

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



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 _____

- CTB 743
 - CHEVRON, USA Inc
 4323
 well
 - Antelope ridge
 11 2434
 30-025-42318
 - Prodigal 54W
 17 2434
 30-025-41957
 Pool
 - Red Hills
 Bone Springs
 North
 96434

- [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.

Cindy Herrera-Murillo Print or Type Name	<u>Cindy Herrera-Murillo</u> Signature	Permitting Specialist Title	12/09/2014 Date
		Cherreramurillo@chevron.com e-mail Address	



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

**Chevron North America
Exploration and Production Company**
(A Chevron U.S.A. Inc. Division)
1616 W. Bender Blvd. Room 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Cherreramurillo@chevron.com

January 16, 2015

Oil Conservation Division
Attn: Engineering Department
61220 S. St. Francis Drive
Santa Fe, NM 87505

RECEIVED
2015 JAN 20 P 11:02
D

Application for surface commingling, Bone Spring Pool, Lea County, NM (T24S-R34E, Sec 11 & 17)

Dear Sirs,

Chevron North America respectfully requests administrative approval to surface commingle oil, gas, and water production from the Bone Spring Pool through Chevron's Prodigal Sun Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. Wells producing to this battery include the Chevron Antelope Ridge 11 24 34 Federal #3H; Prodigal Sun 17 24 34 Federal #1H. All wells will be complete within the Second Bone Spring sand Formation, per attached map. These wells are located in section 11 & 17, T24S-R34E, Lea County, New Mexico. APDs for each well, which includes surface plats, are included with this notification.

The working interest and royalties are as follows:

Antelope Ridge 11 24 34 Federal #3H WI 75%; NRI 65.625%; RI 12.5%
Prodigal Sun 17 24 34 #1H WI 100%; NRI 80%; RI 12.50%

Working, royalty, and overriding interest owners will be notified of this proposal via certified mail.

These wells will be horizontally drilled in Spring of 2015. Each well will be tested monthly through a three-phase test separator located at the Prodigal Sun central tank battery. The three phase test separator will measure oil through a coriolis meter on the oil outlet line and gas through an orifice meter run with a Total flow computer on the gas outlet line. A schematic showing this configuration is attached.

Sincerely,

Cindy Herrera-Murillo
Permitting Specialist

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 USA INC

3a. Address
1616 W. BENDER BLVD, HOBBS NM 88240

3b. Phone No. (include area code)
575-263-0431

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit Letter M, 330' FSL and 980' FWL, Section 11, Township 24-S, Range 34E, SWSW

5. Lease Serial No.
NMNMI13417;NMNM113418

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
MULTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area
RED HILLS;BONE SPRING

11. County or Parish, State
LEA COUNTY, NM

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 SURFACE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	COMMINGLING
	<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.)

Chevron USA Inc. requests approval to Surface Commingle oil, gas, and water production from the Bone Spring pool through Chevron's Prodigal Sun Central Tank Battery. Wells producing in this battery included the Chevron Antelope Ridge 11 24 34 Federal 3H; Prodigal Sun 17 24S 34E (which will be drilled in fall of 2014 into the Bone Spring sand formation. attached map). These wells are located in Sections 11 & 17, T24S;R34E, Eddy County, New Mexico, API's include:

**Antelope Ridge 11 24 34 Federal #3H
 Prodigal Sun 17 24 34 #1H**

**API# 30-025-42318
 API# 30-025-41957**

**Lease # NMNM113417
 Lease # NMNM113418**

Please find attached Surface Commingle application for the above wells and facility diagrams and maps.

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

CINDY HERRERA-MURILLO

Title **PERMITTING SPECIALIST**

Signature

Cindy Herrera-Murillo

Date

12/09/2014

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

Date

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)

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

Proposal for Produgal Sun 17-24-34 Fed #1H, Antelope Ridge 11-24-34 Fed #3H and Madera 17-24-34 Fed 1H:

Chevron USA Inc is requesting approval for the Central Tank Battery, Commingling, and Off lease sales of gas and oil:

Federal Lease NMNM	Royalty Rate	Well Name	BOPD (Est)	Oil Gravity (@60 deg)	Value/bbl	MCFPD (Est)	DRY BTU	Value/mcf
113417	12.5%	Antelope Ridge 11-3H	556	42.8	91.2	1670	1000	3.49
113418	12.5%	Produgal Sun 17-1H	556	42.8	91.2	1670	1000	3.49
113418	12.5%	Madera 17-1H	556	42.8	91.2	1670	1000	3.49

Federal Lease NMNM	Economic combined production	Well Name	BOPD	Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
113417 113418		AR 11/PS 1/ Madera 17	1668	42.8	91.2	5010	1000	3.49

Chevron has a master sales agreement in place for all the Bone Spring wells in this area. All Bone Spring oil production in the area is sweet. Part of this agreement is that oil is deemed as sweet and sold at a flat rate of 91.2 API gravity. Therefore, regardless of the API values of the individual wells, the common stream will be sold as if it was sweet and 91.2 API gravity.

Oil & Gas metering:

The central tank battery will be located at the Produgal Sun 17-24-34 Fed #1H. There are three oil tanks at the central tank battery that the wells will utilize and oil will be sold through the central delivery point (CDP) Lease Automated Custody Transfer unit (*S/N TBD), which is located in the NWNE of Sec. 17, T24S, R34E. For gas there is a common central delivery point (CDP) gas sales meter (*S/N TBD) which is located in the NWNE Sec. 17, T24S, R34E. The produced water will go to a common water tank on location.

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Corporation
Prodigal Sun 17-24-34 Fed #1H and Antelope Ridge 11-24-34 Fed #3H

Each lease will be measured continuously through a three-phase test separator located at the Prodigal Sun central tank battery. The three phase test separators will measure oil through a coriolis meter on the oil outlet line and gas through an orifice meter run with a Total Flow computer on the gas outlet line. The wells will then be commingled into a common heater treater and flow to common oil and water tanks on location.

Production will be allocated to each lease based on continuous test. Each well's share of the central tank battery's total production will be calculated based on the results of continuous test. This ratio will be applied to the total oil production metered by the Lease Automated Custody Transfer (LACT) meter located at the Prodigal Sun central tank battery. The production will also be applied to the total gas production metered by the Targa Resources Corp sales meter.

Lease NMNM 113418 oil allocation meter on the Prodigal Sun central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (Future, *S/N TBD)

 Prodigal Sun 17-24-34 #1H oil allocation meter on the Prodigal Sun central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (*S/N TBD).

 Madera 17-24-34 #1H oil allocation meter on the Prodigal Sun central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (Future, *S/N TBD)

Lease NMNM 113417/Antelope Ridge 11-24-34 #3H oil allocation meter on the Prodigal Sun central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N *).

These meters will be proven as per API, NMOCID, and BLM specifications when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter. The factor obtained will be used to allocate the production volumes.

Gas production will be allocated on a daily basis based on the results of the continuous measurement of each lease.

Lease NMNM 113418 gas allocation meter on the Prodigal Sun central tank battery three-phase test separator consists of a Tele Flow EFM (Future, *S/N TBD)

 Prodigal Sun 17-24-34 #1H gas allocation meter on the Prodigal Sun central tank battery three-phase test separator consists of a Tele Flow EFM (*S/N TBD).

 Madera 17-24-34 #1H gas allocation meter on the Prodigal Sun central tank battery three-phase test separator consists of a Tele Flow EFM (Future, *S/N TBD)

Lease NMNM 113417/Antelope Ridge 11-24-34 #3H gas allocation meter on the Prodigal Sun central tank battery three-phase test separator consists of a Tele Flow EFM (*S/N TBD).

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

These meters will be calibrated on a regular basis per API, NMOCID and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility diagram and map which shows the lease boundaries, location of wells, and location of flow lines, facility, and gas sales meter. The commingling of this production is the most effective economical means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

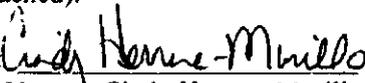
APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Corporation
Prodigal Sun 17-24-34 Fed #1H and Antelope Ridge 11-24-34 Fed #3H

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

The production from the two wells will be routed to the Prodigal Sun central tank battery located in Sec. 17, NWNE, T24S-R34E, on federal lease NMNM 113418 in Lea County, New Mexico. After separation and allocation measurement, the oil, gas, and water will go to common oil tanks, water tank, and gas CDP located in Section 17.

Antelope Ridge 11-24-34 #3H will require off lease measurement, storage and sales of oil and gas.

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

Signed: 
Printed Name: Cindy Herrera-Murillo
Title: Regulatory Compliance Associate
Date: 10/03/2014

Federal Lease NMNM	Royalty Rate	Well Name	BOPD	Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
113417	12.5%	AR 11	556	42.8	91.2	1670	1000	3.49
113418	12.5%	PS1	556	42.8	91.2	1670	1000	3.49

Federal Lease NMNM	Economic combined production	Well Name	BOPD	Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
113417 113418		AR 11/PS 1	1112	42.8	91.2	3340	1000	3.49

Chevron has a master sales agreement in place for all the Bone Spring wells in this area. All Bone Spring oil production in the area is sweet. Part of this agreement is that oil is deemed as sweet and sold at a flat rate of 91.2 API gravity. Therefore, regardless of the API values of the individual wells, the common stream will be sold as if it was sweet and 91.2 API gravity.

