

5/30/08 DATE	SUSPENSE	W Jones ENGINEER	5/30/08 LOGGED IN	PC TYPE	PKVR0815150219 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



PC-1171 and
ARGO#28

ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

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

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

CAROLYN HAYNIE
Print or Type Name

Signature

Carolyn Haynie

PETROLEUM ENGINEER TA
Title

Date

5-28-08

chay@chevron.com
e-mail Address

RECEIVED
2008 MAY 30 PM 1 42



Carolyn Haynie
Petroleum Engineering
Technical Assistance

Permian Business Unit
Chevron MidContinent, L.P.
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

May 27, 2008

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

RE: Application to Amend Pool Commingle Production
Oil and Gas Department

Chevron MidContinent, L.P. respectfully requests administrative approval to amend OCD Pool Commingle # PC-1171, in the Brunson Argo Commingled Battery # 1, Section 10, by adding the new development well, Brunson Argo # 28. The API number for the Brunson Argo well # 28 is pending at the OCD, and is currently listed on the drilling schedule. The well will be produced in the Penrose Skelly Grayburg formation. The location is 1310' FNL & 970' FWL, Unit Letter D, Section 10, Township 22-South, Range 37 East, Lea County, NM.

The wells and formations currently included in Pool Commingle #PC-1171 are listed in the attachments, along with the required documentation. Chevron MidContinent LP and BEC Corporation each have 50% working interest in the Grayburg formation, and have a Joint Operating Agreement for the Grayburg formation. BEC Corporation is in agreement with Chevron's endeavor and the release waiver is attached. The royalty ownership is identical in all pools, and the notification letter is attached.

For your convenience, I have enclosed an envelope with my return address, so that the decision for this application can be sent directly to me. If you require additional information or have any questions, please contact me by telephone at 432-687-7261, or by email at chay@chevron.com.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant

Enclosure

cc: NMOCD – District 1; Hobbs
Lease File
Susan Brownlee
Mike Howell
Danny Lovell
Denise Pinkerton
Nary Lao

Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Department of Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

API NO.

5. Indicate Type of Lease
STATE ☐ FEE ☐
6. State Oil & Gas Lease No.

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

1. Type of Well: Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Chevron U.S.A., Inc.

3. Address of Operator

15 Smith Road, Midland, Texas 79705

4. Well Location

Unit Letter _____ feet from the _____ line and _____ feet from the _____ line
Section 10 Township 22S Range 37E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Surface Commingle ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attachments – Request administrative approval to surface commingle oil and gas production from the San Andres, Paddock, Blinbry, Drinkard, Abo and Tubb Pools, into the Brunson Argo Commingled #1 Battery, located in Section 10, T22S, R37E Lea County, New Mexico.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Pamela A. Smith TITLE Office Assistant

DATE 9-1-06

Type or print name Pamela A. Smith

E-mail address: smithpa@chevron.com

Telephone No. 432-687-7305

For State Use Only

APPROVED BY: [Signature] TITLE Engineer

DATE 9/28/06

Conditions of Approval (if any):

Brunson-Argo Commingled # 1 Battery				Commingling Order PC-1171									
Section 10, T22S, R37E, Lea County, NM													
Well	API	Status	Lease	Pool	Pool #	Unit Letter	Sec	Location	Twtnshp	Rng	Co		
Brunson-Argo # 5	30-025-10173	PR	Brunson Argo	Paddock	49210	F	10	1980' FNL & 1980' FWL	22S	37E	Lea		
Brunson-Argo #6	30-025-10174	PR	Brunson Argo	Blinebry	72480	E	10	1980' FNL & 660' FWL	22S	37E	Lea		
"	"	FL	Brunson Argo	DRK	19190	E	10	"	"	"	"		
Brunson-Argo # 14	30-025-10175	PR	Brunson Argo	Paddock	49210	C	10	760' FNL & 1980' FWL	22S	37E	"		
Brunson-Argo # 15	30-025-10176	PR	Brunson Argo	DRK	19190	F	10	1880' FNL & 1980' FWL	22S	37E	Lea		
"	"	PR	Brunson Argo	Tubb	86440	F	10	1880' FNL & 1980' FWL	22S	37E	Lea		
Brunson-Argo # 16	30-025-10177	PR	Brunson Argo	Paddock	49210	D	10	589' FSL & 589' FWL	22S	37E	Lea		
Brunson-Argo # 17	30-025-10178	PR	Brunson Argo	Blinebry	72480	D	10	589' FNL & 731' FWL	"	"	"		
Brunson-Argo # 18	30-025-10179	PR	Brunson Argo	Blinebry	06660	C	10	660' FNL & 2080' FNL	"	"	"		
Brunson-Argo # 19	30-025-10180	PR	Brunson Argo	Paddock	49210	E	10	1980' FNL & 760' FWL	22S	37E	Lea		
Brunson-Argo # 21	30-025-33824	PR	Brunson Argo	Blinebry	72480	F	10	1700' FNL & 1880' FWL	22S	37E	Lea		
Brunson-Argo # 22	30-025-33825	PR	Brunson Argo	DRK	19190	F	10	1700' FNL & 1880' FWL	22S	37E	Lea		
"	"	PR	Brunson Argo	Wantz-Abo	62700	C	10	700' FNL & 1750' FWL	22S	37E	Lea		
Brunson-Argo # 23	30-025-33826	PR	Brunson Argo	DRK	19190	E	10	1800' FNL & 560' FWL	22S	37E	Lea		
"	"	PR	Brunson Argo	Wantz-Abo	62700	E	10	1800' FNL & 560' FWL	22S	37E	Lea		
Brunson-Argo # 25	30-025-33964	PR	Brunson Argo	Eunice, San Andres, South	24170	F	10	1713' FNL & 1823' FWL	22S	37E	Lea		
Brunson-Argo # 26	30-025-33994	PR	Brunson Argo	DRK	19190	D	10	990' FNL & 1650' FWL	22S	37E	Lea		
"	"	PR	Brunson Argo	Wantz-Abo	62700	D	10	990' FNL & 1650' FWL	22S	37E	Lea		
Brunson-Argo # 28	Pending	Adding New Well	Brunson Argo	Penrose Skelly Grayburg	50350	D	10	1310' FNL & 970' FWL	22S	37E	Lea		

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 50350	Pool Name Penrose Skelly Grayburg
Property Code	Property Name BRUNSON ARGO	Well Number 28
Acres No. 241333	Operator Name CHEVRON MIDCONTINENT, L.P.	Elevation 3408'

