

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]

- CTB
 - CHEVRON
 USA INC
 4323

[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 _____

RECEIVED
 2014 MAR 10 10 41 AM

[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

wells
 - McCLOY RANCH
 2-24-32 State
 Com 14
 30-025-40551
 - McCLOY RANCH
 2-24-32 State
 Com 24
 30-025-40860
 - McCLOY RANCH 4H
 2-24-32 State
 30-025-40861
 - JKEATS 1-24-32
 40H
 30-025-41582

[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.

POOL
 - Triste Draw
 Bone
 Spring
 9660B

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

Cindy Herrera-Murillo Print or Type Name	<u>Cindy Herrera-Murillo</u> Signature	Permitting Specialist Title	03/05/2014 Date
		Cherreramurillo@chevron.com e-mail Address	



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

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

March 6, 2014

Oil Conservation Division
Attn: Engineering Department
1220 S. St. Francis Drive
Santa Fe, NM 87505

Application for surface commingling, Triple X; Bone Spring (Code 96674), Lea, County, NM (T24S-R32E, Sec 1)

Dear Sirs,

Chevron North America respectfully requests administrative approval to surface commingle oil, gas, and water production from the Triple X; Bone Spring Pool through Chevron's McCloy State Tank Central Battery. Wells producing to this battery include the Chevron McCloy Ranch 2 24 32 State Com #1H, McCloy Ranch 2 24 32 State Com #2H, McCloy Ranch 2 24 32 State Com #3H, McCloy Ranch 2 24 32 State Com #4H. These wells are located in section 2, T24S-R32E, Lea County, New Mexico. APDs for each well, which includes surface plats, are included with this notification.

Federal Lease NMNM111964 covering all Section 1, T24S, R32E where the J. Keats 1 24 32 #40H is located. Chevron proposes the following solution in which Chevron temporarily runs a surface gas line to the nearby Chevron McCloy Battery (State), the tie in point will be to the suction side of the compressor and then go into the DCP high pressure line. Gas purchaser and Chevron have agreed to measure and pay appropriate royalties for the J Keats gas at the J Keats facility with a Chevron meter (EFM sales quality). This arrangement will ensure the J Keats well has not deducted any fuel and gas for the compressor at the McCloy Battery. As such, the wells will be allocated by continuous metering with coriolis meter on oil and EFM on gas for each well. A schematic showing this configuration is attached.

Names of all WIO and RIO for each well are included with this request, and all of these owners are being notified of this request and that each will have 20 days with which to object to the commingling request per NMOCD Rule 19.15.12.10 SURFACE COMMINGLING C. (4) c.

Sincerely,

Cindy Herrera-Murillo
Permitting Specialist

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **CHEVRON USA INC**

3a. Address
15 SMITH RD, MIDLAND, TX 79705

3b. Phone No. (include area code)
432-687-7319

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit 1 letter P, 330' FSL and 400' FEL, Section 1, Township 24S, Range 32E

5. Lease Serial No.
NMNM 111964

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
J KEATS 1-24-32 #4011

9. API Well No.
30-025-41582

10. Field and Pool, or Exploratory Area
TRIPLE X; BONE SPRING

11. County or Parish, State
LEA CO, NM

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

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

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

~~CHEVRON USA INC SUBMITS FOR APPROVAL A PROPOSED TEMPORARY COMMINGLING WITH MCCLOY. THE KEATS IS PLANNED TO BEGIN PRODUCTION APRIL 1, 2014, BUT THE GAS PIPELINE HAS BEEN DELAYED RESULTING IN A 23 MONTH GAP WITH NO COMMERCIAL GAS TAKEAWAY. CHEVRON PROPOSES THE FOLLOWING SOLUTION IN WHICH CHEVRON TEMPORARILY RUNS A SURFACE GAS LINE TO THE NEARBY CHEVRON MCCLOY BATTERY (STATE). THE TIE IN POINT WILL BE TO THE SUCTION SIDE OF THE COMPRESSOR AND THEN GO INTO THE DCP HIGH PRESSURE LINE.~~

GAS PURCHASER AND CHEVRON HAVE AGREED TO MEASURE AND PAY APPROPRIATE ROYALTIES FOR THE KEATS (BLM) GAS AT THE KEATS FACILITY WITH A CHEVRON METER (EFM SALES QUALITY). THIS ARRANGEMENT WILL ENSURE THE J KEATS WELL NOT DEDUCTED ANY FUEL GAS FOR THE COMPRESSOR AT THE MCCLOY BATTERY.

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

Name (Printed/Typed) **CINDY HERRERA-MURILLO** Title **PERMITTING SPECIALIST**

Signature *Cindy Herrera-Murillo* Date **02/17/2014**

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.

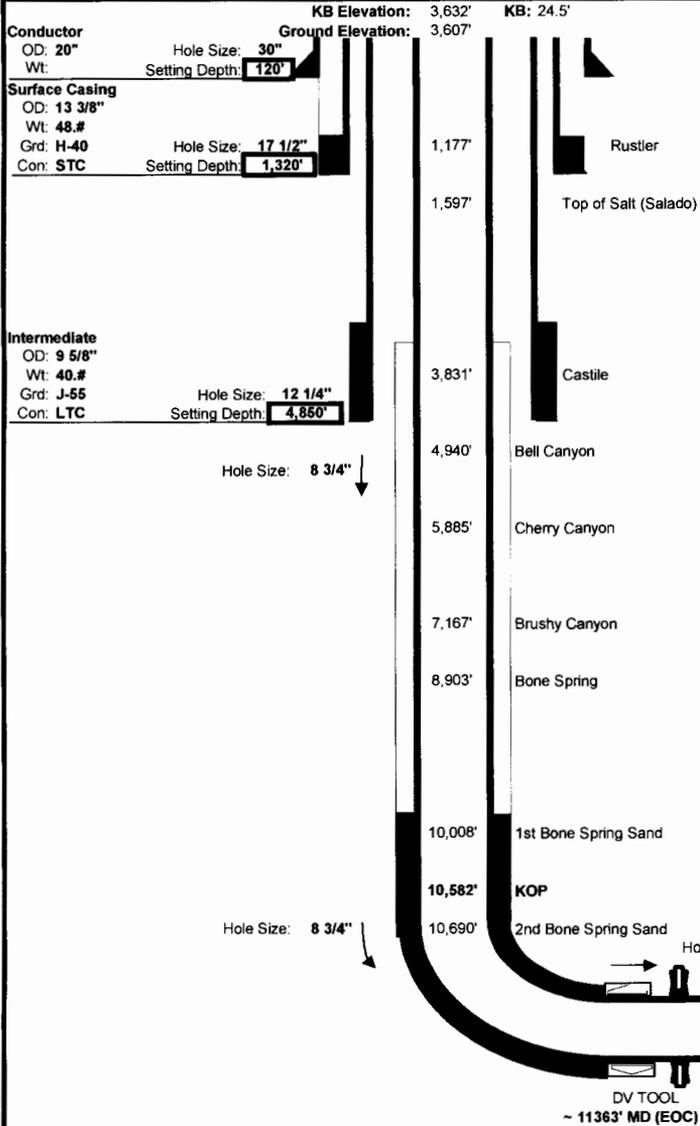
(Instructions on page 2)