Printed Name: Christina Davis

Title: Reservoir Engineer

Date: 11/10/2014

Serial Register page form LR2000 is attached on the following pages:

Federal Lease	Lease Description	WI/NRI	Lease	Royalty Interest
NMNM113417	Antelope Ridge 11-24-34 #3H	75% and 65.625%	Federal	12.50%
NMNM113418	Prodigal Sun 17 #1H	100% and 80.00%	Federal	12.50%

A list of all interest owner addresses is below:

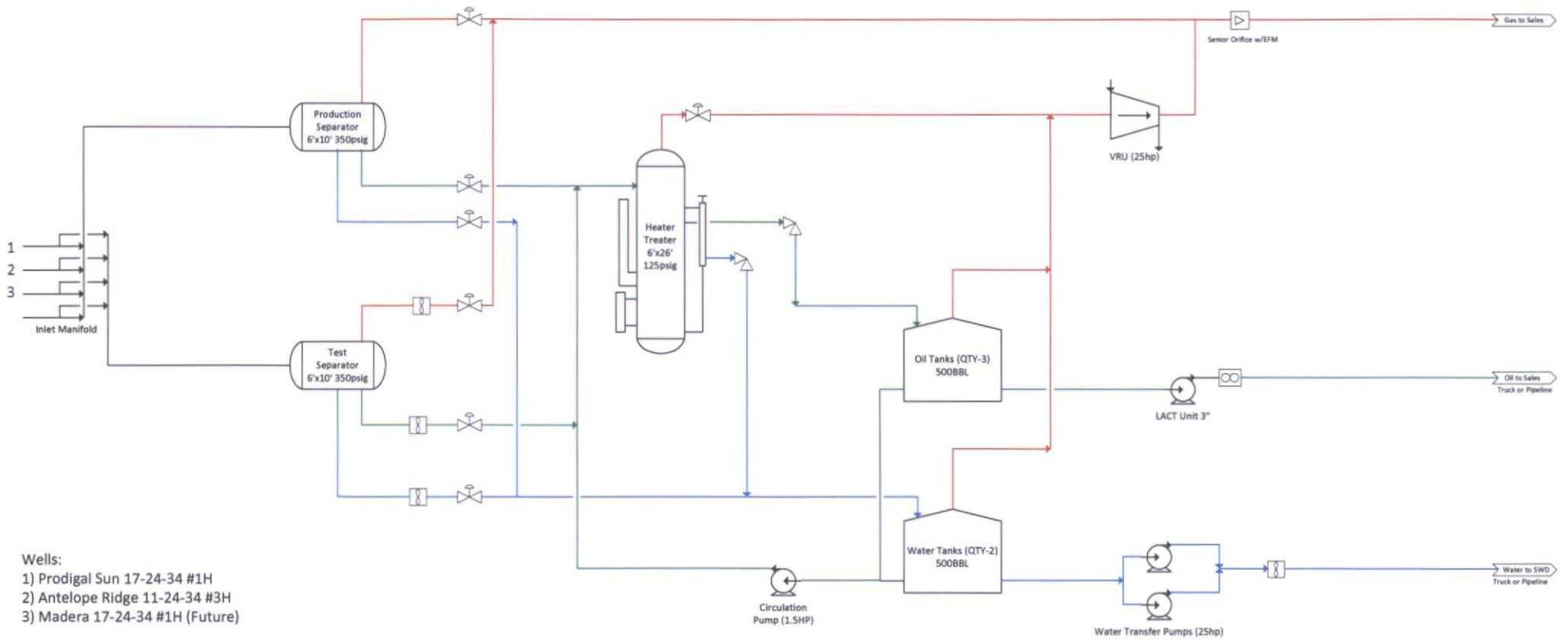
Antelope Ridge 11-24-34 #3H

Interest Type	Name	Address	City	State	Zip Code
Working Interest	Chevron Midcontinent, L.P.	P.O. Box 2100	Houston	Texas	77252-2100
Working Interest	COG Operating LLC	One Concho Center, 600 W. Illinois Avenue	Midland	Texas	79701
Royalty Interest	United States of America	PO Box 1148	Santa Fe	New Mexico	87504-1148

Prodigal Sun 17-24-34 #1H

Interest Type	Name	Address	City	State	Zip Code
Working Interest	Chevron Midcontinent, L.P.	P.O. Box 2100	Houston	Texas	77252-2100
Overriding Royalty Interest	The Allar Company	Post Office Box 1567	Graham	Texas	76450
Overriding Royalty Interest	John Thoma	Post Office Box 17656	Golden	Colorado	80402
Overriding Royalty	Sandra Thoma	8530 Mill Run Rd.	Athens	Texas	75751
Overriding Royalty Interest	Regeneration Energy Corp.	Post Office Box 210	Artesia	New Mexico	88211-0210
Royalty Interest	United States of America	PO Box 1148	Santa Fe	New Mexico	87504-1148

Goldilocks Standard PFD



Wells:

- 1) Prodigal Sun 17-24-34 #1H
- 2) Antelope Ridge 11-24-34 #3H
- 3) Madera 17-24-34 #1H (Future)

- Subtraction Method
- 3 individual well test per month
- Allocation based off of the total production percentage read at the LACT/EFM



Jason A. Levine
Land Representative
713-372-5313
jlevine@chevron.com

MidContinent Business Unit
Chevron North America Exploration and
Production Company,
a division of Chevron U.S.A. Inc.
1400 Smith Street, Room 40006
Houston, Texas 77002

November 18, 2014

**Antelope Ridge 11-24-34 #3H and Prodigal Sun 17-24-34 #1H
Commingling Permit
Ownership Information**

Antelope Ridge 11-24-34 #3H

BLM Lease NMNM 113417

W/2W/2 of Section 11, Township 24 South, Range 34 East, Lea County, New Mexico.

Interest Type	Name	Address	City	State	Zip Code
Working Interest	Chevron Midcontinent, L.P.	P.O. Box 2100	Houston	Texas	77252-2100
Working Interest	COG Operating LLC	One Concho Center, 600 W. Illinois Avenue	Midland	Texas	79701
Royalty Interest	United States of America	PO Box 1148	Santa Fe	New Mexico	87504-1148

Prodigal Sun 17-24-34 #1H

BLM Lease NMNM 113418

W/2E/2 of Section 17, Township 24 South, Range 34 East, Lea County, New Mexico

Interest Type	Name	Address	City	State	Zip Code
Working Interest	Chevron Midcontinent, L.P.	P.O. Box 2100	Houston	Texas	77252-2100
Overriding Royalty Interest	The Allar Company	Post Office Box 1567	Graham	Texas	76450
Overriding Royalty Interest	John Thoma	Post Office Box 17656	Golden	Colorado	80402

November 18, 2014

Page 2

Overriding Royalty Interest	Sandra Thoma	8530 Mill Run Rd.	Athens	Texas	75751
Overriding Royalty Interest	Regeneration Energy Corp.	Post Office Box 210	Artesia	New Mexico	88211-0210
Royalty Interest	United States of America	PO Box 1148	Santa Fe	New Mexico	87504-1148

I verify that the information is correct.

Sincerely,

CHEVRON MIDCONTINENT, L.P.

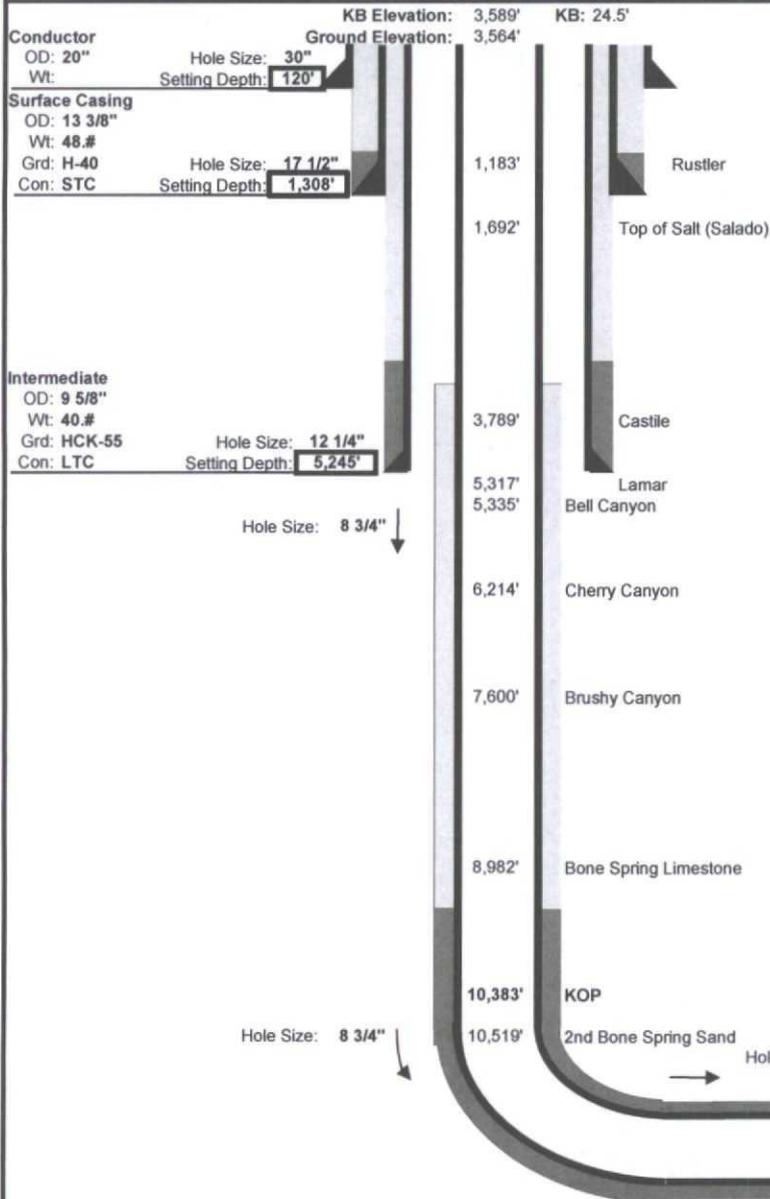
By: 
Jason A. Levine
Land Representative



