

V3MJH-191212-C-107B 1376

Revised March 23, 2017

RECEIVED: 12/12/19	REVIEWER:	TYPE: PC	APP NO: pDM1936434333
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: CHEVRON USA INC **OGRID Number:** 4323
Well Name: SND 12 01 FED 003 **API:** 30-015-45420
Pool: COTTON DRAW; BONE SPRING **Pool Code:** 13367

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☒ PC☒ OLS☒ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☒ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application
Content
Complete

3) 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.

12/12/2019

Date

LAURA BECERRA

Print or Type Name

(432) 687-7665

Phone Number

Signature

LBECCERRA@CHEVRON.COM

e-mail Address



**Chevron North America
Exploration and Production Company**
(A Chevron U.S.A. Inc. Division)
6301 Deauville Blvd
Midland, TX 79706
Tel 432.687.7665
LBecerra@Chevron.com

December 6, 2019

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Application for administrative approval to commingle production from Bone Spring and Wolfcamp formations and Off-Lease Measurement, Sales & Storage

Dear Sir/Madam,

Chevron U.S.A. Inc. (OGRID 4323) seeks administrative approval to commingle oil and gas production according to the provisions of NMAC 19.15.12.10 for all existing and future wells from the Bone Spring and Wolfcamp formations through Chevron's Sand Dunes Central Tank Battery 12 located in the SESE corner of Section 12, T24S-R31E. The application applies to the following wells located in Section 12, T24S-R31E, Eddy County, New Mexico.

JABBERWOCKY 1H	
SND 12 01 FED 004 2H	SND 12 01 FED 003 1H
SND 12 01 FED 004 3H	SND 12 01 FED 003 2H
SND 12 01 FED 004 4H	SND 12 01 FED 003 3H

(All wells are currently being drilled or completed)

The BLM's interest in Lease NMNM 120901 is the same for all wells. Wells from the Bone Springs Pool and the Wolfcamp Pool will produce into their own trains for separation. The SND 12 01 FED 004 2H-4H & Jabberwocky 1H wells will produce through Train #1 while the SND 12 01 FED 003 1H-3H will produce through Train #2. Trains 1 and 2 will contain their own Coriolis meter downstream of each heater treater (SN 14874674 & 14875337, respectively).

All wells will be tested monthly to meet all federal and state requirements. Additionally, Value of Oil will not be affected because the wells will be completed in the same formation; therefore, the APIs will be the same or similar. The value of gas and oil will not be affected due to different formations as BTUs & API Gravities are expected to be the same or similar

A copy of NMOCD Order R-20250 and facilities supporting documents are attached to this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Becerra".

Laura Becerra
Regulatory Specialist
Midcontinent BU

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: 6301 Deauville Blvd., Midland, TX 79706

APPLICATION TYPE:

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

LEASE TYPE: ☐ Fee ☒ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Wolfcamp (98220)	46.5 / 1490				
Bone Spring (13367)	47.4 / 1463				

(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.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: 

TITLE: Permitting Specialist

DATE: 12/9/2019

TYPE OR PRINT NAME Laura Becerra

TELEPHONE NO. (432) 687-7665

E-MAIL ADDRESS: LBecerra@Chevron.com

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.

Sand Dunes Central Tank Battery #12

Oil & Gas Metering:

The central tank battery (Sand Dunes CTB #12) is located in the SESE corner of Section 12 T24S, R31E. For gas, there will be a common central delivery point (CDP) for 3rd party gas sales as well as a gas compression station (Sand Dunes CS #11) that takes combined suction gas from CTB #12 Trains 1 & 2. The Sand Dunes CS #11 directs gas either to a high-pressure sales point (DCP) or to a gas lift system as artificial lift for the Field's wells. The produced water will go to common water tanks on location and then to Solaris (3rd Party) SWD gathering system & station.

Although the BLM's interest in the Lease (Lease USA NMNM120901) for these wells (Bone Spring Oil Pool for SND 12 01 FED 003 1H – 3H & Wolfcamp Oil Pool for SND 12 01 FED 004 2H – 4H + Jabberwocky 1H) is consistent, the wells from the Bone Springs Pool and the Wolfcamp Pool will produce into their own trains for separation. The SND 12 01 FED 004 2H – 4H & Jabberwocky 1H wells will produce through Train #1 while the SND 12 01 FED 003 1H – 3H will produce through Train #2. With no degradation to crude value, the final measurement point for the crude will be at the LACT Units (SNs 550040800 & 550408003), at which point the Bone Springs & Wolfcamp wells will be commingled. The gas for each Train will have a dedicated orifice meter equipped with a Total Flow computer for the gas that is transported to Sand Dunes CS #11 (SNs 160058228 & 160058884).

Trains 1 and 2 will still contain their own Coriolis meter downstream of each heater treater (SN 14874674 & 14875337, respectively). Flash gas from Train 1 & 2 will be measured and totaled between an EFM orifice meter downstream of the VRU's (SN: 160045774) and will also be captured by 1 of the 2 orifice meters on Trains #1 & #2 (SNs 160059531 & 160059530). This is further described in the Process Flow Diagram below.

After all wells are metered at their Train's Heater Treater, the oil will be sent to common oil tanks and measured and sold through common LACT units (SNs 550040800 & 550408003). The LACTs will be the Final Measurement Point for the Sand Dunes CTB #12. All wells will be tested monthly in order to meet all federal and state requirements regardless of the phase of decline. The value of gas and oil will not be affected due to different formations as BTUs & API Gravities are expected to be the same or similar.

Gas Processing:

Gas from the Sand Dunes CTB #12 will flow to the Sand Dunes CS #11. The CTB's gas will be continuously measured utilizing orifice meters fitted with EFM flow computers located at the Sand Dunes CTB #12 (SN 160058228 for Train #1 & SN 160058884 for Train #2). Gas will be utilized by the compressor station as needed for fuel gas for compressors (measured by EFM Flow computers SN 160070194) and for gas lift of the wells in Section #12. Total gas lift volumes for each well will be measured through individual well gas lift orifice meters fitted with Total Flow EFM flow computers as well as a common gas lift meter at the compressor station outlet for total gas lift volume via Total Flow EFM (SN 160043943).

The Sand Dunes CS #11 will have an orifice meter fitted with an EFM flow computer for the sales gas to the 3rd Party, SNs 160043944 & 160048798. The individual wells will, as mentioned, come equipped with a gas lift orifice meter fitted with a Total Flow EFM Flow Computer, and are as follows:

- SND 12 01 FED 004 2H, SN TBD
- SND 12 01 FED 004 3H, SN TBD
- SND 12 01 FED 004 4H, SN TBD
- JABBERWOCKY 1H, SN TBD
- SND 12 01 FED 003 1H, SN TBD

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron U.S.A. Inc.

Sand Dunes Central Tank Battery #12

- SND 12 01 FED 003 2H, SN TBD
- SND 12 01 FED 003 3H, SN TBD

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility flow diagram and map which shows the lease boundaries, location of wells, and locations of the flow lines, facility, and gas sales meter. The commingling of this will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint and overall emissions.

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

Total Sales Gas from CS 11

= CS11 Check Meter 1 + CS11 Check Meter 2 + Gas Lift Meter
– DCP Buyback Meter – Fuel Gas Meter

Total Gas Lift = Sum of all well gas lift meters

CTB 12 Produced Gas = 12 CTB Meters (SN 160058228 + SN 160058884)

CTB 12 Crude Oil = 12 CTB LACTs (SN 550040800 + SN 550408003)

CTB 8 Train 1 Gas Lift

= SND 12 01 FED 004 2H + SND 12 01 FED 004 3H + SND 12 01 FED 004 4H
+ SND Jabberwocky 1H

