



David W. Macurdy
Factory HES Support
Supervisor
Midcontinent BU

RECEIVED OOD

2016 JUL -5 P 2: 51

Chevron North America
Exploration and Production Company
(A Chevron U.S.A. Inc. Division)
1600 Smith Street, Room 26100C
Houston, TX 77002
Tel 713-754-3826
david.macurdy@chevron.com

June 30, 2016

New Mexico Oil Conservation Division
Engineering Bureau
1220 South St. Francis Drive
Santa Fe, NM 87505

Application for Surface Commingling, Jennings; Upper Bone Spring Shale Pool, Lea County, NM (T26S, R32E, Sections 14 & 23)

Dear Sirs,

Chevron U.S.A. Inc., respectfully requests administrative approval to surface commingle oil, gas, and water production from the Jennings; Upper Bone Spring Shale Pool (97838) through Chevron's Salado Draw 23 Central Tank Battery *from existing and future wells* drilled in the following areas of common ownership in Township 26 South, Range 32 East in Lea County, New Mexico:

- a) Section 14 to include the SD WE 14 Fed P5 #1H, SD WE 14 Fed P5 #2H, SD WE 14 Fed P7 #3H, and SD WE 14 Fed P7 #4H.
- b) Section 23 to include the SD WE 23 Fed P5 #1H, SD WE 23 Fed P5 #2H, SD WE 23 Fed P7 #3H, and SD WE 23 Fed P7 #4H.

The working interest and federal royalty rate are the same for the two leases involved in this application (100% CVX, 12.5% federal royalty rate) and there are no other working or overriding royalty interest owners.

Please contact me with any questions about this application.

Sincerely,

David W. Macurdy
Factory HES Support Supervisor

DATE IN 7/01/2016	SUSPENSE	ENGINEER MAM	LOGGED IN 7/01/2016	TYPE CTB	APP NO. P4Am161832425
----------------------	----------	-----------------	------------------------	-------------	--------------------------

ABOVE TABLE 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 793
-Chevron USA, Inc
4323

Well
-SD WE 14 Feb 17
3H
30-025-43086
+ 7 wells

[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

POJ
-Jennings Upper
Bone Spring
Shale
97838

[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.

David W. Macurdy
Print or Type Name

Signature

Factory HES Support Supervisor
Title

08/17/2016
Date

david.macurdy@chevron.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Chevron U.S.A. Inc.

OPERATOR ADDRESS: 6301 Deauville Blvd., Midland, TX 79706

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

(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.
(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: Jennings; Upper Bone Spring Shale / 97838
(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 (BLM is only interest owner)
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

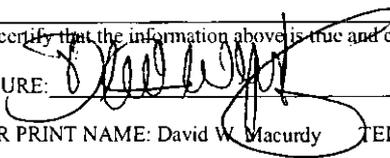
(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(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: 

TITLE: Factory HES Support Supervisor DATE: 06/17/2016

TYPE OR PRINT NAME: David W. Macurdy TELEPHONE NO.: 713-754-3826 E-MAIL ADDRESS: david.macurdy@chevron.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM118722

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
SD WE 14 FED P7 3H

9. API Well No.
30-025-43086

10. Field and Pool, or Exploratory
JENNINGS; UPPER BN SPR SH

11. County or Parish, and State
LEA COUNTY, NM

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.
Contact: DENISE PINKERTON
E-Mail: leakejd@chevron.com

3a. Address
6301 DEAUVILLE
MIDLAND, TX 79706

3b. Phone No. (include area code)
Ph: 432-687-7375

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 14 T26S R32E Mer NMP 215FSL 698FEL

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	Surface 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 U.S.A. INC. PROVIDES NOTICE OF INTENT AND REQUESTS APPROVAL TO SURFACE COMMINGLE OIL, GAS, AND WATER PRODUCTION FROM THE JENNINGS; UPPER BONE SPRING SHALE POOL THROUGH THE SALADO DRAW 23 CENTRAL TANK BATTERY. ALL LISTED WELLS ARE OR WILL BE COMPLETED WITHIN THE BONE SPRING FORMATION LOCATED IN SECTIONS 14 AND 23, T26S, R32E, LEA COUNTY, NEW MEXICO.

- SD WE 14 FED P7 #3H 30-025-43086 LEASE NMNM118722
- SD WE 14 FED P7 #4H 30-025-43087 LEASE NMNM118722
- SD WE 14 FED P5 #1H 30-025-42800 LEASE NMNM118722
- SD WE 14 FED P5 #2H 30-025-42801 LEASE NMNM118722
- SD WE 23 FED P7 #3H 30-025-43088 LEASE NMNM118723
- SD WE 23 FED P7 #4H 30-025-43089 LEASE NMNM118723
- SD WE 23 FED P5 #1H 30-025-42802 LEASE NMNM118723

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

**Electronic Submission #343508 verified by the BLM Well Information System
For CHEVRON U.S.A. INC., sent to the Hobbs**

Name (Printed/Typed) DENISE PINKERTON	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 06/30/2016

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.

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

Additional data for EC transaction #343508 that would not fit on the form

32. Additional remarks, continued

SD WE 23 FED P5 #2H 30-025-42803 LEASE NMNM118723

PLEASE FIND ATTACHED, THE SD 23 CTB SURFACE COMMINGLE APPLICATION 06302016

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Salado Draw 23 Central Tank Battery

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc. is requesting approval for the Central Tank Battery (CTB) and commingling for the following wells:

Federal Lease NMNM118722

Well Name	Location	API #	Pool 97838	Oil		Gas	
				BOPD	Gravity	MCFPD	BTU
SD WE 14 Fed P7 #3H	Sec14, SESE T26S R32E	3002543086	Jennings; Upper Bone Spring	470*	43*	940*	1400*
Well Name	Location	API #	Pool 97838	BOPD	Gravity	MCFPD	BTU
SD WE 14 Fed P7 #4H	Sec14, SESE T26S R32E	3002543087	Jennings; Upper Bone Spring	470*	43*	940*	1400*
Well Name	Location	API #	Pool 97838	BOPD	Gravity	MCFPD	BTU
SD WE 14 Fed P5 #1H	Sec14, SWSW T26S R32E	3002542800	Jennings; Upper Bone Spring	470*	43*	940*	1400*
Well Name	Location	API #	Pool 97838	BOPD	Gravity	MCFPD	BTU
SD WE 14 Fed P5 #2H	Sec14, SWSW T26S R32E	3002542801	Jennings; Upper Bone Spring	470*	43*	940*	1400*

Federal Lease NMNM118723

Well Name	Location	API #	Pool 97838	Oil		Gas	
				BOPD	Gravity	MCFPD	BTU
SD WE 23 Fed P7 #3H	Sec14, SESE T26S R32E	3002543088	Jennings; Upper Bone Spring	470*	43*	940*	1400*
Well Name	Location	API #	Pool 97838	BOPD	Gravity	MCFPD	BTU
SD WE 23 Fed P7 #4H	Sec14, SESE T26S R32E	3002543089	Jennings; Upper Bone Spring	470*	43*	940*	1400*
Well Name	Location	API #	Pool 97838	BOPD	Gravity	MCFPD	BTU
SD WE 23 Fed P5 #1H	Sec14, SWSW T26S R32E	3002542802	Jennings; Upper Bone Spring	470*	43*	940*	1400*
Well Name	Location	API #	Pool 97838	BOPD	Gravity	MCFPD	BTU
SD WE 23 Fed P5 #2H	Sec14, SWSW T26S R32E	3002542803	Jennings; Upper Bone Spring	470*	43*	940*	1400*

*These are only estimates; actuals will be supplied after well tests are complete.