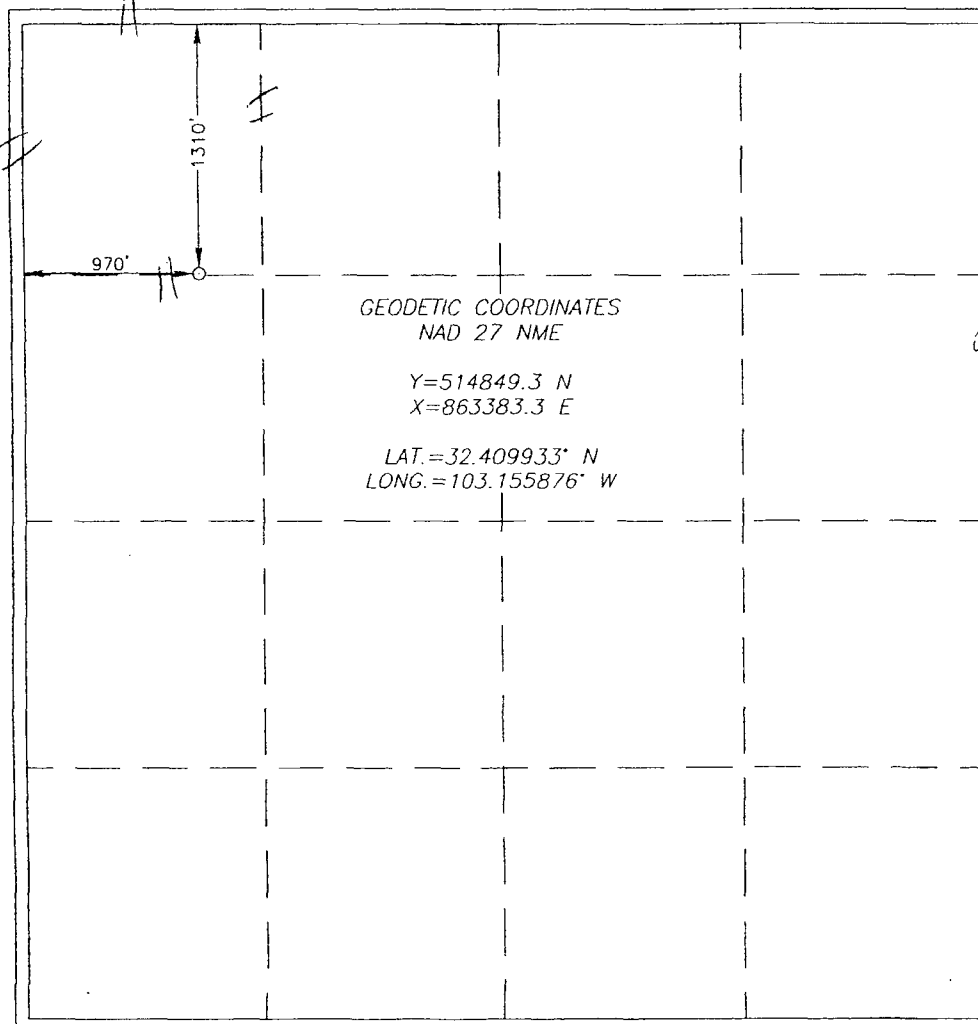
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	22-S	37-E		1310	NORTH	970	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
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. NSL-5812						

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

	OPERATOR CERTIFICATION I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: Denise Pinkerton Date: 501-08 Printed Name: DENISE PINKERTON
	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. DECEMBER 16, 2007 Date Surveyed: 12/14/07 Signature & Seal of Professional Surveyor: Ronald J. Eidson Certificate No.: GARY EIDSON 12641 RONALD J. EIDSON 3239

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 74436

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 50350	3. Pool Name PENROSE SKELLY;GRAYBURG
4. Property Code	5. Property Name BRUNSON ARGO	6. Well No. 028
7. OGRID No. 241333	8. Operator Name CHEVRON MIDCONTINENT, L.P.	9. Elevation 3408

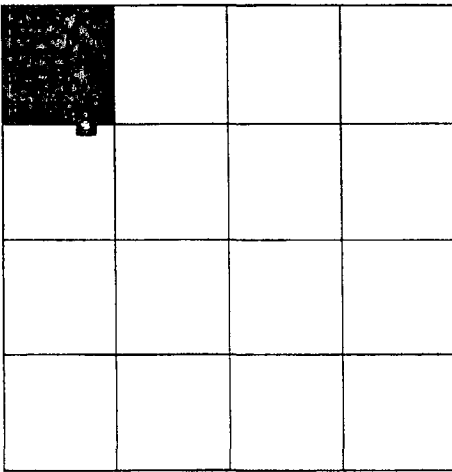
10. Surface Location

UL - Lot D	Section 10	Township 22S	Range 37E	Lot Idn	Feet From 1310	N/S Line N	Feet From 970	E/W Line W	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	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

	OPERATOR CERTIFICATION <i>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(s) 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.</i> E-Signed By: Title: Date: SURVEYOR CERTIFICATION <i>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.</i> Surveyed By: RONALD EIDSON Date of Survey: 12/6/2007 Certificate Number: 3239
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May 7, 2008

Potential Recompletions/New drills in Penrose Skelly
By Chevron Midcontinent, L.P.
NE/4 of Section 9 & NW/4 of Section 10, T-22S, R-37E
Lea County, NM

Chevron Midcontinent, L.P.
Attn: Tami Myers
15 Smith Road
Midland, TX 79705

Dear Ms. Myers:

BEC Corporation waives any objection to Chevron drilling and completing new wells or recompleting any of Chevron's existing wells in the Penrose Skelly; GRAYBURG Pool, due to any encroachment by proration unit, or location of wells, located in the NE/4 of Section 9 & NW/4 of Section 10, T-22S, R-37E, Lea County, New Mexico.

Sincerely,

BEC Corporation

Name: William C. H. Allen

Title: V.P.

Date: 5/12/08

[illegible]

WELL TEST REPORT

Lease: BRUNSON ARGO #6	Field: BLINEBRY OIL & GAS	Reservoir: BLINEBRY
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Well: 6 BLN	Field Code: U46	Resv Code: 0000004532
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				Unique Code:	BCU46AA00		Battery:	BRUNSN ARG 1 TB	
				Wellbore:	359441		API No:	300251017400	

[illegible][illegible]

WELL TEST REPORT									
Lease: BRUNSON ARGO #14			Field: PADDOCK		Reservoir: PADDOCK				
Well: 14			Field Code: U48		Resv Code: 0000008451				
			Unique Code: BCU482500		Battery: BRUNSN ARG 5 TB				
			Wellbore: 359432		API No: 300251017500				

[illegible]

WELL TEST REPORT

Lease: **BRUNSON ARGO #15**

Field: DRINKARD

Reservoir: TUBB

Well: 15 DRK

Field Code: U41

Resv Code: 0000009303

Unique Code:	BCU418500
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Battery: BRUNSN ARG 1 TB

Wellbore: 359442

API No: 300251017600

[illegible]

WELL TEST REPORT

Lease: **BRUNSON ARGO #17**

Field: **BLINEBRY OIL & GAS**

Reservoir: **BLINEBRY**

Well: **17**

Field Code: **U46**

Resv Code: **0000004532**

Unique Code: **BCU46AA00**

Battery: **BRUNSN ARG 1 TB**

Wellbore: **359439**

API No: **300251017800**

Test Date	BOPD	BWPD	MCFPD	Tbg PSI	GOR	% Oil	Comp No.	Status	Remarks	Fluid Level	Fld Lvl Date	BTFPD	% Runtime
5/8/08	1	0	53		106000	71.4	01	PR		5389	5/8/08	1	5.0
4/8/08	1	0	54		108000	100.0	01	PR		5389	7/5/07	1	5.0
3/2/08	1	0	58		116000	83.3	01	PR		5389	7/5/07	1	5.0
2/11/08	0	0	57		142500	100.0	01	PR		5389	7/5/07	0	5.0
12/18/07	0	0	58		145000	80.0	01	PR		5389	7/5/07	1	5.0
10/7/07	0	0	59		295000	66.7	01	PR		5389	7/5/07	0	5.0
7/21/07	1	0	59		118000	83.3	01	PR		5389	7/5/07	1	5.0
5/22/07	1	1	63		63000	66.7	01	PR		5650	2/2/07	2	5.0
4/8/07	1	1	62		62000	66.7	01	PR		5650	2/2/07	2	5.0
3/4/07	1	0	59		59000	76.9	01	PR		5650	2/2/07	1	5.0
2/13/07	1	0	61		61000	83.3	01	PR		5650	2/2/07	1	5.0
11/3/06	0	0	62		206667	75.0	01	PR		5650	8/1/06	0	5.0
10/25/06	0	1	62		310000	28.6	01	PR		5650	8/1/06	1	5.0
9/8/06	1	1	62		124000	41.7	01	PR		5650	8/1/06	1	5.0
8/19/06	0	1	60		600000	14.3	01	PR		5650	8/1/06	1	5.0
7/12/06	1	1	62		124000	50.0	01	PR			4/27/06	1	5.0
5/19/06	0	1	68		226667	23.1	01	PR			4/27/06	1	5.0
4/14/06	0	1	66		660000	11.1	01	PR			4/27/06	1	5.0