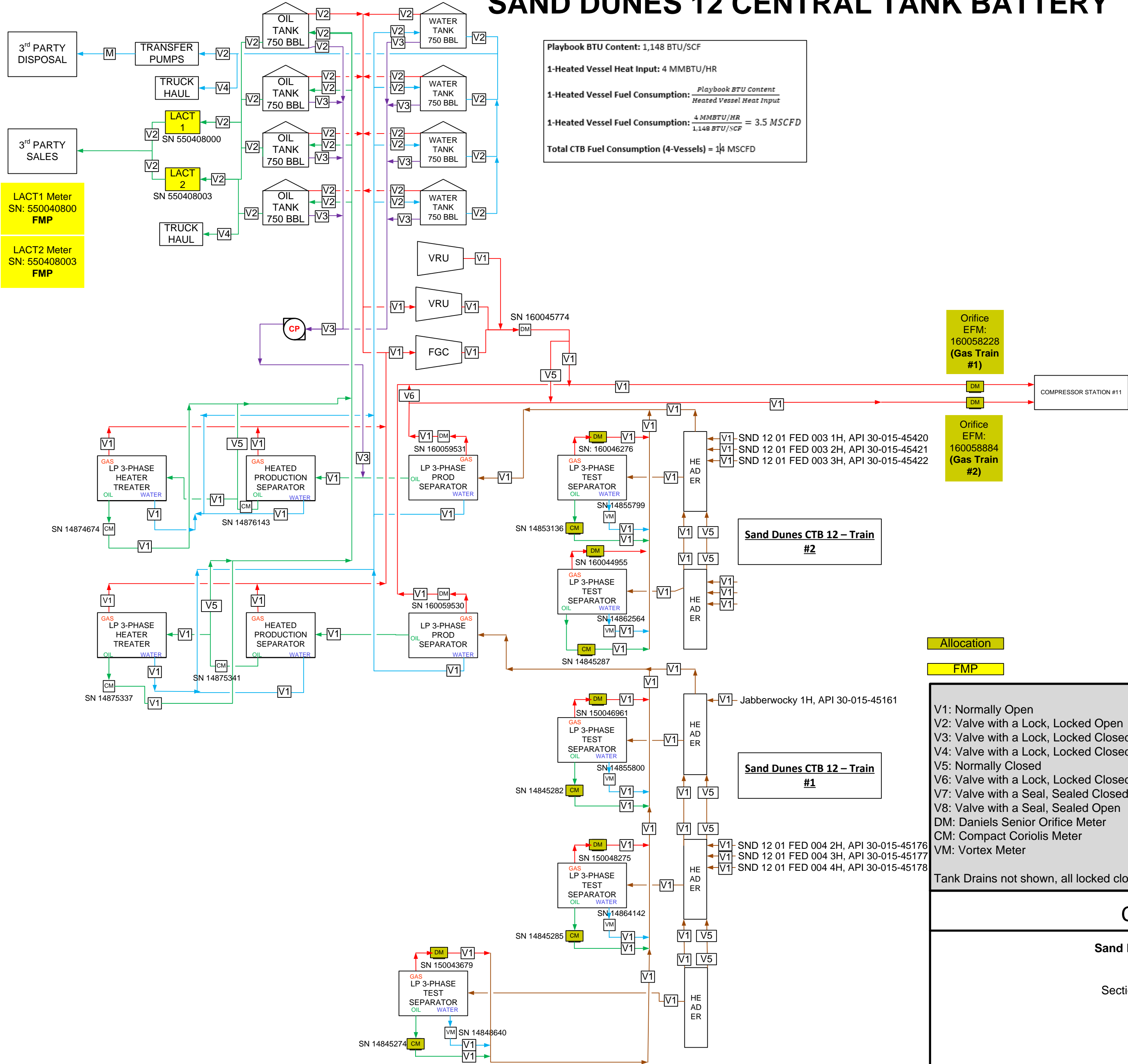
CTB 8 Train 2 Gas Lift

= SND 12 01 FED 003 1H + SND 12 01 FED 003 2H + SND 12 01 FED 003 3H

Forecasted Production

	JABBERWOCKY 1H POP: 3/4/20			SND 12 01 FED 004 2H POP: 3/4/20			SND 12 01 FED 004 3H POP: 3/4/20			SND 12 01 FED 004 4H POP: 3/4/20			SND 12 01 FED 003 1H POP: 3/23/20			SND 12 01 FED 003 2H POP: 3/23/20			SND 12 01 FED 003 3H POP: N/A		
Month	BOPD	Mscf/day	BWPD	BOPD	Mscf/day	BWPD	BOPD	Mscf/day	BWPD	BOPD	Mscf/day	BWPD	BOPD	Mscf/day	BWPD	BOPD	Mscf/day	BWPD	BOPD	Mscf/day	BWPD
Nov 19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dec 19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jan 20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb 20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar 20	716	2,980	2,892	1,726	3,857	4,225	1,726	3,857	4,225	1,726	3,857	4,225	240	170	495	240	170	495	-	-	-
Apr 20	792	3,299	3,202	1,911	4,270	4,677	1,911	4,270	4,677	1,911	4,270	4,677	984	1,170	1,697	984	1,170	1,697	-	-	-
May 20	792	3,299	2,952	1,788	4,139	4,209	1,788	4,139	4,209	1,788	4,139	4,209	1,651	3,616	1,627	1,651	3,616	1,627	-	-	-
Jun 20	747	3,086	2,590	1,564	3,701	3,604	1,564	3,701	3,604	1,564	3,701	3,604	1,651	3,616	1,231	1,651	3,616	1,231	-	-	-
Jul 20	679	2,784	2,290	1,355	3,219	3,140	1,355	3,219	3,140	1,355	3,219	3,140	1,382	3,616	989	1,382	3,616	989	-	-	-
Aug 20	616	2,514	2,051	1,187	2,836	2,782	1,187	2,836	2,782	1,187	2,836	2,782	1,158	3,616	842	1,158	3,616	842	-	-	-
Sep 20	567	2,310	1,876	1,064	2,557	2,524	1,064	2,557	2,524	1,064	2,557	2,524	993	3,616	734	993	3,616	734	-	-	-
Oct 20	524	2,138	1,731	963	2,326	2,314	963	2,326	2,314	963	2,326	2,314	865	3,616	650	865	3,616	650	-	-	-
Nov 20	485	1,981	1,602	874	2,122	2,128	874	2,122	2,128	874	2,122	2,128	768	3,568	585	768	3,568	585	-	-	-
Dec 20	453	1,856	1,500	804	1,963	1,983	804	1,963	1,983	804	1,963	1,983	687	3,457	530	687	3,457	530	-	-	-

SAND DUNES 12 CENTRAL TANK BATTERY



Playbook BTU Content: 1,148 BTU/SCF

1-Heated Vessel Heat Input: 4 MMBTU/HR

1-Heated Vessel Fuel Consumption: $\frac{\text{Playbook BTU Content}}{\text{Heated Vessel Heat Input}}$

1-Heated Vessel Fuel Consumption: $\frac{4 \text{ MMBTU/HR}}{1.148 \text{ BTU/SCF}} = 3.5 \text{ MSCFD}$

Total CTB Fuel Consumption (4-Vessels) = 14 MSCFD

Orifice EFM: 160058228 (Gas Train #1)

Orifice EFM: 160058884 (Gas Train #2)

Allocation

FMP

Valve Key:

- V1: Normally Open
- V2: Valve with a Lock, Locked Open
- V3: Valve with a Lock, Locked Closed, except during recirculation, then locked open.
- V4: Valve with a Lock, Locked Closed, except during truck haul, then locked open.
- V5: Normally Closed
- V6: Valve with a Lock, Locked Closed
- V7: Valve with a Seal, Sealed Closed
- V8: Valve with a Seal, Sealed Open
- DM: Daniels Senior Orifice Meter
- CM: Compact Coriolis Meter
- VM: Vortex Meter

Tank Drains not shown, all locked closed.

CHEVRON U.S.A.

Sand Dunes #12 Central Tank Battery

Lease NMNM031963
Section 12 Township 24S Range 31E

Site Security Diagram

Eddy County, New Mexico
October 2019



**Chevron North America
Exploration and Production Company**
(A Chevron U.S.A. Inc. Division)
6301 Deauville Blvd
Midland, TX 79706
Tel 432.687.7665
LBecerra@Chevron.com

November 1, 2019

Bureau of Land Management
Attn: Engineering Department

Application to commingle production from Bone Spring and Wolfcamp formations, Eddy County, NM
Lease Serial No. NMNM 120901

Dear Sir/Madam,

Chevron U.S.A. Inc. respectfully requests approval to commingle oil and gas production from the Bone Spring and Wolfcamp formations through Chevron's Sand Dunes Central Tank Battery # 12. The agreement application applies to the following wells:

JABBERWOCKY 1H	
SND 12 01 FED 004 2H	SND 12 01 FED 003 1H
SND 12 01 FED 004 3H	SND 12 01 FED 003 2H
SND 12 01 FED 004 4H	SND 12 01 FED 003 3H

(All wells are currently being drilled or completed)

These wells are located in Section 12, T24S-R31E, Eddy County, New Mexico. Copies of the approved C-102 for each well and facilities supporting documents are included with this notification.

The BLM's interest in Lease NMNM 120901 is the same for all wells. Wells from the Bone Springs Pool and the Wolfcamp Pool will produce into their own trains for separation. The SND 12 01 FED 004 2H-4H & Jabberwocky 1H wells will produce through Train #1 while the SND 12 01 FED 003 1H-3H will produce through Train #2. Trains 1 and 2 will contain their own Coriolis meter downstream of each heater treater (SN 14874674 & 14875337, respectively).

All wells will be tested monthly to meet all federal and state requirements. Additionally, Value of Oil will not be affected because the wells will be completed in the same formation; therefore, the APIs will be the same or similar. The value of gas and oil will not be affected due to different formations as BTUs & API Gravities are expected to be the same or similar

A copy of NMOCD Order R-20250 with the approval of the Javelina Unit and Surface Commingling for this area is attached.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Becerra".

Laura Becerra
Regulatory Specialist
Midcontinent BU

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.5. Lease Serial No.
NMNM120901

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
SND 12 01 FED 003 1H9. API Well No.
30-015-4542010. Field and Pool or Exploratory Area
WILDCAT11. County or Parish, State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
CHEVRON USA INCContact: LAURA BECERRA
E-Mail: LBECERRA@CHEVRON.COM3a. Address
6301 DEAUVILLE BLVD
MIDLAND, TX 797063b. Phone No. (include area code)
Ph: 432-687-76654. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 12 T24S R31E Mer NMP SESE 367FSL 1210FEL**12. CHECK THE 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"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Chevron U.S.A. Inc. respectfully requests approval to commingle oil and gas production from the Bone Spring and Wolfcamp formations through Chevron's Sand Dunes Central Tank Battery # 12. This request applies to the following wells:

SND 12 01 FED 003 1H - 30-015-45420
 SND 12 01 FED 003 2H - 30-015-45421
 SND 12 01 FED 003 3H - 30-015-45422
 JABBERWOCKY 1H - 30-015-45161
 SND 12 01 FED 004 2H - 30-015-45176
 SND 12 01 FED 004 3H - 30-015-45177
 SND 12 01 FED 004 4H - 30-015-45178

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

**Electronic Submission #490870 verified by the BLM Well Information System
 For CHEVRON USA INC, sent to the Carlsbad**

Name (Printed/Typed) LAURA BECERRA

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 11/01/2019

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)

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

Additional data for EC transaction #490870 that would not fit on the form

32. Additional remarks, continued

Copies of facilities, lease details, forecasted production and other pertinent information is attached to this request.



Chevron North America
Exploration and Production Company
(A Chevron U.S.A. Inc. Division)
6301 Deauville Blvd
Midland, TX 79706

December 6, 2019

New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87504

Application for commingle production from Bone Spring and Wolfcamp formations and Off-Lease Measurement, Sales & Storage

Dear Sir/Madam,

This letter will serve as notice that Chevron U.S.A. Inc. is filing an application with the New Mexico Oil Conservation Division ("NMOCD") in Santa Fe, NM. seeking approval to commingle production from the wells below and for Off-Lease Measurement, Sales & Storage at a common central tank battery located in the SESE corner of Sec. 12, T24S-R31E, Eddy County, NM.