Drilling Engineer: Kyle Johnson
Superintendent: Dan Jovanovic
Geologist: Ryan Jensen

Well Name: J Keats 1-24-32 40H
Target: Second Bone Springs Sand
County, State: Lea, NM
Surface Location: 330' FSL 400' FEL, Section 1, Township 24 S, Range 32 E
BH Location: 330' FNL 340' FWL, Section 1, Township 24 S, Range 32 E
SHL Latitude: 32.240246 **SHL North:** 451851
SHL Longitude: -103.620599 **SHL East:** 720368
BHL Latitude: N/A **BHL North:** 456472
BHL Longitude: N/A **BHL East:** 720402
Coordinates: NAD 27 **Coordinates:** NMSPC

Drilling Rig: Ensign 153
Directional: Phoenix
Drilling Mud: Nova
Cement: Halliburton
Wellhead: GE/Vetco
Property Number: N/A
WBS Number: Not Yet Issued



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

Mud					
Depth	Type	Weight	F. Vis	FL	
0' - 1,320'	Spud Mud	8.3 - 8.7	32 - 34	NC - NC	
1,320' - 4,850'	Brine	9.5 - 10.1	28 - 29	NC - NC	
4,850' - 10,582'	FW/Cut Brine	8.3 - 9.5	28 - 29	NC - NC	
10,582' - 11,363'	Cut Brine	8.3 - 9.5	28 - 30	15 - 25	
11,363' - 15,475'	FW/Cut Brine	8.3 - 9.5	28 - 29	15 - 25	

Cement							
Slurry	Top	Btm	Wt	Yld	%Exc	Bbl	Sx
Surface	Lead 0'	1,020'	13.5	1.75	250	412	1322
	Tail 1,020'	1,320'	14.8	1.36	250	144	595
Intermediate	Lead 0'	4,250'	12.9	1.87	250	661	1983
	Tail 4,250'	4,850'	14.8	1.33	250	124	523
Production	Lead 4,350'	10,082'	12.5	1.8	75.0	435.1	1350
	Tail 10,082'	11,363'	15.6	1.2	75.0	101.9	481

Type	Logs	Interval	Vendor
L	Mudlogs	2 man mudlog	Selman
O	LWD	MWD Gamma	Phoenix
G	Wireline	Triple Combo	Baker
S			

Directional Plan						
Target Line:	11063' KBTVD @ 0°VS with a 90.4 deg inc					
Target Window:	20' above, 20' below, 50' left, 50' right					
	MD	INC	AZM	TVD	VS	DLS
KOP	10,582'	0.00	0.00	10,582'	0'	0.00
EOB	11,363'	90.40	0.41	11,060'	481'	12.00
TD	15,475'	90.40	0.41	11,031'	4,620'	0.00
Hardlines:	Lateral- 330' from parallel lease lines. Vertical- Actual Lease Lines					
Notes:	Please note SHL and BHL distance from lease lines					

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 USA INC
OPERATOR ADDRESS: 15 SMITH RD, MIDLAND TX 79705
APPLICATION TYPE:

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

LEASE TYPE: Fee State Federal

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

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

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
SEE ATTACHED LIST				

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

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

(1) Complete Sections A and E.

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

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

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

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

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

SIGNATURE: Cindy Herrera-Murillo TITLE: PERMITTING SPECIALIST DATE: 03/05/2014

TYPE OR PRINT NAME CINDY HERRERA MURILLO TELEPHONE NO.: 575-263-0431

E-MAIL ADDRESS: Cherreramurillo@chevron.com

McCloy State Battery								BTU Commingled Production
Well Name	Lease	Property ID	API Number	Pool Name	Pool Code	MCFPD	Dry BTU	
McCloy Ranch 2-24-32 State Com 1H	State	310784	30-025-40551	Tristie Draw; Bone Spring	96603	380	1136	≈ 1232
McCloy Ranch 2-24-32 State Com 2H	State	310784	30-025-40860	Tristie Draw; Bone Spring	96604	420	1136	
McCloy Ranch 2-24-32 State Com 4H	State	310784	30-025-40861	Tristie Draw; Bone Spring	96605	500	1136	
J Keats Federal Battery (new)								
Well Name	Lease	Property ID	API Number	Pool Name	Pool Code	MCFPD	Dry BTU	
J Keats 1-24-32 40H (estimated values)	Federal	40399	30-025-41582			741	1400	
Combined Production								1231.8

This request is only for gas production, therefore, only gas volumes and BTU values are given.

Liquid HC production is not allowed

Gas Commingled BTU

$$1136(380 + 420 + 500) + 741 \times 1400$$

$$380 + 420 + 500 + 741$$

$$= 1231.847 \approx \underline{\underline{1232 \text{ BTU}}}$$



Sec. 2

N

1" = 600'

	Chevron Midcontinent Business Unit
	BONE SPRINGS DRILLING PROGRAM J KEATS SECTION 1 MCCLOY SECTION 2

HOBBS OCD

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APR 27 2012

APR 27 2012

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
511 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

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

District IV
1320 S. St. Francis Dr., Santa Fe, NM 87503
Phone: (505) 476-3460 Fax: (505) 476-3462

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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

1 API Number 30-025-40551		2 Pool Code 96603		3 Pool Name TRISTE DRAW; BONE SPRING	
4 Property Code 39190		5 Property Name MCCLOY RANCH 2 24 32 STATE COM			6 Well Number 1H
7 OGRID No. 147179		8 Operator Name CHESAPEAKE OPERATING, INC.			9 Elevation 3616'

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
N	2	24 SOUTH	32 EAST, N.M.P.M.		100'	SOUTH	1980'	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
C	2	24 SOUTH	32 EAST, N.M.P.M.		165'	NORTH	1980'	WEST	LEA

12 Dedicated Acres 159.86	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.

The map displays a 'Project Area' and a 'Producing Area' within a grid. The Project Area is a rectangle with a width of 1980' and a height of 1980'. The Producing Area is a smaller rectangle within it, with a width of 1980' and a height of 165'. A well location is marked with a circle and a line pointing to a data box. The data box contains the following information:

PROPOSED BOTTOM HOLE LOCATION	
X=	712,151 NAD 27
Y=	456,550
LAT.	32.253308
LONG.	103.647078
X=	753,334 NAD83
Y=	456,609
LAT.	32.253431
LONG.	103.647580

Another data box for the 'MCCLOY RANCH 2 24 32 STATE COM 1H' well is also present:

MCCLOY RANCH 2 24 32 STATE COM 1H	
X=	712,185 NAD 27
Y=	451,552
LAT.	32.239571
LONG.	103.647070
X=	753,369 NAD83
Y=	451,611
LAT.	32.239694
LONG.	103.647581
ELEVATION	+3616' MVD 88

The map also shows a 'Project Area' of 159.86 ACRES and a 'Producing Area' of 159.86 ACRES. The well location is 165' from the surface location.