WELL TEST REPORT

Lease: BRUNSON ARGO #18	Field: BLINEBRY OIL & GAS	Reservoir: BLINEBRY
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Well: 18	Field Code: U46	Resv Code: 0000004532
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			Unique Code: BCU46AA00	Battery: BRUNSN ARG 1 TB
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					Wellbore: 359440		API No: 300251017900	
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[illegible]

WELL TEST REPORT									
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Reservoir: BLINEBRY

Resv Code:	0000004532
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Battery:	BRUNSN ARG 1 TB
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API No: 300253382400

[illegible]

WELL TEST REPORT

Lease:	BRUNSON ARGO #22	Field:	WANTZ	Reservoir:	ABO
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Well: 22 DRK	Field Code: U52	Resv Code: 0000004042
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				Unique Code: BCU524700	Battery: BRUNSN ARG 1 TB
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					Wellbore: 359446		API No: 300253382500	
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[illegible]

WELL TEST REPORT

Lease: BRUNSON ARGO #23	Field: WANTZ	Reservoir: DRINKARD
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Well: 23 DRK	Field Code: U52	Resv Code: 0000005817
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				Unique Code: BCU524700	Battery: BRUNSN ARG 1 TB
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[illegible][illegible]

WELL TEST REPORT

Field: EUNICE SOUTH - SAN ANDRES Reservoir: SAN ANDRES

Field Code: LC6

Resv Code: 0000009011

Battery: BRUNSN ARG 6 TB

API No: 300253396400

[illegible]

WELL TEST REPORT									
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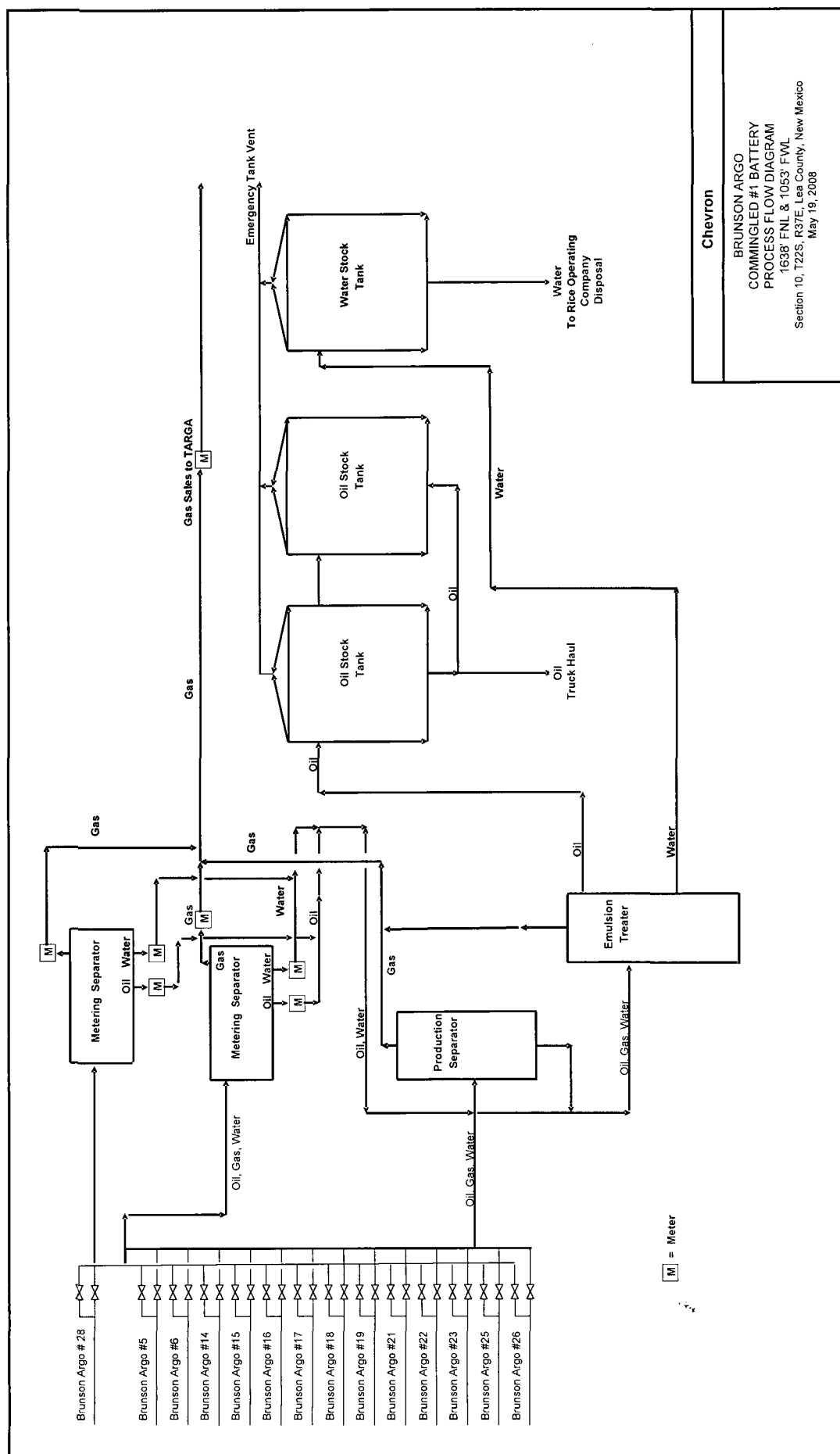
Reservoir: ABO