JABBERWOCKY 1H
SND 12 01 FED 004 2H SND 12 01 FED 003 1H
SND 12 01 FED 004 3H SND 12 01 FED 003 2H
SND 12 01 FED 004 4H SND 12 01 FED 003 3H
(All wells are currently being drilled or completed)

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. If the Oil Conservation Division determines the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, the telephone number is 505-476-3200.

Sincerely,

Scott Sabrsula
Land Representative
(713) 372-9610
ScottSabrsula@Chevron.com

**NEW MEXICO
STATE
LAND OFFICE**

**APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: CHEVRON USA INC. **OGRID #:** 4323
Well Name: SND 12 01 FED 003 1H **API #:** 30-015-45420
Pool: COTTON DRAW; BONE SPRING (13367)

OPERATOR NAME: CHEVRON USA INC.
OPERATOR ADDRESS: 6301 DEAUVILLE BLVD., MIDLAND, TX 79706

APPLICATION REQUIREMENTS – SUBMIT:


1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

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

Laura Becerra
 Print or Type Name

 Signature

(432) 687-7665
 Phone Number

12/12/2019
 Date

LBecerra@Chevron.com
 e-mail Address

Submit application to:
 Commissioner of Public Lands
 Attn: Commingling Manager
 PO Box 1148
 Santa Fe, NM 87504-1148

Questions?
 Contact the Commingling Manager:
 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 394-6161 Fax (575) 393-0720

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Phone (575) 748-1283 Fax (575) 748-9720

District III
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District IV
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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

Form C-102
Revised August 1, 2011
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District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-45161		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLF CAMP (GAS)	
⁴ Property Code 322242		⁵ Property Name JABBERWOCKY			⁶ Well Number 1H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3587'

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	12	24 SOUTH	31 EAST, N.M.P.M.		367'	SOUTH	354'	EAST	EDDY

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	1	24 SOUTH	31 EAST, N.M.P.M.		280'	NORTH	330'	EAST	EDDY

¹² Dedicated Acres 320	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 PROPOSED LAST TAKE POINT LAT. 32.252637 NAD 27 LONG. 103.723565 PROPOSED MIDPOINT X= 688,533 NAD 27 Y= 451,210 LAT. 32.239022 LONG. 103.723569 PROPOSED FIRST TAKE POINT LAT. 32.225410 NAD 27 LONG. 103.723573 LAT. 32.225534 NAD 83 LONG. 103.724055		PROPOSED BOTTOM HOLE LOCATION X= 688,506 NAD 27 Y= 456,213 LAT. 32.252775 LONG. 103.723565 X= 729,690 NAD 83 Y= 456,272 LAT. 32.252898 LONG. 103.724048 JABBERWOCKY 1H WELL X= 688,536 NAD 27 Y= 446,295 LAT. 32.225511 LONG. 103.723651 X= 729,720 NAD 83 Y= 446,354 LAT. 32.225634 LONG. 103.724133 ELEVATION +3587' 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: [Signature] Date: 5-23-17 Printed Name: Dorian K. Fuentes E-mail Address: djvo@chevron.com	
CORNER COORDINATES TABLE (NAD 27) A - Y=456487.46, X=687515.20 B - Y=456494.74, X=688834.75 C - Y=451205.44, X=687542.82 D - Y=451211.26, X=688862.56 E - Y=445923.64, X=687571.75 F - Y=445929.75, X=688892.05		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: 3-24-2017 Signature and Seal of Professional Surveyor: [Signature] Certificate Number: 23006					

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District Office

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-015-45176	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLF CAMP (GAS)
⁴ Property Code 322260	⁵ Property Name SND 12 01 FED 004	⁶ Well Number 2H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3587'

¹⁰ Surface Location

UI. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	24 SOUTH	31 EAST, N.M.P.M.		367'	SOUTH	379'	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UI. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	1	24 SOUTH	31 EAST, N.M.P.M.		100'	NORTH	330'	EAST	EDDY

¹² Dedicated Acres 640	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 <table border="1"> <tr> <th>PROPOSED LAST TAKE POINT</th><th>PROPOSED BOTTOM HOLE LOCATION</th></tr> <tr> <td>X= 688,506 NAD 27 Y= 456,163 LAT. 32.252637 LONG. 103.723565</td><td>X= 688,505 NAD 27 Y= 456,393 LAT. 32.253270 LONG. 103.723564</td></tr> <tr> <td>X= 729,690 NAD83 Y= 456,222 LAT. 32.252761 LONG. 103.724048</td><td>X= 729,689 NAD83 Y= 456,452 LAT. 32.253393 LONG. 103.724047</td></tr> </table> <table border="1"> <tr> <th>PROPOSED MID-POINT</th><th>SND 12 01 FED 004 2H WELL</th></tr> <tr> <td>X= 688,533 NAD 27 Y= 451,210 LAT. 32.239022 LONG. 103.723571</td><td>X= 688,511 NAD 27 Y= 446,295 LAT. 32.225511 LONG. 103.723732</td></tr> <tr> <td>X= 729,717 NAD83 Y= 451,269 LAT. 32.239145 LONG. 103.724054</td><td>X= 729,695 NAD83 Y= 446,354 LAT. 32.225635 LONG. 103.724214</td></tr> </table> <table border="1"> <tr> <th>PROPOSED FIRST TAKE POINT</th><th>ELEVATION +3587 NAVD 88</th></tr> <tr> <td>X= 688,560 NAD 27 Y= 446,258 LAT. 32.225410 LONG. 103.723573</td><td></td></tr> <tr> <td>X= 729,744 NAD83 Y= 446,317 LAT. 32.225534 LONG. 103.724055</td><td></td></tr> </table>	PROPOSED LAST TAKE POINT	PROPOSED BOTTOM HOLE LOCATION	X= 688,506 NAD 27 Y= 456,163 LAT. 32.252637 LONG. 103.723565	X= 688,505 NAD 27 Y= 456,393 LAT. 32.253270 LONG. 103.723564	X= 729,690 NAD83 Y= 456,222 LAT. 32.252761 LONG. 103.724048	X= 729,689 NAD83 Y= 456,452 LAT. 32.253393 LONG. 103.724047	PROPOSED MID-POINT	SND 12 01 FED 004 2H WELL	X= 688,533 NAD 27 Y= 451,210 LAT. 32.239022 LONG. 103.723571	X= 688,511 NAD 27 Y= 446,295 LAT. 32.225511 LONG. 103.723732	X= 729,717 NAD83 Y= 451,269 LAT. 32.239145 LONG. 103.724054	X= 729,695 NAD83 Y= 446,354 LAT. 32.225635 LONG. 103.724214	PROPOSED FIRST TAKE POINT	ELEVATION +3587 NAVD 88	X= 688,560 NAD 27 Y= 446,258 LAT. 32.225410 LONG. 103.723573		X= 729,744 NAD83 Y= 446,317 LAT. 32.225534 LONG. 103.724055			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: <i>[Signature]</i> Date: 11-9-2017 Printed Name: Donna K Fuentes E-mail Address: d.k.fuentes@chevron.com
PROPOSED LAST TAKE POINT	PROPOSED BOTTOM HOLE LOCATION																			
X= 688,506 NAD 27 Y= 456,163 LAT. 32.252637 LONG. 103.723565	X= 688,505 NAD 27 Y= 456,393 LAT. 32.253270 LONG. 103.723564																			
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code		⁵ Property Name SND 12 01 FED 004			⁶ Well Number 3H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3587'

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	12	24 SOUTH	31 EAST, N.M.P.M.		367'	SOUTH	404'	EAST	EDDY

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	1	24 SOUTH	31 EAST, N.M.P.M.		100'	NORTH	1254'	EAST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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PROPOSED MID-POINT	SND 12 01 FED 004 3H WELL								
X= 687,609 NAD 27 Y= 451,206 LAT. 32.239025 LONG. 103.726560	X= 688,486 NAD 27 Y= 446,295 LAT. 32.225511 LONG. 103.723813								
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code		⁵ Property Name SND 12 01 FED 004			⁶ Well Number 4H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3586'

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	12	24 SOUTH	31 EAST, N.M.P.M.		367'	SOUTH	429'	EAST	EDDY

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
B	1	24 SOUTH	31 EAST, N.M.P.M.		100'	NORTH	2178'	EAST	EDDY

¹² Dedicated Acres 640	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.