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

Bryan Arrant 4/27/2012
Signature Date
Bryan Arrant

Printed Name
bryan.arrant@chk.com

E-mail Address

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

April 27 2012
Date of Survey

[Signature]
Signature and Seal of Registered Professional Surveyor

15078

Certificate Number

PROJECTED FIRST PERFORATIONS
330' FSL & 1980' FWL

APR 30 2012

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) 748-4720
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1000 Rio Brazos Road, Aztec, NM 87410
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

NOV 13 2012

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40860	² RECEIVED Code (96603)	³ Pool Name TRISTE DRAW; BONE SPRING
⁴ Property Code 310784	⁵ Property Name MCCLOY RANCH 2 24 32 STATE COM	⁶ Well Number 2H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON USA, INC.	⁹ Elevation 3632'

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	2	24 SOUTH	32 EAST, N.M.P.M.		100	SOUTH	400	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
D	2	24 SOUTH	32 EAST, N.M.P.M.		150	NORTH	400	WEST	LEA

¹² Dedicated Acres 160	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.

PROPOSED BOTTOM HOLE LOCATION

X=	710,571	NAD 27
Y=	456,549	
LAT.	32.253334	
LONG.	103.652189	

X= 751,754 NAD83
Y= 456,608
LAT. 32.253457
LONG. 103.652671

MCCLOY RANCH 2 24 32 STATE COM 2H

X=	710,605	NAD 27
Y=	451,536	
LAT.	32.239555	
LONG.	103.652180	

X= 751,789 NAD83
Y= 451,595
LAT. 32.239679
LONG. 103.652661
ELEVATION +3632' NAVD 88

Producing Area: N 00°23'46"W S012.59'

Projected Penetration Point: 330' FSL & 400' FWL

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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Bryan Arrant 11/08/2012
Signature Date

Bryan Arrant (Agent)
Printed Name
bryan.arrant@chk.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.

Nov 8 2012
Date of Survey

Signature and Seal of Professional Surveyor

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

#15078
Certificate Number

ELG 11-14-2012

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, Artec, 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) 476-3463

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

HOBBES OGD

NOV 13 2012

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30025 40861	² Pool Code (96603)	³ Pool Name TRISTE DRAW: BONE SPRING
⁴ Property Code 310784	⁵ Property Name MCCLOY RANCH 2 24 32 STATE COM	
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON USA, INC.	⁶ Well Number 4H ⁹ Elevation 3606'

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	2	24 SOUTH	32 EAST, N.M.P.M.		100	SOUTH	660	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	2	24 SOUTH	32 EAST, N.M.P.M.		150	NORTH	660	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=	714,797 NAD27
Y=	456,591
LAT.	32.253374
LONG.	103.638517
X=	755,981 NAD83
Y=	456,650
LAT.	32.253498
LONG.	103.638999

MCCLOY RANCH 2 24 32 STATE COM 4H	
X=	714,844 NAD27
Y=	451,579
LAT.	32.239597
LONG.	103.638470
X=	756,028 NAD83
Y=	451,638
LAT.	32.239720
LONG.	103.638951
ELEVATION +3606' NAVD 88	

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

Signature: *Bryan Arrant* Date: 11/10/2012
Printed Name: Bryan Arrant (Agent)
E-mail Address: bryan.arrant@chk.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: Nov 9 2012
Signature and Seal of Professional Surveyor: *[Signature]*
Certificate Number: #15078

Projected Penetration Point: 330' FSL & 660' FEL

ELG 11-24-2012

Exhibit A-1

DISTRICT I
1635 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
1205 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, New Mexico 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-41582	Pool Code 06674	Pool Name TRIPLE X; BONE SPRING West
Property Code 40307	Property Name J KEATS 1-24-32	Well Number 40H
OGRID No. 4323	Operator Name CHEVRON USA INC	Elevation 3607'

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	1	24-S	32-E		330	SOUTH	400	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
ALOT 1	1	24-S	32-E		330	NORTH	340	EAST	LEA

Dedicated 1/20/11	Joint or Infill	Consolidation Code	Order No.
760159.9B			

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

4	3	2	A	1	B
39.49 AC.	39.64 AC.	39.78 AC.		39.93 AC.	
<p>GEODETTIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=451851.4 N X=720368.3 E</p> <p>LAT.=32.240246° N LONG.=103.620599° W</p> <p>BOTTOM HOLE LOCATION Y=456471.5 N X=720401.6 E</p> <p>CORNER COORDINATES TABLE</p> <p>A - Y=456790.4 N, X=719418.7 E B - Y=456805.3 N, X=720739.6 E C - Y=451523.8 N, X=720770.2 E D - Y=451515.8 N, X=719453.6 E</p>					
<p>DETAIL</p> <p>3608.6' 3610.8'</p> <p>600'</p> <p>3605.2' 3606.1'</p> <p>S.L. 400'</p> <p>SEE DETAIL</p> <p>GRID AZ.=00°24'40" HORIZ. DIST.=462.13'</p>					
<p>OPERATOR CERTIFICATION</p> <p>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 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Denise Pinkerton</i> 08/22/2013 Signature Date</p> <p>Denise Pinkerton Printed Name</p> <p>Leakejd@chevron.com E-mail Address</p>					
<p>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>MAY 23, 2013</p> <p>Date of Survey</p> <p>Signature of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i> 5/23/2013</p> <p>NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 3239</p> <p>Certification of Ronald J. Eidson 12641 Ronald J. Eidson 3239</p> <p>BKL REV W.O. 13.11.0543 JWSC W.O. 13.11.0849</p>					

JAN 06 2011 Jm



Nicholas Wann
Facility Engineer

Midcontinent Business Unit
Chevron USA, Inc.
15 Smith Rd
Midland, TX 79705
Phone (432) 687-7852
NWann@chevron.com

February 26, 2014

Certified Mail- Return Receipt Requested
xxx-xxx-xxx-xxx-xxx

ADDRESS:

Twin Montana, Inc.
P.O. Box 1210
Graham, Texas 76450

ATTN: Kenneth C. Haggart
940-549-7752
kchag@echoproduction.com
roger@echoproduction.com

RE: Notice of Application to Temporarily Surface Commingle
J. Keats #40 and McCloy Ranch #1
Township 24 South, Range 32 East, NMPM
Section 1: All
Section 2: All
Lea County, New Mexico

Dear Interest Owner,

According to our records, you have a working interest or royalty interest in one or more wells that are currently connected to the McCloy battery (Section 2-24-32) or J Keats battery (Section 2-24-32).

Chevron USA Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) for approval for a temporary commingling arrangement where the new J Keats (Federal) battery will flow produced gas to the nearby McCloy (state) battery.