The BLM's interest in these leases is the same. Lease NMNM118722 royalty rate is 12.5% and Lease NMNM118723 is 12.5%.

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Salado Draw 23 Central Tank Battery

Oil & Gas metering:

Definitions:

Train 1 wells (Lease NMNM 118722) refer to the following:

- SD WE 14 Fed P7 #3H
- SD WE 14 Fed P7 #4H
- SD WE 14 Fed P5 #1H
- SD WE 14 Fed P5 #2H

Train 2 wells (Lease NMNM 118723) refer to the following:

- SD WE 23 Fed P7 #3H
- SD WE 23 Fed P7 #4H
- SD WE 23 Fed P5 #1H
- SD WE 23 Fed P5 #2H

“Bulk” Gas:

- Refers to gas measured downstream of primary gas separation in a Two-Phase separation vessel

“Flash” Gas:

- Refers to gas measured downstream of VRU and Flash Gas Compressor which flashes from the oil following primary gas separation

“Bulk” Oil

- Refers to oil measured downstream of Heater Treater prior to commingling

The Salado Draw 23 CTB is located in the SESW portion of Sec 14 T26S R32E in Lea County, New Mexico

There are three shared oil tanks at the Salado Draw 23 CTB that the wells will utilize, and oil will be sold through a common central delivery point (CDP) Lease Automated Custody Transfer unit (SN TBD). For gas, there will be a common central delivery point (CDP) DBM sales meter (SN TBD) located on the northern pad edge of the Salado Draw 23 CTB. The produced water will go to common water tanks on location at Salado Draw 23 CTB.

All oil from Train 1 Wells will be continuously measured through a coriolis meter (SN TBD) on the oil outlet line of the Train 1 heater treater and all gas will be continuously measured through an orifice meter run with a Total Flow computer (SN TBD) on the outlet of the Train 1 Two-Phase Separator. All oil from Train 2 Wells will be continuously measured through a coriolis meter (SN TBD) on the oil outlet line of the Train 2 heater treater and all gas will be continuously measured through an orifice meter run with a Total Flow computer (SN TBD) on the outlet of the Train 2 Two-Phase Separator.

Oil Allocation:

Oil will be allocated to Train 1 and Train 2 wells on a daily basis, and each area's share of the CTB's total production will be calculated based on the results of continuous oil measurement downstream of each heater treater. This ratio will be applied to the total oil production metered by the Lease Automated Custody Transfer (LACT) meter (SN TBD) located at the Salado Draw 23 CTB.

- Salado Draw 23 Train 1 bulk oil allocation meter on the Salado Draw CTB Train 1 heater treater consists of a Micro Motion Coriolis meter (SN TBD).
- Salado Draw 23 Train 2 bulk oil allocation meter on the Salado Draw CTB Train 2 heater treater consists of a Micro Motion Coriolis meter (SN TBD)

Gas Allocation:

Gas will be allocated to Train 1 and Train 2 on a daily basis based on a combination of each Train's bulk gas measurement and flash gas measurement. Bulk gas for each train will be continuously measured utilizing orifice meters fitted with EFM flow computers installed downstream of each Train's two-phase separator and each area's share of bulk gas will be allocated based on a percentage of total bulk gas metered. Flash gas for the battery will be measured utilizing an orifice meter fitted with EFM flow computer installed downstream of the VRU and Flash Gas Compressor discharge (SN TBD) and each Train's share of flash gas will be allocated based on total oil allocations

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Salado Draw 23 Central Tank Battery

to each train. Fuel gas will be pulled from the common gas stream to benefit compressors and heated vessels as necessary.

- Salado Draw 23 Train 1 bulk gas allocation meter on the Salado Draw 23 CTB Train 1 two-phase separator consists of a Total Flow EFM (SN TBD).
- Salado Draw 23 Train 2 bulk gas allocation meter on the Salado Draw 23 CTB Train 2 two-phase separator consists of a Total Flow EFM (SN TBD).
- Salado Draw 23 Flash gas allocation meter on the Salado Draw 23 CTB flash gas outlet consists of a Total Flow EFM (SDN TBD)

Gas from Salado Draw 23 CTB will be either sold through the DBM Sales Meter or compressed for gas lift at the Salado Draw 23 Compressor Station located in the SESW portion of Sec 14 T26S R32E. Gas leaving the CTB will be continuously measured utilizing an orifice meter fitted with EFM flow computers (SN TBD) prior to entering either the Salado Draw 23 DBM Sales Line or the Salado Draw 23 Compressor Station suction.

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, location of flow lines, facility, and gas sales meter. The commingling of this production is the most efficient means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint, reduce traffic, and lower overall emissions.

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

Printed Name: Michelle Burkett
Date: 6/15/2016

Title: Facility Engineer

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Salado Draw 23 Central Tank Battery

**Economic Justification Work Sheet
Salado Draw 23 Central Tank Battery**

Commingling proposal for leases: NMNM118722 and NMNM118723

Federal Lease	Royalty Rate	Well Name	BOPD	Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
NMNM118722	12.5%	SD WE 14 Fed P7 #3H	470*	43*	\$36.48	940*	1400*	\$1.23
NMNM118722	12.5%	SD WE 14 Fed P7 #4H	470*	43*	\$36.48	940*	1400*	\$1.23
NMNM118722	12.5%	SD WE 14 Fed P5 #1H	470*	43*	\$36.48	940*	1400*	\$1.23
NMNM118722	12.5%	SD WE 14 Fed P5 #2H	470*	43*	\$36.48	940*	1400*	\$1.23
NMNM118723	12.5%	SD WE 23 Fed P7 #3H	470*	43*	\$36.48	940*	1400*	\$1.23
NMNM118723	12.5%	SD WE 23 Fed P7 #4H	470*	43*	\$36.48	940*	1400*	\$1.23
NMNM118723	12.5%	SD WE 23 Fed P5 #1H	470*	43*	\$36.48	940*	1400*	\$1.23
NMNM118723	12.5%	SD WE 23 Fed P5 #2H	470*	43*	\$36.48	940*	1400*	\$1.23

Economic Combined Production

Federal Lease	Facility Name	BOPD	Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
NMNM118722 NMNM118723	Salado Draw 23 Central Tank Battery	3760	43*	\$36.48	7520*	1400*	\$1.23

*These are estimated numbers. Actuals will be supplied after completion.