<p>16</p> <table border="1"> <tr> <th>PROPOSED LAST TAKE POINT</th> <th>PROPOSED BOTTOM HOLE LOCATION</th> </tr> <tr> <td>X= 686,659 NAD 27 Y= 456,153 LAT. 32.252638 LONG. 103.729542</td> <td>X= 686,657 NAD 27 Y= 456,383 LAT. 32.253271 LONG. 103.729541</td> </tr> <tr> <td>X= 727,842 NAD83 Y= 456,212 LAT. 32.252762 LONG. 103.730025</td> <td>X= 727,841 NAD83 Y= 456,442 LAT. 32.253394 LONG. 103.730025</td> </tr> </table> <table border="1"> <tr> <th>PROPOSED MID-POINT</th> <th>SND 12 01 FED 004 4H WELL</th> </tr> <tr> <td>X= 686,685 NAD 27 Y= 451,202 LAT. 32.239028 LONG. 103.729548</td> <td>X= 688,461 NAD 27 Y= 446,294 LAT. 32.225511 LONG. 103.723894</td> </tr> <tr> <td>X= 727,869 NAD83 Y= 451,261 LAT. 32.239151 LONG. 103.730031</td> <td>X= 729,645 NAD83 Y= 446,353 LAT. 32.225635 LONG. 103.724376</td> </tr> </table> <table border="1"> <tr> <th>PROPOSED FIRST TAKE POINT</th> <th>ELEVATION +3586' NAVD 88</th> </tr> <tr> <td>X= 686,712 NAD 27 Y= 446,250 LAT. 32.225415 LONG. 103.729549</td> <td></td> </tr> <tr> <td>X= 727,896 NAD83 Y= 446,309 LAT. 32.225539 LONG. 103.730031</td> <td></td> </tr> </table>		PROPOSED LAST TAKE POINT	PROPOSED BOTTOM HOLE LOCATION	X= 686,659 NAD 27 Y= 456,153 LAT. 32.252638 LONG. 103.729542	X= 686,657 NAD 27 Y= 456,383 LAT. 32.253271 LONG. 103.729541	X= 727,842 NAD83 Y= 456,212 LAT. 32.252762 LONG. 103.730025	X= 727,841 NAD83 Y= 456,442 LAT. 32.253394 LONG. 103.730025	PROPOSED MID-POINT	SND 12 01 FED 004 4H WELL	X= 686,685 NAD 27 Y= 451,202 LAT. 32.239028 LONG. 103.729548	X= 688,461 NAD 27 Y= 446,294 LAT. 32.225511 LONG. 103.723894	X= 727,869 NAD83 Y= 451,261 LAT. 32.239151 LONG. 103.730031	X= 729,645 NAD83 Y= 446,353 LAT. 32.225635 LONG. 103.724376	PROPOSED FIRST TAKE POINT	ELEVATION +3586' NAVD 88	X= 686,712 NAD 27 Y= 446,250 LAT. 32.225415 LONG. 103.729549		X= 727,896 NAD83 Y= 446,309 LAT. 32.225539 LONG. 103.730031		<p>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.</p> <p>Signature: <i>[Signature]</i> Date: 11-9-2017 Printed Name: <i>Domani K Fuentes</i> E-mail Address: <i>div@Pchevron.com</i></p> <p>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.</p> <p>Date of Survey: 9-26-2017 Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number: 23006</p>
PROPOSED LAST TAKE POINT	PROPOSED BOTTOM HOLE LOCATION																			
X= 686,659 NAD 27 Y= 456,153 LAT. 32.252638 LONG. 103.729542	X= 686,657 NAD 27 Y= 456,383 LAT. 32.253271 LONG. 103.729541																			
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X= 727,896 NAD83 Y= 446,309 LAT. 32.225539 LONG. 103.730031																				

CORNER COORDINATES TABLE (NAD 27)

A - Y=456465.72, X=683556.77
B - Y=456494.87, X=688834.92
C - Y=445905.30, X=683610.86
D - Y=445929.75, X=688892.05

Diagram Labels:
Proposed Last Take Point 330' FNL, 2178' FEL
Proposed Mid-Point
Proposed First Take Point 330' FSL, 2178' FEL
Proposed Producing Interval
N 00°17'59" W 5,181.25'
S 88°31'53" W 1,749.09'
N 00°19'12" W 4,952.08'
429'
367'

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-45420	² Pool Code 13367	³ Pool Name COTTON DRAW; BONE SPRING
⁴ Property Code 322857	⁵ Property Name SND 12 01 FED 003	⁶ Well Number III
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3580'

¹⁰ Surface Location

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	24 SOUTH	31 EAST, N.M.P.M.		367'	SOUTH	1210'	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	1	24 SOUTH	31 EAST, N.M.P.M.		100'	NORTH	330'	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320			

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

<p>PROPOSED LAST TAKE POINT</p> <p>X= 688,506 NAD 27 Y= 456,163 LAT. 32.252637 LONG. 103.723565</p> <p>X= 729,690 NAD83 Y= 456,222 LAT. 32.252761 LONG. 103.724048</p> <p>PROPOSED MID-POINT</p> <p>X= 688,533 NAD 27 Y= 451,210 LAT. 32.239022 LONG. 103.723571</p> <p>X= 729,717 NAD83 Y= 451,269 LAT. 32.239145 LONG. 103.724054</p> <p>PROPOSED FIRST TAKE POINT</p> <p>X= 688,560 NAD 27 Y= 446,258 LAT. 32.225410 LONG. 103.723573</p> <p>X= 729,744 NAD83 Y= 446,317 LAT. 32.225534 LONG. 103.724055</p> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=456465.72, X=683556.77 B - Y=456494.87, X=688834.92 C - Y=445905.30, X=683610.86 D - Y=445929.75, X=688892.05</p>	<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 688,505 NAD 27 Y= 456,393 LAT. 32.253270 LONG. 103.723564</p> <p>X= 729,689 NAD83 Y= 456,452 LAT. 32.253393 LONG. 103.724047</p> <p>SND 12 01 FED 003 1H WELL</p> <p>X= 687,680 NAD 27 Y= 446,291 LAT. 32.225514 LONG. 103.726418</p> <p>X= 728,864 NAD83 Y= 446,350 LAT. 32.225638 LONG. 103.726900</p> <p>ELEVATION +3580' NAVD 88</p>	<p>Proposed Last Take Point 330' FNL, 330' FEL</p> <p>Proposed Producing Interval</p> <p>Proposed Mid-Point</p> <p>Proposed First Take Point 330' FSL, 330' FEL</p> <p>S 87°51'28" E 880.81'</p> <p>367'</p> <p>1210'</p> <p>N 00°17'59" W 5,183.31'</p> <p>N 00°19'12" W 4,951.67'</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at 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 hereinafter entered by the division.</p> <p>Signature: <i>[Signature]</i> Date: 11-9-2017</p> <p>Printed Name: <i>DOMIN K FUENTES</i></p> <p>E-mail Address: <i>dfuentes@chevron.com</i></p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: 7-31-2017</p> <p>Signature and Seal of Professional Surveyor: <i>[Signature]</i></p> <p>Certificate Number: 23006</p>
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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

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 30-015-45421	² Pool Code 13367	³ Pool Name COTTON DRAW:BONE SPRING
⁴ Property Code 322857	⁵ Property Name SND 12 01 FED 003	⁶ Well Number 2H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3579'

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	12	24 SOUTH	31 EAST, N.M.P.M.		367'	SOUTH	1235'	EAST	EDDY

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	1	24 SOUTH	31 EAST, N.M.P.M.		100'	NORTH	1254'	EAST	EDDY

¹² Dedicated Acres 320	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.

<p>¹⁶</p> <table border="1"> <tr> <th>PROPOSED LAST TAKE POINT</th> <th>PROPOSED BOTTOM HOLE LOCATION</th> </tr> <tr> <td>X= 687,583 NAD 27 Y= 456,158 LAT. 32.252638 LONG. 103.726553</td> <td>X= 687,581 NAD 27 Y= 456,388 LAT. 32.253270 LONG. 103.726553</td> </tr> <tr> <td>X= 728,766 NAD83 Y= 456,217 LAT. 32.252761 LONG. 103.727036</td> <td>X= 728,765 NAD83 Y= 456,447 LAT. 32.253394 LONG. 103.727036</td> </tr> </table> <table border="1"> <tr> <th>PROPOSED MID-POINT</th> <th>SND 12 01 FED 003 2H WELL</th> </tr> <tr> <td>X= 687,609 NAD 27 Y= 451,206 LAT. 32.239025 LONG. 103.726560</td> <td>X= 687,655 NAD 27 Y= 446,291 LAT. 32.225514 LONG. 103.726499</td> </tr> <tr> <td>X= 728,793 NAD83 Y= 451,265 LAT. 32.239148 LONG. 103.727042</td> <td>X= 728,839 NAD83 Y= 446,350 LAT. 32.225638 LONG. 103.726981</td> </tr> </table> <table border="1"> <tr> <th>PROPOSED FIRST TAKE POINT</th> <th>ELEVATION +3579' NAVD 88</th> </tr> <tr> <td>X= 687,636 NAD 27 Y= 446,254 LAT. 32.225413 LONG. 103.726561</td> <td></td> </tr> <tr> <td>X= 728,820 NAD83 Y= 446,313 LAT. 32.225536 LONG. 103.727043</td> <td></td> </tr> </table> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=456465.72, X=683556.77 B - Y=456494.87, X=688834.92 C - Y=445905.30, X=683610.86 D - Y=445929.75, X=688892.05</p>	PROPOSED LAST TAKE POINT	PROPOSED BOTTOM HOLE LOCATION	X= 687,583 NAD 27 Y= 456,158 LAT. 32.252638 LONG. 103.726553	X= 687,581 NAD 27 Y= 456,388 LAT. 32.253270 LONG. 103.726553	X= 728,766 NAD83 Y= 456,217 LAT. 32.252761 LONG. 103.727036	X= 728,765 NAD83 Y= 456,447 LAT. 32.253394 LONG. 103.727036	PROPOSED MID-POINT	SND 12 01 FED 003 2H WELL	X= 687,609 NAD 27 Y= 451,206 LAT. 32.239025 LONG. 103.726560	X= 687,655 NAD 27 Y= 446,291 LAT. 32.225514 LONG. 103.726499	X= 728,793 NAD83 Y= 451,265 LAT. 32.239148 LONG. 103.727042	X= 728,839 NAD83 Y= 446,350 LAT. 32.225638 LONG. 103.726981	PROPOSED FIRST TAKE POINT	ELEVATION +3579' NAVD 88	X= 687,636 NAD 27 Y= 446,254 LAT. 32.225413 LONG. 103.726561		X= 728,820 NAD83 Y= 446,313 LAT. 32.225536 LONG. 103.727043		<p>Proposed Last Take Point 330' FNL, 1254' FEL</p> <p>Proposed Mid-Point</p> <p>Proposed First Take Point 330' FSL, 1254' FEL</p> <p>1254'</p> <p>100'</p> <p>367'</p> <p>1235'</p> <p>N 00°17'59" W 5,182.28'</p> <p>N 00°19'12" W 4,951.87'</p> <p>S 26°52'21" W 41.58'</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>[Signature]</i> Date: 11-9-2017</p> <p>Printed Name: <i>Dorian K. Fuentes</i></p> <p>E-mail Address: <i>dks@chevron.com</i></p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: 7-3-2017</p> <p>Signature and Seal of Professional Surveyor: <i>[Signature]</i></p> <p>Certificate Number: 23006</p> <p>Professional Surveyor: <i>[Signature]</i></p>
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Santa Fe, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-45422		² Pool Code 98215	³ Pool Name BONE SPRING;WOLFCAMP
⁴ Property Code 322857	⁵ Property Name SND 12 01 FED 003		⁶ Well Number 3H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.		⁹ Elevation 3579'

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	12	24 SOUTH	31 EAST, N.M.P.M.		367'	SOUTH	1260'	EAST	EDDY

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	1	24 SOUTH	31 EAST, N.M.P.M.		100'	NORTH	330'	EAST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING

CASE NO. 16436
ORDER NO. R-20250

APPLICATION OF CHEVRON U.S.A. INC. FOR APPROVAL OF THE
JAVELINA UNIT AND APPROVAL OF SURFACE COMMINGLING, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case come on for hearing at 8:15 a.m. on October 4, 2018, before Examiner Michael A. McMillan.