Drilling Engineer: Kyle Johnson
 Superintendent: Phil Clark
 Geologist: Ryan Jensen

Well Name: Prodigal Sun 17-24-34 1H
 Target: Second Bone Springs Sand
 County, State: Lea, NM
 Surface Location: 330' FNL 1660' FEL, Section 17, Township 24 S, Range 34 E
 BH Location: 330' FSL 1660' FEL, Section 17, Township 24 S, Range 34 E
 SHL Latitude: 32.223796 SHL North: 446164
 SHL Longitude: -103.488344 SHL East: 761308
 BHL Latitude: 32.211102 BHL North: 441548
 BHL Longitude: -103.488329 BHL East: 761349
 Coordinates: NAD 27 Coordinates: NMPSPCE

Drilling Rig: Ensign 153
 Directional: Phoenix
 Drilling Mud: Nova
 Cement: Halliburton
 Wellhead: GE/Vetco
 Property Number: -
 WBS Number: UWDDB-D4020 -DRL



Wellhead Equipment	
13-3/8"	13-3/8" 5M SH-2 Multibowl
9-5/8"	No Additional Head Necessary
5-1/2"	11" 5M x 7-1/16" 10M Tubing Head
N/A	N/A
Required BOP Stack	13-5/8" 5K- Double, Annular, Rot Head w/orbit valve

Mud				
Depth	Type	Weight	F. Vis	FL
0' - 1,308'	Spud Mud	8.3 - 8.7	32 - 34	NC - NC
1,308' - 5,245'	Brine	9.8 - 10.1	28 - 29	NC - NC
5,245' - 10,383'	FW/Cut Brine	8.3 - 9.5	28 - 29	NC - NC
10,383' - 11,122'	Cut Brine	8.8 - 9.5	28 - 30	15 - 25
11,122' - 15,275'	FW/Cut Brine	8.9 - 9.5	28 - 29	15 - 25

Cement							
Slurry	Top	Btm	Wt	Yld	%Exc	Bbl	Sx
Surface							
Lead	0'	1,008'	13.5	1.75	150	297	953
Tail	1,008'	1,308'	14.8	1.36	150	107	441
Intermediate							
Lead	0'	4,645'	12.9	1.87	100	460	1381
Tail	4,645'	5,245'	14.8	1.33	100	74	311
Production							
1st Lead	4,745'	9,883'	11.3	2.5	75.0	388.4	859
2nd Lead	9,883'	14,275'	13.2	1.6	75.0	346.8	1210
Tail	14,275'	15,275'	15.0	2.6	35.0	58.4	126

LOGS	Type	Logs	Interval	Vendor
	Mudlogs	2 man mudlog	Int Csq to TD	Selman
LWD	MWD Gamma	Int Csq to TD	Phoenix	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	

Directional Plan					
Target Line:	10850' KBTVD @ 0°VS with a 88.7 deg inc				
Target Window:	20' above, 20' below, 50' left, 50' right				
	MD	INC	AZM	TVD	DLS
KOP	10,383'	0.00	0.00	10,383'	0'
EOB	11,122'	88.70	179.49	10,860'	467'
TD	15,275'	88.70	179.49	10,955'	4,618'
Hardlines:	Lateral- 330' from parallel lease lines. Vertical- Actual Lease Lines				
Notes:	Please note SHL and BHL distance from lease lines				



Drilling Engineer: Dube Alinnor
Superintendent: Phil Clark
Geologist: Ryan Jensen

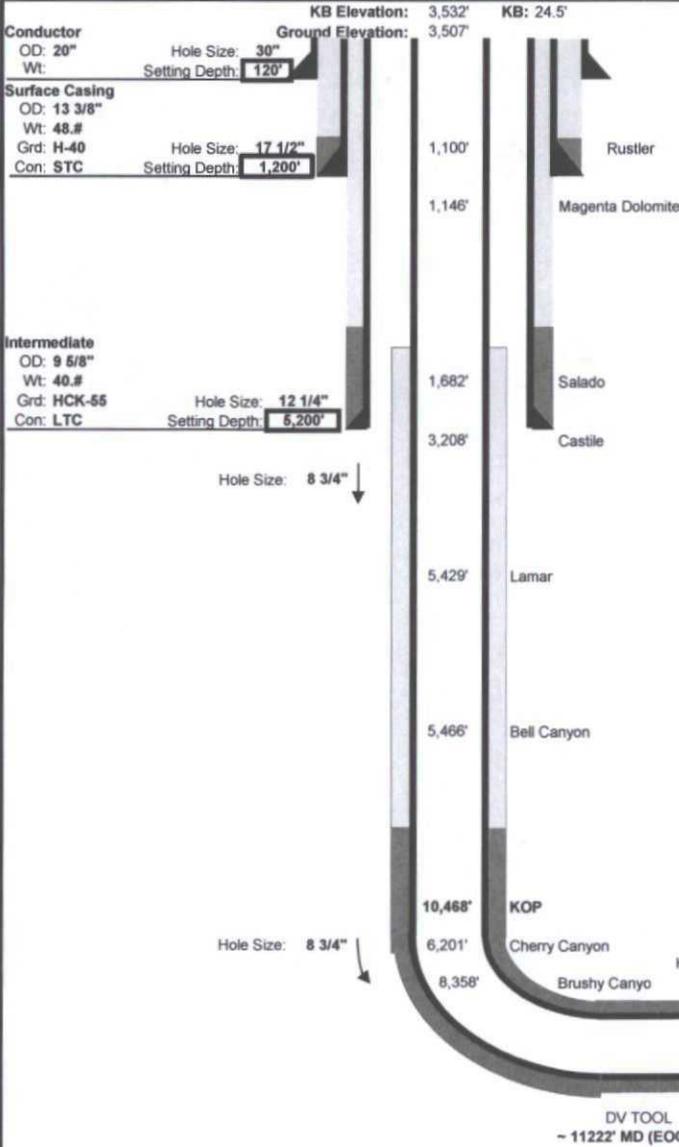
Well Name: Antelope Ridge 11-24-34 Fed 3H
Target: Second Bone Springs Sand
County, State: Lea, NM

Surface Location: Sec. 11 T24S R34E

BH Location: Sec. 11 T24S R34E

SHL Latitude: 32.225551 **SHL North:** 446908
SHL Longitude: -103.445652 **SHL East:** 774505
BHL Latitude: 32.238252 **BHL North:** 451529
BHL Longitude: -103.44565 **BHL East:** 774468
Coordinates: NAD 27 **Coordinates:** NMSPC

Drilling Rig: Ensign 153
Directional: Phoenix
Drilling Mud: Nova
Cement: Halliburton
Wellhead: GE/Vetco
Property Number: N/A
WBS Number: 0



Wellhead Equipment	
13-3/8"	13-3/8" 5M SH-2 Multibowl
9-5/8"	No Additional Head Necessary
6-1/2"	11" 5M x 7-1/16" 10M Tubing Head
N/A	N/A
Required BOP Stack	13-5/8" 5K- Double, Annular, Rot Head w/orbit valve