Bone Spring oil production in the area is sweet and is sold at a flat rate of 40 API gravity. Therefore, regardless of the API values of the individual wells the common stream will be sold as if it was sweet and 40 API gravity.

Gas production is sold at El Paso Permian index commercial value less gathering, processing, transportation, and point sales fees regardless of BTU heating value and commingling will not impact royalty value. These wells are in the same formation and therefore the heating value is similar.

Printed Name: David Macurdy

Title: Factory HES Support Supervisor

Date: 06/17/2016

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Salado Draw 23 Central Tank Battery

Salado Draw 23 CTB Surface Commingling Application– Lea County, New Mexico, T26S-R32E

Owner Information:

<u>Interest Type</u>	<u>Name</u>	<u>ADDRESS</u>	<u>CITY</u>	<u>STATE CODE</u>	<u>ZIP CODE</u>
Working Interest	Chevron U.S.A. Inc.	PO Box 2100	Houston	TX	77252-2100
Royalty Interest	United States of America	PO Box 27115	Santa Fe	NM	87502-0115

Wells:

SD WE 14 Fed P7 #3H
SD WE 14 Fed P7 #4H
SD WE 14 Fed P5 #1H
SD WE 14 Fed P5 #2H
SD WE 23 Fed P7 #3H
SD WE 23 Fed P7 #4H
SD WE 23 Fed P5 #1H
SD WE 23 Fed P5 #2H

Leases:

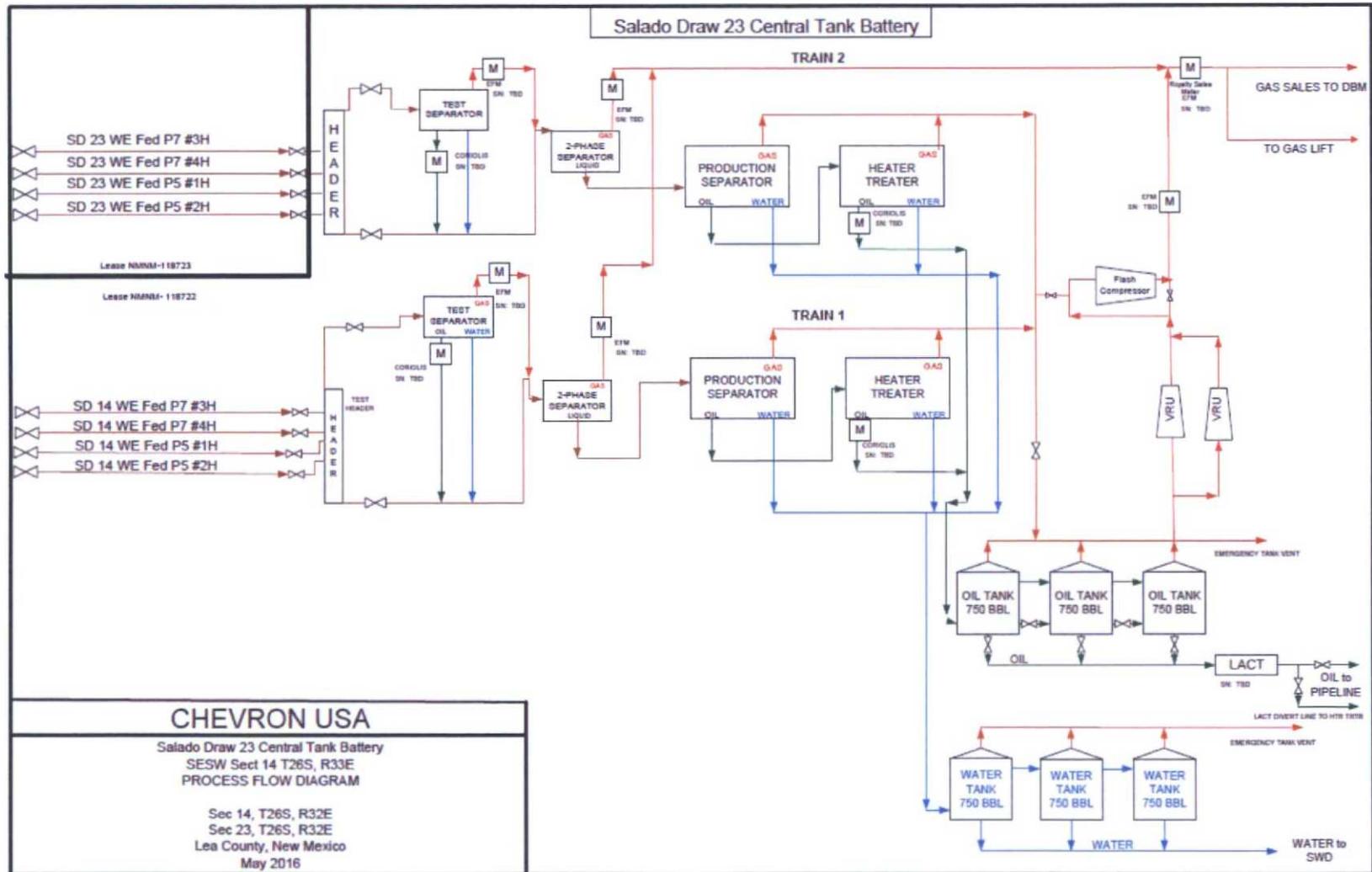
BLM Lease NMNM 118722 – E/2 E/2 and W/2 W/2 of Section 14
BLM Lease NMNM 118723 – E/2 E/2 and W/2 W/2 of Section 23
All within T26S-R32E, Lea County, New Mexico