NOW, on this 27th day of November 2018, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.
- (2) Chevron U.S.A. Inc. (“Chevron” or “Applicant”) seeks approval of the Javelina Unit (the “Unit”), a federal exploratory unit, comprising 5119.76 acres (more or less) of Federal and State lands in Eddy County, New Mexico, described as follows:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

- Section 1: All
Section 2: All
Section 9: All
Section 10: All
Section 11: All
Section 12: All
Section 15: All
Section 16: All

Case No. 16436
Order No. R-20250
Page 2 of 7

(3) Applicant seeks approval to surface commingle production from the Bone Spring and Wolfcamp formations underlying the Unit.

(4) The Unitized Interval includes all oil and gas in any and all formations of the unitized land, from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MFSL, dated November 13, 1980, in the Superior Oil Company Sotol A Federal Well No.1 (API. No. 30-015-23459), located 1980 feet from the North line and 1980 feet from the West line, (Unit F), Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico to the center of the earth.

(5) Applicant appeared at hearing through counsel and presented the following testimony:

- (a) The Unit is comprised of 18 different tracts. Fourteen Bureau of Land Management ("BLM") tracts, and four New Mexico State Land Office ("NMSLO") tracts.
- (b) The Unit agreement has been given written preliminary approval by the BLM and the NMSLO.
- (c) Applicant does not have a voluntary agreement with all working interest owners in the Unit and is still in the process of reaching agreement with those interest owners.
- (d) Each formation and corresponding pool will be its own unique participating area (PA).
- (e) Each PA has identical ownership in the mineral estate within the Unit.
- (f) Applicant requested surface commingling of Bone Spring and Wolfcamp formations and respective pools without going through the administrative process for the Unit.
- (g) Applicant stated that the Unit agreement has a five-year development plan, and a contraction clause in which undeveloped acreage will revert to its original spacing unit.
- (h) No faults, pinch-outs, or other geologic impediments exist to prevent the Unitized Interval from being developed by horizontal oil wells.

Case No. 16436
Order No. R-20250
Page 3 of 7

- (i) The available well control in the area demonstrates the Unitized Interval identified in the type log is laterally contiguous across the entire Unit.
- (j) These lands were chosen and are being proposed as the Unit Area to facilitate the most efficient, uniform, and common development.
- (k) The Unit Agreement presented at hearing has the following stipulations:
 - i. A contraction clause which states that after five years from the effective date, the undeveloped acreage shall be eliminated automatically from the proposed Unit, unless BLM or NMSLO determines otherwise;
 - ii. A single Two-year automatic extension with approval of 90 percent of the working interest owners along with BLM and NMSLO approval;
 - iii. The Unitized Interval is from the top of the Bone Spring Lime to the center of the earth;
 - iv. Within the Unit, the Wolfcamp formation is defined as the interval between the stratigraphic equivalent of the interval between the base on the Bone Spring formation as seen at 11,755 feet beneath the earth surface, to the stratigraphic equivalent of the top of the Cisco formation as seen at 13,255 feet beneath the surface as also shown in the Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 13, 1980, in the Superior Oil Company Sotol A Federal Well No.1 (API. No. 30-015-23459), located 1980 feet from the North line and 1980 feet from the West line, (Unit F), Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico;
 - v. The entire Unit is treated as undivided with each tract participating as per its acreage contribution;
 - vi. Within six (6) months approval of this order, the Applicant shall be required to drill a one-mile lateral in the Bone Spring or deeper formation, which can be produced in paying quantities;
 - vii. Applicant is required to drill eight horizontal wells within five years of the effective date;

Case No. 16436
Order No. R-20250
Page 4 of 7

viii. The Oil Conservation Division ("OCD") is authorized to approve the Unit Agreement.

(6) Douglas McLeod, Petrogulf Corporation, and Titus Oil & Gas, LLC (McCleod) made a Notice of Intervention and a Pre-Hearing statement. McCleod appeared at hearing, and cross-examined the witnesses, and was in support of this Application. No other party appeared at hearing, or otherwise opposed granting of this application.

The Division concludes as follows:

(7) Applicant has provided proper and adequate notice of this application and hearing;

(8) Each pool producing with the Unit should constitute Unitized Area for horizontal oil well development pursuant to Division Rule 19.15.16.7(P) NMAC; provided however, that area should be limited to Unit Wells.

(9) Unit Wells should be defined as those wells allowed in the Javelina Unit Agreement.

(10) The Javelina Unit should be approved and the order should be in effect on the first day of the month following the later of (i) the entry date of this order or (ii) the date on which final approval of the Javelina Unit is obtained by the Applicant from the BLM and the NMSLO.

(11) Subsequent to the Hearing, Applicant provided engineering data that showed that surface commingling using periodic well tests of the Bone Spring and Wolfcamp formations would aid in efficient development of the Unit and protect correlative rights. Further, the API gravity of the oil and the BTU of the produced gas are compatible. Therefore; it should be approved.

(12) The Unit Agreement contains language that specifies a contraction clause for undeveloped acreage; therefore, if it is enforced by either the BLM or NMSLO, the commingling application portion of the application may contain wells within the Unit and wells outside the Unit. As a result, the application should permit off-lease measurement within the Unit land described above.

(13) The geologic evidence presented demonstrates that the entire Unit should be productive within the Unitized Interval.

(14) Subsequent to the Hearing, the Applicant provided the expected API gravity and BTU of the gases for the Wolfcamp and Bone Spring formations. The API gravity and BTU for both formations are similar, and should not present a problem with surface commingling.

Case No. 16436
Order No. R-20250
Page 5 of 7

(15) All submitted forms C-102 for Unit wells should (i) describe the Horizontal Spacing Unit size and shape for that well as per 19.15.16.15 NMAC, (ii) list the total acres within the Unit, and (iii) reference the Division order number approving the Unit.

(16) Approval of the Unit will provide the Applicant the flexibility to locate and drill wells in the Unit to maximize the recovery of oil and gas from the Unitized Interval, thereby preventing waste, and will provide the Applicant the latitude to conduct operations in an effective and efficient manner within the Unit.

(17) The provisions contained within the Javelina Unit Agreement are following Division rules, and the development and operation of the Unit Area, as proposed, comply with the Division's conservation principles.

(18) The Applicant should provide to the Division a written copy of the final approval of the Javelina Unit by the BLM, and NMSLO.

(19) The plan contained within the Javelina Unit Agreement for the development and operation of the Unit should be approved in principle as a proper conservation measure. All plans of development for the Javelina Unit should be submitted annually to the Division for review.

(20) The Unit operator should file with the Division an executed original or executed counterpart of the Unit Agreement within 60 days of the date of this order. In the event of subsequent joinder by any other party, or expansion or contraction of the Unit Area, the Unit operator should file with the Division, within 60 days thereafter, counterparts of the Unit Agreement reflecting the subscription of those interests having joined or ratified.

(21) This application should be granted.

IT IS THEREFORE ORDERED THAT

(1) As per the application of Chevron U.S.A. Inc. ("Applicant" or "Chevron"), the Javelina Unit (the "Unit") consisting of 5119.76 acres (more or less) of Federal and State lands located in Eddy County, New Mexico, is hereby approved.

(2) This order shall be effective on the first day of the month following the later of (i) the entry date of this order or (ii) the date on which final approval of the Javelina Unit is obtained by Applicant from the Bureau of Land Management ("BLM"), and the New Mexico State Land Office ("NMSLO"). The final approval letter by the BLM and the NMSLO shall be provided to the Division.

(3) The Unit shall comprise the following-described acreage in Eddy County, New Mexico:

Case No. 16436
Order No. R-20250
Page 6 of 7

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 1: All
Section 2: All
Section 9: All
Section 10: All
Section 11: All
Section 12: All
Section 15: All
Section 16: All

(4) Chevron U.S.A. Inc. (OGRID 4323) is hereby designated the Unit operator.

(5) Pursuant to the Unit Agreement, the Unitized Interval shall include all oil and gas in any and all formations on the unitized land, from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime, as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 13, 1980, in the Superior Oil Company Sotol A Federal Well No.1(API 30-015-23459), located 1980 feet from the North line and 1980 feet from the West Line (Unit F) of Section 12, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico to the center of the earth.

(6) Unit Wells shall be those wells allowed in the Unit Agreement.

(7) All existing and future wells within the horizontal limits of this Unit but not designated per the agreement as Unit Wells shall remain dedicated and subject to the requirements of existing pools or statewide rules.

(8) Each separate participating area within the Unit shall constitute a single Unitized Area for horizontal oil well development pursuant to Division Rule 19.15.16.7(P) NMAC; provided however, that area shall be limited to Unit Wells.

