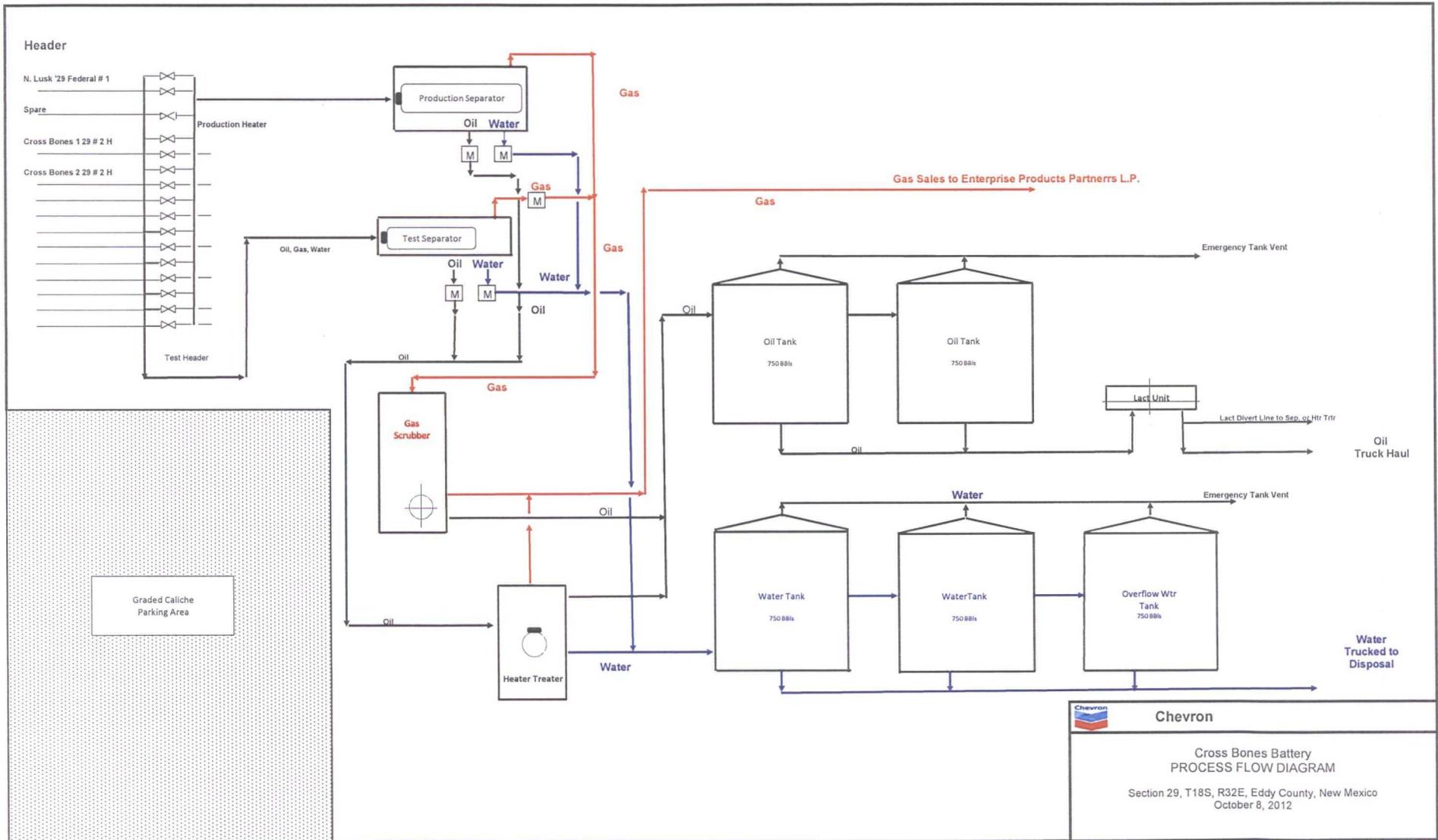
CHEVRON USA, INC.

SURVEY FOR A TANK BATTERY SITE
LOCATED IN
SECTION 29, TOWNSHIP 18 SOUTH,
RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

Survey Date: 2/1/12	Sheet 1 of 1 Sheets
W.O. Number: 12.11.0193	Drawn By: GJE
Date: 2/24/12	CAD File: 12110193



 **Chevron**
Midcontinent Business Unit
BONE SPRINGS DRILLING PROGRAM
SITE LAYOUT
NORTH LUSK
SEC 29 T18S R32E



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **CHEVRON U.S.A. INC.**

3a. Address
15 SMITH ROAD

3b. Phone No. (include area code)
432-687-7261

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330' FSL & 2005' FNL, N-29-18S-32E, N.M.P.M SURVEY, LEA COUNTY,

5. Lease Serial No.
NM 96855

6. If Indian, Allottee or Tribe Name
N/A

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

8. Well Name and No.
N. LUSK "29" FEDERAL # 1

9. API Well No.
30-025-34673

10. Field and Pool, or Exploratory Area
NORTH LUSK, STRAWN

11. County or Parish, State
LEA CO, NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Pool Commingle
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Application to Pool Commingle

Chevron U.S.A., Inc. respectfully requests BLM administrative approval to Surface Commingle the North Lusk 29 Fed # 1, (30-025-34673), and the 2 new drills, Cross Bones 2-29-1 H (30-025-40706) and Cross Bones 1-29-2 H (30-025-40711). Chevron also plans to drill additional wells in 2013, in this same bone springs formation; Cross Bones, 1 29 # 1 H and Cross Bones 2 # 29 # 2 H, and would like to add these 2013 wells to the battery in the future. A well detail list is attached with the current pools, API number, and location information.

The North Lusk 29 Fed # 1 produces in the Strawn formation and is the only well going into the current North Lusk Battery. Chevron would like to decommission the old battery, which is in poor condition, and lay a flowline to move the production for the N. Lusk 29 Fed # 1, to the new Cross Bones Battery which is being built for the new Cross Bones wells being drilled in the Bone Spring formation. Both the N. Lusk 29 Fed # 1 and the Cross Bones wells are 100% Chevron working interest.

The Cross Bones battery will be located in Section 29, T18S, R32E, N.M.P.M., Lea County, New Mexico, and a process flow diagram is attached, as shown on the attachment.

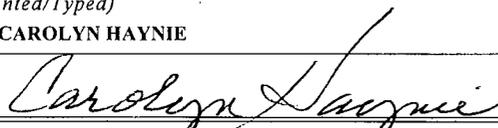
For additional information, please contact me at 432-687-7261, or email me at chay@chevron.com.

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

CAROLYN HAYNIE

Title **PE TECHNICAL ASSISTANT**

Signature



Date

10-8-12

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.



RECEIVED OCD

2012 OCT 12 A 10:52

Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

October 8, 2012

New Mexico Oil Conservations Division
1220 South San Francis Drive
Santa Fe, New Mexico 87504

RE: Application to Pool Commingle
Oil and Gas Department

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If you require additional information, please contact me by telephone at 432-687-7261, or by email at chay@chevron.com.

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

Enclosure

NM OCD District 1, Hobbs
Ryan Warmke Paul Brown
Nick Moschetti Danielle Reyna
Sean Cheben Central Files

ATTACHMENT I

LAND OWNERSHIP STATUS

PREPARED BY Daniel Pequeno, Landman, CPL/ESA

October 3, 2012

Application of Chevron U.S.A. Inc. for Administrative Approval for Surface Pool
Commingle for the Bone Springs Pool:

Chevron's Cross Bones Battery

Section 29, T-18-S, R-32E
Lea County, New Mexico

SECTION 29 –T18S-R32, NMPM – FEDERAL LEASE NM LC 029418 B:

Lease Owner – 100% WI

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Royalty Owner – 1/8 Royalty

Bureau of Land Management
P. O. Box 27115
Santa Fe, New Mexico 87502-0115

Wells located on the Lease are the North Lusk 29 Federal #1 (API # 30-25-34673)
producing from the Strawn Reservoir; Cross bones 1 29-1H (API #30-25-40710), 1 29
2H (API #30-25-40711) & 2 29-1H (API #30-25-40706) to be new drills into the Bone
Springs Reservoir.