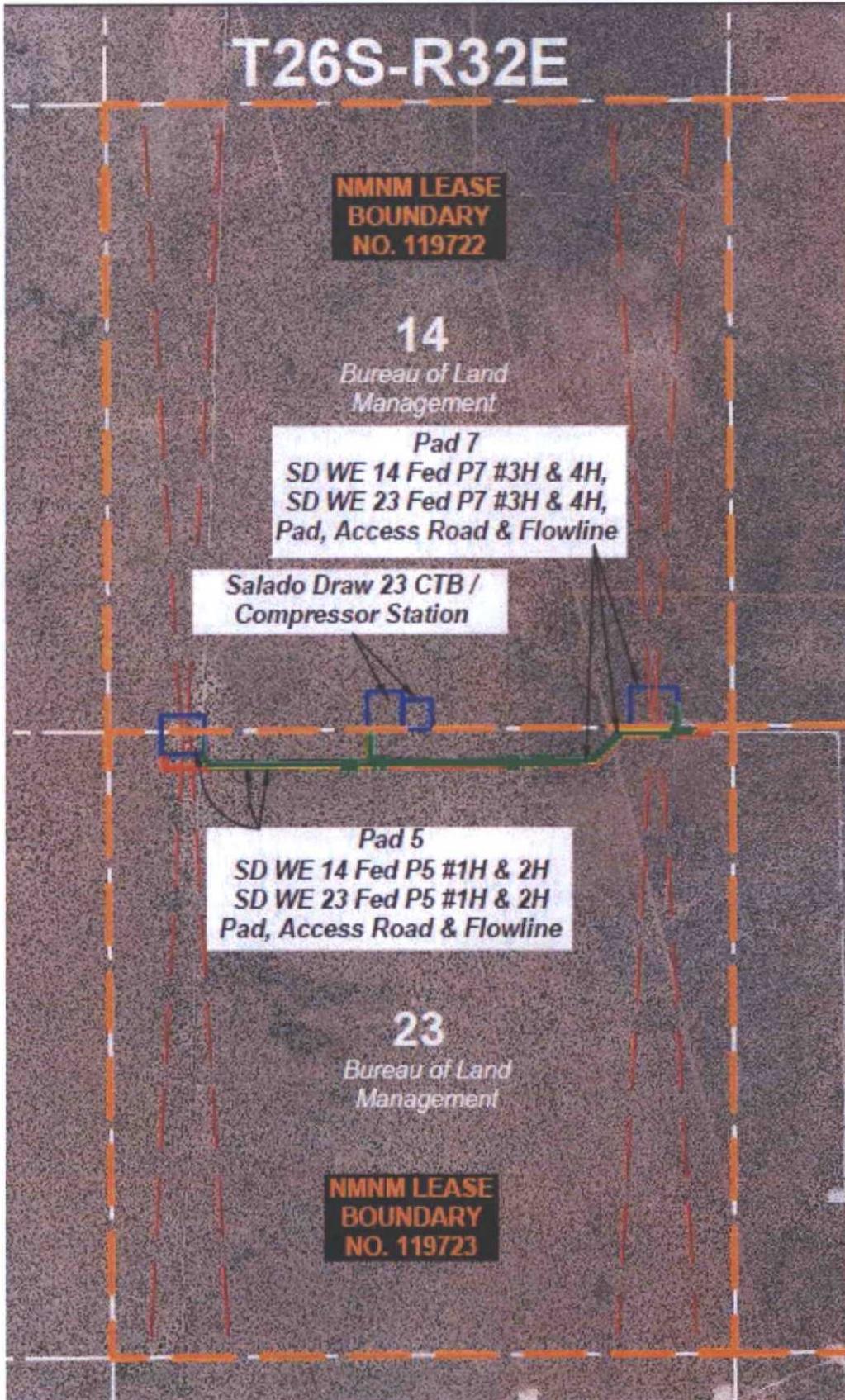
The royalty and working interest owners are the same in all of the wells and all leases listed above. There is no overriding royalty interest ownership. I verify that the above information is correct.



Shalyce Holmes
Land Representative
6/17/2016

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Salado Draw 23 Central Tank Battery





APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Salado Draw 23 Central Tank Battery

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

Run Time: 02:18 PM
Page 6 of 6

Run Date: 06/18/2018

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

Total Acres 1,800.000
Serial Number NMNM-- - 118722

Serial Number: NMNM-- - 118722
Name & Address Int Rel % Interest
CHEVRON USA INC 6301 DEAUVILLE MIDLAND TX 797062964 LESSEE 100.000000000

Serial Number: NMNM-- - 118722
Mer Twp Rng Sec STyp SNr SUFF Subdivision District/Field Office County Mgmt Agency
23 02605 0320E 013 ALIQ N2,SW,W2SE,SESE; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT
23 02605 0320E 014 ALL ENTIRE SECTION CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT
23 02605 0320E 024 ALIQ N2,N2S2,S2SW; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT

Serial Number: NMNM-- - 118722
Act Date Code Action Action Remark Pending Office
05/25/2007 387 CASE REESTABLISHED 200707062;
07/18/2007 143 BONUS BID PAYMENT RECD \$3600.00;
07/18/2007 191 SALE HELD
07/18/2007 267 BID RECEIVED \$630000.00;
07/25/2007 143 BONUS BID PAYMENT RECD \$626400.00;
08/27/2007 237 LEASE ISSUED
08/27/2007 974 AUTOMATED RECORD VERIF BCO
09/01/2007 496 FUND CODE 05;145003
09/01/2007 530 RLTY RATE - 12 1/2%
09/01/2007 868 EFFECTIVE DATE
06/11/2008 817 MERGER RECOGNIZED CHESA LLC/CHESA LP
08/22/2008 817 MERGER RECOGNIZED
11/27/2012 140 ASGN FILED CHESAPEAK/CHEVRON U;1
04/10/2013 139 ASGN APPROVED EPF 12/01/12;
04/10/2013 974 AUTOMATED RECORD VERIF ANN
08/31/2017 763 EXPIRES

Serial Number: NMNM-- - 118722
Line Nr Remarks
0002 STIPULATIONS ATTACHED TO LEASE;
0003 NM-11-1N SPECIAL CULTURAL RESOURCE
0004 SRNM-S-20 SPRINGS, SERPE AND TANKS
0005 04/10/2013 - RENTAL PAID 09/01/12; PER ONRR

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Salado Draw 23 Central Tank Battery

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

Run Time: 02:21 PM
Page 8 of 8

Run Date: 08/16/2018

01 12-22-1987;101STAT1330;30USC181 ET SE Total Acres Serial Number
Case Type 312021: O&G LSE COMP PD -1987 1,280.000 NMNM-- - 118723
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 118723
Name & Address Int Rel % Interest
CHEVRON USA INC 6301 DEAUVILLE MIDLAND TX 797062954 LESSEE 100.00000000

Serial Number: NMNM-- - 118723
Mer Twp Rng Sec STyp SNr Suffix Subdivision District/Field Office County Mgmt Agency
23 02605 0320E 015 ALL ENTIRE SECTION CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT
23 02605 0320E 023 ALL ENTIRE SECTION CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT

Serial Number: NMNM-- - 118723
Act Date Code Action Action Remark Pending Office
05/25/2007 387 CASE ESTABLISHED 200707063;
07/18/2007 143 BONUS BID PAYMENT RECD \$2560.00;
07/18/2007 191 SALE HELD
07/18/2007 267 BID RECEIVED \$640000.00;
07/25/2007 143 BONUS BID PAYMENT RECD \$637440.00;
08/27/2007 237 LEASE ISSUED
08/27/2007 974 AUTOMATED RECORD VERIF BCO
09/01/2007 496 FUND CODE 05;145003
09/01/2007 530 RLTY RATE - 12 1/2%
09/01/2007 868 EFFECTIVE DATE
06/11/2008 817 MERGER RECOGNIZED CHEEA LLC/CHEEA LP
08/22/2008 817 MERGER RECOGNIZED
10/09/2012 650 HELD BY PROD - ACTUAL /1/
11/27/2012 140 ASGN FILED CHESAPEAK/CHEVRON U;1
12/20/2012 643 PRODUCTION DETERMINATION /1/
12/20/2012 658 MEMO OF 1ST PROD-ACTUAL /1/ KIEHLE RECH 15;
04/10/2013 139 ASGN APPROVED BPP 12/01/12;
04/10/2013 974 AUTOMATED RECORD VERIF ACN