The J Keats well is planned to begin production April 1, but the gas pipeline has been delayed resulting in a 2-3 month gap with no commercial gas takeaway. In lieu of flaring produced gas, Chevron proposes the following in which Chevron temporarily lays a surface gas line to the nearby Chevron McCloy Battery.

The gas purchaser and Chevron have agreed to measure and pay appropriate royalties for the Keats gas at the Keats facility with a Chevron gas meter (EFM, Sales Quality). Likewise, Chevron will measure and pay appropriate royalties of the McCloy battery based on the Chevron meter (EFM, Sales Quality) upstream of the tie-in/commingling point. The tie-in/commingling point will be on the suction side of the compressor at the McCloy battery which then in turn goes into the DCP high pressure line. This arrangement will ensure that both facilities are metered separately, and no well is deducted fuel gas for the compressor at the McCloy battery. In other words, Chevron will pay for the compressor fuel gas while this temporary commingling arrangement is in place.

This proposal shall not affect your interest in these wells and should allow for all interest owners to recover more of the gas reserves from each well via expedited production at J Keats (2-3 mo. acceleration) and temporary relief from deducting compressor fuel gas at McCloy.

BLM representatives have reviewed this proposal and determined that it meets all of their requirements, and that neither a Sundry nor Commingling Permit are required from the perspective of the J Keats Federal Lease. However, the NMOCD has indicated that this Surface Commingling application is necessary to ensure all interest owners of both leases are notified and have the opportunity to object.

If you support this approach and would like to help expedite this process please sign below and return to NWann@chevron.com.

If you have any objections to our application you must notify in writing Chevron and the NMOCD Santa Fe office at 1220 South St. Francis Drive, Santa Fe, NM 87505 within 20 days.

If you have any questions or would like to discuss further please contact Nicholas Wann (see contact information below).

Regards:

Nicholas Wann, P.E.
Facility Engineer, Chevron
NWann@chevron.com
432-687-7852

I support this approach and would like to help expedite the approval of this commingling permit.

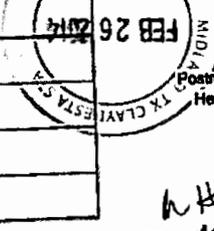
Name: _____

Company/Interest Owner: _____

Signature: _____

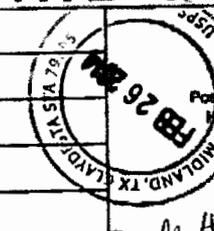
Date: _____

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 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com
OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

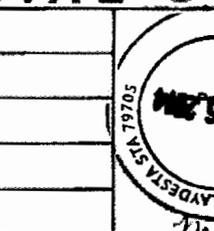
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 Talus, Inc. Attn: Kenneth Haggart
 Street, Apt. No. or PO Box No.: *P.O. Box 1710*
 City, State, ZIP+4: *Graham, Texas 76450*
 PS Form 3800, August 2006 See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: *John Chiles Graham*
 The Altar Company Attn: John Chiles Graham
 Street, Apt. No. or PO Box No.: *135 Elm St.*
 City, State, ZIP+4: *Graham TX 76450*
 PS Form 3800, August 2006 See Reverse for Instructions

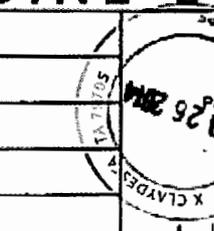
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Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: *James Amos*
 Bureau of Land Mgmt Attn: James Amos
 Street, Apt. No. or PO Box No.: *620 E. Greene St*
 City, State, ZIP+4: *Chickasha NM 882206292*
 PS Form 3800, August 2006 See Reverse for Instructions

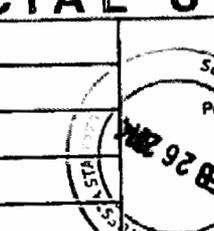
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Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: *Kenneth Haggart*
 Twin Mountain, Inc. Attn: Kenneth Haggart
 Street, Apt. No. or PO Box No.: *P.O. Box 1210*
 City, State, ZIP+4: *Graham, TX 76450*
 PS Form 3800, August 2006 See Reverse for Instructions

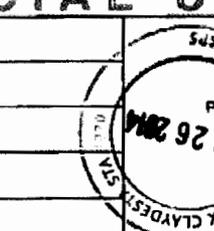
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Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: *Sandra M. Thoma*
 Sandra M. Thoma
 Street, Apt. No. or PO Box No.: *8330 Mill Run Rd*
 City, State, ZIP+4: *Athens, Texas 75751*
 PS Form 3800, August 2006 See Reverse for Instructions

7070 0700 0900 8458 2952

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Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: *Donna Howias*
 DVI USA Inc Attn: Donna Howias
 Street, Apt. No. or PO Box No.: *Greenway Plaza Ste 110*
 City, State, ZIP+4: *Houston, TX 77046*
 PS Form 3800, August 2006 See Reverse for Instructions

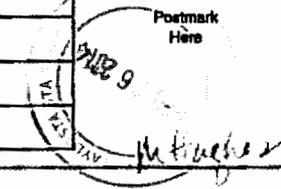
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7010 3090 0001 8453 2885

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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

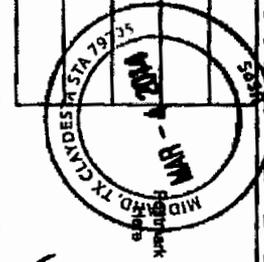
Recipient Name: John L. Thoma
Street, Apt., No. or P.O. Box: Box 17656
City, State, ZIP: Golden, CO 80402

U.S. Postal Service
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



01/25/14

Send to:
 Street or PO Box
 City, State, ZIP+4®
*State Land Office, 0165 St. 11th
 PO Box 0114
 State OH 431504*

PS Form 3800, August 2014

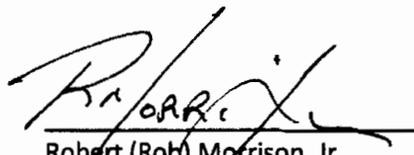
7010 3090 0001 8453 3158

**McCloy Ranch State Com #1H- #4H
Owner Information**

McCloy Ranch (Tank Battery)
Section 2-T24S-R32E
VB-1177
VB1170

<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.	PO BOX 2100	Houston	TX	77252-2100
Royalty Interest	State of New Mexico	PO BOX 1148	Santa FE	NM	87504-1148

I verify that the above information is correct.


Robert (Rob) Morrison, Jr.
Land Representative

the nature of lease developments being proposed and the cultural resources potentially affected, compliance with Section 106 of the National Historic Preservation Act and Executive Order 13007 could require intensive cultural resource inventories, Native American consultations, and mitigation measures to avoid adverse effects- the costs for which will be borne by the lessee. The BLM may require modifications to or disapprove proposed activities that are likely to adversely affect TCPs or sacred sites for which no mitigation measures are possible. This could result in extended time frames for processing authorizations for development activities, as well as changes in the ways in which developments are implemented.