Resv Code: 0000004042

Battery: BRUNSN ARG 1 TB

API No: 300253399400

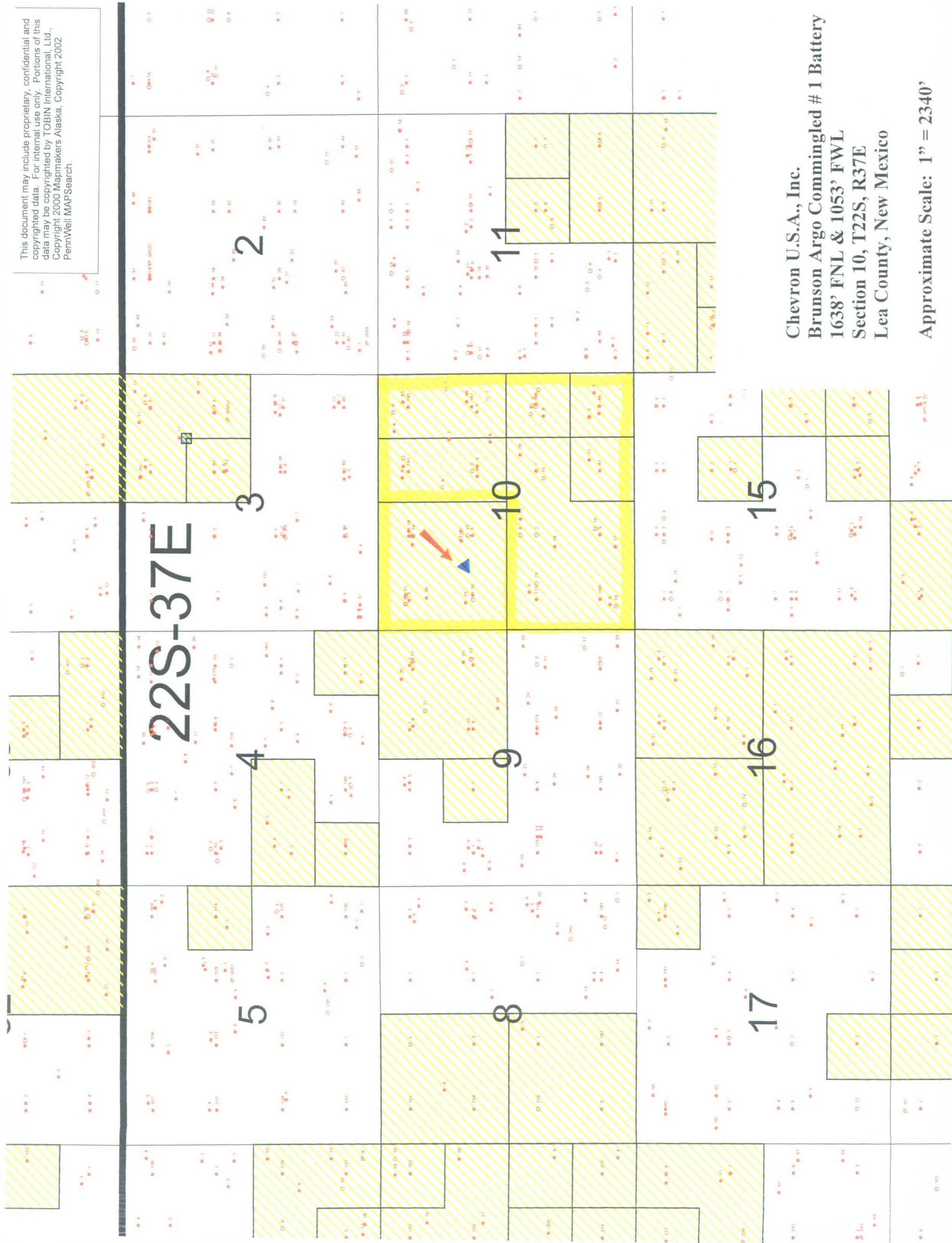
[illegible]



Chevron

BRUNSON ARGO
 COMMINGLED #1 BATTERY
 PROCESS FLOW DIAGRAM
 1638' FNL & 1053' FVL
 Section 10, T22S, R37E, Lea County, New Mexico
 May 19, 2008

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Chevron U.S.A., Inc.
Brunson Argo Commingled # 1 Battery
1638' FNL & 1053' FWL
Section 10, T22S, R37E
Lea County, New Mexico

Approximate Scale: 1" = 2340'



Carolyn Haynie
Petroleum Engineering
Technical Assistance

Permian Business Unit
Chevron MidContinent, L.P.
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

May 27, 2008

Pool Commingle Amendment
Brunson Argo Commingle Battery #1
Chevron MidContinent, L.P.
15 Smith Road
Midland, TX 79705

Royalty Interest Owners

Chevron MidContinent, L.P. submitted a request to the Oil Conservation Division, to amend the Brunson Argo Commingle Battery # 1, PC-1171, by adding the Brunson Argo # 28. The Brunson Argo # 28 will be a new development well in the Penrose Skelly Grayburg formation, located 1310' FNL & 970' FWL, Unit Letter D, Sec. 10, T22S, R37E, Lea County, NM.

Chevron and BEC Corporation each has a 50% working interest in the grayburg formation, have a Joint Interest Agreement, (JOA), for the grayburg formation, and are in agreement with the grayburg formation development plans.

This is for informational purposes and no action is required on your behalf. However, any objections to this commingle amendment must be sent to the **New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504**, within 20 days of receipt of this notification.

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

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant
Enclosure

cc: Lease File

**Brunson Argo Royalty Interest Owners
Commingle Battery # 1, PC-1171
Section 10, T22S, R37E,
Lea County, NM**

T. ALAN LAYNE REV TR
12608 ARROWHEAD TERRACE
OKLAHOMA CITY, OK 73120

PROVIDENCE MINERALS LLC
14860 MONFORT DR., STE 209
DALLAS, TX 75254

KATHERINE CONE KECK
181 AVE. OF THE STARS #430
LOS ANGELES, CA 90067

TRITEX PRODUCTION CO.
2882 SANDHILL ROAD # 117
MENLO PARK, CA 94025

RONALD W. MCINNIS
4901 24TH STREET
LUBBOCK, TX 79407

PURNELL MORROW COMPANY
4925 GREENVILLE AVE
SUITE 1116
DALLAS, TX 75206

EVERETT COON JR.
4925 GREENVILLE AVE
SUITE 500
DALLAS, TX 75206

S.E. CONE JR.
P.O. BOX 10321
LUBBOCK, TX 79408

WILLIAMS TRUST FBO MMP
P.O. BOX 1401
LUBBOCK, TX 79408-1401

JAMES R. NISLAR FOUNDATION
P.O. BOX 1401
LUBBOCK, TX 79408

BLACK STONE MINERALS CO. LP
P.O. BOX 201709
HOUSTON, TX 77216-1709

JOHN H HENDRIX CORP.
P.O. BOX 3040
MIDLAND, TX 79702-3040

CAROLYN K. GARVIE
P.O. BOX 4998
INCLINE VILLAGE, NV 89405-4998

OSCAR L NISLAR III REV TRST
P.O. BOX 517
COLONIAL HEIGHTS, VA 23834

MARJORIE CONE KASTMAN
P.O. BOX 5390
LUBBOCK, TX 79408

MOMENTUM OPERATING CO. INC.
P.O. BOX 578
ALBANY, TX 76430

MONTGOMERY PETROLEUM INC.
P.O. BOX 600490
DALLAS, TX 75360-0490

EFS ROYAL PARTNERS LP
P.O. BOX 671099
DALLAS, TX 75367-1099

PRISCILLA S. WEST
P.O. BOX 50430
EUGENE, OR 97405-0980

FRANCES CORRINE FRISTOE
P.O. BOX 167
MURRAY, KY 42071

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

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 _____

[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.

CAROLYN HAYNIE
Print or Type Name

Signature

Carolyn Haynie

PETROLEUM ENGINEER TA
Title

Date

5-98-08

chay@chevron.com
e-mail Address

RECEIVED
 2008 MAY 30 PM 1 42



Carolyn Haynie
Petroleum Engineering
Technical Assistance

Permian Business Unit
Chevron MidContinent, L.P.
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

May 27, 2008

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

RE: Application to Amend Pool Commingle Production
Oil and Gas Department

Chevron MidContinent, L.P. respectfully requests administrative approval to amend OCD Pool Commingle # PC-1171, in the Brunson Argo Commingled Battery # 1, Section 10, by adding the new development well, Brunson Argo # 28. The API number for the Brunson Argo well # 28 is pending at the OCD, and is currently listed on the drilling schedule. The well will be produced in the Penrose Skelly Grayburg formation. The location is 1310' FNL & 970' FWL, Unit Letter D, Section 10, Township 22-South, Range 37 East, Lea County, NM.

The wells and formations currently included in Pool Commingle #PC-1171 are listed in the attachments, along with the required documentation. Chevron MidContinent LP and BEC Corporation each have 50% working interest in the Grayburg formation, and have a Joint Operating Agreement for the Grayburg formation. BEC Corporation is in agreement with Chevron's endeavor and the release waiver is attached. The royalty ownership is identical in all pools, and the notification letter is attached.

For your convenience, I have enclosed an envelope with my return address, so that the decision for this application can be sent directly to me. If you require additional information or have any questions, please contact me by telephone at 432-687-7261, or by email at chay@chevron.com.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant

Enclosure

cc: NMOCD – District 1; Hobbs
Lease File
Susan Brownlee
Mike Howell
Danny Lovell
Denise Pinkerton
Nary Lao

Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Department of Energy, Minerals and Natural Resources

Form O-103
May 27, 2004

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

L API NO.