(9) The plan contained within the Javelina Unit Agreement for the development and operation of the Unit is hereby approved in principle as a proper conservation measure. All plans of development for the Javelina Unit shall be submitted annually to the Division for review.

(10) The vertical limits of the Wolfcamp formation shall be based on findings paragraph (k) iv.

(11) Surface commingling of the Bone Spring and Wolfcamp formations and their respective pools and off-lease measurement shall be granted for wells within the Unit pools and may be measured by periodic well testing. Further, Findings Paragraph (13) shall apply to this Order.

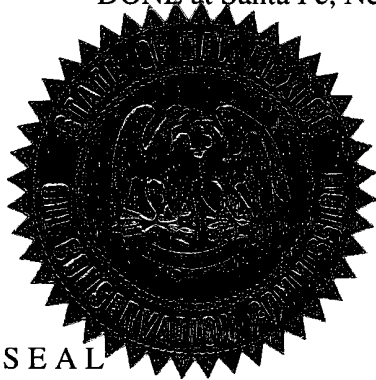
Case No. 16436
Order No. R-20250
Page 7 of 7

(12) All submitted forms C-102 for Unit wells shall (i) describe the Horizontal Spacing Unit size and shape for that well as per 19.15.16.15 NMAC, (ii) list the total acres within the Unit, and (iii) reference the Division order number approving the Unit.

(13) The Unit operator shall file with the Division an executed original or executed counterpart of the Unit Agreement within 60 days of the date of this order. In the event of subsequent joinder by any other party, or expansion or contraction of the Unit, the Unit operator shall file with the Division, within 60 days thereafter, counterparts of the Unit Agreement reflecting the subscription of those interests having joined or ratified.

(14) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


HEATHER RILEY
Director

	<u>Acreage</u>	<u>Percentage</u>
<div><div></div></div> Federal Lands	3,839.88	75.01%
<div><div></div></div> State Lands	1,279.88	24.99%
	5,119.76	100.00%

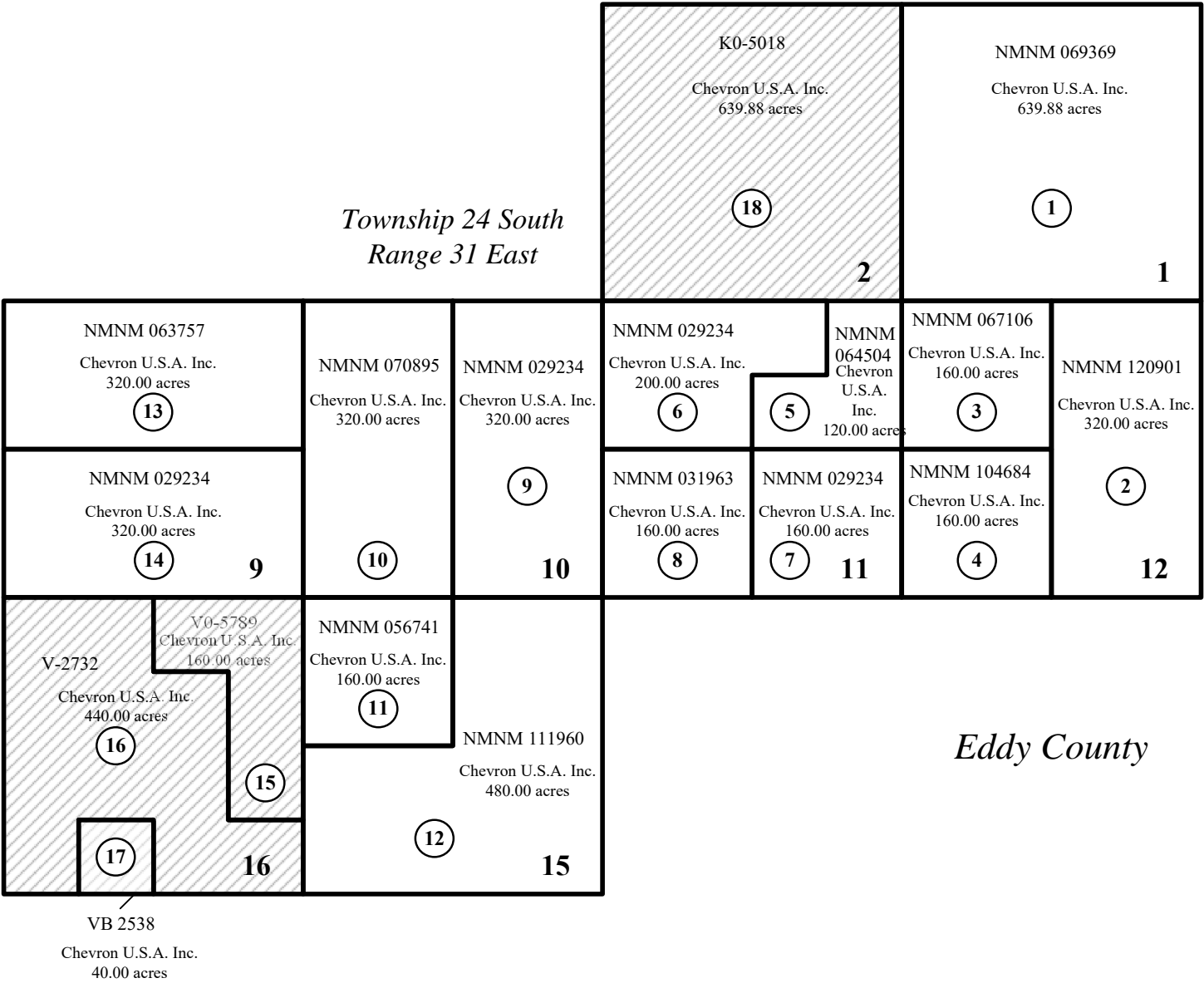


Exhibit “A”

JAVELINA UNIT AREA

Eddy County, New Mexico

Chevron U.S.A. Inc. - Operator

Exhibit "B"
Schedule Showing the Percentage and Ownership of Oil and Gas Interests
Javelina Unit Area
Eddy County, New Mexico

Ownership reflected herein covers those formations lying below the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime, as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 13, 1980, in the Sotol Federal 1 (API # 30-015-23459), located in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico, to the base of the Woodford Shale as defined as the stratigraphic equivalent of a depth of 16,367 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit 65 well (API # 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico.

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
1	<u>Federal Lands</u> <u>T24S, R31E, N.M.P.M</u> Section 1: All	639.88	NMNM 069369 Effective December 1, 1987 HBP	Sliding Scale 12.5% - 25% U.S.A. - All	Chevron U.S.A. Inc 100%	L. E. Oppermann 0.005000000 Ronald C. Agel 0.005000000 MAP 92-96 MGD, an Oklahoma general 0.003333510 partnership LaNell Joy Honeyman, Trustee of the Leslie Robert 0.002500000 Honeyman Trust LaNell Joy Honeyman, individually 0.002500000 Trustee of the Morgan Mineral Trust dated April 1, 2008 0.001508330 Shawn P. Hannifin, as his sole and separate property 0.001071110 S&E Royalty, LLC 0.000808320 Communities Foundation of Texas, Inc. 0.000791500 JPT Family JV #1 0.000791500 T-Bar Oil and Gas, Ltd. 0.000400000 Nuevo Seis Limited Partnership 0.000200000	Chevron U.S.A. Inc. 100%

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
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Alan R. Hannifin, as his sole and separate property	0.01786100
Michelle R. Sandoval	0.01786100
Christopher R. F. Eckels	0.00016375
Robert Edward Eckels, Jr., L.L.C.	0.00016375
Elizabeth Jane Kay, as Trustee of the Elizabeth Jane Kay Family Trust	0.00016375
MAP Holdings, an Oklahoma general partnership	0.00008350
Blasco, L.L.C.	0.00008188
Jan C. Ice	0.00008188
<i>Total:</i>	0.02500000

2	<u>Federal Lands</u> <u>T24S, R31E, N.M.P.M</u>	320	NMNM 120901	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc 100%	None	Chevron U.S.A. Inc.	100%
	Section 12: E/2		Effective November 1, 2008					
			Primary Term					

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE		WORKING INTEREST & PERCENTAGE	
3	<u>Federal Lands</u> <u>T24S, R31E, N.M.P.M</u> Section 12: NW/4	160	NMNM 067106 Effective December 1, 1986 HBP	Sliding Scale 12.5% - 25% U.S.A. - All	Chevron U.S.A. Inc 100%	L. E. Oppermann Ronald C. Agel Morris E. Schertz Rolla R. Hinkle, II Wells Fargo Bank, N.A., Trustee of the John Saleh Charitable Foundation MAP 92-96 MGD, an Oklahoma general partnership David Scott Morgan, Trustee of the Morgan Mineral Trust dated April 1, 2008 Shawn P. Hannifin, as his sole and separate property S&E Royalty, LLC Communties Foundation of Texas, Inc. JPT Family JV #1 T-Bar Oil and Gas, Ltd. Nuevo Seis Limited Partnership Alan R. Hannifin, as his sole and separate property Michelle R. Sandoval	0.005000000 0.002500000 0.002500000 0.002500000 0.002500000 0.002500000 0.001666750 0.000766620 0.000576630 0.000066660 0.000395750 0.000395750 0.000250100 0.000199990 0.000055000 0.000055000	Chevron U.S.A. Inc.	100%

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
						Christopher R. F. Eckels 0.000132500 Robert Edward Eckels, Jr., L.L.C. 0.000132500 Elizabeth Jane Kay, as Trustee of the Elizabeth Jane Kay Family Trust 0.000132500 MAP Holdings, an Oklahoma general partnership 0.000041750 Blasco, L.L.C. 0.000006625 Jan C. Ice 0.000006625 <hr/> Total: 0.020000000	
4	<u>Federal Lands</u> <u>T24S, R31E, N.M.P.M</u> Section 12: SW/4	160	NMNM 104684 Effective June 1, 2000 HBP	12.5% Royalty U.S.A. - All	COG Operating, 95% LLC Concho Oil & Gas, 5% LLC	<u>Nestegg Energy Corporation 0.005000000</u> <hr/> Total: 0.005000000	Chevron U.S.A. Inc. 100%
5	<u>Federal Lands</u> <u>T24S, R31E, N.M.P.M</u> Section 11: E/2 NE/4 Section 11: SW/4 NE/4	120	NMNM 064504 Effective February 1, 1986	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc 100%	Realeza Del Spear, LP 0.062500000 L. E. Oppermann 0.003125000 Ronald C. Agel 0.003125000 LaNell Joy Honeyman, individually 0.002500000	Chevron U.S.A. Inc. 100%

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
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HBP

Leslie Robert Honeyman Trust, LaNell Joy Honeyman, Trustee MAP 92-96 MGD, an Oklahoma general partnership David Scott Morgan, Trustee of the Morgan Mineral Trust dated April 1, 2008	0.002500000
Shawn P. Hannifin, as his sole and separate property	0.000661100
S&E Royalty, LLC	0.000326360
Communties Foundation of Texas, Inc.	0.000494690
JPT Family JV #1	0.000494690
T-Bar Oil and Gas, Ltd.	0.000333340
Nuevo Seis Limited Partnership	0.000166670
Alan R. Hannifin, as his sole and separate property	0.000090960
Michelle R. Sandoval	0.000090960
Christopher R. F. Eckels	0.000136470
Robert Edward Eckels, Jr., L.L.C.	0.000136470

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE		WORKING INTEREST & PERCENTAGE	
						Trustee of the Elizabeth Jane Kay Family Trust	0.000136470		
						MAP Holdings, an Oklahoma general partnership	0.000052190		
						Blasco, L.L.C.	0.000068240		
						Jan C. Ice	0.000068240		
						Total:	0.080000000		
6	Federal Lands T24S, R31E, N.M.P.M	200	NMNM 029234	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc 100%	Mary Jane Shelley Favor	0.025000000	Chevron U.S.A. Inc.	100%
						The EMG Revocable Trust	0.004166670		
						The F. Andrew Grooms SSP Trust	0.004166670		
	Section 11: NW/4		Effective			The Wilbur D. and Afton H. Wilson Revocable Trust	0.008333330		
	Section 11: NW/4 NE/4		January 1, 1977			David J. Sorensen	0.008333330		
			HBP			Shawn P. Hannifin, as his sole and separate property	0.001071110		
						Alan R. Hannifin, as his sole and separate property	0.000178610		
						Michelle R. Sandoval	0.000178610		
						Trustee of the Morgan Mineral Trust dated April 1, 2008	0.001508330		
						S&E Royalty, LLC	0.000808320		

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
					T-Bar Oil and Gas, Ltd.	0.000400010	
					Blasco, L.L.C.	0.000081880	
					Christopher R. F. Eckels	0.000163750	
					Robert Edward Eckels, Jr., L.L.C.	0.000163750	
					Jan C. Ice	0.000081880	
					Elizabeth Jane Kay, as Trustee of the Elizabeth Jane Kay Family Trust	0.000163750	
					Nuevo Seis Limited Partnership	0.000200000	
					MAP 92-96 MGD, an Oklahoma general partnership	0.003333500	
					MAP Holdings, an Oklahoma general partnership	0.000083500	
					JPT Family JV #1	0.000791500	
					Communities Foundation of Texas, Inc.	0.000791500	
					Ronald C. Agel	0.005000000	
					L. E. Oppermann	0.005000000	
					LaNell Joy Honeyman, individually	0.002500000	
					LaNell Joy Honeyman, Trustee of the Leslie Robert Honeyman Trust	0.002500000	

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE		WORKING INTEREST & PERCENTAGE	
						<i>Total:</i>		0.075000000	
7	<u>Federal Lands</u> <u>T24S, R31E, N.M.P.M</u>	160	NMNM 029234	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc 100%	Mary Jane Shelley Favor	0.025000000	Chevron U.S.A. Inc.	100%
						The EMG Revocable Trust	0.004166670		
						The F. Andrew Grooms SSP Trust	0.004166670		
						The Wilbur D. and Afton H. Wilson Revocable Trust	0.008333330		
						David J. Sorensen	0.008333330		
						Shawn P. Hannifin, as his sole and separate property	0.001071110		
						Alan R. Hannifin, as his sole and separate property	0.000178610		
						Michelle R. Sandoval	0.000178610		
						Trustee of the Morgan Mineral Trust dated April 1, 2008	0.001508330		
						S&E Royalty, LLC	0.000808320		
						T-Bar Oil and Gas, Ltd.	0.000400010		
						Blasco, L.L.C.	0.000081880		
						Christopher R. F. Eckels	0.000163750		
						Robert Edward Eckels, Jr., L.L.C.	0.000163750		
						Jan C. Ice	0.000081880		

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					Elizabeth Jane Kay, as Trustee of the Elizabeth Jane Kay Family Trust	0.000163750	
					Nuevo Seis Limited Partnership	0.000200000	
					MAP 92-96 MGD, an Oklahoma general partnership	0.003333500	
					MAP Holdings, an Oklahoma general partnership	0.000083500	
					JPT Family JV #1	0.000791500	
					Communities Foundation of Texas, Inc.	0.000791500	
					Ronald C. Agel	0.005000000	
					L. E. Oppermann	0.005000000	
					LaNell Joy Honeyman, individually	0.002500000	
					Trustee of the Leslie Robert Honeyman Trust	0.002500000	
					<i>Total:</i>	0.075000000	

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE		WORKING INTEREST & PERCENTAGE	
						<i>Total:</i>		0.062500020	
9	<u>Federal Lands</u> <u>T24S, R31E, N.M.P.M</u> Section 10: E/2	320	NMNM 029234 Effective January 1, 1977 HBP	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc 100%	Mary Jane Shelley Favor The EMG Revocable Trust The F. Andrew Grooms SSP Trust The Wilbur D. and Afton H. Wilson Revocable Trust David J. Sorensen Shawn P. Hannifin, as his sole and separate property Alan R. Hannifin, as his sole and separate property Michelle R. Sandoval Trustee of the Morgan Mineral Trust dated April 1, 2008 S&E Royalty, LLC T-Bar Oil and Gas, Ltd. Blasco, L.L.C. Christopher R. F. Eckels Robert Edward Eckels, Jr., L.L.C. Jan C. Ice	0.025000000 0.004166670 0.004166670 0.008333330 0.008333330 0.001071110 0.000178610 0.000178610 0.001508330 0.000808320 0.000400010 0.000081880 0.000163750 0.000163750 0.000081880	Chevron U.S.A. Inc.	100%

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
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Elizabeth Jane Kay, as Trustee of the Elizabeth Jane Kay Family Trust	0.000163750
Nuevo Seis Limited Partnership	0.000200000
MAP 92-96 MGD, an Oklahoma general partnership	0.003333500
MAP Holdings, an Oklahoma general partnership	0.000083500
JPT Family JV #1	0.000791500
Communities Foundation of Texas, Inc.	0.000791500
Ronald C. Agel	0.005000000
L. E. Oppermann	0.005000000
LaNell Joy Honeyman, individually	0.002500000
LaNell Joy Honeyman, Trustee of the Leslie Robert Honeyman Trust	0.002500000
<u>Total:</u>	<u>0.075000000</u>

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE		WORKING INTEREST & PERCENTAGE	
10	<u>Federal Lands</u> <u>T24S, R31E, N.M.P.M</u> Section 10: W/2	320	NMNM 070895 Effective November 1, 1984 HBP	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc 100%	Nancy L. McMurtie Bruce C. Martens Charles W. Peck Carla E. Salmon Shawn P. Hannifin, as his sole and separate property Alan R. Hannifin, as his sole and separate property Michelle R. Sandoval Trustee of the Morgan Mineral Trust dated April 1, 2008 S&E Royalty, LLC T-Bar Oil and Gas, Ltd. Blasco, L.L.C. Christopher R. F. Eckels Robert Edward Eckels, Jr., L.L.C. Jan C. Ice Elizabeth Jane Kay, as Trustee of the Elizabeth Jane Kay Family Trust Nuevo Seis Limited Partnership MAP 92-96 MGD, an Oklahoma general partnership	0.033750000 0.005000000 0.002500000 0.033750000 0.001428130 0.000238150 0.000238150 0.002011110 0.001077770 0.000533340 0.000109170 0.000218340 0.000218340 0.000109170 0.000218340 0.000266670 0.004444670	Chevron U.S.A. Inc.	100%

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
						MAP Holdings, an Oklahoma general partnership JPT Family JV #1 Communities Foundation of Texas, Inc. Ronald C. Agel LaNell Joy Honeyman, individually LaNell Joy Honeyman, Trustee of the Leslie Robert Honeyman Trust <hr/> <i>Total:</i>	0.000111320 0.001055330 0.001055330 0.006666670 0.002500000 0.002500000 0.100000000
11	<u>Federal Lands</u> <u>T24S, R31E, N.M.P.M</u> Section 15: NW/4	160	NMNM 056741 Effective November 1, 1984 HBP	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc 100%	Beverly Jean Renfro Barr, Trustee of the Family Trust UWO Richard Kevin Barr Patterson Petroleum, LP Cynthia Mae Wilson, Trustee of the Bypass Trust UWO Scott Evans Wilson Southwest Royalties, Inc. Shawn P. Hannifin, as his sole and separate property Alan R. Hannifin, as his sole and separate property	Chevron U.S.A. Inc. 100% 0.010000000 0.015000000 0.010000000 0.010000000 0.001071110 0.000178610

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
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Michelle R. Sandoval	0.000178610
Trustee of the Morgan	
Mineral Trust dated April 1, 2008	0.001508330
S&E Royalty, LLC	0.000808320
T-Bar Oil and Gas, Ltd.	0.000400010
Blasco, L.L.C.	0.000081880
Christopher R. F. Eckels	0.000163750
Robert Edward Eckels, Jr., L.L.C.	0.000163750
Jan C. Ice	0.000081880
Elizabeth Jane Kay, as	
Trustee of the Elizabeth	0.000163750
Jane Kay Family Trust	
Nuevo Seis Limited	
Partnership	0.000200000
MAP 92-96 MGD, an	
Oklahoma general	0.003333500
partnership	
MAP Holdings, an	
Oklahoma general	0.000083500
partnership	
JPT Family JV #1	0.000791500
Communities Foundation of	
Texas, Inc.	0.000791500
Ronald C. Agel	0.005000000

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE		WORKING INTEREST & PERCENTAGE	
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L. E. Oppermann	0.005000000
LaNell Joy Honeyman, individually	0.002500000
LaNell Joy Honeyman, Trustee of the Leslie Robert Honeyman Trust	0.002500000
Total:	0.070000000

12	<u>Federal Lands</u> T24S, R31E, N.M.P.M	480	NMNM 111960	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc 100%	None		Chevron U.S.A. Inc.	100%
	Section 15: E/2 Section 15: SW/4		Effective July 1, 2004						
			HBP						
13	<u>Federal Lands</u> T24S, R31E, N.M.P.M	320	NMNM 063757	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc 100%	D-M Corporation	0.050000000	Chevron U.S.A. Inc.	100%
	Section 9: N/2		Effective November 1, 1985			Shawn P. Hannifin, as his sole and separate property	0.001071110		
						Alan R. Hannifin, as his sole and separate property	0.000178610		
			HBP			Michelle R. Sandoval	0.000178610		
						David Scott Morgan, Trustee of the Morgan Mineral Trust dated April 1, 2008	0.001508330		

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
					S&E Royalty, LLC	0.000808320	
					T-Bar Oil and Gas, Ltd.	0.000400010	
					Blasco, L.L.C.	0.000081880	
					Christopher R. F. Eckels	0.000163750	
					Robert Edward Eckels, Jr., L.L.C.	0.000163750	
					Jan C. Ice	0.000081880	
					Elizabeth Jane Kay, as Trustee of the Elizabeth Jane Kay Family Trust	0.000163750	
					Nuevo Seis Limited Partnership	0.000200000	
					MAP 92-96 MGD, an Oklahoma general partnership	0.003333500	
					MAP Holdings, an Oklahoma general partnership	0.000083500	
					JPT Family JV #1	0.000791500	
					Communities Foundation of Texas, Inc.	0.000791500	
					Ronald C. Agel	0.005000000	
					L. E. Oppermann	0.005000000	
					LaNell Joy Honeyman, individually	0.002500000	
					LaNell Joy Honeyman, Trustee of the Leslie Robert Honeyman Trust	0.002500000	

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE		WORKING INTEREST & PERCENTAGE	
						<i>Total:</i>	0.075000000		
14	<u>Federal Lands</u> <u>T24S, R31E, N.M.P.M</u>	320	NMNM 029234	12.5% Royalty U.S.A. - All	Chevron U.S.A. Inc 100%	Mary Jane Shelley Favor F. Andrew Grooms SSP Trust U/A/D 3/24/2014	0.025000000 0.004249998	Chevron U.S.A. Inc.	100%
			Section 9: S/2	Effective January 1, 1977					
			HBP						
						The Wilbur D. and Afton H. Wilson Revocable Trust David J. Sorensen Shawn P. Hannifin, as his sole and separate property Alan R. Hannifin, as his sole and separate property Michelle R. Sandoval David Scott Morgan, S&E Royalty, LLC T-Bar Oil and Gas, Ltd. Blasco, L.L.C. Christopher R. F. Eckels Robert Edward Eckels, Jr., L.L.C. Jan C. Ice Elizabeth Jane Kay, as Trustee of the Elizabeth Jane Kay Family Trust Nuevo Seis Limited Partnership	0.008333330 0.008333330 0.001071110 0.000178610 0.000178610 0.001508330 0.000808320 0.000400010 0.000081880 0.000163750 0.000163750 0.000081880 0.000163750 0.000200000		

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
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MAP 92-96 MGD, an Oklahoma general partnership	0.003333500
MAP Holdings, an Oklahoma general partnership	0.000083500
JPT Family JV #1	0.000791500
Communities Foundation of Texas, Inc.	0.000791500
Ronald C. Agel	0.005000000
L. E. Oppermann	0.005000000
LaNell Joy Honeyman, individually	0.002500000
EMG Revocable Trust, U/A/D 11/01/2004	0.004083332
LaNell Joy Honeyman, Trustee of the Leslie Robert Honeyman Trust	0.002500000
<i>Total:</i>	0.075000000

14 FEDERAL TRACTS TOTALING 3,839.88 ACRES OR 75.01% OF THE UNIT AREA
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TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE		WORKING INTEREST & PERCENTAGE	
15	State Lands <u>T24S, R31E, N.M.P.M</u> Section 16: N/2 NE/4 Section 16: SE/4 NE/4 Section 16: NE/4 SE/4 HBP	160	V0-5789 Effective May 1, 2000 HBP	16.66% Royalty State of New Mexico - All	Oxy USA Inc. 100%	Frank G. Nix Walter H. Powe <u>Total:</u>	0.006250000 0.006250000 0.012500000	Chevron U.S.A. Inc.	100%
16	State Lands <u>T24S, R31E, N.M.P.M</u> Section 16: SW/4 NE/4 Section 16: NW/4 Section 16: N/2 SW/4 Section 16: SW/4 SW/4 Section 16: NW/4 SE/4 Section 16: S/2 SE/4	440	V-2732 Effective July 1, 1987 HBP	16.66% Royalty State of New Mexico - All	Chevron U.S.A. Inc 100%	Shawn P. Hannifin, as his sole and separate property Alan R. Hannifin, as his sole and separate property Michelle R. Sandoval David Scott Morgan, Trustee of the Morgan Mineral Trust dated April 1, 2008 S&E Royalty, LLC T-Bar Oil and Gas, Ltd. Blasco, L.L.C. Christopher R. F. Eckels Robert Edward Eckels, Jr., L.L.C. Jan C. Ice Elizabeth Jane Kay, as Trustee of the Elizabeth Jane Kay Family Trust	0.001071110 0.000178610 0.000178610 0.001508330 0.000808320 0.000400010 0.000081880 0.000163750 0.000163750 0.000081880 0.000163750	Chevron U.S.A. Inc.	100%

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
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Nuevo Seis Limited Partnership	0.000200000
MAP 92-96 MGD, an Oklahoma general partnership	0.003333500
MAP Holdings, an Oklahoma general partnership	0.000083500
JPT Family JV #1	0.000791500
Communities Foundation of Texas, Inc.	0.000791500
Ronald C. Agel	0.005000000
L. E. Oppermann	0.005000000
LaNell Joy Honeyman, individually	0.002500000
LaNell Joy Honeyman, Trustee of the Leslie Robert Honeyman Trust	0.002500000
Total:	0.025000000

17	State Lands T24S, R31E, N.M.P.M	40	VB-2538	18.75% Royalty State of New Mexico - All	V-F Petroleum Inc. 100%	None	Chevron U.S.A. Inc.	100%
	Section 16: SE/4 SW/4		Effective July 1, 2015					
			Primary Term					

TRACT NUMBER	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & LEASE EXPIRATION	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE		WORKING INTEREST & PERCENTAGE		
18	<u>State Lands</u> <u>T24S, R31E, N.M.P.M</u> Section 2: All	639.88	K0-5018 Effective May 18, 1965 HBP	12.5% Royalty State of New Mexico - All	XTO Holdings, LLC	100%	George Karabatsos	0.000192200	Chevron U.S.A. Inc.	97.55914775%
							Figure 4 Investment Trust	0.000160000	Titus Oil & Gas	2.04666680%
							Ronnie K. Lorenz	0.000032000	Production, LLC	
							Georgia Bass	0.000192200	Mabee-Flynt Lease	
							Innerarity Family Minerals, LLC	0.002500000	Trust	0.08466660%
							Linda Kay Neighbors	0.002125000	Randy Prude	0.08466660%
							Alfred Giles, IV	0.001437500	Mary Patricia	0.05330670%
							John Geoffrey Giles	0.001437500	Dougherty Trust	
							The Jay Lee Touchstone	0.002500000		
							The Truman Estes Touchstone Trust	0.002500000	MKDWI, LLC	0.02665335%
							Lenox Minerals, LLC	0.011838375	Mary Margaret Olson Trust	0.00055650%
							Joe N. Gifford	0.011838375	Catherine Madeline Grace	0.00055650%
							Devon Energy Production Company, LP	0.079543130	Otto E. Schroeder, Jr.	0.00055650%
							Marathon Oil Company	0.014241050	PBEX Resources,	0.07812500%
							Titus Oil & Gas Production, LLC	0.005919188	LLC	
									Lenox Minerals,	0.06509770%
		LLC								
		<i>Total:</i>	100%							
4 STATE TRACTS TOTALING 1,279.88 ACRES OR 24.99% OF THE UNIT AREA										

18 TRACTS TOTALING 5,119.76 ACRES IN THE UNIT AREA

RECAPITULATION

Tract No.	No. Acres Committed	Percentage of Interest in Unit Area
1	639.88	12.49%
2	320	6.25%
3	160	3.13%
4	160	3.13%
5	120	2.34%
6	200	3.90%
7	160	3.13%
8	160	3.13%
9	320	6.25%
10	320	6.25%
11	160	3.13%
12	480	9.38%
13	320	6.25%
14	320	6.25%
15	160	3.13%
16	440	8.59%
17	40	0.78%
18	639.88	12.49%
TOTAL	5,119.76	100.00%

End of Exhibit "B"