

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-34673
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name N LUSK "29" Federal # 1
8. Well Number # 1
9. OGRID Number
10. Pool name or Wildcat NORTH LUSK, STRAWN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3705'

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

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

3. Address of Operator
15 SMITH ROAD, MIDLAND, TX 79705

4. Well Location
 Unit Letter N, 330' feet from the SOUTH line and 2005' feet from the WEST line
 Section 29 Township 18S Range 32E NMPM LEA, County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>OTHER: Amend Order PC-1250-A <input checked="" type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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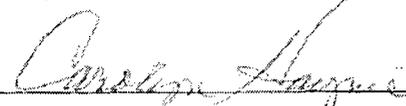
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Chevron U.S.A. Inc, respectively request approval to amend Surface Commingle Order PC-1250-A. Chevron's gas specialist believes the production will be too low to justify the approved monthly calibration, and would like to calibrate quarterly. The production from the N. Lusk 29 Federal Well No. 1, shall be continuously measured with allocation meters before commingling with production from the other wells. The production from all Bone Springs wells shall be commingled and allocated between wells based on monthly well test, with the total Bone Springs production determined by subtraction. All allocation meters shall be calibrated *quarterly*. The commingled production from the wells is approved for off-lease measurement and sales.

The Crossbones wells are not currently producing, but each is expected to produce an average of, 245 BOPD and 466 MCFPD. The N. Lusk well produces an average of 63 MCFPD, no oil. We plan to use allocation metering for all production out of the battery to sales (Bone Springs and Strawn), and then subtract the production from the N. Lusk 29 Federal No. 1 (as measured by its allocation metering) to determine the total Bone Springs production. We would then allocate between wells based on well tests. These are all 100% properties.

Spud Date: 8-17-1999 Rig Release Date: 9-22-1999

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

SIGNATURE  TITLE Petro Eng Tech Assistant DATE Feb 5, 2013

Type or print name CAROLYN HAYNIE E-mail address: chay@Chevron.com PHONE: 432-687-7261

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

Ezeanyim, Richard, EMNRD

From: Haynie, Carolyn (CHaynie) [Kelly Services] <CHAY@chevron.com>
Sent: Tuesday, February 05, 2013 10:17 AM
To: Ezeanyim, Richard, EMNRD
Cc: Brown, Paul T (PaulBrown); WORMINGTON, LARRY D
Subject: FW: This is a scanned document from HP LaserJet M9050MFP 009MID
Attachments: [Untitled].pdf

Good morning Richard,

I apologize for the delay of sending this to you as we, (you, Paul Brown, and I), discussed in the phone conversation on Jan 23rd, but I got sick and was out for a full week.

As we discussed, the attached is the E-mail C103 amendment request to PC-1250-A, to request for all allocated meters to be calibrated quarterly, instead of monthly.

Please let us know if you need additional information.

Thanks,

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

-----Original Message-----

From: 009MID [<mailto:009MID@chevron.com>]
Sent: Tuesday, February 05, 2013 10:33 AM
To: Haynie, Carolyn (CHaynie) [Kelly Services]
Subject: This is a scanned document from HP LaserJet M9050MFP 009MID

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

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

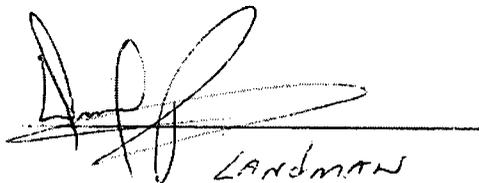
Royalty Owner – 1/8 Royalty

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


LANDMAN

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator Copy

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 <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	

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.

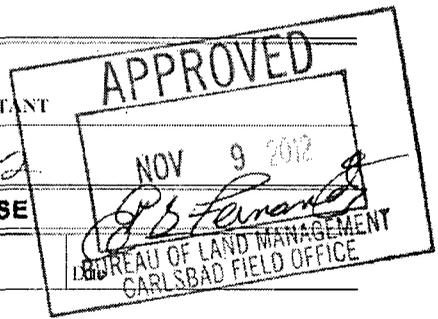
For additional information, please contact me at 432-687-7261, or email me at chay@chevron.com.

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

Name (Printed/Typed) **CAROLYN HAYNIE** Title **PE TECHNICAL ASSISTANT**

Signature *Carolyn Haynie* Date **10-8-12**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE



Approved by: _____ Title _____

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)

**SUBJECT TO LIKE
APPROVAL BY STATE**