5. Indicate Type of Lease
STATE ☐ FEE ☐
6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
Brunson Argo

8. Well Number Various

9. OGRID Number

10. Pool name or Wildcat
Various

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. Type of Well: Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Chevron U.S.A., Inc.

3. Address of Operator
15 Smith Road, Midland, Texas 79705

4. Well Location

Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line
Section _____ Township 22S Range 37E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Surface Commingle ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attachments -- Request administrative approval to surface commingle oil and gas production from the San Andres, Paddock, Blinberry, Drinkard, Abo and Tubb Pools, into the Brunson Argo Commingled #1 Battery, located in Section 10, T22S, R37E Lea County, New Mexico.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Pamela A. Smith TITLE Office Assistant

DATE 9-1-06

Type or print name Pamela A. Smith

E-mail address: smithpa@chevron.com

Telephone No. 432-687-7305

For State Use Only

APPROVED BY: [Signature] TITLE Engineer

DATE 9/25/06

Conditions of Approval (if any):

Brunson-Argo Commingled # 1 Battery				Commingling Order PC-1171							
Section 10, T22S, R37E, Lea County, NM											
Well	API	Status	Lease	Pool	Pool #	Unit Letter	Sec	Location	Twnshp	Rng	Co
Brunson-Argo # 5	30-025-10173	PR	Brunson Argo	Paddock	49210	F	10	1980' FNL & 1980' FWL	22S	37E	Lea
Brunson-Argo #6	30-025-10174	PR	Brunson Argo	Blinebry	72480	E	10	1980' FNL & 660' FWL	22S	37E	Lea
"	"	FL	Brunson Argo	DRK	19190	E	10	"	"	"	"
Brunson-Argo # 14	30-025-10175	PR	Brunson Argo	Paddock	49210	C	10	760' FNL & 1980' FWL	22S	37E	"
Brunson-Argo # 15	30-025-10176	PR	Brunson Argo	DRK	19190	F	10	1880' FNL & 1980' FWL	22S	37E	Lea
"	"	PR	Brunson Argo	Tubb	86440	F	10	1880' FNL & 1980' FWL	22S	37E	Lea
Brunson-Argo # 16	30-025-10177	PR	Brunson Argo	Paddock	49210	D	10	589' FSL & 589' FWL	22S	37E	Lea
Brunson-Argo # 17	30-025-10178	PR	Brunson Argo	Blinebry	72480	D	10	589' FNL & 731' FWL	"	"	"
Brunson-Argo # 18	30-025-10179	PR	Brunson Argo	Blinebry	06660	C	10	660' FNL & 2080' FNL	"	"	"
Brunson-Argo # 19	30-025-10180	PR	Brunson Argo	Paddock	49210	E	10	1980' FNL & 760' FWL	22S	37E	Lea
Brunson-Argo # 21	30-025-33824	PR	Brunson Argo	Blinebry	72480	F	10	1700' FNL & 1880' FWL	22S	37E	Lea
Brunson-Argo # 22	30-025-33825	PR	Brunson Argo	DRK	19190	F	10	1700' FNL & 1880' FWL	22S	37E	Lea
"	"	PR	Brunson Argo	Wantz-Abo	62700	C	10	700' FNL & 1750' FWL	22S	37E	Lea
Brunson-Argo # 23	30-025-33826	PR	Brunson Argo	DRK	19190	E	10	1800' FNL & 560' FWL	22S	37E	Lea
"	"	PR	Brunson Argo	Wantz-Abo	62700	E	10	1800' FNL & 560' FWL	22S	37E	Lea
Brunson-Argo # 25	30-025-33964	PR	Brunson Argo	Eunice, San Andres, South	24170	F	10	1713' FNL & 1823' FWL	22S	37E	Lea
Brunson-Argo # 26	30-025-33994	PR	Brunson Argo	DRK	19190	D	10	990' FNL & 1650' FWL	22S	37E	Lea
"	"	PR	Brunson Argo	Wantz-Abo	62700	D	10	990' FNL & 1650' FWL	22S	37E	Lea
Brunson-Argo # 28	Pending	Adding New Well	Brunson Argo	Penrose Skelly Grayburg	50350	D	10	1310' FNL & 970' FWL	22S	37E	Lea

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 50350	Pool Name Penrose Skelly Grayburg
Property Code	Property Name BRUNSON ARGO	Well Number 28
Order No. 241333	Operator Name CHEVRON MIDCONTINENT, L.P.	Elevation 3408'

Surface Location

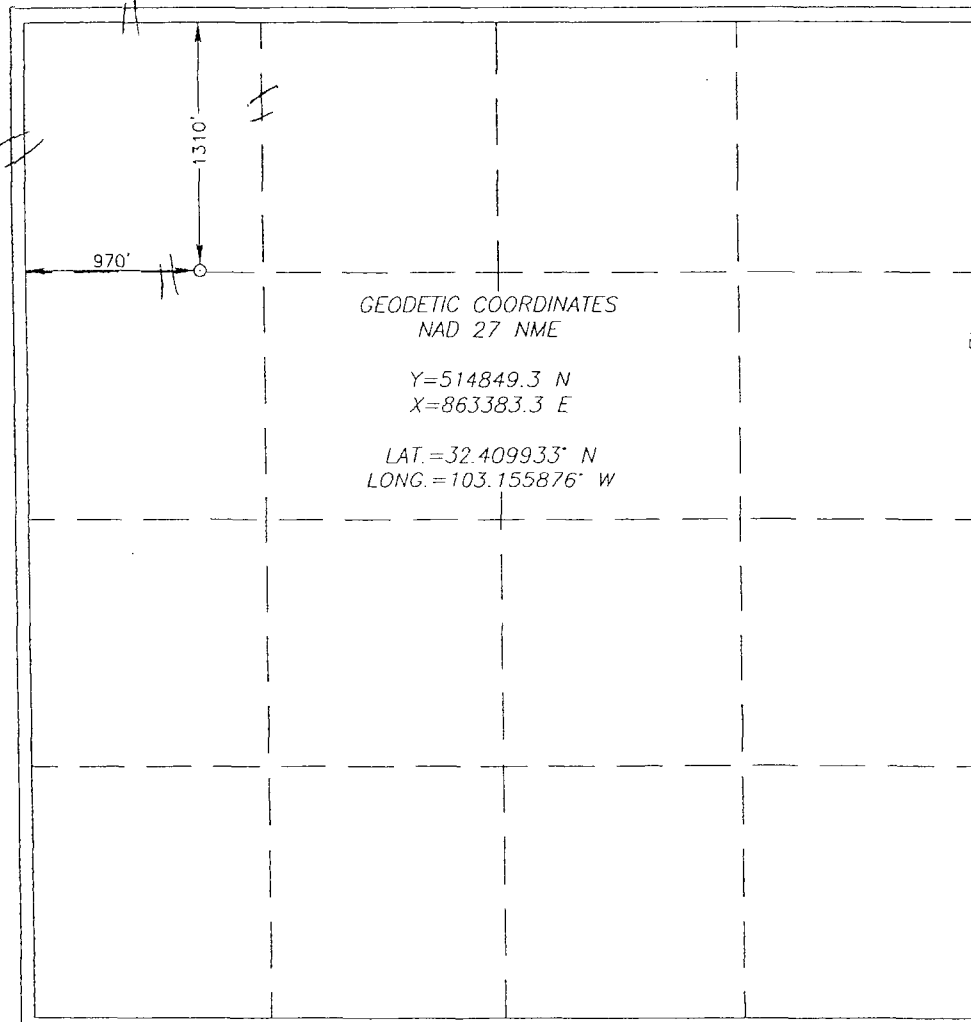
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	22-S	37-E		1310	NORTH	970	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			NSL-5812