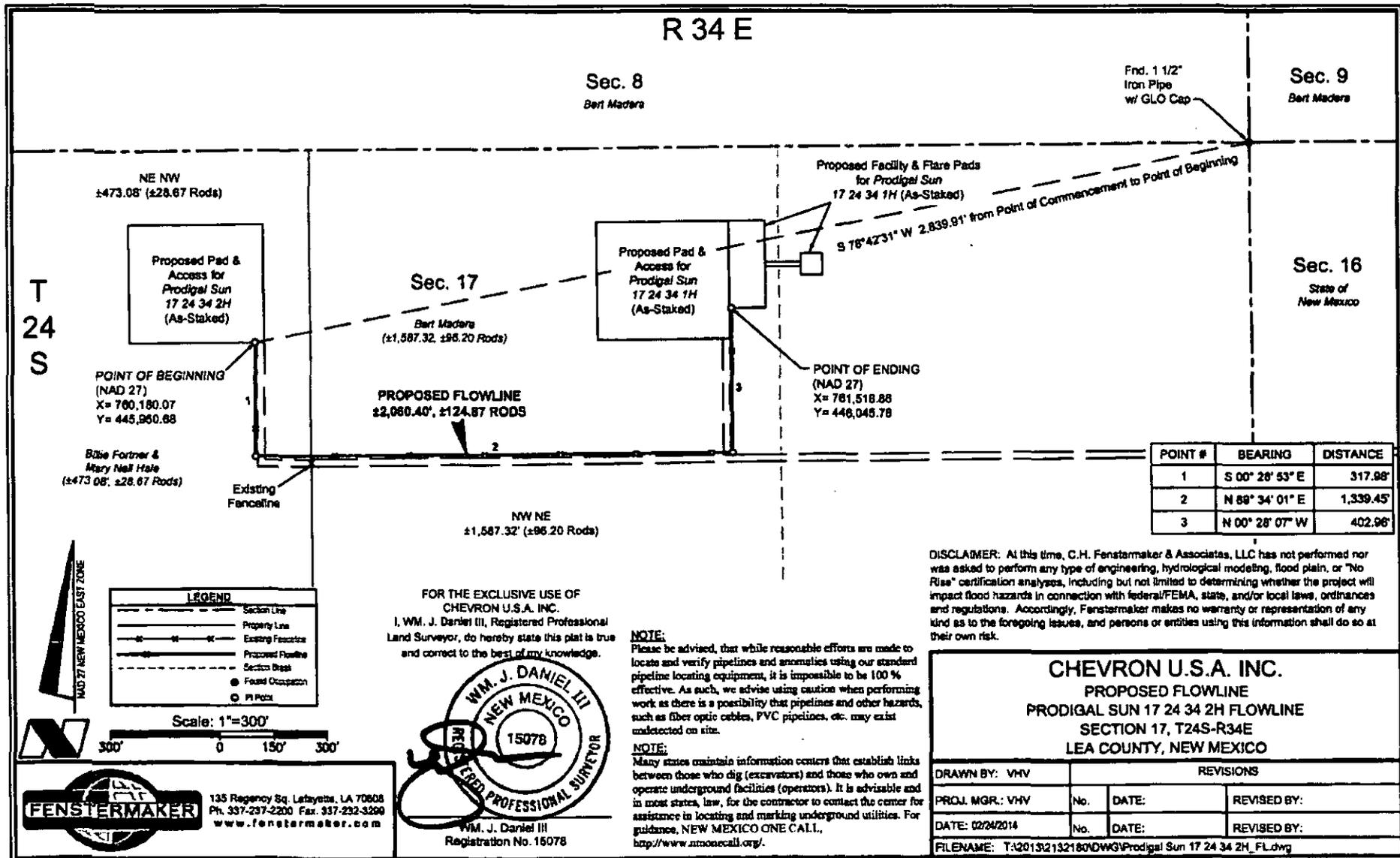
Mud					
Depth	Type	Weight	F. Vis	FL	
0' - 1,200'	Spud Mud	8.3 - 8.7	32 - 34	NC - NC	
1,200' - 5,200'	Brine	9.5 - 10.1	28 - 29	NC - NC	
5,200' - 10,468'	FW/Cut Brine	8.3 - 9.5	28 - 29	NC - NC	
10,468' - 11,222'	Cut Brine	8.3 - 9.5	28 - 30	15 - 25	
11,222' - 15,361'	FW/Cut Brine	8.3 - 9.5	28 - 29	15 - 25	

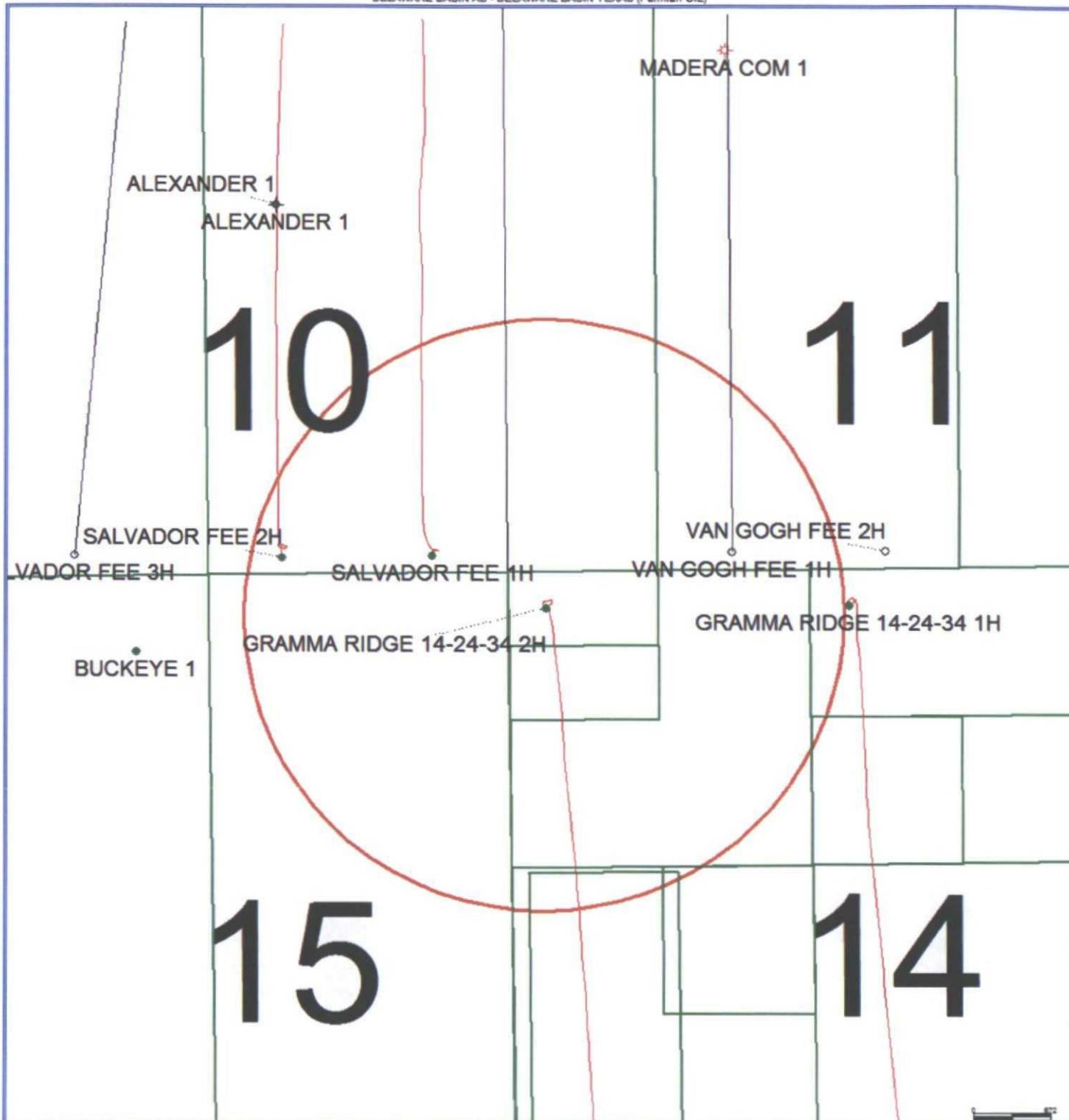
Cement							
Slurry	Top	Btn	Wt	Yld	%Exc	Bbl	Sx
Surface							
Lead	0'	900'	13.5	1.75	150	264	846
Tail	900'	1,200'	14.8	1.36	150	107	441
Intermediate							
Lead	0'	4,600'	12.9	1.87	100	460	1381
Tail	4,600'	5,200'	14.8	1.33	100	74	311
Production							
1st Lead	4,700'	9,968'	11.3	2.5	75.0	398.6	881
2nd Lead	9,968'	11,222'	13.2	1.6	75.0	99.8	348
Tail	11,222'	15,361'	15.0	2.6	35.0	251.4	543

Production Casing
 OD: 5 1/2"
 WT: 17.5#
 Grd: HCP-110
 Con: CDC
 Setting Depth: 15,361'

Directional Plan						
Target Line:	10950' KBTVD @ 0°VS with a 90.5 deg inc					
Target Window:	20' above, 20' below, 50' left, 50' right					
	MD	INC	AZM	TVD	VS	DLS
KOP	10,468'	0.00	0.00	10,468'	0'	0.00
EOB	11,222'	90.50	359.54	10,946'	482'	12.00
TD	15,361'	90.50	359.54	10,909'	4,620'	0.00
Hardlines:	Lateral- 330' from parallel lease lines. Vertical- Actual Lease Lines					
Notes:	Please note SHL and BHL distance from lease lines					

Type	Logs	Interval	Vendor
L	Mudlogs	2 man mudlog	Int Csg to TD
O	LWD	MWD Gamma	Curve and Lateral
G	-	-	-
S	-	-	-





MicroBreak - Pause for 7 seconds.

Relax and do a simple, comfortable seconds.