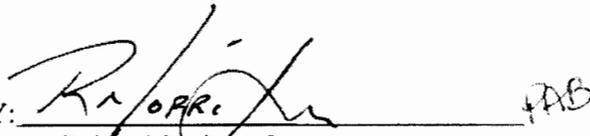
a. An Approved APD was received by the BLM on December 11, 2013

c. The Oil and Gas Lease IS in the Potash Area. It is subject to the Memorandum of Understanding.

d. ~~A Request for Suspension of Lease effective March 1, 2014 was sent to the BLM for approval on January 7, 2014. As of the date of this Title Clearance Memorandum a suspension has not been granted.~~ PURSUANT TO REQUEST BY PROJECT TEAM, REQUEST FOR LEASE SUSPENSION WAS DROPPED.

8. **TITLE OPINIONS/ISSUES** This Title Clearance Memorandum is based on a Drilling and Division Order Title Opinion dated July 25, 2012. A review of the records by Federal Abstract in Santa Fe, New Mexico confirmed that no filings have been made on the property subsequent to the previous examination of Records.

BY:



Robert Morrison, Jr.
Land Representative

DATE: January 7, 2014

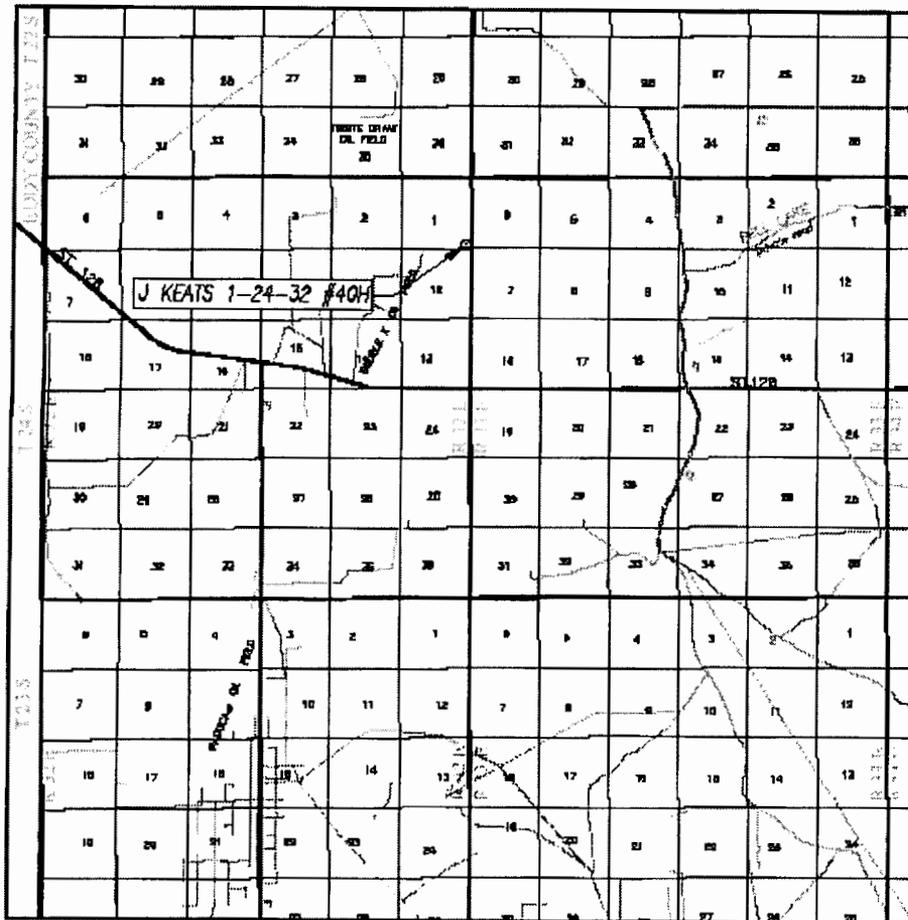
Cc: Ed Van Reet
Ken Schwartz
Pam Bikun
Kevin McNally
Stephen Tarr
Kyle Johnson
Ivan Pinney
Denise Pinkerton
Shantrice Ellis
Fred Verner
Gabe Acosta
Huy Kevin Peters
Jason Levine
Ryan Jensen
Sean Cheben
Larry Fuentes
Justin Fedhr
Fred O'Toole
Denise Wann
Jonathan Wells
Michelle Watts
Electronic Well File
QLS File #812367