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



OPERATOR CERTIFICATION I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Denise Pinkerton</i> 501-08 Signature Date <i>Denise Pinkerton</i> Printed Name	
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. DECEMBER 16, 2007 Date Surveyed Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 3239 107.111.809 12/14/07 Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239	

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102
Permit 74436

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 50350	3. Pool Name PENROSE SKELLY;GRAYBURG
4. Property Code	5. Property Name BRUNSON ARGO	6. Well No. 028
7. OGRID No. 241333	8. Operator Name CHEVRON MIDCONTINENT, L.P.	9. Elevation 3408

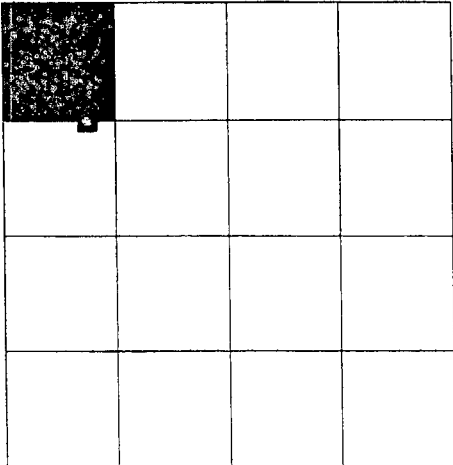
10. Surface Location

UL - Lot D	Section 10	Township 22S	Range 37E	Lot Idn	Feet From 1310	N/S Line N	Feet From 970	E/W Line W	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	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

	OPERATOR CERTIFICATION <i>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(s) 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.</i> E-Signed By: Title: Date: SURVEYOR CERTIFICATION <i>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.</i> Surveyed By: RONALD EIDSON Date of Survey: 12/6/2007 Certificate Number: 3239
---	--

May 7, 2008

Potential Recompletions/New drills in Penrose Skelly
By Chevron Midcontinent, L.P.
NE/4 of Section 9 & NW/4 of Section 10, T-22S, R-37E
Lea County, NM

Chevron Midcontinent, L.P.
Attn: Tami Myers
15 Smith Road
Midland, TX 79705

Dear Ms. Myers:

BEC Corporation waives any objection to Chevron drilling and completing new wells or recompleting any of Chevron's existing wells in the Penrose Skelly; GRAYBURG Pool, due to any encroachment by proration unit, or location of wells, located in the NE/4 of Section 9 & NW/4 of Section 10, T-22S, R-37E, Lea County, New Mexico.

Sincerely,

BEC Corporation

Name: William C. H. Allen

Title: V.P.

Date: 5/12/08

WELL TEST REPORT

Reservoir: BLINEBRY

Resv Code: 0000004532

Battery:	BRUNSN ARG 1 TB
----------	-----------------

API No: 300251017400

[illegible]

WELL TEST REPORT

Lease: BRUNSON ARGO #14	Field: PADDOCK	Reservoir: PADDOCK
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Well: 14	Field Code: U48	Resv Code: 0000008451
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			Unique Code: BCU482500	Battery: BRUNSN ARG 5 TB
--	--	--	------------------------	--------------------------

					Wellbore: 359432		API No: 300251017500	
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[illegible]

WELL TEST REPORT

Lease: BRUNSON ARGO #15	Field: DRINKARD	Reservoir: TUBB
--------------------------------	------------------------	------------------------

Well: 15 DRK	Field Code: U41	Resv Code: 0000009303
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				Unique Code: BCU418500	Battery: BRUNSN ARG 1 TB
--	--	--	--	------------------------	--------------------------

					Wellbore: 359442		API No: 300251017600	
--	--	--	--	--	-------------------------	--	-----------------------------	--

[illegible]

WELL TEST REPORT

Lease: BRUNSON ARGO #16	Field: PADDOCK	Reservoir: PADDOCK
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Well: 16	Field Code: U48	Resv Code: 0000008451
	Unique Code: BCU482500	Battery: BRUNSN ARG 5 TB

[illegible][illegible][illegible]

WELL TEST REPORT

Lease: **BRUNSON ARGO #17**

Field: BLINEBRY OIL & GAS

Reservoir: BLINEBRY

Well: 17

Field Code: U46

Resv Code: 0000004532

Unique Code:	BCU46AA00
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Battery:	BRUNSN ARG 1 TB
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Wellbore:	359439
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API No: 300251017800

[illegible]

WELL TEST REPORT									
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Lease: BRUNSON ARGO #18	Field: BLINEBRY OIL & GAS	Reservoir: BLINEBRY
--------------------------------	--------------------------------------	----------------------------

Well: 18	Field Code: U46	Resv Code: 0000004532
----------	-----------------	-----------------------

				Unique Code: BCU46AA00	Battery: BRUNSN ARG 1 TB
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[illegible][illegible]

WELL TEST REPORT									
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Lease: BRUNSON ARGO #19	Field: PADDOCK	Reservoir: PADDOCK
--------------------------------	-----------------------	---------------------------

Well: 19	Field Code: U48	Resv Code: 0000008451
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				Unique Code:	BCU482500	Battery:	BRUNSN ARG 5 TB
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					Wellbore: 359434		API No: 300251018000	
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[illegible]

WELL TEST REPORT

Reservoir: BLINEBRY

Resv Code: 0000004532

Battery:	BRUNSN ARG 1 TB
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API No: 300253382400

[illegible]

WELL TEST REPORT

Lease: BRUNSON ARGO #22	Field: WANTZ	Reservoir: ABO
--------------------------------	---------------------	-----------------------

Well: 22 DRK	Field Code: U52	Resv Code: 0000004042
---------------------	------------------------	------------------------------

				Unique Code: BCU524700	Battery: BRUNSN ARG 1 TB
--	--	--	--	------------------------	--------------------------

[illegible][illegible]

WELL TEST REPORT									
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Lease: BRUNSON ARGO #23	Field: WANTZ	Reservoir: DRINKARD
--------------------------------	---------------------	----------------------------

Well: 23 DRK	Field Code: U52	Resv Code: 0000005817
---------------------	------------------------	------------------------------

				Unique Code:	BCU524700	Battery:	BRUNSN ARG 1 TB	
				Wellbore:	359447	API No:	300253382600	

[illegible][illegible]