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 11:07 AM

Page 1 of 1

Run Date: 11/10/2014

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres 440.020
Serial Number NMNM-- - 113417

Serial Number: NMNM-- - 113417

Name & Address			Int Rel	% Interest
CHEVRON MIDCONTINENT LP THE ALLAR CO	11111 S WILCREST PO BOX 1567	HOUSTON TX 77099 GRAHAM TX 76450	OPERATING RIGHTS LESSEE	0.00000000 100.00000000

Serial Number: NMNM-- - 113417

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0240S	0340E	001	ALIQ	SWNW,NWSW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0240S	0340E	001	LOTS	4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0240S	0340E	011	ALIQ	E2E2,W2W2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 113417

Act Date	Code	Action	Action Remark	Pending Office
01/18/2005	299	PROTEST FILED		
01/18/2005	387	CASE ESTABLISHED	200501041;	
01/19/2005	191	SALE HELD		
01/19/2005	267	BID RECEIVED	\$286650.00;	
02/28/2005	237	LEASE ISSUED		
02/28/2005	298	PROTEST DISMISSED		
02/28/2005	974	AUTOMATED RECORD VERIF	LR	
03/01/2005	496	FUND CODE	05;145003	
03/01/2005	530	RLTY RATE - 12 1/2%		
03/01/2005	868	EFFECTIVE DATE		
06/20/2005	963	CASE MICROFILMED		
03/20/2006	932	TRF OPER RGTS FILED	ALLAR/PURE RESOURCE;1	
03/31/2006	940	NAME CHANGE RECOGNIZED	PURE RES/CHEVRON MIDC	
04/24/2006	933	TRF OPER RGTS APPROVED	EFF 04/01/06;	
04/24/2006	974	AUTOMATED RECORD VERIF	ANN	
08/09/2006	899	TRF OF ORR FILED	1	
08/12/2013	899	TRF OF ORR FILED	1	
08/15/2013	899	TRF OF ORR FILED	1	
08/15/2013	932	TRF OPER RGTS FILED	ALLAR/REGENERATION;1	
02/28/2014	933	TRF OPER RGTS APPROVED	EFF 09/01/13;	
02/28/2014	974	AUTOMATED RECORD VERIF	BTM	
06/02/2014	899	TRF OF ORR FILED	1	
02/28/2015	763	EXPIRES		

Serial Number: NMNM-- - 113417

Line Nr	Remarks
02	STIPULATIONS ATTACHED TO LEASE:
03	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE
04	NOTICE

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 11:05 AM

Page 1 of 2

Run Date: 11/10/2014

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres 640.000
Serial Number NMNM-- - 113418

Serial Number: NMNM-- - 113418

Name & Address		Int Rel	% Interest
CHEVRON MIDCONTINENT LP	PO BOX 2100	HOUSTON TX 772522100	OPERATING RIGHTS 0.000000000
REGENERATION ENERGY CORP	PO BOX 210	ARTESIA NM 882110210	OPERATING RIGHTS 0.000000000
THE ALLAR CO	PO BOX 1567	GRAHAM TX 76450	OPERATING RIGHTS 0.000000000
THE ALLAR CO	PO BOX 1567	GRAHAM TX 76450	LESSEE 100.000000000

Serial Number: NMNM-- - 113418

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0240S	0340E	017	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 113418

Act Date	Code	Action	Action Remark	Pending Office
01/18/2005	299	PROTEST FILED		
01/18/2005	387	CASE ESTABLISHED	200501042;	
01/19/2005	191	SALE HELD		
01/19/2005	267	BID RECEIVED	\$336000.00;	
02/28/2005	237	LEASE ISSUED		
02/28/2005	298	PROTEST DISMISSED		
02/28/2005	974	AUTOMATED RECORD VERIF	LR	
03/01/2005	496	FUND CODE	05;145003	
03/01/2005	530	RLTY RATE - 12 1/2%		
03/01/2005	868	EFFECTIVE DATE		
06/20/2005	963	CASE MICROFILMED		
03/20/2006	932	TRF OPER RGTS FILED	ALLAR/PURE RESOURCE;1	
03/31/2006	940	NAME CHANGE RECOGNIZED	PURE RES/CHEVRON MIDC	
04/24/2006	933	TRF OPER RGTS APPROVED	EFF 04/01/06;	
04/24/2006	974	AUTOMATED RECORD VERIF	ANN	
08/09/2006	899	TRF OF ORR FILED	1	
01/07/2008	932	TRF OPER RGTS FILED	CHEVRON MIDCO/ALLAR;1	
02/11/2008	933	TRF OPER RGTS APPROVED	EFF 02/01/08;	
02/11/2008	974	AUTOMATED RECORD VERIF	ANN	
08/12/2013	899	TRF OF ORR FILED	1	
08/15/2013	899	TRF OF ORR FILED	1	
08/15/2013	932	TRF OPER RGTS FILED	ALLAR/REGENERATION;1	
02/07/2014	932	TRF OPER RGTS FILED	ALLAR/CHEVRON MIDCO;1	
02/07/2014	932	TRF OPER RGTS FILED	CHEVRON M/REGENERAT;1	
02/07/2014	932	TRF OPER RGTS FILED	CHEVRON MIDCO/ALLAR;1	
02/07/2014	932	TRF OPER RGTS FILED	REGENERAT/CHEVRON M;1	
03/31/2014	899	TRF OF ORR FILED	1	
05/07/2014	558	TRF OPER RGTS RET UNAPPV	FILED 08/15/13;	
05/07/2014	957	TRF OPER RGTS DENIED	ALLAR/REGENERATION;	
05/07/2014	974	AUTOMATED RECORD VERIF	BTM	
05/08/2014	042	CASE SENT TO	JSERRANO;	
06/09/2014	932	TRF OPER RGTS FILED	ALLAR COM/CHEVRON M;1	
08/12/2014	933	TRF OPER RGTS APPROVED	1 EFF 07/01/14;	
08/12/2014	933	TRF OPER RGTS APPROVED	2 EFF 07/01/14;	

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 11:05 AM

Page 2 of 2

Run Date: 11/10/2014

08/12/2014	933	TRF OPER RGTS APPROVED	3 EFF 07/01/14;
08/28/2014	932	TRF OPER RGTS FILED	ALLAR COM/REGENERAT;1
09/05/2014	933	TRF OPER RGTS APPROVED	1 EFF 09/01/14;
09/05/2014	933	TRF OPER RGTS APPROVED	2 EFF 09/01/14;
09/05/2014	933	TRF OPER RGTS APPROVED	3 EFF 09/01/14;
09/05/2014	974	AUTOMATED RECORD VERIF	JS
02/28/2015	763	EXPIRES	

Serial Number: NMNM-- - 113418

Line Nr	Remarks
0002	STIPULATIONS ATTACHED TO LEASE:
0003	NM-11-LN SPECIAL CULTURAL RESOURCE LN
0005	ONE ARCHAEOLOGICAL SITE IS KNOWN TO BE LOCATED
0006	IN THE NW OF SEC 17.
0007	SENM-S-19 PLAYAS AND ALKALI LAKES
0008	-
0009	03/01/2008 - RENTAL PAID - PER MRM
0010	08/12/2014 - RENTAL PAID THRU 03/01/14

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-9720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 742-1253 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1320 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-42318	² Pool Code 96434	³ Pool Name Red Hills, BONE SPRING, North
⁴ Property Code	⁵ Property Name ANTELOPE RIDGE 11 24 34 FEDERAL	
⁷ OGRID No. 4323	⁶ Operator Name CHEVRON U.S.A. INC.	
⁸ Well Number 311		
⁹ Elevation 3507'		

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	11	24 SOUTH	34 EAST, N.M.P.M.		330'	SOUTH	980'	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	24 SOUTH	34 EAST, N.M.P.M.		330'	NORTH	980'	WEST	LEA

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

11 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Cindy Herrera-Murillo 11-8-11
Signature Date

Cindy Herrera-Murillo
Printed Name

cherreramurillo@chevron.com
E-mail Address

12 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

4.3.11
Date of Survey

[Signature]
Signature and Seal of Professional Surveyor

W.M. J. DANIEL III
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
15078

#15078

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-41957		2 Pool Code 96434		3 Pool Name Red Hills, BOULE SPRING, North	
4 Property Code 313474		4 Property Name PRODIGAL SUN 17 24 34			6 Well Number 1H
7 OGRID No. 4323		8 Operator Name CHEVRON U.S.A. INC.			9 Elevation 3564'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	17	24 SOUTH	34 EAST, N.M.P.M.		330'	NORTH	1660'	EAST	LEA