WELL TITLE CLEARANCE

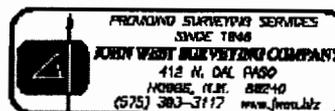
Title Clearance Request

TO: Robert Morrison

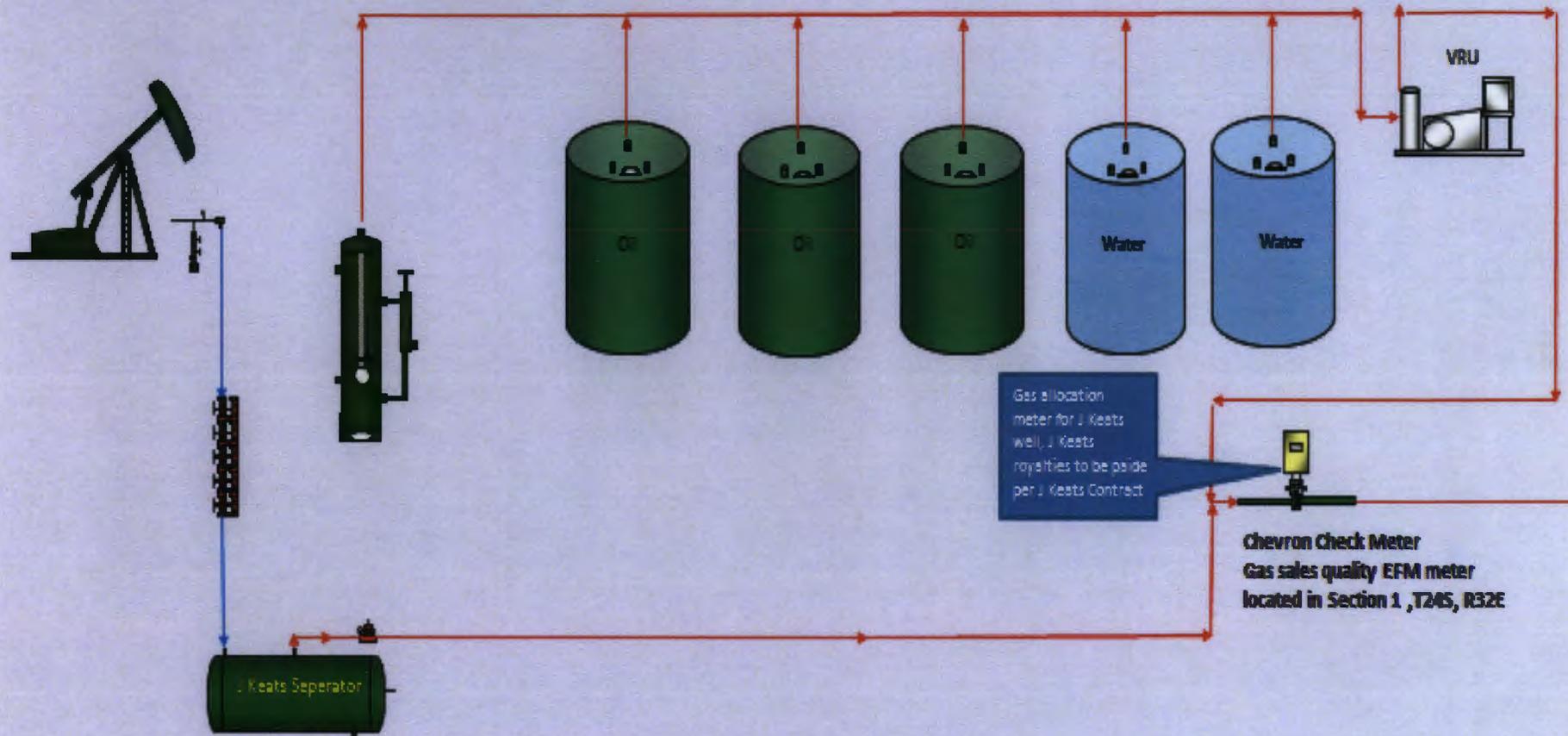
VICINITY MAP



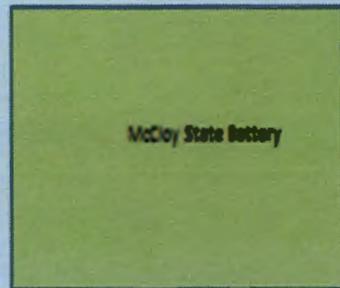
SEC. 1 TWP. 24-S RGE. 32-E
SURVEY N.M.P.M.
COUNTY LEA STATE NEW MEXICO
DESCRIPTION .330' ESL & 400' FEL
ELEVATION 3607'
OPERATOR CHEVRON USA INC
LEASE J KEATS 1-24-32



**J Keats Federal Tank Battery
Sec 1, T24S, R32E**

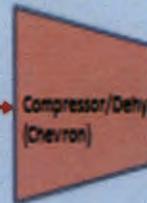


**McCloy State Tank Battery Pad
Sec 2, T24S, R32E**



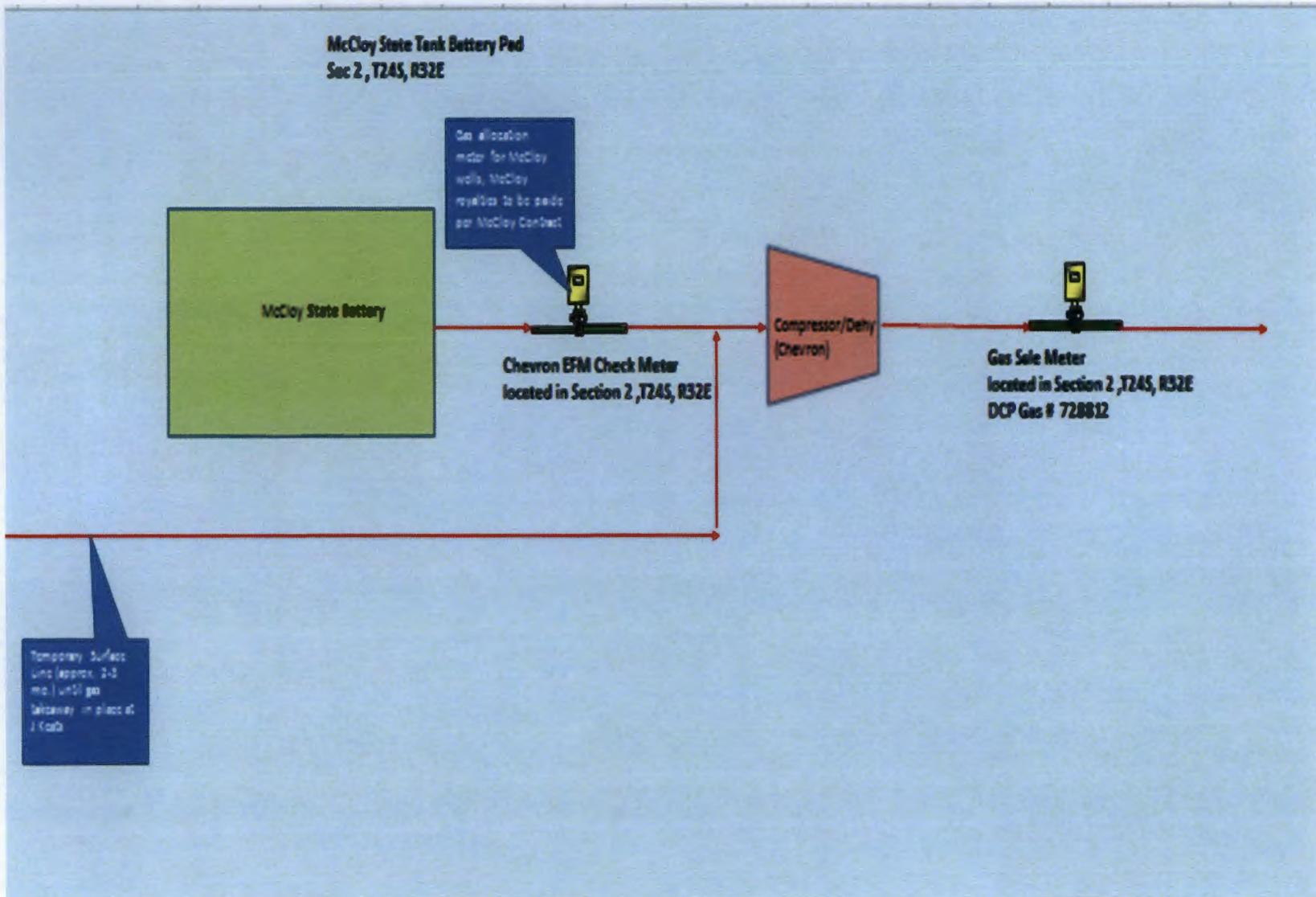
Gas allocation meter for McCloy wells, McCloy wells, McCloy wells to be used per McCloy Contract