Surface Owner for Section 29, T18S-R32E:

Bureau of Land Management
Attention: Mr. Jim Stovall
620 East Greene Street
Carlsbad, New Mexico 87220-6292

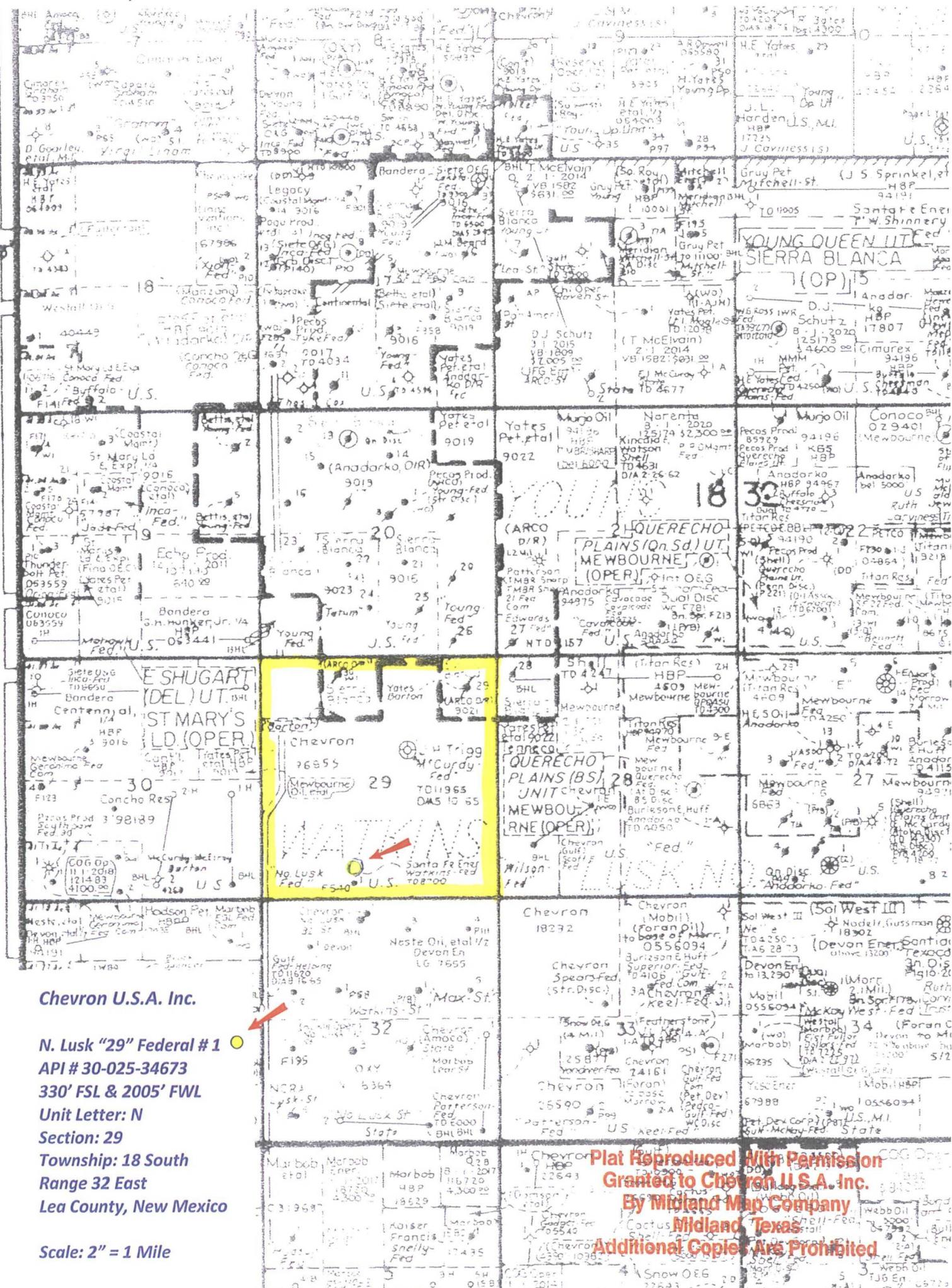


Daily Production - All Data

10/1/2012 to 10/7/2012

Hierarchy: OIL AREA OPERATIONS ->VACUUM ->VACUUM ->4080013 - VACUUM 6 ->N LUSK 29 FED

Date	Collection Point	Oil (BOPD)	Water (BWPD)	Gas (MCFPD)	BOEG (BOEGPD)
10/01/2012	N LUSK 29 FED	0	0	62	10
10/02/2012	N LUSK 29 FED	0	0	60	10
10/03/2012	N LUSK 29 FED	0	0	62	10
10/04/2012	N LUSK 29 FED	0	0	0	0
10/05/2012	N LUSK 29 FED	0	0	0	0
10/06/2012	N LUSK 29 FED	0	0	0	0
10/07/2012	N LUSK 29 FED	0	0	0	0
	Total	0	0	184	30
	Average	0	0	26	4
		0	0	184	30
		0	0	26	4
	Total	0	0	184	30



Chevron U.S.A. Inc.

N. Lusk "29" Federal # 1

API # 30-025-34673

330' FSL & 2005' FWL

Unit Letter: N

Section: 29

Township: 18 South

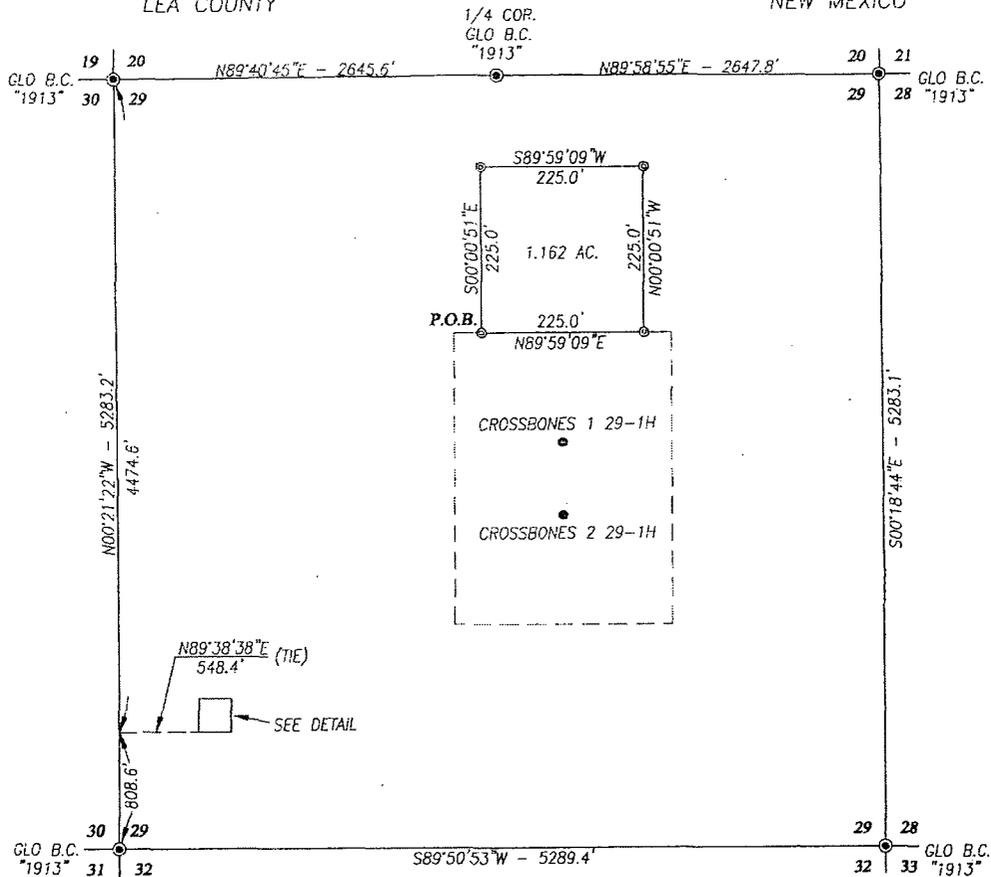
Range 32 East

Lea County, New Mexico

Scale: 2" = 1 Mile

**Plat Reproduced With Permission
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SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY NEW MEXICO



DESCRIPTION

SURVEY FOR A TANK BATTERY SITE LOCATED IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

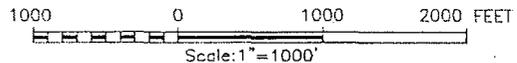
BEGINNING AT THE SOUTHWEST CORNER OF THIS TRACT, WHICH LIES N00°21'22\"/>

NOTE

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

LEGEND

- DENOTES FOUND CORNER AS NOTED
- ⊙ DENOTES SET SPIKE NAIL



I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS ACTUAL ON-THE-GROUND SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

Ronald J. Eidson 02/28/2012
GARY G. EIDSON, N.M. P.S. No. 12641
RONALD J. EIDSON, N.M. P.S. No. 3239

PROFESSIONAL SURVEYING SERVICES SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. GAL PASO
HOBBS, N.M. 88240
(575) 393-3117

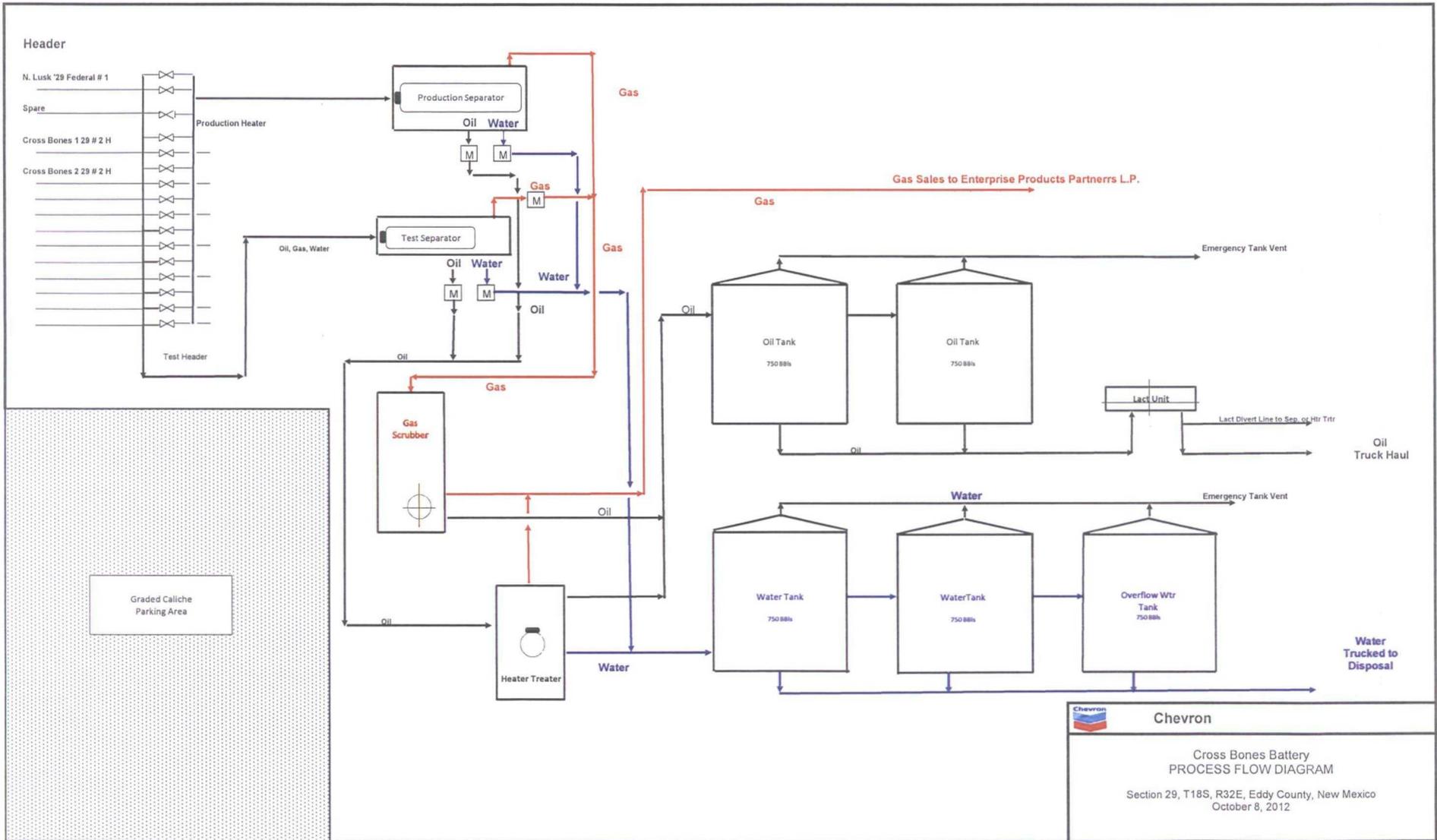
CHEVRON USA, INC.

SURVEY FOR A TANK BATTERY SITE
LOCATED IN
SECTION 29, TOWNSHIP 18 SOUTH,
RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

Survey Date: 2/1/12	Sheet 1 of 1 Sheets
W.O. Number: 12.11.0193	Drawn By: GJE
Date: 2/24/12	CAD File: 12110193



 **Chevron**
Midcontinent Business Unit
BONE SPRINGS DRILLING PROGRAM
SITE LAYOUT
NORTH LUSK
SEC 29 T18S R32E



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **CHEVRON U.S.A. INC.**

3a. Address
15 SMITH ROAD

3b. Phone No. (include area code)
432-687-7261

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330' FSL & 2005' FNL, N-29-18S-32E, N.M.P.M SURVEY, LEA COUNTY,

5. Lease Serial No.
NM 96855

6. If Indian, Allottee or Tribe Name
N/A

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

8. Well Name and No.
N. LUSK "29" FEDERAL # 1

9. API Well No.
30-025-34673

10. Field and Pool, or Exploratory Area
NORTH LUSK, STRAWN

11. County or Parish, State
LEA CO, NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Pool Commingle
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Application to Pool Commingle

Chevron U.S.A., Inc. respectfully requests BLM administrative approval to Surface Commingle the North Lusk 29 Fed # 1, (30-025-34673), and the 2 new drills, Cross Bones 2-29-1 H (30-025-40706) and Cross Bones 1-29-2 H (30-025-40711). Chevron also plans to drill additional wells in 2013, in this same bone springs formation; Cross Bones, 1 29 # 1 H and Cross Bones 2 # 29 # 2 H, and would like to add these 2013 wells to the battery in the future. A well detail list is attached with the current pools, API number, and location information.

The North Lusk 29 Fed # 1 produces in the Strawn formation and is the only well going into the current North Lusk Battery. Chevron would like to decommission the old battery, which is in poor condition, and lay a flowline to move the production for the N. Lusk 29 Fed # 1, to the new Cross Bones Battery which is being built for the new Cross Bones wells being drilled in the Bone Spring formation. Both the N. Lusk 29 Fed # 1 and the Cross Bones wells are 100% Chevron working interest.

The Cross Bones battery will be located in Section 29, T18S, R32E, N.M.P.M., Lea County, New Mexico, and a process flow diagram is attached, as shown on the attachment.

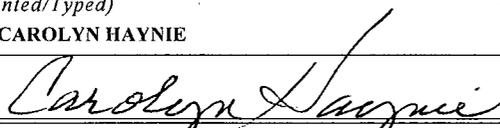
For additional information, please contact me at 432-687-7261, or email me at chay@chevron.com.

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

CAROLYN HAYNIE

Title **PE TECHNICAL ASSISTANT**

Signature



Date

10-8-12

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.

Ezeanyim, Richard, EMNRD

From: Haynie, Carolyn (CHaynie) [Kelly Services] <CHAY@chevron.com>
Sent: Wednesday, November 21, 2012 8:35 AM
To: Jones, William V., EMNRD; Ezeanyim, Richard, EMNRD
Subject: N Lusk Commingle
Attachments: BLM_APPROVAL-to-Commingle_w_Cross_Bones-btty.pdf

Hi Will and Richard,

Are you working today?

I have received approval from the BLM for the Commingle of production of the 2 new Cross Bones (bone springs) wells and the N Lusk 29 Fed # 1, (Strawn), into the new Cross Bones Battery. These are both Federal and all ownerships are identical.

Can you tell me the status of the OCD approval? I sent that in on 10/8/2012.

*Thanks, and **Happy Thanksgiving!***

Carolyn Haynie
Chevron U.S.A. Inc.
New Mexico PE TA
For Eunice, Vacuum,
Dollarhide, And Facilities
Room 2242A
Midland, TX
432-687-7261



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator Copy

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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330' FSL & 2005' FNL, N-29-18S-32E, N.M.P.M SURVEY, LEA COUNTY,

5. Lease Serial No.
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6. If Indian, Allottee or Tribe Name
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7. If Unit or CA/Agreement, Name and/or No.
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9. API Well No.
30-025-34673

10. Field and Pool, or Exploratory Area
NORTH LUSK, STRAWN

11. County or Parish, State
LEA CO, NEW MEXICO

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<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Surface</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Pool Commingle</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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The Cross Bones battery will be located in Section 29, T18S, R32E, N.M.P.M., Lea County, New Mexico, and a process flow diagram is attached, as shown on the attachment.

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14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

CAROLYN HAYNIE

Title **PE TECHNICAL ASSISTANT**

Signature

Carolyn Haynie

Date

10-8-12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

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)

**SUBJECT TO LIKE
APPROVAL BY STATE**

ATTACHMENT I

LAND OWNERSHIP STATUS

PREPARED BY Daniel Pequeno, Landman, CPL/ESA

October 3, 2012

Application of Chevron U.S.A. Inc. for Administrative Approval for Surface Pool
Commingle for the Bone Springs Pool:

Chevron's Cross Bones Battery
Section 29, T-18-S, R-32E
Lea County, New Mexico

SECTION 29 – T18S-R32, NM PM – FEDERAL LEASE NM LC 029418 B:

Lease Owner – 100% WI

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Royalty Owner – 1/8 Royalty

Bureau of Land Management
P. O. Box 27115
Santa Fe, New Mexico 87502-0115

Wells located on the Lease are the North Lusk 29 Federal #1 (API # 30-25-34673)
producing from the Strawn Reservoir; Cross bones 1 29-1H (API #30-25-40710), 1 29
2H (API #30-25-40711) & 2 29-1H (API #30-25-40706) to be new drills into the Bone
Springs Reservoir.

Surface Owner for Section 29, T18S-R32E:

Bureau of Land Management
Attention: Mr. Jim Stovall
620 East Greene Street
Carlsbad, New Mexico 87220-6292

Cross Bones Commingled Battery													
Section 29, T18S, R32E, Lea County, NM													
Well	API	Status	Lease	Pool	Pool #	Unit Letter	Sec	Location	Twncshp	Rng	Co	TD	
<i>North Lusk Battery</i>													
N. LUSK "29" Federal # 1	30-025-34673	FL	Lusk North	Strawn	96678	N	29	330' FSL & 2005' FWL	18S	32E	Lea	11,860'	Currently only producing gas
<i>New Wells- 2012</i>													
Cross Bones 1 29 #2 H	30-025-40711	New well	Lusk North	Bone Spring	41450	L	29	1980' FSL & 990' FWL	T18S	R32E	Lea	12,031'	Proposed TD
Cross Bones 2 29 #1 H	30-025-40706	Drilling	Lusk North	Bone Spring	41450	M	29	560' FSL & 660' FWL	T18S	R32E	Lea	13,348'	Proposed TD
<i>New Wells- 2013</i>													
Cross Bones 1 29 #1 H	30-025-40710	New well	Lusk North	Bone Spring	41450	M	29	660' FSL & 660' FWL	T18S	R32E	Lea	12,360'	Proposed TD
Cross Bones 2 29 #2 H	NA	New well	Lusk North	Bone Spring	41450	NA	29	1880' FSL & 330' FWL	T18S	R32E	Lea	14,050'	Proposed TD

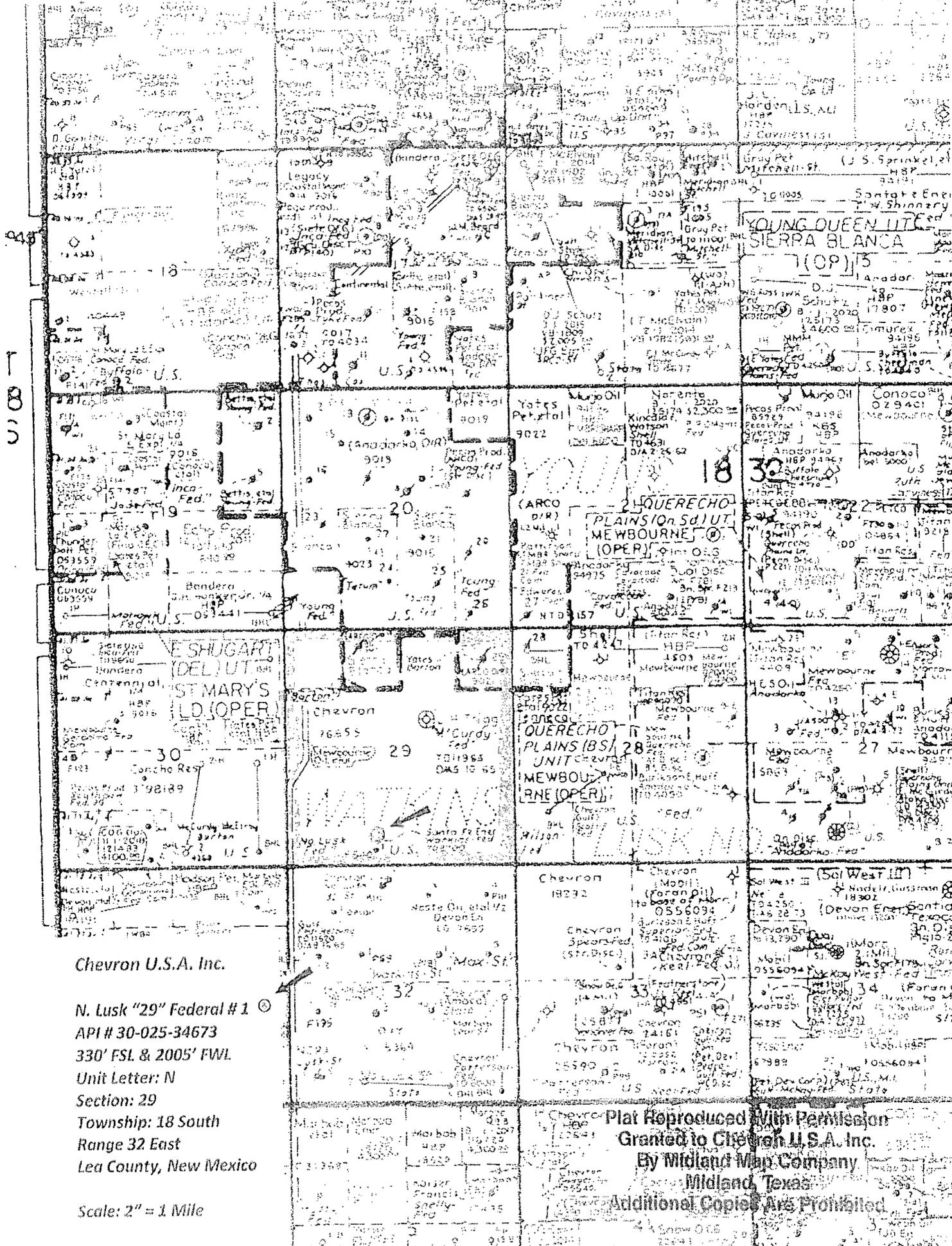


Daily Production - All Data

10/1/2012 to 10/7/2012

Hierarchy: OIL AREA OPERATIONS ->VACUUM ->VACUUM ->4080013 - VACUUM 6 ->N LUSK 29 FED

Date	Collection Point	Oil (BOPD)	Water (BWPD)	Gas (MCFPD)	BOEG (BOEGPD)
10/01/2012	N LUSK 29 FED	0	0	62	10
10/02/2012	N LUSK 29 FED	0	0	60	10
10/03/2012	N LUSK 29 FED	0	0	62	10
10/04/2012	N LUSK 29 FED	0	0	0	0
10/05/2012	N LUSK 29 FED	0	0	0	0
10/06/2012	N LUSK 29 FED	0	0	0	0
10/07/2012	N LUSK 29 FED	0	0	0	0
	Total	0	0	184	30
	Average	0	0	26	4
		0	0	184	30
		0	0	26	4
Total		0	0	184	30

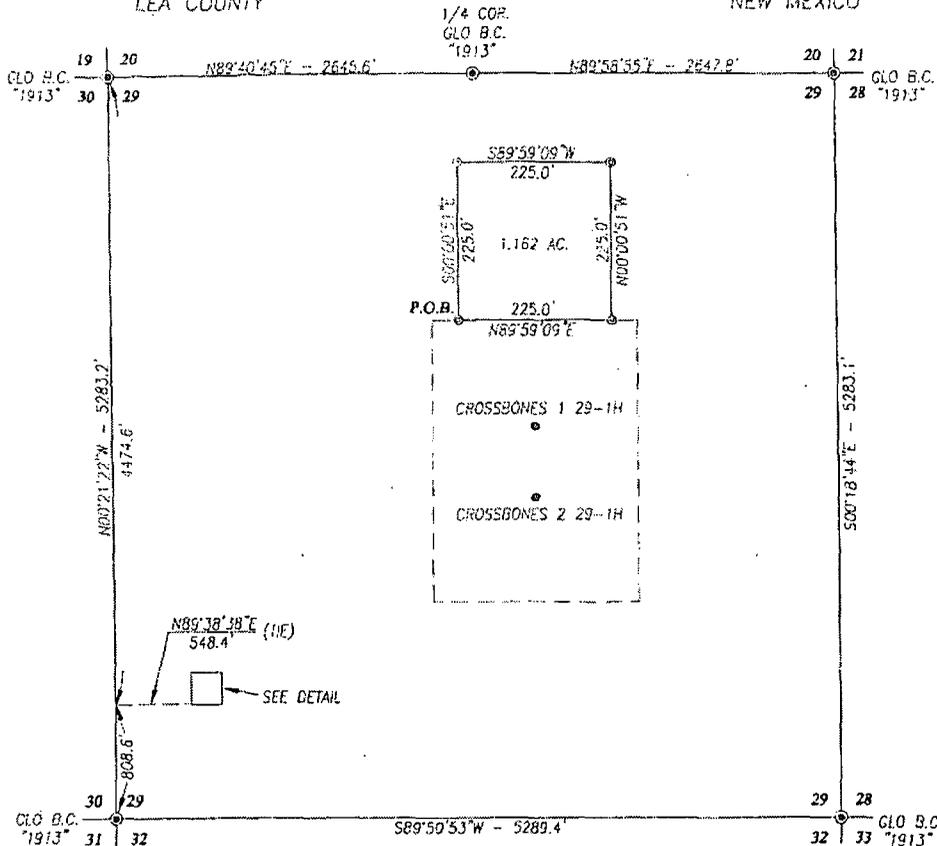


Chevron U.S.A. Inc.

N. Lusk "29" Federal # 1
 API # 30-025-34673
 330' FSL & 2005' FWL
 Unit Letter: N
 Section: 29
 Township: 18 South
 Range 32 East
 Lea County, New Mexico
 Scale: 2" = 1 Mile

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SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY NEW MEXICO



DESCRIPTION

SURVEY FOR A TANK BATTERY SITE LOCATED IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

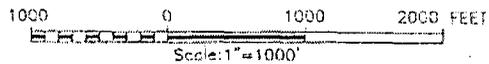
BEGINNING AT THE SOUTHWEST CORNER OF THIS TRACT, WHICH LIES N07°21'22"W ALONG THE WEST LINE OF SAID SECTION A DISTANCE OF 808.6 FEET AND N89°38'38"E 548.4 FEET FROM THE SOUTHWEST CORNER; THEN N89°59'09"E 225.0 FEET; THEN N00°00'51"W 225.0 FEET; THEN S89°59'09"W 225.0 FEET; THEN S00°00'51"E 225.0 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.162 ACRES MORE OR LESS.

NOTE

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

LEGEND

- ⊙ DENOTES FOUND CORNER AS NOTED
- ⊙ DENOTES SET SPIKE NAIL



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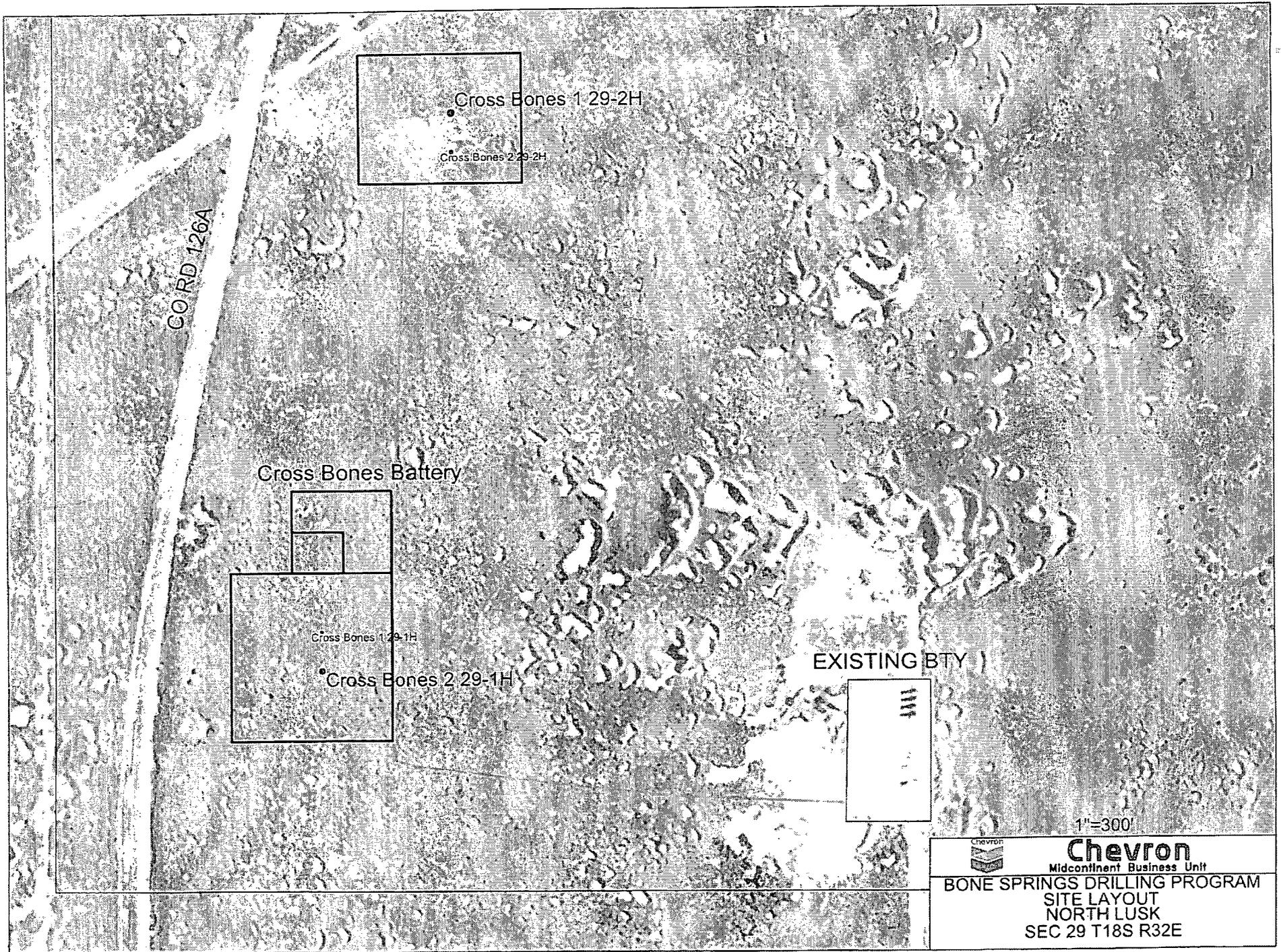
Ronald J. Edson 02/28/2012
 GARY G. EDSON, N.M. P.S. No. 12641
 RONALD J. EDSON, N.M. P.S. No. 3239

JOHN WEST SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117

CHEVRON USA, INC.

SURVEY FOR A TANK BATTERY SITE
 LOCATED IN
 SECTION 29, TOWNSHIP 18 SOUTH,
 RANGE 32 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO

Survey Date: 2/1/12	Sheet 1 of 1 Sheets
W.O. Number: 12.110193	Drawn By: GJE
Date: 2/24/12	CAD File: 12110193



CORD 126A

Cross Bones 1 29-2H

Cross Bones 2 29-2H

Cross Bones Battery

Cross Bones 1 29-1H

Cross Bones 2 29-1H

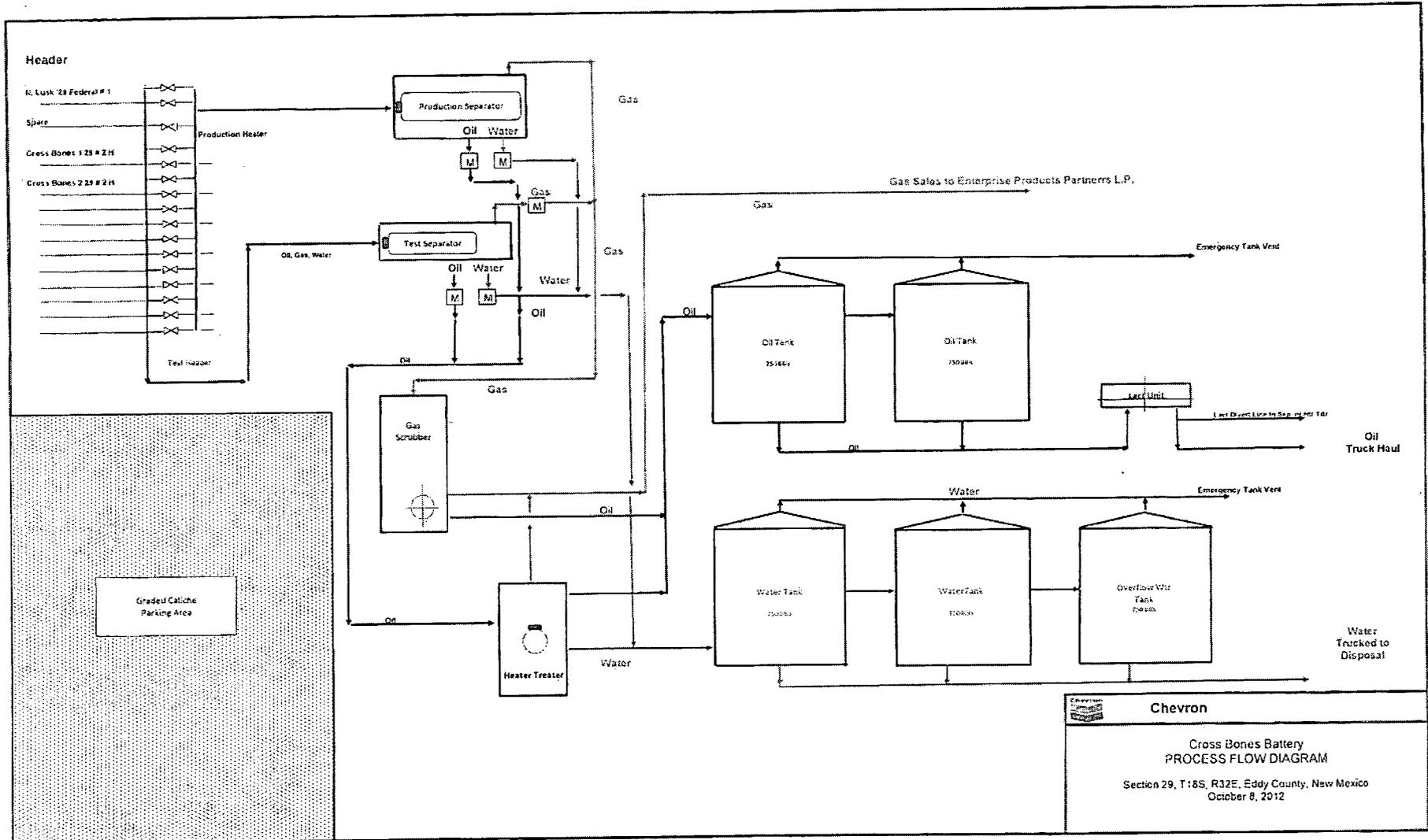
EXISTING BTY

1"=300'



Chevron
Midcontinent Business Unit

BONE SPRINGS DRILLING PROGRAM
SITE LAYOUT
NORTH LUSK
SEC 29 T18S R32E





Carolyn Haynie
Petroleum Engineering
Technical Assistant

MidContinent/Alaska SBU
Chevron North America
Exploration and Production
Company
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7703
chay@chevron.com

October 8, 2012

New Mexico Oil Conservations Division
1220 South San Francis Drive
Santa Fe, New Mexico 87504

RE: Application to Pool Commingle
Oil and Gas Department

Chevron U.S.A., Inc. respectfully requests administrative approval to Pool Commingle the North Lusk 29 Fed # 1, (30-025-34673), and the 2 new drills, Cross Bones 2-29-1 H (30-025-40706) and Cross Bones 1-29-2 H (30-025-40711) and future Cross Bones, Bone Spring production wells, Cross Bones, 1 29 # 1 H and Cross Bones 2 # 29 # 2 H, which are planned to be drilled in 2013. A well detail list is attached with the current pools, API number, and location information.

The North Lusk 29 Fed # 1 is the only well going into the North Lusk Battery. The battery is in poor condition and Chevron would like to decommission the old battery and lay a flowline to move the N. Lusk 29 Fed # 1 production to the new Cross Bones Battery which is being built for the new Cross Bones wells of which the first well is in progress in the Bone Spring formation. Both the N. Lusk 29 Fed # 1 and the Cross Bones wells are 100% Chevron working interest, and the BLM notification information is included with the attachments.

The Cross Bones battery will be located in Section 29, T18S, R32E, N.M.P.M., Lea County, New Mexico, and a process flow diagram is attached as an approximation of the new battery, now is progress.

Current plans are to produce the Cross Bones wells into a 3-phase separator with meters for oil, water, and gas, in accordance with applicable provisions of the NMOCDC's Manual for the installation and Operation of Commingling Facilities. The gas will be sold on site to Enterprise Products Partners L.P., and the oil will be trucked to sales and water will be for disposal.

If you require additional information, please contact me by telephone at 432-687-7261, or by email at chay@chevron.com.

Sincerely,

Carolyn Haynie
NM PE Technical Assistant
Enclosure

NM OCD District I, Hobbs
Ryan Warmke Paul Brown
Nick Moschetti Danielle Reyna
Sean Cheben Central Files

Pool Commingle, BTU, Gravity Information										
Field	Well	API #	Location	ULSTR	Pool	Formation	Status	Gas Analysis	BTU	Oil Gravity
Lusk, North	Spear Federal # 1	30-025-33645	2310' FNL & 2308' FWL	F-33-18S-32E	41450	Bone Springs	Active	Attached	1587.03 @ 42.92 PSIA	36.9
Lusk, North	Scott E. Federal # 1	30-025-27442	1148' FSL & 775' FWL	M-28-18S-32E	41450	Bone Springs	Active	Attached	1587.03 @ 43.45 PSIA	36.9
Lusk, North	North Lusk Federal # 1	30-025-34673	330' FSL & 2005' FWL	N-29-18S-32E	96678	Strawn	Active	NA	1620.202 @ 1.025 PSIA	43.7

CoastalFlow™

GAS MEASUREMENT, INC.
P.O. Box 58965 / Houston, TX 77258-8965

Gas Accounting Statement

Hobbs

Company: Chevron USA Inc.
Location: ~~Scott Federal~~
CFM No: 2300250075
Station No:

Date: July, 2012
Pressure Base: 14.650
Temp. Base: 60.00 °F
BTU Base:

GAS
ANALYSIS

Tube I.D.	Interval	Meter Range	Tap Location	Almos. Press.	AGA Mthd.	Env Mthd.	Contract Hr.						
2.061 in.	1 Hour	113# 100"	Flange - Down	13.200	AGA3-1982	AGA8-Detail	7						
CO2	N2	H2O	H2S	O2	He	C1	C2	C3	I-C4	N-C4	I-C5	N-C5	C6+
0.553	1.867	0.000	0.000	0.000	0.000	57.076	17.846	13.188	1.671	4.336	1.002	1.143	1.319

Day	Avg. Diff. (in. H2O)	Pressure (PSIA)	Temp (°F)	Hours Flow	Relative Density	Orifice Diameter	Volume (Mcf)	BTU	MMBTU	Edited
1	15.21	41.25	88.94	20.00	0.9507	0.375	7	1587.03	11	No
2	15.60	41.24	88.17	19.50	0.9507	0.375	7	1587.03	11	No
3	14.76	41.61	84.48	19.82	0.9507	0.375	7	1587.03	11	No
4	12.56	43.15	84.71	18.33	0.9507	0.375	6	1587.03	10	No
5	15.26	41.78	80.40	19.98	0.9507	0.375	7	1587.03	12	No
6	13.32	41.64	75.52	19.58	0.9507	0.375	7	1587.03	11	No
7	13.40	41.71	84.56	20.28	0.9507	0.375	7	1587.03	11	No
8	14.69	41.72	88.66	20.31	0.9507	0.375	7	1587.03	11	No
9	14.76	41.64	83.78	19.80	0.9507	0.375	7	1587.03	11	No
10	14.75	41.73	74.22	19.80	0.9507	0.375	7	1587.03	11	No
11	12.67	41.55	81.28	20.53	0.9507	0.375	7	1587.03	11	No
12	15.10	41.65	85.40	20.16	0.9507	0.375	7	1587.03	11	No
13	12.94	41.46	87.00	20.36	0.9507	0.375	7	1587.03	11	No
14	14.83	41.71	87.99	20.28	0.9507	0.375	7	1587.03	11	No
15	13.64	41.68	89.78	20.39	0.9507	0.375	7	1587.03	11	No
16	14.29	41.78	85.97	20.27	0.9507	0.375	7	1587.03	11	No
17	15.88	41.01	85.27	20.61	0.9507	0.375	7	1587.03	12	No
18	14.90	42.09	87.46	19.31	0.9507	0.375	7	1587.03	11	No
19	14.79	42.08	85.74	20.07	0.9507	0.375	7	1587.03	11	No
20	15.85	40.81	86.86	17.61	0.9507	0.375	6	1587.03	10	No
21	15.52	50.50	89.12	15.60	0.9507	0.375	6	1587.03	10	No
22	11.39	52.46	95.87	17.22	0.9507	0.375	6	1587.03	10	No
23	7.24	50.95	87.24	20.41	0.9507	0.375	7	1587.03	10	No
24	13.46	50.28	88.61	16.81	0.9507	0.375	7	1587.03	12	No
25	12.93	49.38	91.41	17.82	0.9507	0.375	7	1587.03	11	No
26	12.62	44.28	93.08	18.17	0.9507	0.375	7	1587.03	11	No
27	12.18	41.15	79.63	18.05	0.9507	0.375	7	1587.03	11	No
28	10.02	41.60	88.24	19.43	0.9507	0.375	7	1587.03	11	No
29	6.07	40.05	96.34	14.87	0.9507	0.375	4	1587.03	6	No
30	0.60	39.67	106.24	0.27	0.9507	0.375	0	1587.03	0	No
31	0.37	39.76	109.70	0.18	0.9507	0.375	0	1587.03	0	No
TOTALS	13.58	43.45	86.10	555.71	0.9507		196		314	

Volume at 14.730 = 195

Energy = 314

Bone Springs
formation

August 7, 2012 5:01:34 PM

(281) 282-0622

(800) 231-8741

CoastalFlow™

GAS MEASUREMENT, INC.

P.O. Box 58965 / Houston, TX 77258-8965

Gas Accounting Statement

Hobbs

Company: Chevron USA Inc.
 Location: Spahr Federal
 CFM No: 2300250072
 Station No:

Date: July, 2012
 Pressure Base: 14.750
 Temp. Base: 60.00 °F
 BTU Base:

Tube I.D.	Interval	Meter Range	Tap Location	Almos. Press.	AGA Mthd.	Fav. Mthd.	Contract Hr.
2.087 in.	Hour	113# 250"	Flange - Up	13.200	AGA1-1992	AGA8-Detail	7

GAS ANALYSIS

CO2	N2	H2O	H2S	O2	He	C1	C2	C3	I-C4	N-C4	I-C5	N-C5	C6+
0.553	1.887	0.000	0.000	0.000	0.000	57.076	17.848	13.188	1.671	4.336	1.002	1.143	1.319

Day	Avg. Diff. (in. H2O)	Pressure (PSIA)	Temp (°F)	Hours Flow	Relative Density	Orifice Diameter	Volume (Mcf)	BTU	MMBTU	Edited
1	0.78	40.56	80.70	0.70	0.9507	0.375	0	1587.03	0	No
2	0.43	40.85	92.28	3.83	0.9507	0.375	0	1587.03	1	No
3	0.38	41.03	86.28	3.68	0.9507	0.375	0	1587.03	1	No
4	0.33	40.88	95.30	1.71	0.9507	0.375	0	1587.03	0	No
5	13.53	42.44	80.39	2.58	0.9507	0.375	1	1587.03	1	No
6	8.03	41.49	88.98	8.70	0.9507	0.375	4	1587.03	6	No
7	6.49	41.48	85.00	10.01	0.9507	0.375	4	1587.03	6	No
8	6.76	41.42	88.33	8.83	0.9507	0.375	3	1587.03	5	No
9	6.75	41.32	84.34	9.39	0.9507	0.375	4	1587.03	6	No
10	6.98	41.44	73.40	8.86	0.9507	0.375	4	1587.03	6	No
11	7.30	41.40	81.78	7.95	0.9507	0.375	3	1587.03	5	No
12	8.05	41.39	85.81	6.94	0.9507	0.375	3	1587.03	5	No
13	8.38	41.32	86.75	6.61	0.9507	0.375	3	1587.03	5	No
14	8.94	41.47	88.56	6.16	0.9507	0.375	3	1587.03	5	No
15	9.78	41.51	88.11	5.52	0.9507	0.375	3	1587.03	4	No
16	9.27	41.60	84.23	7.08	0.9507	0.375	3	1587.03	5	No
17	10.45	41.88	87.73	3.90	0.9507	0.375	2	1587.03	3	No
18	39.58	43.73	72.90	7.55	0.9507	0.375	7	1587.03	12	No
19	20.72	42.52	81.43	9.48	0.9507	0.375	8	1587.03	9	No
20	14.36	42.98	90.55	1.83	0.9507	0.375	1	1587.03	1	No
21	25.30	49.35	92.34	3.25	0.9507	0.375	2	1587.03	3	No
22	8.85	51.07	98.07	4.50	0.9507	0.375	2	1587.03	3	No
23	15.52	50.38	86.88	4.55	0.9507	0.375	2	1587.03	4	No
24	12.32	50.21	86.14	3.89	0.9507	0.375	2	1587.03	3	No
25	10.85	48.07	90.73	5.87	0.9507	0.375	2	1587.03	3	No
26	14.02	43.84	95.82	5.37	0.9507	0.375	2	1587.03	4	No
27	17.37	40.46	77.25	2.88	0.9507	0.375	1	1587.03	2	No
28	13.33	41.89	87.99	5.18	0.9507	0.375	2	1587.03	4	No
29	17.04	40.45	90.63	3.97	0.9507	0.375	2	1587.03	3	No
30	17.74	40.65	89.60	4.51	0.9507	0.375	2	1587.03	3	No
31	14.48	40.62	95.06	4.83	0.9507	0.375	2	1587.03	3	No
TOTALS	14.15	42.92	84.28	168.53	0.9507		75		121	

Volume at 14.730 = 75

Energy = 121

Bone Springs formation

Proposed Pool Commingling Order
 Cross Bones Pool Commingled Battery
 Section 29, T18S, R32E
 Lea County, New Mexico

Section 29 N. Lusk Battery and (New) Bone Springs Tank Battery (Current Status)

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks	Battery
Strawn	N. Lusk 29 Fed # 1	0.0	43.7	84.83	0.00	Produces Gas only	Lusk Battery
Bone Springs	Cross Bones 1-29 # 2 H	500.0	36.9	90.52	45260.00	Measured API Gravity of Commingled Oil	New Well
Bone Springs	Cross Bones 2-29 # 1 H	500.0	36.9	90.52	45260.00	Measured API Gravity of Commingled Oil	New Well
Totals		1000.0		265.87	\$90,520.00		

Section 29 CROSS BONES Central Tank Battery (Approved Status)

Pool	Well	BOPD	API Gravity	\$/BBL	\$/Day	Remarks	Battery
Strawn	N. Lusk 29 Fed # 1	0.0	0.0	NA	0.00	Calculated API gravity of commingled oil	Cross Bones Btty
Bone Springs	Cross Bones 1-29 # 2 H	500.0	36.9	90.52	45260.00	Calculated API gravity of commingled oil	Cross Bones Btty
Bone Springs	Cross Bones 2-29 # 1 H	500.0	36.9	90.52	45260.00	Calculated API gravity of commingled oil	Cross Bones Btty
Totals		1000.0			\$90,520.00		

Pool Commingle, BTU, Gravity Information										
Field	Well	API #	Location	ULSTR	Pool	Formation	Status	Gas Analysis	BTU	Oil Gravity
Lusk, North	Spear Federal # 1	30-025-33645	2310' FNL & 2308' FWL	F-33-18S-32E	41450	Bone Springs	Active	Attached	1587.03 @ 42.92 PSIA	36.9
Lusk, North	Scott E. Federal # 1	30-025-27442	1148' FSL & 775' FWL	M-28-18S-32E	41450	Bone Springs	Active	Attached	1587.03 @ 43.45 PSIA	36.9
Lusk, North	North Lusk Federal # 1	30-025-34673	330' FSL & 2005' FWL	N-29-18S-32E	96678	Strawn	Active	NA	1620.202 @ 1.025 PSIA	43.7



Daily Production - Daily Summary

10/1/2012 to 10/7/2012

Hierarchy: OIL AREA OPERATIONS ->VACUUM ->VACUUM ->4080013 - VACUUM 6 ->N LUSK 29 FED

Date	Asset	Operations Supervisor	Operator Route	Oil (BOPD)	Water (BWPD)	Gas (MCFPD)	BOEG (BOPD)
10/01/2012				0	0	62	10
	VACUUM			0	0	62	10
10/02/2012				0	0	60	10
	VACUUM			0	0	60	10
10/03/2012				0	0	62	10
	VACUUM			0	0	62	10
10/04/2012				0	0	61	10
	VACUUM			0	0	61	10
10/05/2012				0	0	63	10
	VACUUM			0	0	63	10
10/06/2012				0	0	64	11
	VACUUM			0	0	64	11
10/07/2012				0	0	67	11
	VACUUM			0	0	67	11
Total				0	0	439	72
Average				0	0	63	10

CoastalFlow™

GAS MEASUREMENT, INC.

P.O. Box 58965 / Houston, TX 77258-8965

Gas Accounting Statement

Hobbs

Company: Chevron USA Inc.
 Location: Scott Federal
 CFM No: 2300250075
 Station No:

Date: July, 2012
 Pressure Base: 14.650
 Temp. Base: 60.00 °F
 BTU Base:

Tube I.D.	Interval	Meter Range	Tap Location	Atmos. Press.	AGA Mthd.	Fov Mthd.	Contract Hr.
2.061 in.	1 Hour	113# 100"	Flange - Down	13.200	AGA3-1992	AGA8-Detail	7

CO2	N2	H2O	H2S	O2	He	C1	C2	C3	I-C4	N-C4	I-C5	N-C5	C6+
0.553	1.887	0.000	0.000	0.000	0.000	57.076	17.846	13.188	1.671	4.336	1.002	1.143	1.319

GAS ANALYSIS

Day	Avg. Diff. (In. H2O)	Pressure (PSIA)	Temp (°F)	Hours Flow	Relative Density	Orifice Diameter	Volume (Mcf)	BTU	MMBTU	Edited
1	15.21	41.25	88.94	20.00	0.9507	0.375	7	1587.03	11	No
2	15.60	41.24	88.17	19.50	0.9507	0.375	7	1587.03	11	No
3	14.78	41.61	84.48	19.62	0.9507	0.375	7	1587.03	11	No
4	12.59	43.15	84.71	18.33	0.9507	0.375	6	1587.03	10	No
5	15.28	41.78	80.40	19.98	0.9507	0.375	7	1587.03	12	No
6	13.32	41.64	75.52	19.59	0.9507	0.375	7	1587.03	11	No
7	13.40	41.71	84.56	20.28	0.9507	0.375	7	1587.03	11	No
8	14.69	41.72	88.66	20.31	0.9507	0.375	7	1587.03	11	No
9	14.76	41.64	83.76	19.60	0.9507	0.375	7	1587.03	11	No
10	14.75	41.73	74.22	19.80	0.9507	0.375	7	1587.03	11	No
11	12.67	41.55	81.28	20.53	0.9507	0.375	7	1587.03	11	No
12	15.10	41.65	85.40	20.16	0.9507	0.375	7	1587.03	11	No
13	12.94	41.46	87.00	20.36	0.9507	0.375	7	1587.03	11	No
14	14.83	41.71	87.99	20.28	0.9507	0.375	7	1587.03	11	No
15	13.64	41.68	89.78	20.39	0.9507	0.375	7	1587.03	11	No
16	14.29	41.78	85.97	20.27	0.9507	0.375	7	1587.03	11	No
17	15.88	41.91	85.27	20.81	0.9507	0.375	7	1587.03	12	No
18	14.90	42.09	87.46	19.31	0.9507	0.375	7	1587.03	11	No
19	14.79	42.08	85.74	20.07	0.9507	0.375	7	1587.03	11	No
20	15.85	46.81	86.86	17.61	0.9507	0.375	6	1587.03	10	No
21	15.52	50.50	89.12	15.60	0.9507	0.375	6	1587.03	10	No
22	11.39	52.46	95.67	17.22	0.9507	0.375	6	1587.03	10	No
23	7.24	50.95	87.24	20.41	0.9507	0.375	7	1587.03	12	No
24	13.46	50.28	88.81	18.81	0.9507	0.375	7	1587.03	12	No
25	12.93	49.38	91.41	17.82	0.9507	0.375	7	1587.03	11	No
26	12.62	44.28	93.08	18.17	0.9507	0.375	7	1587.03	11	No
27	12.18	41.15	79.63	18.05	0.9507	0.375	7	1587.03	11	No
28	10.02	41.60	86.24	19.43	0.9507	0.375	7	1587.03	11	No
29	6.07	40.05	98.34	14.97	0.9507	0.375	4	1587.03	6	No
30	0.60	39.67	106.24	0.27	0.9507	0.375	0	1587.03	0	No
31	0.37	39.76	109.70	0.18	0.9507	0.375	0	1587.03	0	No
TOTALS	13.58	43.45	86.10	555.71	0.9507		196		314	

Volume at 14.730 = 195

Energy = 314

Bone Springs formation

CoastalFlow™

GAS MEASUREMENT, INC.

P.O. Box 58965 / Houston, TX 77258-8965

Gas Accounting Statement

Hobbs

Company: Chevron USA Inc.
 Location: Spear Federal
 CFM No: 2300250072
 Station No:

Date: July, 2012
 Pressure Base: 14.750
 Temp. Base: 60.00 °F
 BTU Base:

Tube I.D.	Interval	Meter Range	Tap Location	Atmos. Press.	AGA Mthd.	Fav Mthd.	Contract Hr.
2.087 in.	1 Hour	113# 250"	Flange - Up	13.200	AGA3-1992	AGA8-Detail	7

CO2	N2	H2O	H2S	O2	He	C1	C2	C3	I-C4	N-C4	I-C5	N-C5	C6+
0.553	1.867	0.000	0.000	0.000	0.000	57.076	17.848	13.188	1.671	4.336	1.002	1.143	1.319

GAS ANALYSIS

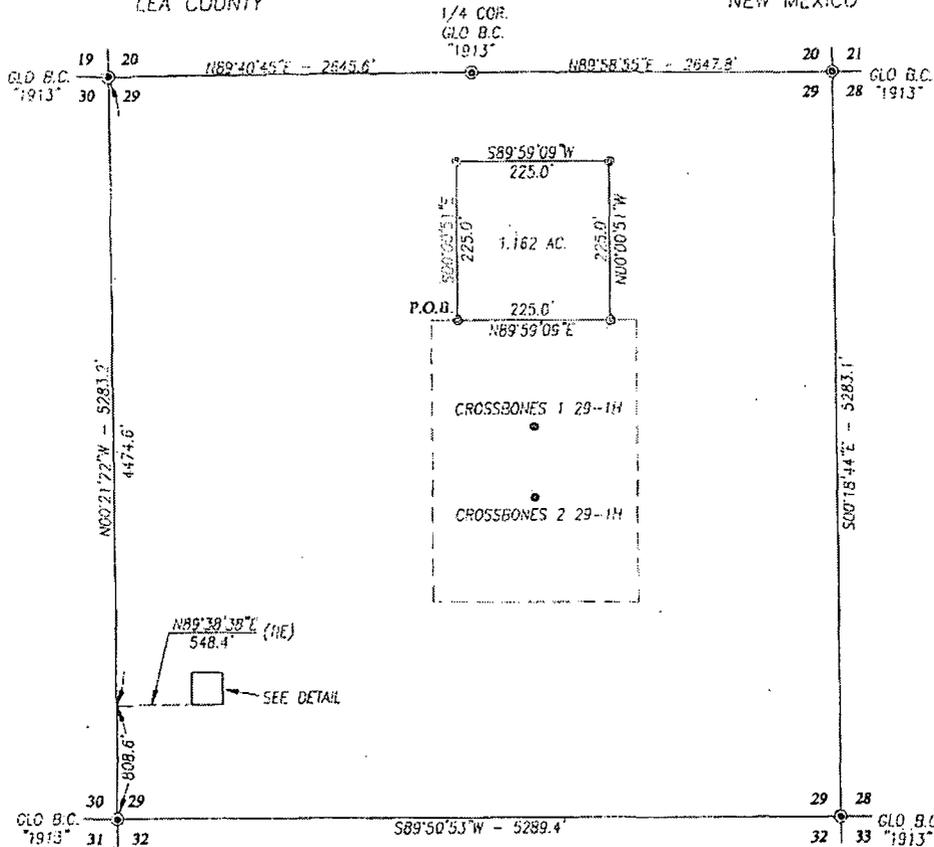
Day	Avg. Diff. (In. H2O)	Pressure (PSIA)	Temp (°F)	Hours Flow	Relative Density	Orifice Diameter	Volume (Mcf)	BTU	MMBTU	Edited
1	0.78	40.56	90.70	0.70	0.9507	0.375	0	1587.03	0	No
2	0.43	40.65	92.26	3.63	0.9507	0.375	0	1587.03	1	No
3	0.36	41.03	86.28	3.68	0.9507	0.375	0	1587.03	1	No
4	0.33	40.96	95.30	1.71	0.9507	0.375	0	1587.03	0	No
5	13.53	42.44	80.39	2.58	0.9507	0.375	1	1587.03	1	No
6	8.03	41.48	68.98	8.70	0.9507	0.375	4	1587.03	6	No
7	6.49	41.48	85.00	10.01	0.9507	0.375	4	1587.03	6	No
8	6.76	41.42	88.33	8.83	0.9507	0.375	3	1587.03	5	No
9	6.75	41.32	84.34	9.39	0.9507	0.375	4	1587.03	6	No
10	6.96	41.44	73.40	8.86	0.9507	0.375	4	1587.03	6	No
11	7.30	41.40	81.78	7.95	0.9507	0.375	3	1587.03	5	No
12	8.05	41.39	85.61	6.94	0.9507	0.375	3	1587.03	5	No
13	8.38	41.32	86.75	6.61	0.9507	0.375	3	1587.03	5	No
14	9.94	41.47	88.56	6.16	0.9507	0.375	3	1587.03	5	No
15	9.76	41.51	88.11	5.52	0.9507	0.375	3	1587.03	4	No
16	9.27	41.60	84.23	7.08	0.9507	0.375	3	1587.03	5	No
17	10.45	41.68	87.73	3.90	0.9507	0.375	2	1587.03	3	No
18	39.58	43.73	72.90	7.55	0.9507	0.375	7	1587.03	12	No
19	20.72	42.52	81.43	9.49	0.9507	0.375	6	1587.03	9	No
20	14.36	42.88	90.55	1.63	0.9507	0.375	1	1587.03	1	No
21	25.30	49.35	92.34	3.25	0.9507	0.375	2	1587.03	3	No
22	8.85	51.07	99.07	4.50	0.9507	0.375	2	1587.03	3	No
23	15.52	50.36	86.69	4.55	0.9507	0.375	2	1587.03	4	No
24	12.32	50.21	86.14	3.69	0.9507	0.375	2	1587.03	3	No
25	10.85	49.07	90.73	5.87	0.9507	0.375	2	1587.03	3	No
26	14.02	43.84	95.82	5.37	0.9507	0.375	2	1587.03	4	No
27	17.37	40.46	77.25	2.88	0.9507	0.375	1	1587.03	2	No
28	13.33	41.89	87.99	5.18	0.9507	0.375	2	1587.03	4	No
29	17.04	40.45	90.63	3.97	0.9507	0.375	2	1587.03	3	No
30	17.74	40.65	89.60	4.51	0.9507	0.375	2	1587.03	3	No
31	14.48	40.62	85.05	4.83	0.9507	0.375	2	1587.03	3	No
TOTALS	14.16	42.92	84.28	169.53	0.9507		75		121	

Volume at 14.730 = 75

Energy = 121

Base Springs formation

SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY NEW MEXICO



DESCRIPTION

SURVEY FOR A TANK BATTERY SITE LOCATED IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

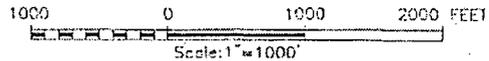
BEGINNING AT THE SOUTHWEST CORNER OF THIS TRACT, WHICH LIES N00°21'22"W ALONG THE WEST LINE OF SAID SECTION A DISTANCE OF 808.6 FEET AND N89°38'38"E 548.4 FEET FROM THE SOUTHWEST CORNER, THEN N89°59'09"E 225.0 FEET, THEN N00°00'51"W 225.0 FEET, THEN S89°59'09"W 225.0 FEET, THEN S00°00'51"E 225.0 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.162 ACRES MORE OR LESS.

NOTE

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

LEGEND

- ⊙ DENOTES FOUND CORNER AS NOTED
- ⊙ DENOTES SET SPIKE NAIL



I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS ACTUAL ON-THE-GROUND SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYS IN NEW MEXICO.

Ronald J. Edson 02/28/2012
GARY G. EDSON, N.M. P.S. No. 12541
RONALD J. EDSON, N.M. P.S. No. 3239

PROFESSIONAL SURVEYING SERVICES SINCE 1948
JOHN WEST SURVEYING COMPANY
417 N. GAL PASEO
HOBBS, N.M. 88240
(505) 393-3117

CHEVRON USA, INC.

SURVEY FOR A TANK BATTERY SITE
LOCATED IN
SECTION 29, TOWNSHIP 18 SOUTH,
RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

Survey Date: 2/1/12	Sheet 1 of 1 Sheets
W.O. Number: 12110193	Drawn By: GJE
Date: 2/24/12	CAD File: 12110193