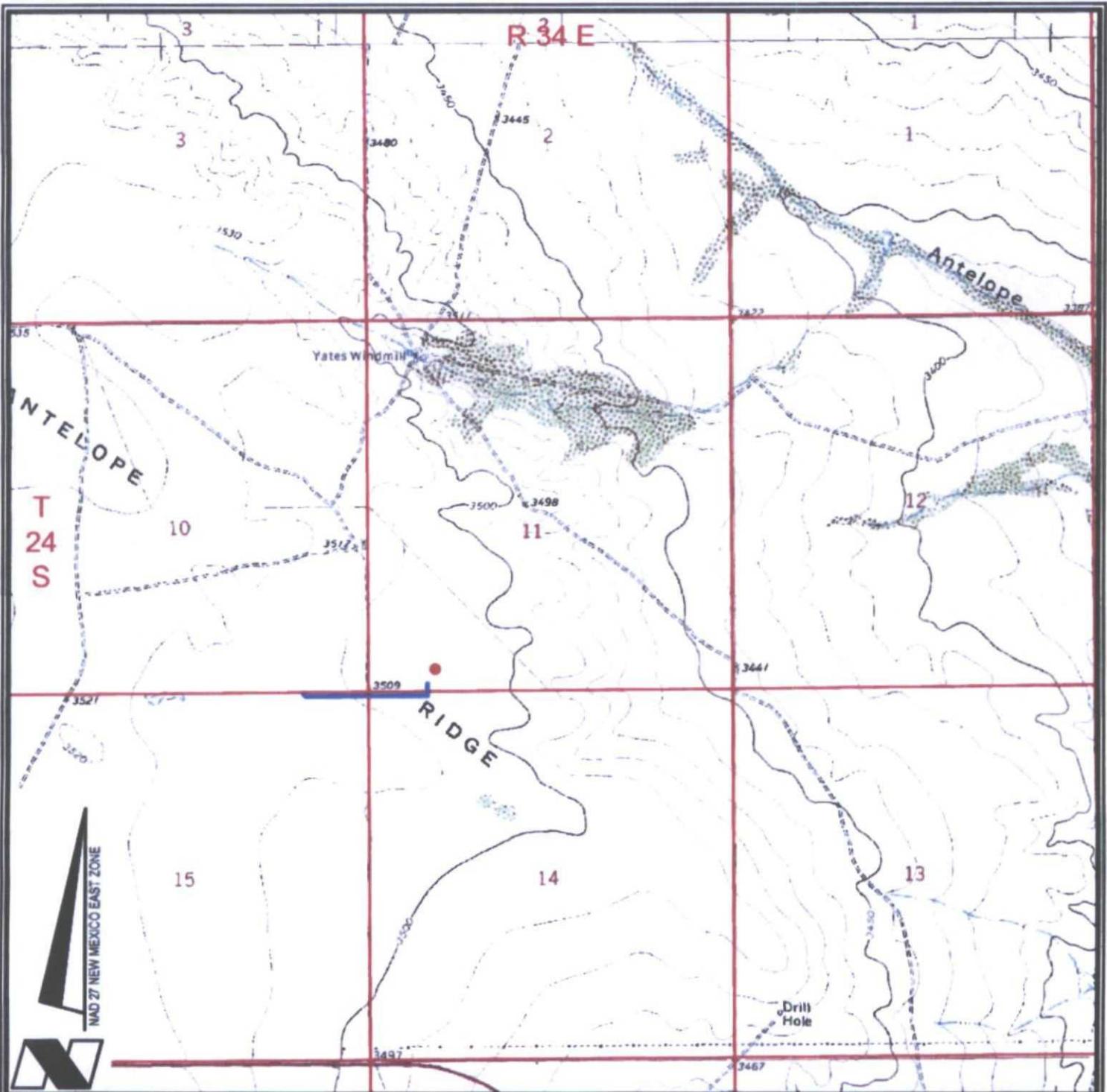
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	17	24 SOUTH	34 EAST, N.M.P.M.		330'	SOUTH	1660'	EAST	LEA

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at the location pursuant to a contract with an owner of such a subland or working interest, or in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Cindy Herrera-Murillo 11-18-14 Signature Date</p> <p>Cindy Herrera-Murillo Printed Name</p> <p>Cherreramorillo@chevron.com E-mail Address</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCT 2, 2013 Date of Survey</p> <p>[Signature] Signature and Seal of Professional Surveyor</p> <p>15078 Certificate Number</p>



VICINITY MAP



CHEVRON U.S.A. INC.

ANTELOPE RIDGE 11 24 34 FEDERAL NO. 3H WELL
LOCATED 330' FSL AND 980' FWL
SECTION 11, T24S-R34E
LEA COUNTY, NEW MEXICO



Lafayette New Orleans Houston
 135 Regency Sq. Lafayette, LA 70508
 Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

DRAWN BY: VHV

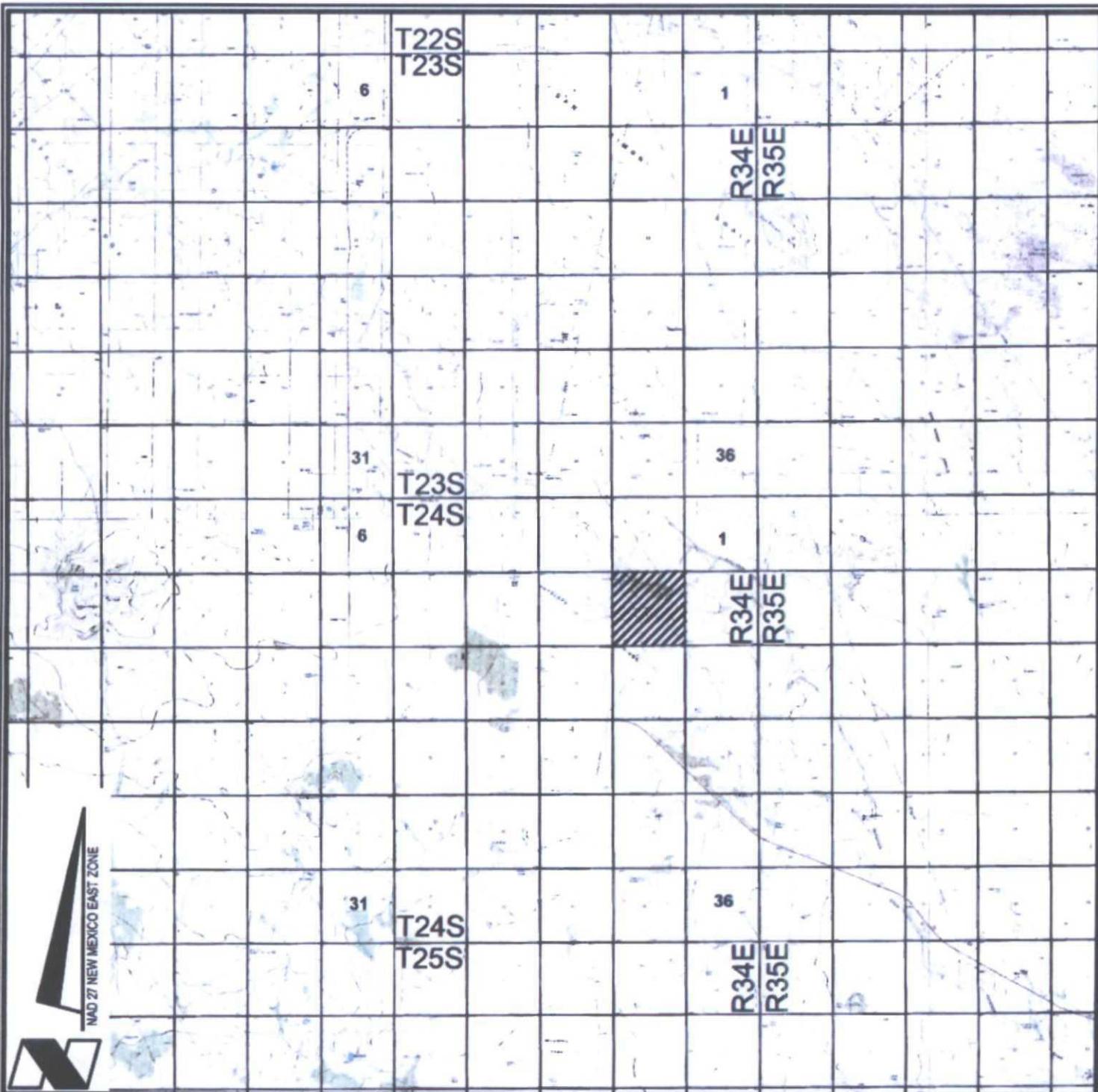
REVISED: 03/27/2014 BMO

DATE: 03/07/2014

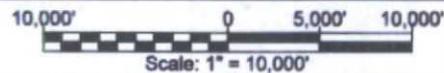
PROJ. MGR.: VHV

SHEET 1 OF 3 SHEETS

FILENAME: T:\2014\214375\DWG\Antelope Ridge 11 24 34 Federal 3H_APD.dwg



VICINITY MAP



CHEVRON U.S.A. INC.

ANTELOPE RIDGE 11 24 34 FEDERAL NO. 3H WELL
 LOCATED 330' FSL AND 980' FWL
 SECTION 11, T24S-R34E
 LEA COUNTY, NEW MEXICO



Lafayette New Orleans Houston
 135 Regency Sq. Lafayette, LA 70508
 Ph. 337-237-2200 Fax. 337-232-3299
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DRAWN BY: VHV

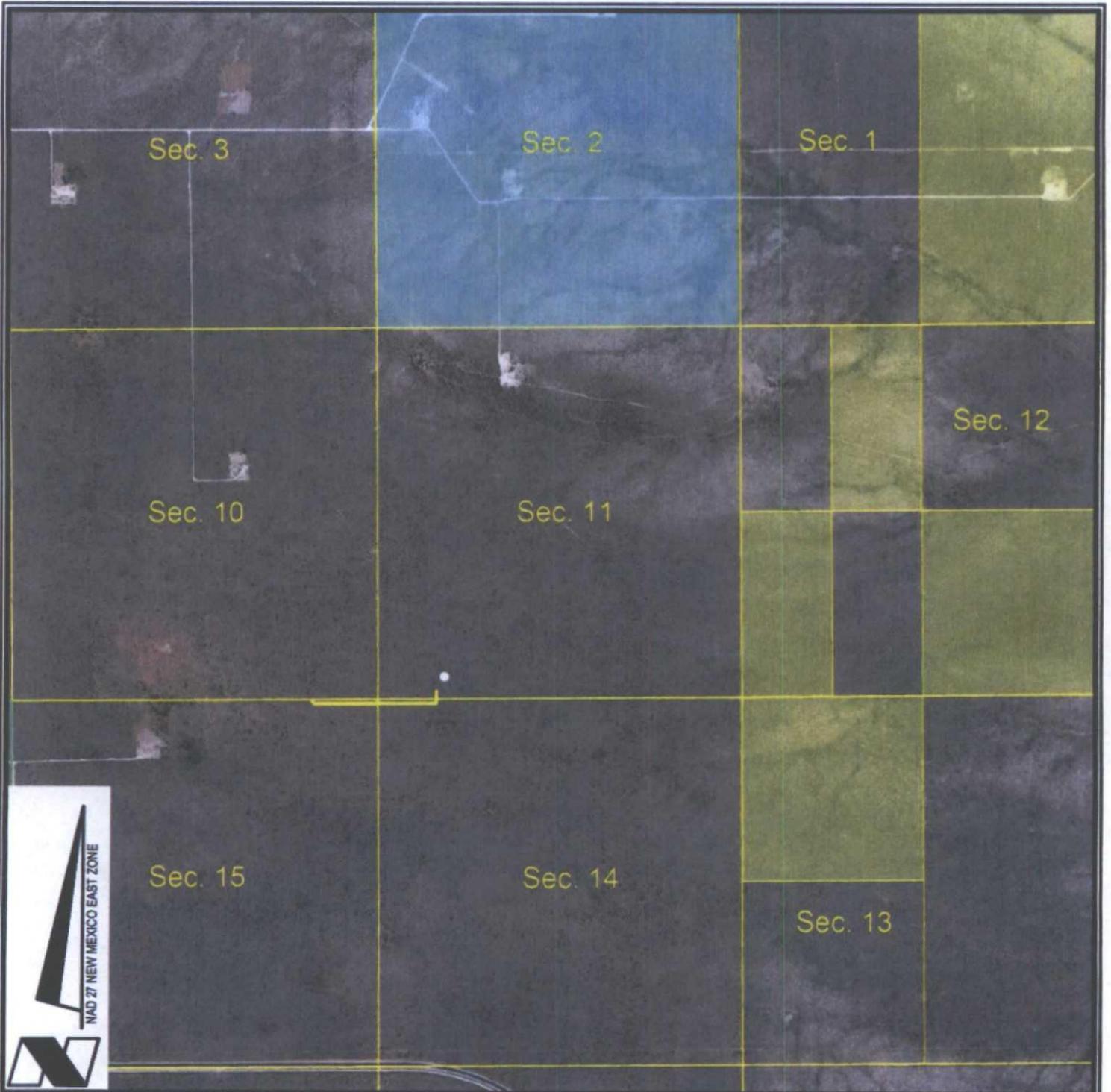
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REVISED: 03/27/2014 BMO

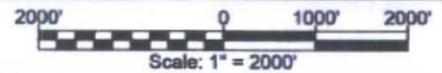
DATE: 03/07/2014

SHEET 2 OF 3 SHEETS

FILENAME: T:\2014\2143757\DWG\Antelope Ridge 11 24 34 Federal 3H_APD.dwg



VICINITY MAP



-  = FEDERAL LAND
-  = FEE LAND
-  = STATE LAND

CHEVRON U.S.A. INC.
ANTELOPE RIDGE 11 24 34 FEDERAL NO. 3H WELL
LOCATED 330' FSL AND 980' FWL
SECTION 11, T24S-R34E
LEA COUNTY, NEW MEXICO



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 135 Regency Sq. Lafayette, LA 70508
 Ph. 337-237-2200 Fax. 337-232-3299
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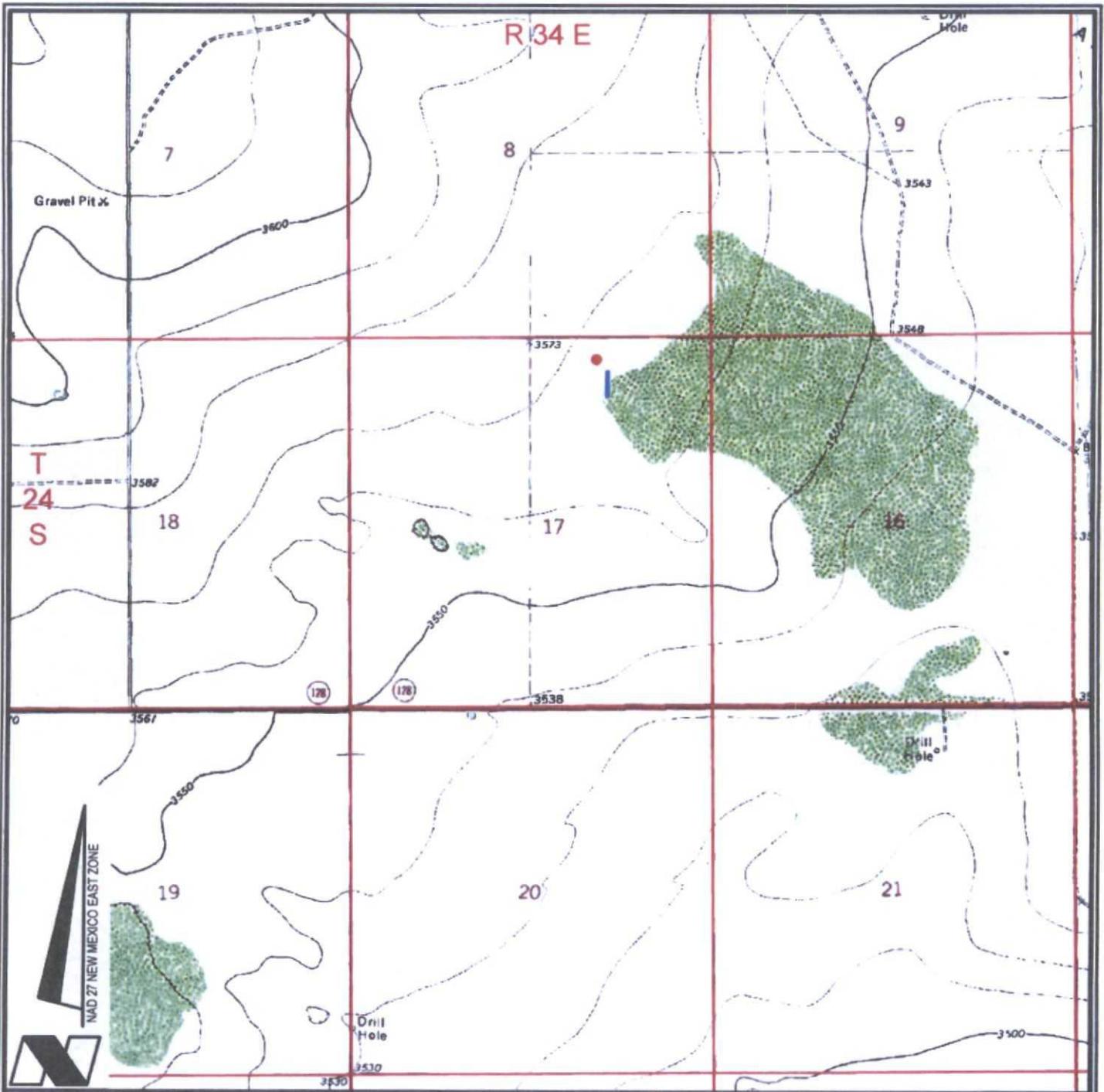
REVISED: 03/27/2014 BMO

DATE: 03/07/2014

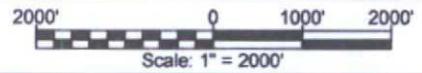
PROJ. MGR.: VHV

SHEET 3 OF 3 SHEETS

FILENAME: T:\2014\2143757\DWG\Antelope Ridge 11 24 34 Federal 3H_APD.dwg



VICINITY MAP



CHEVRON U.S.A. INC.
 PRODIGAL SUN 17 24 34 NO. 1H WELL
 LOCATED 330' FNL AND 1660' FEL
 SECTION 17, T24S-R34E
 LEA COUNTY, NEW MEXICO



Lafayette New Orleans Houston
 135 Regency Sq. Lafayette, LA 70508
 Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

DRAWN BY: BMO

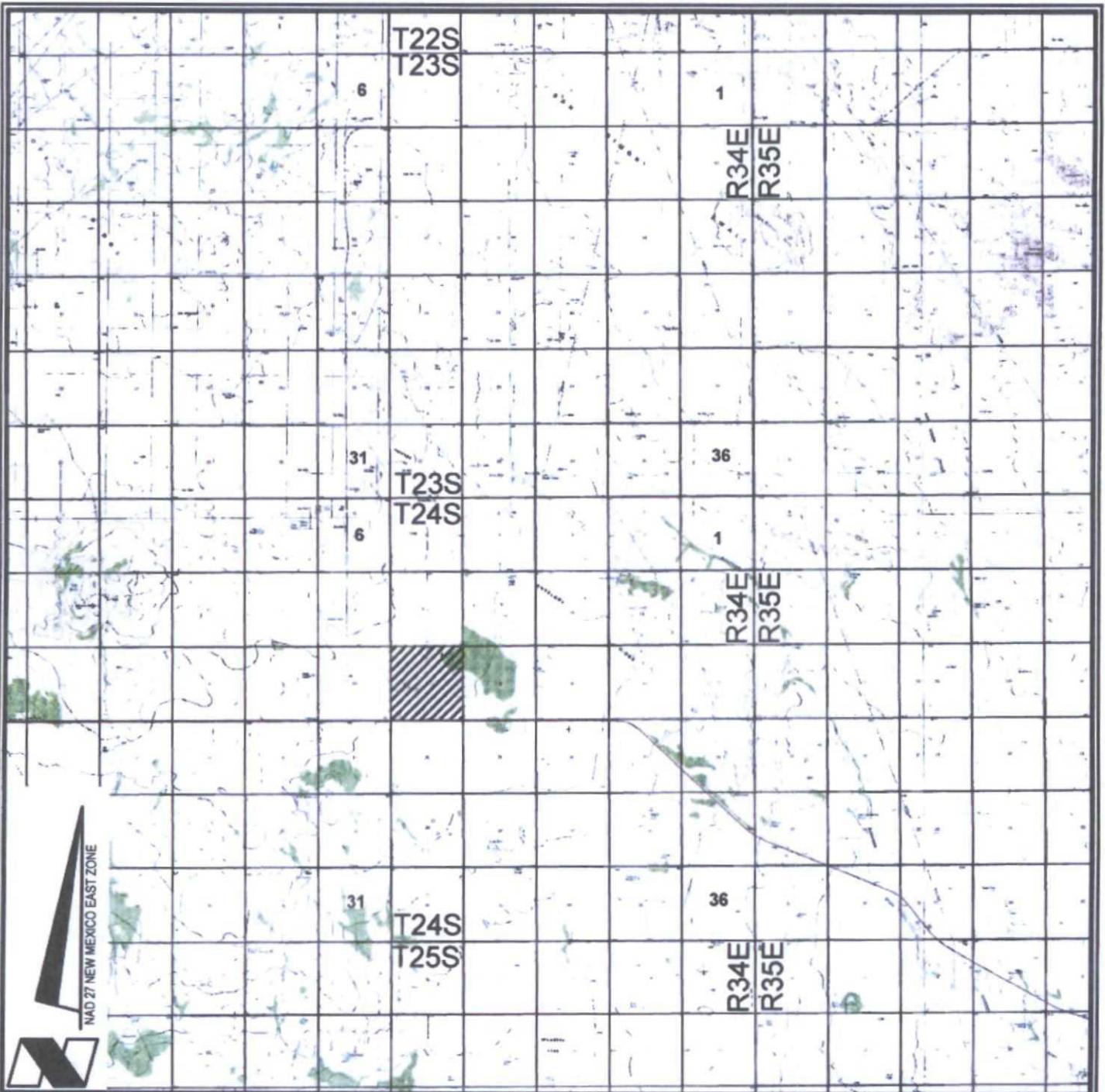
REVISED:

DATE: 09/25/2013

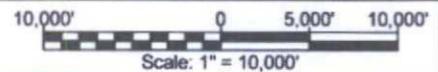
PROJ. MGR.: VHV

SHEET 1 OF 3 SHEETS

FILENAME: T:\2013\2132173\DWG\Prodigal Sun 17 24 34 1H_APD.dwg



VICINITY MAP



CHEVRON U.S.A. INC.
 PRODIGAL SUN 17 24 34 NO. 1H WELL
 LOCATED 330' FNL AND 1660' FEL
 SECTION 17, T24S-R34E
 LEA COUNTY, NEW MEXICO



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 135 Regency Sq. Lafayette, LA 70508
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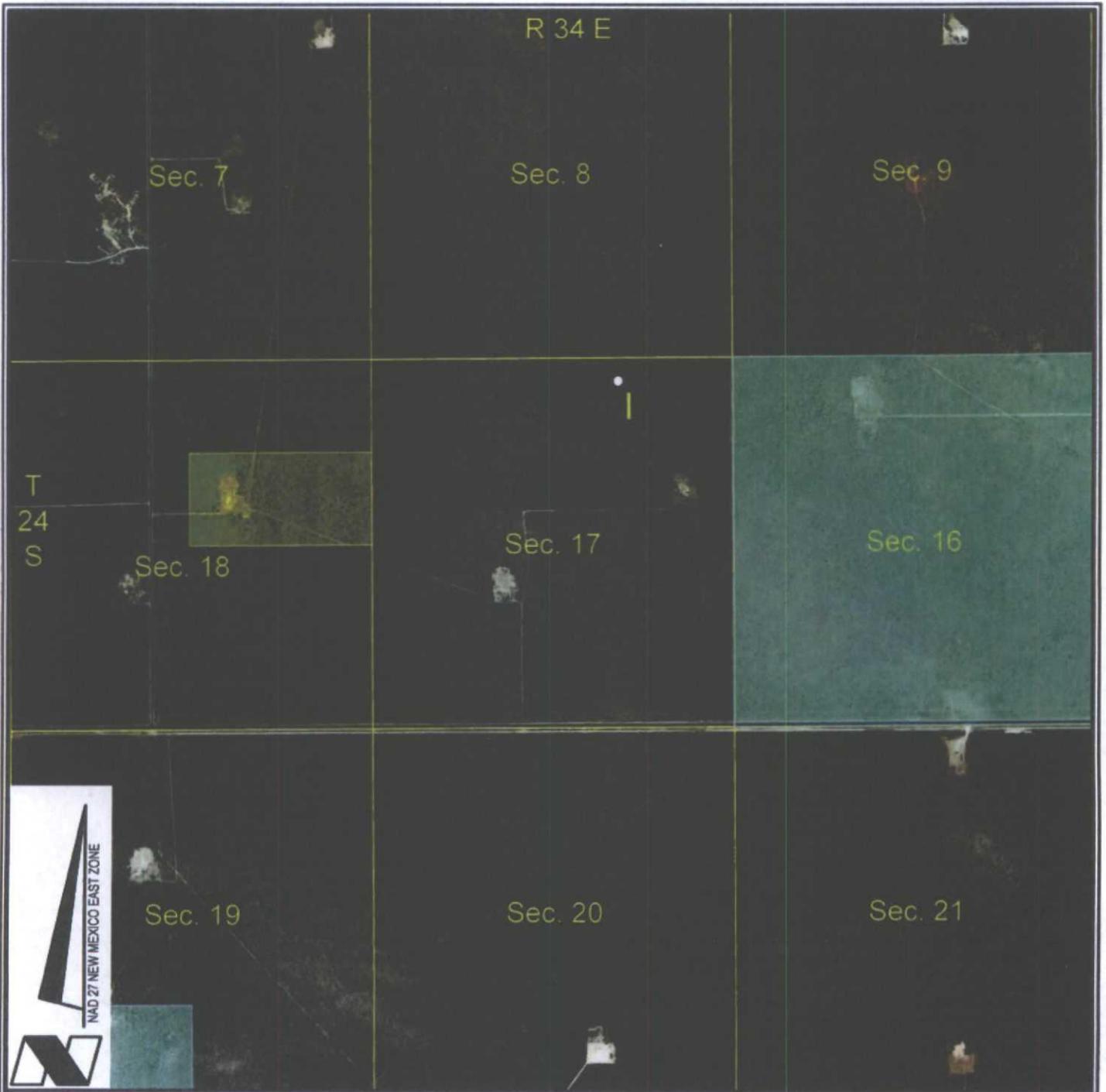
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 PROJ. MGR.: VHV

REVISED:

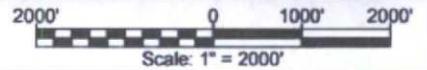
DATE: 09/25/2013

SHEET 2 OF 3 SHEETS

FILENAME: T:\2013\2132173\DWG\Prodigal Sun 17 24 34 1H_APD.dwg



VICINITY MAP



-  - FEDERAL LAND
-  - FEE LAND
-  - STATE LAND

CHEVRON U.S.A. INC.
PRODIGAL SUN 17 24 34 NO. 1H WELL
 LOCATED 330' FNL AND 1660' FEL
 SECTION 17, T24S-R34E
 LEA COUNTY, NEW MEXICO



Lafayette New Orleans Houston
 135 Regency Sq. Lafayette, LA 70508
 Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

DRAWN BY: BMO
 PROJ. MGR.: VHV

REVISED:

DATE: 09/25/2013

SHEET 3 OF 3 SHEETS

FILENAME: T:\2013\2132173\DWG\Prodigal Sun 17 24 34 1H_APD.dwg

List of Working Interest/Royalty Interest for Antelope Ridge/Prodigal Sun

<u>Interest</u>	<u>Certified Post Office #</u>
COG Operating LLC	7011 0110 0002 0279 8232
Bureau of Land Management	7011 0110 0002 0279 8270
Sandra Thoma	7011 0110 0002 0279 8225
The Allar Company	7011 0110 0002 0279 8249
John Thoma	7011 0110 0002 0279 8256
Regeneration Energy Corp	7011 0110 0002 0279 8263