**Chevron EFM Check Meter
located in Section 2, T24S, R32E**



**Gas Sale Meter
located in Section 2, T24S, R32E
DCP Gas # 728812**

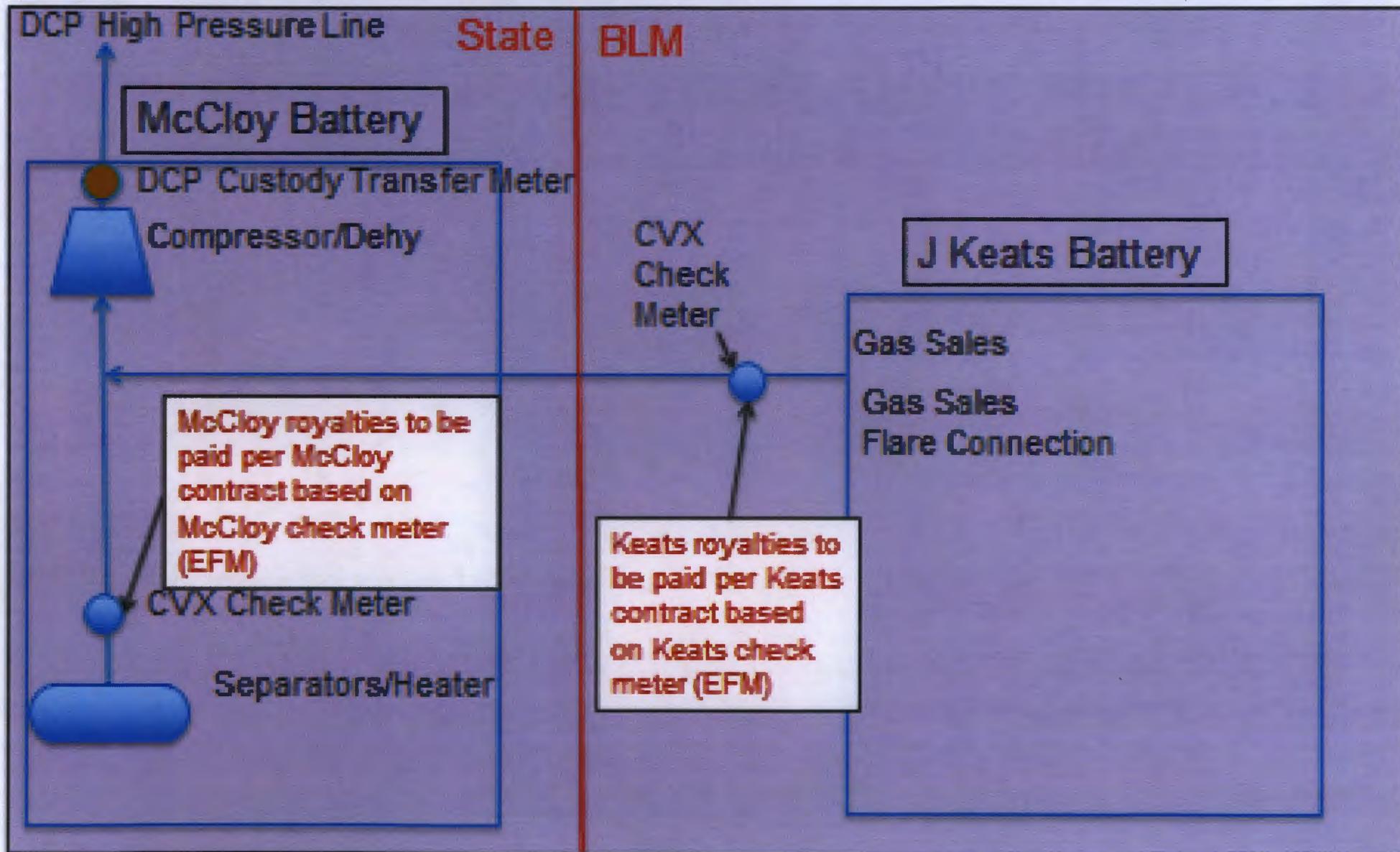
Temporary Surface Line (approx. 2-3 mi) until gas delivery in place at 1/1/08





Temporary J Keats Gas Takeaway

Initial Configuration – Est. 2-3 mo. duration





DAILY PRODUCTION REPORT

#####

1/1/2014 to 3/15/2014

Area HOBBS FMT
Sub Area HOBBS
Operator Route 6010003 - ROUTE 3
Collection Point MCCLOY RANCH BATTERY

DAY	OIL (bpd)	WATER (bpd)	GAS (mscf)	BOEG
1/1/2014	5.57	0.00	17.00	8.40
1/2/2014	0.00	0.00	0.00	0.00
1/3/2014	3.21	0.00	0.00	3.21
1/4/2014	309.47	149.00	159.00	335.97
1/5/2014	103.09	17.00	101.00	119.92
1/6/2014	0.00	0.00	0.00	0.00
1/7/2014	0.00	0.00	0.00	0.00
1/8/2014	0.00	0.00	0.00	0.00
1/9/2014	3.54	0.00	0.00	3.54
1/10/2014	838.32	231.00	897.00	987.82
1/11/2014	306.54	174.00	235.00	345.71
1/12/2014	453.42	168.00	633.00	558.92
1/13/2014	82.27	101.00	100.00	98.94
1/14/2014	310.30	55.00	221.00	347.13
1/15/2014	236.91	130.00	317.00	289.74
1/16/2014	6.27	0.00	44.00	13.60
1/17/2014	241.55	129.00	179.00	271.38
1/18/2014	199.42	104.00	671.00	311.25
1/19/2014	0.00	0.00	24.00	4.00
1/20/2014	420.84	147.00	417.00	490.34
1/21/2014	215.65	97.00	313.00	267.82
1/22/2014	174.87	212.00	750.00	299.87
1/23/2014	279.49	30.00	375.00	341.99
1/24/2014	211.88	253.00	151.00	237.05
1/25/2014	558.24	335.00	1169.00	753.07
1/26/2014	0.00	200.00	852.00	142.00
1/27/2014	432.49	154.00	603.00	532.99
1/28/2014	231.81	98.00	412.00	300.48
1/29/2014	262.48	149.00	268.00	307.15
1/30/2014	552.25	165.00	651.00	660.75
1/31/2014	380.94	172.00	511.00	466.11
2/1/2014	423.80	171.00	621.00	527.30
2/2/2014	316.83	134.00	522.00	403.83
2/3/2014	179.46	126.00	534.00	268.46
2/4/2014	406.26	161.00	566.00	500.59
2/5/2014	274.16	120.00	510.00	359.16
2/6/2014	273.12	156.00	510.00	358.12
2/7/2014	219.51	178.00	524.00	306.84
2/8/2014	313.16	152.00	649.00	421.33
2/9/2014	329.04	178.00	751.00	454.21
2/10/2014	308.86	115.00	593.00	407.69
2/11/2014	160.31	106.00	543.00	250.81
2/12/2014	371.99	165.00	1242.00	578.99
2/13/2014	308.37	142.00	1350.00	533.37
2/14/2014	293.12	134.00	1336.00	515.79
2/15/2014	325.27	121.00	1274.00	537.60
2/16/2014	203.60	83.00	510.00	288.60