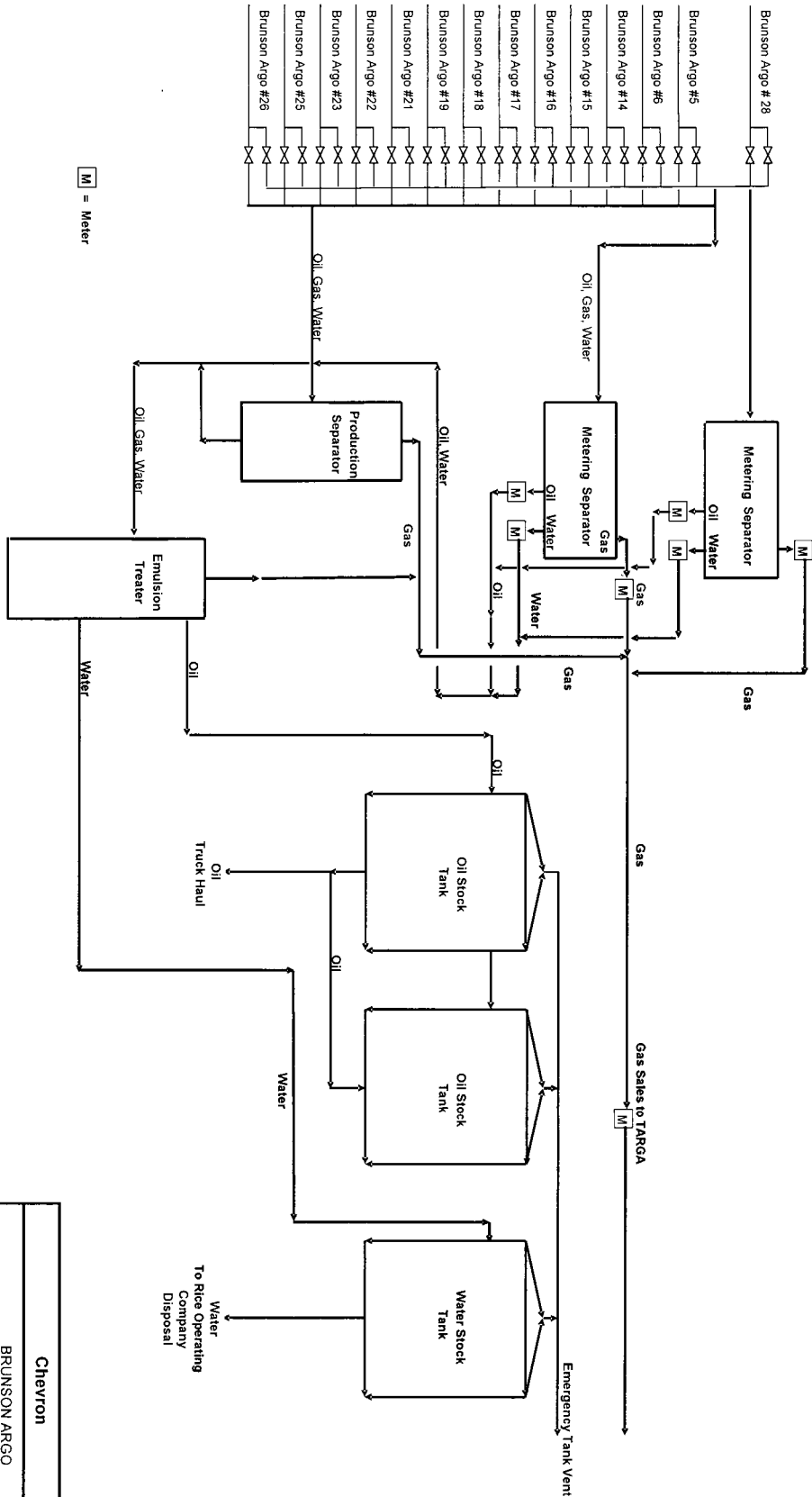
WELL TEST REPORT									
Lease: BRUNSON #25		Field: EUNICE SOUTH - SAN ANDRES		Reservoir: SAN ANDRES					
Well: 25		Field Code: LC6		Resv Code: 0000009011					
		Unique Code: BCLC60400		Battery: BRUNSN ARG 6 TB					
		Wellbore: 359436		API No: 300253396400					

API No: 300253396400

[illegible]

WELL TEST REPORT									
Lease: BRUNSON ARGO #26			Field: WANTZ		Reservoir: ABO				
Well: 26 DRK			Field Code: U52		Resv Code: 0000004042				
			Unique Code: BCU524700		Battery: BRUNSN ARG 1 TB				
			Wellbore: 359448		API No: 300253399400				

[illegible]



Chevron

BRUNSON ARGO
COMMINGLED #1 BATTERY
PROCESS FLOW DIAGRAM
1638 FNL & 1053 FWL
Section 10, T22S, R37E, Lea County, New Mexico
May 26, 2008

22S-37E

2

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16

17

Chevron U.S.A., Inc.
Brunson Argo Commingled # 1 Battery
1638' FNL & 1053' FWL
Section 10, T22S, R37E
Lea County, New Mexico

Approximate Scale: 1" = 2340'



Carolyn Haynie
Petroleum Engineering
Technical Assistance

Permian Business Unit
Chevron MidContinent, L.P.
15 Smith Road
Midland, TX 79705
Tel 432-687-7261
Fax 432-687-7558
chay@chevron.com

May 27, 2008

Pool Commingle Amendment
Brunson Argo Commingle Battery #1
Chevron MidContinent, L.P.
15 Smith Road
Midland, TX 79705

Royalty Interest Owners

Chevron MidContinent, L.P. submitted a request to the Oil Conservation Division, to amend the Brunson Argo Commingle Battery # 1, PC-1171, by adding the Brunson Argo # 28. The Brunson Argo # 28 will be a new development well in the Penrose Skelly Grayburg formation, located 1310' FNL & 970' FWL, Unit Letter D, Sec, 10, T22S, R37E, Lea County, NM.

Chevron and BEC Corporation each has a 50% working interest in the grayburg formation, have a Joint Interest Agreement, (JOA), for the grayburg formation, and are in agreement with the grayburg formation development plans.

This is for informational purposes and no action is required on your behalf. However, any objections to this commingle amendment must be sent to the **New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504**, within 20 days of receipt of this notification.

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

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Haynie".

Carolyn Haynie
NM PE Technical Assistant
Enclosure

cc: Lease File

Brunson Argo Royalty Interest Owners
Commingled Battery # 1, PC-1171
Section 10, T22S, R37E,
Lea County, NM

T. ALAN LAYNE REV TR
12608 ARROWHEAD TERRACE
OKLAHOMA CITY, OK 73120

PROVIDENCE MINERALS LLC
14860 MONFORT DR., STE 209
DALLAS, TX 75254

KATHERINE CONE KECK
181 AVE. OF THE STARS #430
LOS ANGELES, CA 90067

TRITEX PRODUCTION CO.
2882 SANDHILL ROAD # 117
MENLO PARK, CA 94025

RONALD W. MCINNIS
4901 24TH STREET
LUBBOCK, TX 79407

PURNELL MORROW COMPANY
4925 GREENVILLE AVE
SUITE 1116
DALLAS, TX 75206

EVERETT COON JR.
4925 GREENVILLE AVE
SUITE 500
DALLAS, TX 75206

S.E. CONE JR.
P.O. BOX 10321
LUBBOCK, TX 79408

WILLIAMS TRUST FBO MMP
P.O. BOX 1401
LUBBOCK, TX 79408-1401

JAMES R. NISLAR FOUNDATION
P.O. BOX 1401
LUBBOCK, TX 79408

BLACK STONE MINERALS CO. LP
P.O. BOX 201709
HOUSTON, TX 77216-1709

JOHN H HENDRIX CORP.
P.O. BOX 3040
MIDLAND, TX 79702-3040

CAROLYN K. GARVIE
P.O. BOX 4998
INCLINE VILLAGE, NV 89405-4998

OSCAR L NISLAR III REV TRST
P.O. BOX 517
COLONIAL HEIGHTS, VA 23834

MARJORIE CONE KASTMAN
P.O. BOX 5390
LUBBOCK, TX 79408

MOMENTUM OPERATING CO. INC.
P.O. BOX 578
ALBANY, TX 76430

MONTGOMERY PETROLEUM INC.
P.O. BOX 600490
DALLAS, TX 75360-0490

EFS ROYAL PARTNERS LP
P.O. BOX 671099
DALLAS, TX 75367-1099

PRISCILLA S. WEST
P.O. BOX 50430
EUGENE, OR 97405-0980

FRANCES CORRINE FRISTOE
P.O. BOX 167
MURRAY, KY 42071

District I
Box 1980, Hobbs, NM 88241-1980
District II
11 South First, Artesia, NM 88210
District III
000 Rio Brazos Rd., Aztec, NM 87410
District IV
040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33824		Pool Code 72480	Pool Name Blinebry (Progas)
Property Code 020000	Property Name Brunson-Argo		Well Number 21
OGRID No. 150661	Operator Name Titan Resources I, Inc.		Elevation 3406' GR