Serial Number: NMNM-- - 118723
Line Nr Remarks
0002 ETIPULATIONS ATTACHED TO LEASE:
0003 EM-11-LN SPECIAL CULTURAL RESOURCE
0004 04/10/2013 - RENTAL PAID 09/01/12 - PER OWNER

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

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

HOBBS OCD

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

FEB 29 2016

RECEIVED AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-43086	² Pool Code 97838	³ Pool Name Jennings; Upper BONE SPRING, Shale
⁴ Property Code 3160A	⁵ Property Name SD WE 14 FED P7	
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁶ Well Number 3H
⁹ Elevation 3165'		

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
P	14	26 SOUTH	32 EAST, N.M.P.M.		215'	SOUTH	698'	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
A	14	26 SOUTH	32 EAST, N.M.P.M.		180'	NORTH	990'	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.

PROPOSED BOTTOM HOLE LOCATION	
X=	714,901 NAD 27
Y=	382,491
LAT.	32.049685
LONG.	103.639725
X=	756,088 NAD83
Y=	382,548
LAT.	32.049810
LONG.	103.640195

CORNER COORDINATES TABLE (NAD 27)

A - Y=382668.90, X=714562.55
 B - Y=382677.22, X=715890.15
 C - Y=378663.24, X=714583.23
 D - Y=378673.21, X=715914.07
 E - Y=377328.02, X=714590.12
 F - Y=377338.54, X=715922.04

SD WE 14 FED P7 3H WELL	
X=	715,223 NAD 27
Y=	377,548
LAT.	32.036092
LONG.	103.638790
X=	756,410 NAD83
Y=	377,605
LAT.	32.036217
LONG.	103.639259
ELEVATION	+3165 NAVD 88

Proposed Last Take Point
330' FNL, 981' FEL

Proposed First Take Point
330' FSL, 705' FEL

Proposed Producing Interval
N 03°43'18"W 4,953.44'

180'

990'

215'

698'

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 unleased 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 1-31-15
Signature Date

Cindy Herrera-Murillo
Printed Name

Cherrera.murillo@chevron.com
E-mail Address

16 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.

3-24-15
Date of Survey

Signature and Seal of Professional Surveyor:
W.M. J. DANIEL III
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
19078

Certificate Number
#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) 748-0720
District III
 1000 Rio Brazos Road, Artesia, 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

HOBBS OCD

FEB 29 2016

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 70-024-	² Pool Code 97838	³ Pool Name Jennings; Upper BOVE SPRING, Shale
⁴ Property Code 716011	⁵ Property Name SD WE 23 FED P7	⁶ Well Number 3H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3165'

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
P	14	26 SOUTH	32 EAST, N.M.P.M.		215'	SOUTH	673'	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
P	23	26 SOUTH	32 EAST, N.M.P.M.		180'	SOUTH	990'	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>SD WE 23 FED P7 3H WELL</p> <p>X= 715,248 NAD 27 Y= 377,548 LAT. 32.036092 LONG. 103.638709</p> <p>X= 756,435 NAD83 Y= 377,605 LAT. 32.036217 LONG. 103.639178</p> <p>ELEVATION = 3165' NAVD 82</p>	<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 714,953 NAD 27 Y= 372,153 LAT. 32.021265 LONG. 103.639772</p> <p>X= 756,140 NAD83 Y= 372,210 LAT. 32.021390 LONG. 103.640241</p>	<p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=378663.24, X=714583.23 B - Y=378673.21, X=716914.07 C - Y=377328.02, X=714590.12 D - Y=377338.54, X=715922.04 E - Y=371970.41, X=714615.34 F - Y=371978.70, X=715943.63</p>		<p>11 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 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.</p> <p><i>Cindy Herrera-Murillo</i> Signature Date Cindy Herrera-Murillo Printed Name Cherreramurillo@chevron.com E-mail Address</p>	<p>12 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>3.24.15 Date of Survey Signature and Seal of Professional Surveyor: Certificate Number #15078</p>
--	---	--	--	--	---

District I
1623 N. Freach Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1293 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

HOBBS OCD

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

RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-47087	Well Cont 97838	Pool Name Jennings; Upper Bone Spring Shale
Property Code 316012	Property Name SD WE 14 FED P7	Well Number 4H
GRID No. 4323	Operator Name CHEVRON U.S.A. INC.	Elevation 3165'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	26 SOUTH	32 EAST, N.M.P.M.		215'	SOUTH	648'	EAST	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
A	14	26 SOUTH	32 EAST, N.M.P.M.		180'	NORTH	330'	EAST	LEA

Dedicated Acres 160	Joint or Infill	Consolidation Code	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.

PROPOSED BOTTOM HOLE LOCATION	
X=	715,561 NAD 27
Y=	382,495
LAT.	32.049885
LONG.	103.637595
CORNER COORDINATES TABLE (NAD 27)	
A - Y=	382668.90, X=714562.55
B - Y=	382677.22, X=715890.15
C - Y=	378663.24, X=714583.23
D - Y=	378673.21, X=715914.07
E - Y=	377328.02, X=714590.12
F - Y=	377338.54, X=715922.04

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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill the 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.

Signature: Cindy Herrera-Murillo Date: 7-31-15
 Printed Name: Cindy Herrera-Murillo
 E-mail Address: Cherreramurillo@chevron.com

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.

Date of Survey: 3-24-15
 Signature and Seal of Professional Surveyor: [Signature]
 Certificate Number: 15078

SD WE 14 FED P7 4H WELL	
X=	715,273 NAD 27
Y=	377,548
LAT.	32.036092
LONG.	103.638828
X=	756,460 NAD83
Y=	377,606
LAT.	32.036217
LONG.	103.639098
ELEVATION +3165 NAVD 88	



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

FEB 29 2016

AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 90025-		² Pool Code 97838		³ Pool Name Jennings; Upper Bone Spring, Shale	
⁴ Property Code 716011		⁵ Property Name SD WE 23 FED P7			⁶ Well Number 4H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3165'

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
P	14	26 SOUTH	32 EAST, N.M.P.M.		215'	SOUTH	623'	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
P	23	26 SOUTH	32 EAST, N.M.P.M.		180'	SOUTH	330'	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.

SD WE 23 FED P7 4H WELL	
X=	715,298 NAD 27
Y=	377,549
LAT.	32.036092
LONG.	103.638548
X=	756,485 NAD83
Y=	377,606
LAT.	32.036217
LONG.	103.639017
ELEVATION +3165' NAVD 88	

PROPOSED BOTTOM HOLE LOCATION	
X=	715,613 NAD 27
Y=	372,157
LAT.	32.021265
LONG.	103.637643
X=	756,800 NAD83
Y=	372,214
LAT.	32.021390
LONG.	103.638111

CORNER COORDINATES TABLE (NAD 27)

A - Y=378663.24, X=714583.23
 B - Y=378673.21, X=715914.07
 C - Y=377328.02, X=714590.12
 D - Y=377338.54, X=715922.04
 E - Y=371970.41, X=714615.34
 F - Y=371978.70, X=715943.63

" 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 unleased 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.

Signature: Cindy Herrera-Murillo Date: 7-31-15
 Printed Name: Cindy Herrera-Murillo
 E-mail Address: Cherreramurillo@chevron.com

"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.

Date of Survey: 3-24-15
 Signature and Seal of Professional Surveyor: [Signature]
 Certificate Number: #15078

HOBBS OGD

SEP 21 2015

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-42800		Pool Code 97838		Pool Name Jennings, Upper Bone Spring Shale	
Property Code 315268		Property Name SD WE 14 FED P5			Well Number 1H
OGRID No 4323		Operator Name CHEVRON U.S.A. INC.			Elevation 3157'

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	14	26 SOUTH	32 EAST, N.M.P.M.		10'	SOUTH	623'	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	14	26 SOUTH	32 EAST, N.M.P.M.		280'	NORTH	330'	WEST	LEA

Dedicated Acres 160	Joint or Infill	Consolidation Code	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.

PROPOSED BOTTOM HOLE LOCATION

X=	710.910	NAD 27
Y=	382.366	
LAT.	32.049411	
LONG.	103.652607	
X=	752.097	NAD83
Y=	382.423	
LAT.	32.049536	
LONG.	103.653077	

CORNER COORDINATES TABLE (NAD 27)

A - Y=382643.92, X=710579.74
B - Y=382652.25, X=711907.34
C - Y=378633.33, X=710590.73
D - Y=378643.30, X=711921.56
E - Y=377296.47, X=710594.39
F - Y=377306.99, X=711926.30

SO WE 14 FED P5 1H WELL

X=	711.217	NAD 27
Y=	377.311	
LAT.	32.035512	
LONG.	103.651720	
X=	752.405	NAD83
Y=	377.369	
LAT.	32.035637	
LONG.	103.652189	
ELEVATION	+3157 NAVD 88	

PROPOSED LAST TAKE POINT
330' FNL, 333' FWL

PROPOSED FIRST TAKE POINT
330' FSL, 605' FWL

PROPOSED PRODUCING INTERVAL
N 03°28'28"W 5,063.91'

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 wildcard 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.

Signature: *Cindy Herrera-Murillo* Date: 4-27-15
Printed Name: Cindy Herrera-Murillo
E-mail Address: Cherreramurillo@chevron.com

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.

Date of Survey: 10-29-14
Signature and Seal of Professional Surveyor: *Wm. J. Daniel III*
REGISTERED PROFESSIONAL SURVEYOR 15078
Certification Number: #15078

SEP 22 2015

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
SEP 21 2015 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-42802		² Pool Code 97838		³ Pool Name Jennings; Upper Bone Spring Shale	
⁴ Property Code 715271		⁵ Property Name SD WE 23 FED P5			⁶ Well Number 1H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3157'

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
M	14	26 SOUTH	32 EAST, N.M.P.M.		10'	SOUTH	648'	WEST	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
M	23	26 SOUTH	32 EAST, N.M.P.M.		280'	SOUTH	330'	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.

SD WE 23 FED P5 1H WELL		
X=	711,242	NAD 27
Y=	377,312	
LAT.	32.035512	
LONG.	103.651639	
X=	752,430	NAD83
Y=	377,369	
LAT.	32.035637	
LONG.	103.652109	
ELEVATION +3157' NAVD 88		

PROPOSED BOTTOM HOLE LOCATION		
X=	710,959	NAD 27
Y=	372,228	
LAT.	32.021541	
LONG.	103.652658	
X=	752,146	NAD83
Y=	372,285	
LAT.	32.021666	
LONG.	103.653127	

CORNER COORDINATES TABLE (NAD 27)

A - Y=378633.33, X=710590.73
 B - Y=378643.30, X=711921.56
 C - Y=377296.47, X=710594.39
 D - Y=377308.99, X=711926.30
 E - Y=371945.53, X=710630.44
 F - Y=371953.82, X=711958.74

¹⁷ 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 unleased 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 in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Cindy Herrera-Morillo 4-27-15
 Signature Date

Cindy Herrera-Morillo
 Printed Name

Cherreramorillo@chevron.com
 E-mail Address

¹⁸ 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.

10-29-14
 Date of Survey

[Signature]
 Signature and Seal of Professional

Wm. J. Daniel III
 NEW MEXICO
 REGISTERED PROFESSIONAL SURVEYOR
 15078

Certificate Number
 1515078

SEP 23 2015

SEP 21 2015

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
311 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-5720
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) 476-2462

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

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-42801	² Pool Code 97838	³ Pool Name Jennings; Upper BONE Spring Shale
⁴ Property Code 319268	⁵ Property Name SD WE 14 FED P5	
⁶ OGRID No 4323	⁷ Operator Name CHEVRON U.S.A. INC.	⁸ Well Number 2H
		⁹ Elevation 3157'

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	26 SOUTH	32 EAST, N.M.P.M.		10'	SOUTH	673'	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	14	26 SOUTH	32 EAST, N.M.P.M.		280'	NORTH	990'	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.

Proposed Last Take Point
330' FNL, 987' FWL

Proposed Producing Interval
N 03°25'47"E 5,067.42'

Proposed First Take Point
330' FSL, 693' FWL

PROPOSED BOTTOM HOLE LOCATION	
X=	711,570 NAD 27
Y=	382,370
LAT.	32.049411
LONG.	103.650477
X=	752,757 NAD83
Y=	382,427
LAT.	32.049536
LONG.	103.650547

CORNER COORDINATES TABLE (NAD 27)

A - Y=382643.92, X=710579.74
B - Y=382652.25, X=711907.34
C - Y=378633.33, X=710590.73
D - Y=378643.30, X=711921.56
E - Y=377298.47, X=710594.39
F - Y=377306.99, X=711926.30

SD WE 14 FED P5 2H WELL	
X=	711,267 NAD 27
Y=	377,312
LAT.	32.035512
LONG.	103.651558
X=	752,455 NAD83
Y=	377,369
LAT.	32.035637
LONG.	103.652028
ELEVATION	+3157' NAVD 88

" 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 unleased 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 conspiracy, pooling order heretofore entered by the division.

Cindy Herrera-Murillo 4-27-15
Signature Date
Cindy Herrera-Murillo
Printed Name
Cherreramurillo@chevron.com
E-mail Address

" 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.

10-29-14
Date of Survey
Signature and Seal of Registered Surveyor
W.M. J. DANIEL III
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
15078
Certificate Number

SEP 23 2015

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
1600 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

HOBBS OCD

SEP 21 2015

RECEIVED

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 42803		2 Pool Code 97838		3 Pool Name Jennings; Upper Bone Spring Shale	
4 Property Code 315271		5 Property Name SD WE 23 FED P5			6 Well Number 2H
7 OGRID No. 4323		8 Operator Name CHEVRON U.S.A. INC.			9 Elevation 3156'

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
M	14	26 SOUTH	32 EAST, N.M.P.M.		10'	SOUTH	698'	WEST	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
M	23	26 SOUTH	32 EAST, N.M.P.M.		280'	SOUTH	990'	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.

SD WE 23 FED P5 2H WELL		
X=	711,292	NAD 27
Y=	377,312	
LAT.	32.035512	
LONG.	103.651478	
X=	752,480	NAD83
Y=	377,369	
LAT.	32.035637	
LONG.	103.651947	
ELEVATION +3156 NAVD 88		

PROPOSED BOTTOM HOLE LOCATION		
X=	711,619	NAD 27
Y=	372,232	
LAT.	32.021541	
LONG.	103.650529	
X=	752,806	NAD83
Y=	372,289	
LAT.	32.021666	
LONG.	103.650997	

CORNER COORDINATES TABLE (NAD 27)

A - Y=378633.33, X=710590.73
 B - Y=378643.30, X=711921.56
 C - Y=377296.47, X=710594.39
 D - Y=377306.99, X=711926.30
 E - Y=371945.53, X=710630.44
 F - Y=371953.82, X=711958.74

17 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 in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Cindy Herrera-Murillo Date: 4-27-15
 Printed Name: Cindy Herrera-Murillo
 E-mail Address: Cherreramurillo@chevron.com

18 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.

Date of Survey: 10.29.14
 Signature and Seal of Professional Surveyor:

 Certificate Number: #15078

SEP 23 2015

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.
Salado Draw 23 Central Tank Battery

Chevron Functional Contacts			
<i>Contact Name</i>	<i>Function</i>	<i>Phone Number</i>	<i>Email Address</i>
Michelle Burkett	CD/Performance FE Lead	432-687-7265	mburkett@chevron.com
David Macurdy	Factory HES Support Supervisor	713-754-3826	david.macurdy@chevron.com
Caleb Brown	Facilities Engineer	432-687-7326	Caleb.Brown@chevron.com

McMillan, Michael, EMNRD

From: Macurdy, David W <david.macurdy@chevron.com>
Sent: Friday, July 01, 2016 8:31 AM
To: McMillan, Michael, EMNRD
Subject: RE: RE: REQUEST: Surface Commingling Application / Salado Draw 23 Central Tank Battery

Correct.

David W. Macurdy ☺☺
Factory HES Support Supervisor
MidContinent Business Unit
Chevron North America Exploration and Production Company
1600 Smith Street, Room 26100C
Houston, TX 77002
Tel 713-754-3826
Mobile 281-389-6353
david.macurdy@chevron.com

"Incident-Free Operations, Each and Every Day"

This message may contain confidential information that is legally privileged, and is intended only for the use of the parties to whom it is addressed. If you are not an intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any information in this message is strictly prohibited. If you have received this message in error, please notify me at 713-754-3826 or by reply e-mail. Thank you.

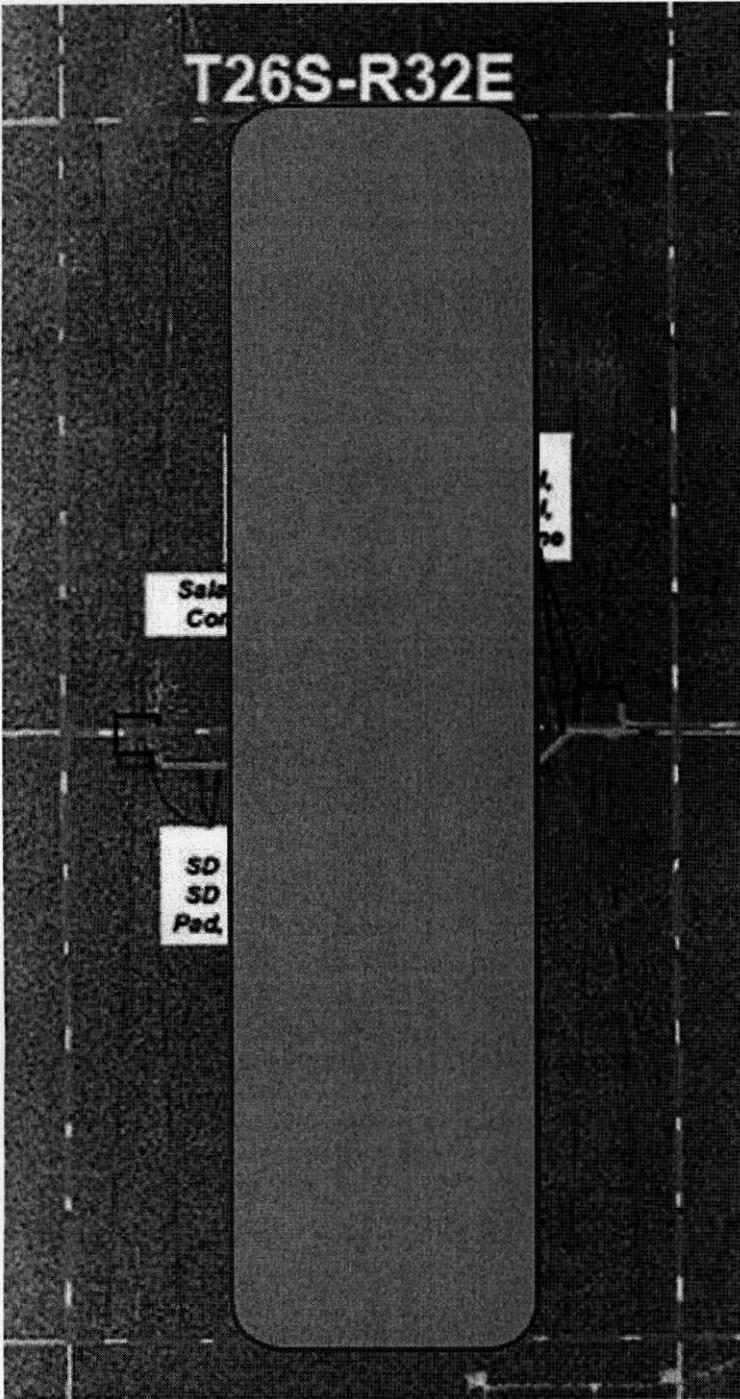
From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Friday, July 01, 2016 9:24 AM
To: Macurdy, David W
Subject: [**EXTERNAL**] RE: RE: REQUEST: Surface Commingling Application / Salado Draw 23 Central Tank Battery

So all you are requesting is that all wells in Section 14 be included in the project area because of identical ownership, and likewise all wells in Section 23 be included in other project area.

Mike

From: Macurdy, David W [<mailto:david.macurdy@chevron.com>]
Sent: Friday, July 01, 2016 8:20 AM
To: McMillan, Michael, EMNRD
Subject: RE: RE: REQUEST: Surface Commingling Application / Salado Draw 23 Central Tank Battery

Lease NMNM119722 includes all of Section 14 and Lease NMNM119723 includes all of Section 23. The desire is to be able to add the planned eight wells (see blue shaded polygon below) in the W/2 E/2 and E/2 W/2 of Section 14 and W/2 E/2 and E/2 W/2 of Section 23 to the Salado Draw 23 CTB Administrative Order through subsequent Sundry notice and not need to submit an amended application.



Is my approach valid? This is my first application to allow addition of future wells under this approach.

Thanks.

David W. Macurdy ●●
Factory HES Support Supervisor
MidContinent Business Unit
Chevron North America Exploration and Production Company
1600 Smith Street, Room 26100C
Houston, TX 77002
Tel 713-754-3826

Mobile 281-389-6353
david.macurdy@chevron.com

"Incident-Free Operations, Each and Every Day"

This message may contain confidential information that is legally privileged, and is intended only for the use of the parties to whom it is addressed. If you are not an intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any information in this message is strictly prohibited. If you have received this message in error, please notify me at 713-754-3826 or by reply e-mail. Thank you.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Friday, July 01, 2016 9:10 AM
To: Macurdy, David W
Subject: [**EXTERNAL**] RE: RE: REQUEST: Surface Commingling Application / Salado Draw 23 Central Tank Battery

What about the acreage in the W/2 E/2 and E/2 W/2 of Section 14? is it in the same lease as the rest of the section?
What about the acreage in the W/2 E/2 and E/2 W/2 of Section 23? is it in the same lease as the rest of the section?
If you add wells in these sections and they are not listed in the proposed project area, you would have to amend the application.

Mike

From: Macurdy, David W [<mailto:david.macurdy@chevron.com>]
Sent: Friday, July 01, 2016 8:06 AM
To: McMillan, Michael, EMNRD
Subject: RE: RE: REQUEST: Surface Commingling Application / Salado Draw 23 Central Tank Battery

That is correct – there will be no stranded acreage in the project area.

David W. Macurdy 📧
Factory HES Support Supervisor
MidContinent Business Unit
Chevron North America Exploration and Production Company
1600 Smith Street, Room 26100C
Houston, TX 77002
Tel 713-754-3826
Mobile 281-389-6353
david.macurdy@chevron.com

"Incident-Free Operations, Each and Every Day"

This message may contain confidential information that is legally privileged, and is intended only for the use of the parties to whom it is addressed. If you are not an intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any information in this message is strictly prohibited. If you have received this message in error, please notify me at 713-754-3826 or by reply e-mail. Thank you.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Friday, July 01, 2016 9:02 AM
To: Macurdy, David W
Cc: Paez, Antonio J.; Burkett, Michelle; Brown, Caleb T
Subject: [**EXTERNAL**] RE: REQUEST: Surface Commingling Application / Salado Draw 23 Central Tank Battery

David:

Based on a REAL QUICK LOOK-I assume that the project areas for the wells will not strand any acreage in the form of stranded project area where you had to amend an application that was recently done-restated the project areas in the application will not leave any acreage stranded in a section?

Mike

From: Macurdy, David W [<mailto:david.macurdy@chevron.com>]

Sent: Friday, July 01, 2016 7:44 AM

To: McMillan, Michael, EMNRD

Cc: Paez, Antonio J.; Burkett, Michelle; Brown, Caleb T

Subject: REQUEST: Surface Commingling Application / Salado Draw 23 Central Tank Battery

Mike,

Chevron U.S.A. Inc. respectfully requests review and approval of the attached surface commingling application for the Salado Draw 23 Central Tank Battery. The original hard copy documents are being mailed today to your attention. Please note that Chevron U.S.A. Inc. and the Bureau of Land Management are the only interest owners in the affected leases.

Please contact me by telephone or email with any questions or concerns with this application. Thank you in advance for your cooperation and attention to this matter.

David W. Macurdy ☺☺

Factory HES Support Supervisor

MidContinent Business Unit

Chevron North America Exploration and Production Company

1600 Smith Street, Room 26100C

Houston, TX 77002

Tel 713-754-3826

Mobile 281-389-6353

david.macurdy@chevron.com

"Incident-Free Operations, Each and Every Day"

This message may contain confidential information that is legally privileged, and is intended only for the use of the parties to whom it is addressed. If you are not an intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any information in this message is strictly prohibited. If you have received this message in error, please notify me at 713-754-3826 or by reply e-mail. Thank you.

McMillan, Michael, EMNRD

From: Macurdy, David W <david.macurdy@chevron.com>
Sent: Friday, July 01, 2016 9:59 AM
To: McMillan, Michael, EMNRD
Subject: RE: RE: REQUEST: Surface Commingling Application / Salado Draw 23 Central Tank Battery

Mike,

None of these wells are currently producing as these are all new drills with the Pad 7 wells (SD WE 14 Fed P7 #3H & #4H, SD WE 23 Fed P7 #3H & #4H) scheduled to be brought on production later in July.

The Pad 5 wells (SD WE 14 Fed P5 #1H & #2H, SD WE 23 Fed P5 #1H & #2H) are currently being drilled and are anticipated to be brought on production in September.

Estimated production values as provided by our Reservoir Engineering group is provided on page 6 of the application.

Thanks.

David W. Macurdy  
Factory HES Support Supervisor
MidContinent Business Unit
Chevron North America Exploration and Production Company
1600 Smith Street, Room 26100C
Houston, TX 77002
Tel 713-754-3826
Mobile 281-389-6353
david.macurdy@chevron.com

"Incident-Free Operations, Each and Every Day"

This message may contain confidential information that is legally privileged, and is intended only for the use of the parties to whom it is addressed. If you are not an intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any information in this message is strictly prohibited. If you have received this message in error, please notify me at 713-754-3826 or by reply e-mail. Thank you.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Friday, July 01, 2016 10:41 AM
To: Macurdy, David W
Subject: **[**EXTERNAL**]** RE: RE: REQUEST: Surface Commingling Application / Salado Draw 23 Central Tank Battery

Can you provide the last 6 month's average monthly production an cum production for each well?
Mike

From: Macurdy, David W [<mailto:david.macurdy@chevron.com>]
Sent: Friday, July 01, 2016 8:20 AM
To: McMillan, Michael, EMNRD
Subject: RE: RE: REQUEST: Surface Commingling Application / Salado Draw 23 Central Tank Battery