DAILY PRODUCTION REPORT

#####

1/1/2014 to 3/15/2014

2/17/2014	244.03	83.00	564.00	338.03
2/18/2014	400.28	209.00	1464.00	644.28
2/19/2014	218.13	111.00	1194.00	417.13
2/20/2014	293.06	91.00	1465.00	537.23
2/21/2014	297.19	189.00	1482.00	544.19
2/22/2014	201.76	104.00	1265.00	412.59
2/23/2014	282.25	141.00	1331.00	504.08
2/24/2014	289.90	130.00	1254.00	498.90
2/25/2014	360.38	110.00	1185.00	557.88
2/26/2014	124.06	107.00	862.00	267.73
2/27/2014	306.92	149.00	1386.00	537.92
2/28/2014	305.30	116.00	1519.00	558.47
3/1/2014	282.92	101.00	1390.00	514.59
3/2/2014	196.12	113.00	846.00	337.12
3/3/2014	178.86	97.00	636.00	284.86
3/4/2014	197.77	99.00	616.00	300.44
3/5/2014	2.67	0.00	1.00	2.84
3/6/2014	309.80	99.00	487.00	390.97
3/7/2014	0.00	0.00	0.00	0.00
3/8/2014	1.72	20.00	0.00	1.72
3/9/2014	0.00	0.00	0.00	0.00
3/10/2014	0.00	0.00	0.00	0.00
3/11/2014	72.46	110.00	117.00	91.96
3/12/2014	535.22	158.00	251.00	577.05
3/13/2014	349.56	113.00	779.00	479.39
3/14/2014	242.43	233.00	631.00	347.60
3/15/2014	285.87	127.00	863.00	429.70
MTD Total :	17506.34	8322.00	43693.00	24788.51
MTD Avg:	236.57	112.46	590.45	334.98
Prev Avg:	153.03	73.36	291.82	201.67
Change +/-	83.54	39.09	298.62	133.31

Well_Name: **MCCLOY RANCH 2 24 32 STATE COM # 001H** API: 3E+09
 Location: N-2-24.0S-32E 100 FSL 1980 FWL
 Lat: 32.2397006 Long: -103.648
 Operator Name: CHEVRON U S A INC County: Lea
 Land Type: State Well Type: Oil
 Spud Date: 5/30/2012 Plug Date:
 Elevation GL: 3616 Depth TVD: 14459

Year: 2012

Pool Name: **TRISTE DRAW;BONE SPRING**

Month	Oil(BBLS)	Gas(MCF)	Water(BBL Days Produced)	
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0
September	0	0	0	0
October	7991	31011	9266	31
November	1775	8640	1364	12
December	0	0	0	0

Year: 2012

Pool Name: **TRISTE DRAW;BONE SPRING**

Month	Oil(BBLS)	Gas(MCF)	Water(BBL Days Produced)	
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0
September	5780	7520	15340	30
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0

Year: 2013

Pool Name: **TRISTE DRAW;BONE SPRING**

Month	Oil(BBLS)	Gas(MCF)	Water(BBL Days Produced)	
January	0	0	0	0
February	2681	1465	1624	9
March	3927	6707	2713	31
April	2783	6037	1730	30
May	2068	4036	1639	31
June	2075	3269	1411	29
July	2102	3364	1967	31
August	2965	3428	1901	31
September	1215	3284	640	30
October	1011	2360	451	31
November	872	1155	344	30
December	187	212	69	5
CUM	37432	82488		

Well_Name: **MCCLOY RANCH 2 24 32 STATE COM # 002H** API: 3E+09
 Location: M-2-24.0S-32E 100 FSL 400 FWL
 Lat: 32.23967453 Long:
 Operator Name: CHEVRON U S A INC County: Lea
 Land Type: State Well Type: Oil
 Spud Date: 1/24/2013 Plug Date:
 Elevation GL: 3632 Depth TVD 99

Year: 2013

Pool Name: **TRISTE DRAW;BONE SPRING**

Month	Oil(BBLS)	Gas(MCF)	Water(BBL)
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	6906	19066	6225
September	3990	25735	2953
October	3316	18492	2082
November	2860	9052	1586
December	2359	3746	711
CUM	19431	76091	

Well_Name: **MCCLOY RANCH 2 24 32 STATE COM # 004H** API: 3E+09
 Location: P-2-24.0S-32E 100 FSL 600 FEL
 Lat: 32.23974479 Long: -103.639
 Operator Name: CHEVRON U S A INC County: Lea
 Land Type: State Well Type: Oil
 Spud Date: 12/31/2012 Plug Date:
 Elevation GL: 3606 Depth TVD 99

Year: 2013

Pool Name: TRISTE DRAW;BONE SPRING

Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days Produ
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	8912	15102	7600	23
September	5148	20383	3605	30
October	4279	14646	2542	31
November	3691	7169	1936	30
December	3818	5740	1586	30
CUM	25848	63040		

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.		5. Lease Serial No. NMNM111964
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. J KEATS 1 24 32 40H	
2. Name of Operator CHEVRON MIDCONTINENT LP	Contact: CINDY H MURILLO E-Mail: CHERRAMURILLO@CHEVRON.COM	9. API Well No. 30-025-41582-00-X1
3a. Address 15 SMITH ROAD MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0431	10. Field and Pool, or Exploratory TRIPLE X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T24S R32E SESE 330FSL 400FEL 32.240246 N Lat, 103.620599 W Lon		11. County or Parish, and State LEA COUNTY, NM

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

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

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

CHEVRON USA INC SUBMITS FOR APPROVAL A PROPOSED TEMPORARY COMMINGLING WITH MCCLOY, THE KEATS IS PLANNED TO BEGIN PRODUCTION APRIL 1, 2014, BUT THE GAS PIPELINE HAS BEEN DELAYED RESULTING IN A 2 -3 MONTH GAP WITH NO COMMERCIAL GAS TAKEAWAY. CHEVRON PROPOSES THE FOLLOWING SOLUTION IN WHICH CHEVRON TEMPORARILY RUNS A SURFACE GAS LINE TO THE NEARBY CHEVRON MCCLOY BATTERY (STATE), THE TIE IN POINT WILL BE TO THE SUCTION SIDE OF THE COMPRESSOR AND THEN GO INTO THE DCP HIGH PRESSURE LINE.

GAS PURCHASER AND CHEVRON HAVE AGREED TO MEASURE AND PAY APPROPRIATE ROYALTIES FOR THE KEATS (BLM) GAS AT THE KEATS FACILITY WITH A CHEVRON METER (EFM SALES QUALITY). THIS ARRANGEMENT WILL ENSURE THE J KEATS WELL NOT DEDUCTED ANY FUEL. GAS FOR THE COMPRESSOR AT THE MCCLOY BATTERY.

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

**Electronic Submission #240345 verified by the BLM Well Information System
For CHEVRON MIDCONTINENT LP, sent to the Hobbs
Committed to AFMS for processing by DEBORAH HAM on 03/28/2014 (14DMH0180SE)**

Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 03/28/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>EPS</u>	Date <u>04/01/2014</u>
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 <u>Hobbs</u>

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.