¹⁰ Surface Location

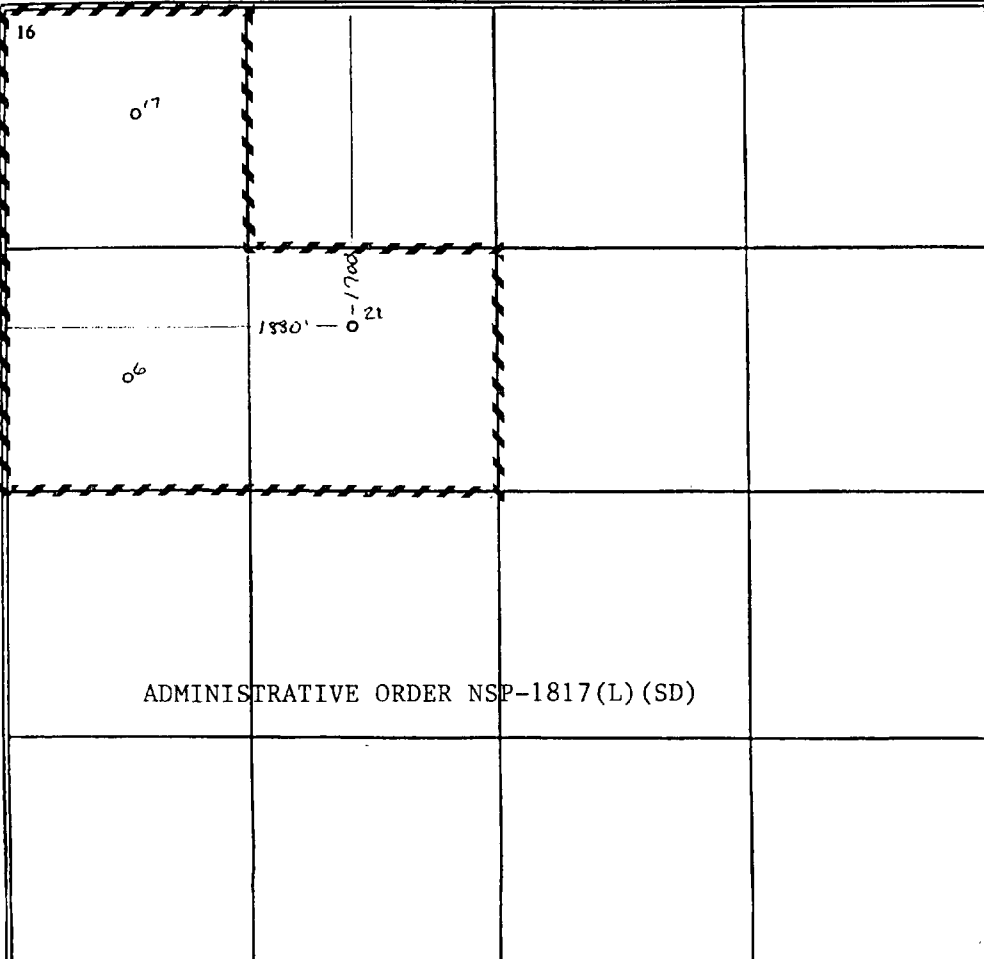
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	10	22S	37E		1700	north	1880	west	LEA

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

¹² Dedicated Acres 120	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16 	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Laura Clepper</i> Signature Laura Clepper Printed Name Regulatory Analyst Title 12-6-99 Date
	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 Signature and Seal of Professional Surveyor: Certificate Number

21



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 3, 2000

NON-RECEIVED COPY

Titan Resources I, Inc.
500 West Texas - Suite 500
Midland, Texas 79701
Attention: Laurie Clepper, Regulatory Analyst

Telefax No. (915) 687-0192

Administrative Order NSP-1817(L)(SD)

Dear Ms. Clepper:

Reference is made to the following:

- (1) Your letter of application dated January 6, 2000 concerning gas development within the Blinebry Oil and Gas Pool underlying the NW/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, and well placement within this quarter section for an existing wellbore recently recompleted as a Blinebry gas well;
- (2) The New Mexico Oil Conservation Division's ("Division") records on the following wells operated by Titan Resources I, Inc. ("Titan") within the NW/4 of Section 10:
 - (a) Brunson-Argo Well No. 6 (API No. 30-025-10174), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10;
 - (b) Brunson-Argo Well No. 17 (API No. 30-025-10178), located 589 feet from the North line and 731 feet from the West line (Unit D) of Section 10;
 - (c) Brunson-Argo Well No. 18 (API No. 30-025-10179), located 660 feet from the North line and 2080 feet from the West line (Unit C) of Section 10; and
 - (d) Brunson-Argo Well No. 21 (API No. 30-025-33824), located 1700 feet from the North line and 1880 feet from the West line (Unit F) of Section 10; and
- (3) The rules currently governing the Blinebry Oil and Gas Pool, which include:
 - (a) The "Special Rules and Regulations for the Blinebry Oil and Gas Pool" as promulgated by Division Orders No. R-8170, as amended, and R-10987, as amended;
 - (b) Division Rule 605;

- (c) Division Rules 104.D and F; and
- (d) Division Rules 1207.A (2) and (3).

The Division's records indicate that the Brunson-Argo Well No. 18 was reclassified from a gas well within the Blinebry Oil and Gas Pool to a Blinebry oil well in April, 1999, whereby a standard 40-acre oil spacing and proration unit comprising the NE/4 NW/4 (Unit C) of Section 10 was formed (see Division Form C-102 dated April 22, 1999) pursuant to Rule 2 (a) 2 of the special pool rules (see Division Order No. R-8170); therefore, in accordance to Rule 2 (a) 3 of the special pool rules the remaining 120 acres within the NW/4 of Section 10, being the W/2 NW/4 and the SE/4 NW/4, should be assigned to the above-described Brunson-Argo Wells No. 6, 17, and 21, which are currently classified as gas wells within the Blinebry Oil and Gas Pool.

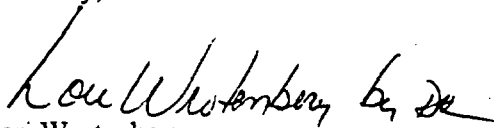
Further, the locations of the Brunson-Argo Wells No. 17 and 21 are considered to be unorthodox pursuant to Rule 2 (b) of the special pool rules.

By authority granted me under the provisions of Rule 2(d) of the special pool rules (see Division Order No. R-8170-H and Division Rules 605.B (2) (b), 104.D (2), and 104.F (2), the above-described 120-acre non-standard gas spacing and proration unit and the resulting unorthodox Blinebry gas well locations for both the Brunson-Argo Wells No. 17 and 21 are hereby approved.

This newly established 120-acre gas spacing and proration unit is to be simultaneously dedicated to the above-described Brunson-Argo Wells No. 6, 17, and 21, with allowable assigned thereto in accordance with Rule 5 of the special pool rules (see Division Order No. R-8170) and Division Rule 605.D (4) (a) based upon the unit size of 120 acres.

It is further ordered, as a contingency of approval, that Titan must submit corrected Division Forms C-102 for its Brunson-Argo Wells No. 6, 17, and 21 showing the proper acreage now dedicated to these wells (being the 120-acre non-standard gas spacing and proration unit comprising the W/2 NW/4 and the SE/4 NW/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico) to the Hobbs District Office of the Division. Failure to file these forms within 60 days from the date of this order will result in the cancellation of allowable for this 120-acre unit.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /