| | 4/2014 | SUSPENSE | | 10127/2014 | LTB | APP NO. | 130031433 |
|----------------|-------------|---|--|--|---|---|---|
| | | | ABOVE | THIS LINE FOR DIVISION USE ONLY | | | · |
| | | NEW | MEXICO OIL CO | NSERVATION DI | VISION | THE STATE | |
| n l | , | | | ng Bureau - | | | |
| en 1 0 | | 12 | 220 South St. Francis D | • | 7505 | CTINIT COL | |
| | | ADN | INISTRATIVE | APPLICATIO | ON CHEC | KLIST | <u>_</u> |
| Т | HIS CHECKLI | ST IS MANDATO | | /E APPLICATIONS FOR EX SSING AT THE DIVISION L | | | ND REGULATIONS |
| /ppii d | [DHC] (| n-Standard -Downhole (PC-Pool Con [WFX-] [| Location] [NSP-Non-S Commingling] [CTB- nmingling] [OLS - Of Waterflood Expansion] SWD-Salt Water Dispos | tandard Proration Ur Lease Commingling] f-Lease Storage] [[PMX-Pressure M sal] [IPI-Injection F | hit] [SD-Simul [PLC-Pool/I OLM-Off-Leas aintenance E Pressure Incre | taneous Ded Lease Comm e Measureme xpansion] ase] | ingling] ent] |
| | [EOI | R-Qualified E | Inhanced Oil Recovery | Certification] [PP | | | |
| 1] | TYPE C | F APPLIC | ATION - Check Those | Which Apply for [A] | | TB 7 | 37 |
| | | · · · | ation - Spacing Unit - S NSL NSP | multaneous Dedication SD | on | | PECE |
| | | Check One C | Dnly for [B] or [C] | | | | |
| | | [B] Com | mingling - Storage - M | easurement PLC D PC |] ols 🛛 | OLM | RECEIVED OCD |
| | | [C] Injec | ction - Disposal - Pressu WFX 🗌 PMX 🗌 | re Increase - Enhance SWD [] IPI [| | PPR | 1 |
| | | [D] Othe | er: Specify | | | C4 | 4323 (1211 |
| 2] | NOTIFI | CATION R | EQUIRED TO: - Che | ck Those Which App | lv. or 🗆 Does N | Not Annly | 7323 |
| ~1 | | | Working, Royalty or O | • • | | | <u>uell</u> |
| | | [B] | Offset Operators, Lease | cholders or Surface O | wner | 5 | RASHER BLO 32429FL Com 14 |
| | | [C] | Application is One Wh | ich Requires Publishe | ed Legal Notic | e 3 | 0-015-426 |
| | | | Notification and/or Cor U.S. Bureau of Land Management - | | | 3 | 0-015-426 245+1-24814 42429 Fe |
| | | [E] | For all of the above, Pr | oof of Notification or | Publication is | | • |
| | · | [F] | Waivers are Attached | | | | - Willow LAL Bon c Spin SS THE TYPE 46 217 |
| 3] | SUBMI | Γ ACCURA | TE AND COMPLET | E INFORMATION | REOUIRED | TO PROCE | SS THE TYPE |

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

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

| Cindy Herrera-Murillo | Cindy Henry Muillo | _ Permitting Specialist | 10/14//2014 |
|-----------------------|--------------------|-------------------------|-------------|
| Print or Type Name | Signature | Title | Date |

Cherreramurillo@chevron.com e-mail Address



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

October 14, 2014

Bureau of Land Management New Mexico State Office 620 E. Greene St. Carlsbad, NM 88220

Application for surface commingling, Bone Spring Pool, Eddy County, NM (T24S-R29E, Sec 33 & 34)

Dear Sirs,

Chevron North America respectfully requests administrative approval to surface commingle oil, gas, and water production from the Bone Spring Pool through Chevron's Rustler Bluff Central Battery. Chevron request the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. Wells producing to this battery include the Chevron Rustler Bluff 33 24 29 Fed Com #1H; Rustler Bluff 34 24 29 Fed Com #2H. All wells will be completed within the Second Bone Spring sand Formation, per attached map. These wells are located in section 33 & 34, T24S-R29E, Eddy County, New Mexico. APDs for each well, which includes surface plats, are included with this notification.

The working interest and royalties are the same for all two leases involved in this request (100% CVXI). These wells will be horizontally drilled in fall of 2014. As such, the wells will be allocated by monthly Well test with coriolis on oil and EFM on gas. A schematic showing this configuration is attached.

Sincerely,

indy Honey - Minilb

Cindy Herrera-Murillo Permitting Specialist

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

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: | 1616 W. BENDER BLVD HOBBS, NM 88240 | | | | | | |
| APPLICATION TYPE: | | | | | | | |
| Pool Commingling Dease | 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 XNo 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 |
| RUSTLER BLUFF 33 24 29 FED COM #1H | ATTACHED | | | | |
| RUSTLER BLUFF 34 24 29 FED COM #2H | ATTACHED | | | | |
| | | | |] . - | |
| | | - | | | |
| | by certified mail of the pr | | Yes 🗍 No. | <u> </u> | 1 |
| (5) Will commingling decrease the value | of production? | No If "ves" descri | he why comminal | ing should be approved | |

(B) LEASE COMMINGLING

| Please attach sheets with the following information | | | | | | | |
|--|--|--|--|--|--|--|--|
| (1) Pool Name and Code, BONE SPRING | | | | | | | |
| (2) Is all production from same source of supply? XYes No | | | | | | | |
| (3) Has all interest owners been notified by certified mail of the proposed commingling? | | | | | | | |
| (4) Measurement type: x Metering | | | | | | | |

(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) | ADDITIONA | L INFORMA | FION (for all applic | ation types) |
|-----|-------------|-------------------|-----------------------|--------------|
| | Please atta | ach sheets with t | he following informat | ion |
| | | | | |

(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
 Multiple
 TITLE:
 PERMITTING SPECIALIST
 DATE: 10/14/2014

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

 E-MAIL ADDRESS:
 CHERRERAMURILLO@CHEVRON.COM
 TELEPHONE NO.: 575-263-0431

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Corporation Rustler Bluff 33-24-29 1H & Rustler Bluff 34-24-29 2H

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

Proposal for Rustler Bluff 33-24-29 1H and Rustler Bluff 34-24-29 2H: Chevron USA Inc is requesting approval for the Central Tank Battery, Commingling, and Off lease sales of gas and oil:

| Federal Lease NMNM12 | 0893, INIMINIMITI | 8/13 | • | Oil | | | |
|-----------------------------------|---------------------------|---------------|----------------------------|-------------|-----------------|----------------------|-------------|
| Well Name | Location | API # | Pool 96217 | BOPD | Gravities | MCFPD | BTU |
| Rustler Bluff 33 Fed #1H | Sec4, W2E2 | 3001542670 | Willow Lake; | 465 | 51 | 1450 | 1283 |
| | T24SR29E | | Bone Spring | | | | |
| | | | | | | | |
| Federal Lease NMNM12 | 0894, NMNM11 | 8714 | | Oil | | | |
| Federal Lease NMNM12 Well Name | 0894, NMNM118 Location | 8714 API # | Pool 96217 | Oil BOPD | Gravities | MCFPD | BTU |
| | Location | | Pool 96217 Willow Lake; | | Gravities 51 | MCFPD 1450 | BTU 1283 |

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The BLM's interest in these leases is the same. Lease NMNM120893 royalty rate is 12.5%, Lease NMNM118713 royalty rate is 12.5%, Lease NMNM120894 royalty rate is 12.5%, and Lease NMNM118714 royalty rate is 12.5%.

Oil & Gas metering:

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The central tank battery will be located at the Rustler Bluff 34 Federal Section 3. There are three oil tanks at the central tank battery that the wells will utilize and oil will be sold through the central delivery point (CDP) Lease Automated Custody Transfer unit (S/N *), which is located in the NENE, Sect 3 T24S, R29E. For gas they will have a common central delivery point (CDP) gas sales meter (S/N *) which is located in the NENE, Sec. 3 T24S, R29E. The produced water will go to a common water tank on location.

Each well will be continuously tested through discrete three –phase test separator located at central tank battery. Each three phase test will measure oil through a coriolis meter on the oil outlet line and gas through an orifice meter run with a Total Flow computer.

Each well's share of the central tank battery's total production will be calculated based on the results of the continuous well test. This ratio will be applied to the total oil production metered by the Lease Automated Custody Transfer (LACT) meter located at the Rustler Bluff 34 central tank battery. The production will also be applied to the total gas production metered by the Targa Resources Corp sales meter.

Rustler Bluff 33 24 29 #1H oil allocation meter on the Rustler Bluff 34 central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N *).

Rustler Bluff 34 24 29 #2H oil allocation meter on the Rustler Bluff 34 central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N *).

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

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

Rustler Bluff 33 24 29 Federal #1H gas allocation meter on the Rustler Bluff 34 central tank battery three-phase test separator consists of a Tele Flow EFM (S/N *).

Rustler Bluff 34 24 29 Federal #2H gas allocation meter on the Rustler Bluff 34 central tank battery three-phase test separator consists of a Tele Flow EFM (S/N *).

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

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

Process and Flow Descriptions:

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

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

The production from the two wells will be routed to the Rustler Bluff Federal 34 central tank battery located in Sec. 3 W2E2, T24S-R29E, on federal lease NMNM118714 in Eddy County, New Mexico. After separation and allocation measurement, the oil, gas, and water will go to common oil tanks, water tank, and gas CDP located in Section 3.

Rustler Bluff 33 24 29 #1H and Rustler Bluff 34 24 29 #2H will require off lease measurement, storage and sales of oil and gas.

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

Ime-Mullo Signed: Una

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

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Corporation Rustler Bluff 33-24-29 1H & Rustler Bluff 34-24-29 2H

| Federal Lease NMNM # | Royalty Rate | Well Name | BOPD | Oil Gravity (@60 deg) | Value/bbl | MCFPD | DRY BTU | Value/mcf |
|-------------------------------|-----------------|-----------|------|--------------------------------|-----------|-------|------------|-----------|
| 120893 | 12.5% | RB 33 | 465 | 51 | \$92.16 | 1450 | 1283 | \$4.18 |
| 120894 | 12.5% | RB 34 | 465 | 51 | \$92.16 | 1450 | 1283 | \$4.18 |

| Federal Lease NMNM # | Economic combined production | Well Name | BOPD | Oil Gravity (@60 deg) | Value/bbl | MCFPD | DRY BTU | Value/mcf |
|-------------------------------|------------------------------------|-----------|------|--------------------------------|-----------|-------|------------|-----------|
| 120893 120894 | | RB 33/34 | 930 | 51 | \$92.16 | 2900 | 1283 | \$4.18 |

Chevron has a master sales agreement in place for all the Bone Spring wells in the area. All Bone Spring oil production in the area is sweet. Part of this agreement is that oil is deemed as sweet and sold at a flat rate of 51 API gravity. Therefore, regardless of the API values of the individual wells, the common stream will be sold as if it was sweet and 51 API gravity.

Printed Name: Christina Davis

Title: Reservoir Engineer

Date: 10/03/2014

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APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Rustler Bluff 33-24-29 1H & Rustler Bluff 34-24-29 2H

Serial register page form LR2000 is attached on the following pages.

| Federal Lease | Lease Description | WI/NRI | Lease | Royalty Interest |
|---------------|----------------------|------------|---------|------------------|
| NMNM120893 | Rustler Bluff 33 #1H | 100%/87.5% | Federal | 12.5% |
| NMNM120894 | Rustler Bluff 34 #1H | 100%.87.5% | Federal | 12.5% |

Chevron is the only working interest for each lease.

A list of all interest owner addresses is below.

| Chevron USA Inc | Bureau of Land Management |
|------------------------|---------------------------|
| PO Box 4791 | New Mexico State Office |
| Houston, TX 77210-4791 | P.O. Box 27115 |
| | Santa Fe, NM 87502-0115 |

James Laning CPL

Land Representative

Rustler Bluff 33 24 29 Fed Com #1H, Rustler Bluff 34 24 29 Fed Com #2H and Rustler Bluff 34 24 29 Fed #5H

Owner Information

Rustler Bluff 33 24 29 Fed Com #1H, Rustler Bluff 34 24 29 Fed Com #2H and Rustler Bluff 34 24 29 Fed #5H Commingling Permit

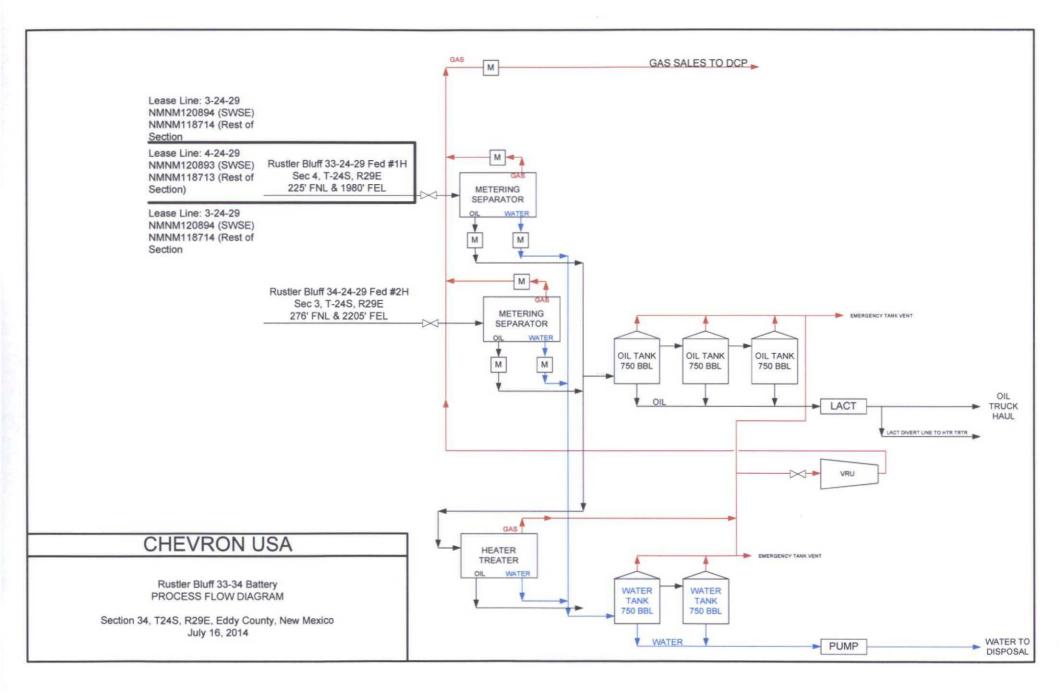
BLM Lease NMNM 120894 (covering SWSE of Section 34) BLM Lease NMNM 118714 (covering NE, W2, N2SE, SESE of Section 34) BLM Lease NMNM 120893 (covering SWSE of Section 33) BLM Lease NMNM 118713 (covering NE, W2, N2SE, SESE of Section 33)

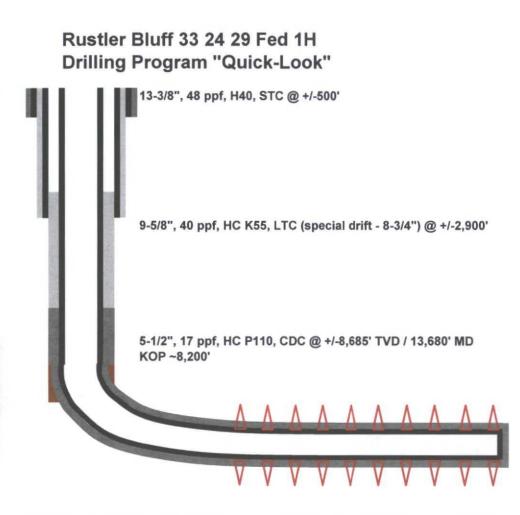
All leases in Sections 33 and 34, T24S, R29E Eddy County, New Mexico

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

The royalty and working interest owners are same in all of the wells and all leases listed above. I verify that the above information is correct.

and Representative





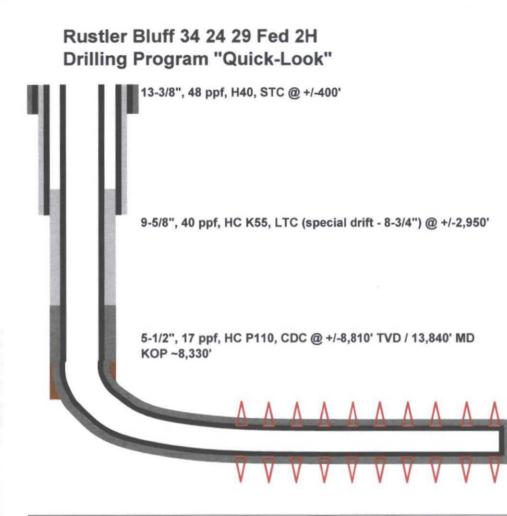
General Drilling Procedure

- Currently 10' cylindrical cellar installed with 80' of 20" conductor pipe set.
 MIRU
- N/U on 20" conductor and drill 17-1/2" surface hole with fresh water to 500'.
- Install 13-5/8" 5M SH-2 wellhead on hanger. Run 13-3/8" 48# H40 STC casing and cement with Class "C" lead and tail system.
- N/U and test BOPE to 250 psi / 5,000 psi.
- Drill 12-1/4" intermediate hole to 2,900' with saturated brine past salt zone.
- POOH and run 9-5/8" 40# HC K55 LTC casing and cement with a Class "C" lead and tail system.
- Drill 8-3/4" production hole to KOP of 8,200'.
- POOH and run specified logs.
- Drill 8-3/4"build & lateral hole to +/-13,680' in pay zone.
- POOH with no lateral logs planned.
- Run 5-1/2" 17# HC P110 LTC casing and cement with a Class "H" lead and tail system
- RDMO and turn well over for completion.

Delaware River: 33, 24S, 29E

Eddy County, New Mexico

| Hole Size | Mud | Bits |
|-----------|-------------------------------|------|
| 17-1/2" | FW/Spud Mud | PDC |
| 12-1/4" | Brine 10.0 ppg | PDC |
| 8-3/4" | Cut Brine/LSND 8.6-8.8 ppg | PDC |
| | | |
| | | |
| | | |
| | | Ļ |



General Drilling Procedure

- Currently 10' cylindrical cellar installed with 80' of 20" conductor pipe set.

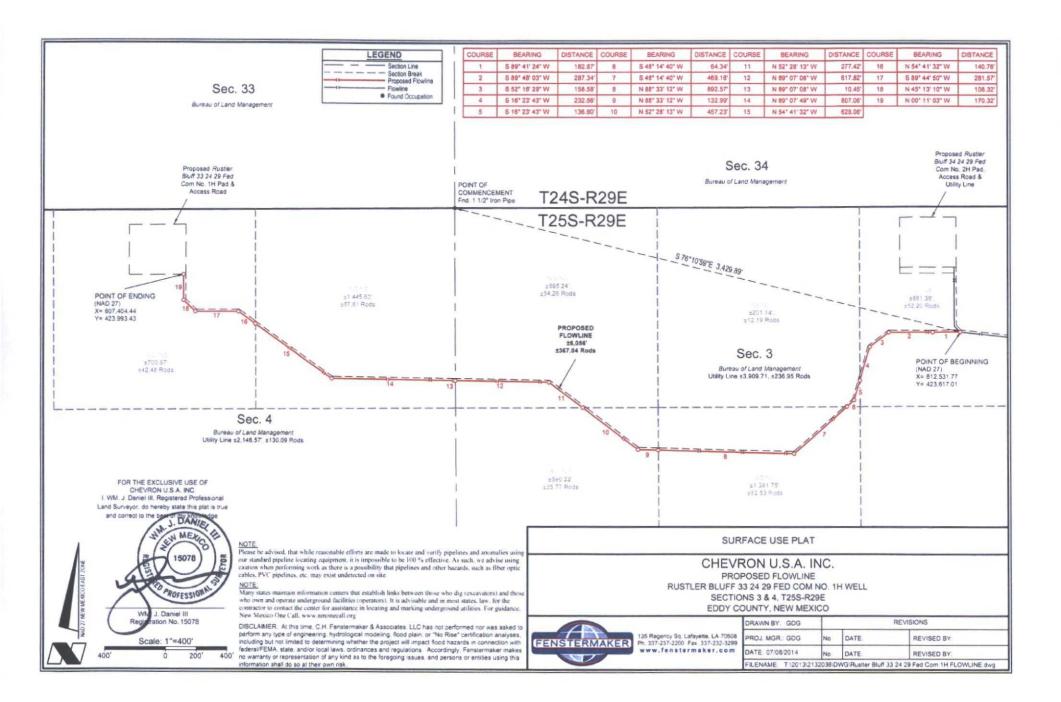
- MIRU

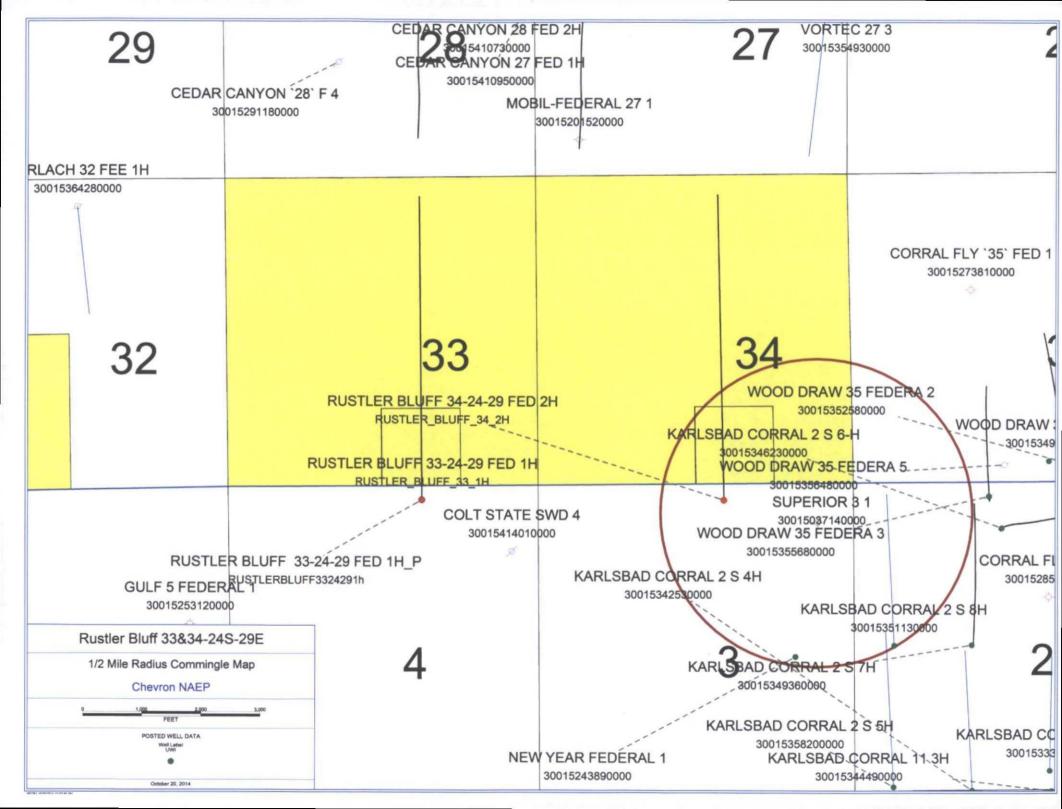
- N/U on 20" conductor and drill 17-1/2" surface hole with fresh water to 400'.
- Install 13-5/8" 5M SH-2 wellhead on hanger. Run 13-3/8" 48# H40 STC casing and cement with Class "C" lead and tail system.
- N/U and test BOPE to 250 psi / 5,000 psi.
- Drill 12-1/4" intermediate hole to 2,950' with saturated brine past salt zone.
- POOH and run 9-5/8" 40# HC K55 LTC casing and cement with a Class "C" lead and tail system.
- Drill 8-3/4" production hole to KOP of 8,330'.
- POOH and run specified logs.
- Drill 8-3/4"build & lateral hole to +/-13,840' in pay zone.
- POOH with no lateral logs planned.
- Run 5-1/2" 17# HC P110 LTC casing and cement with a Class "H" lead and tail system
- RDMO and turn well over for completion.

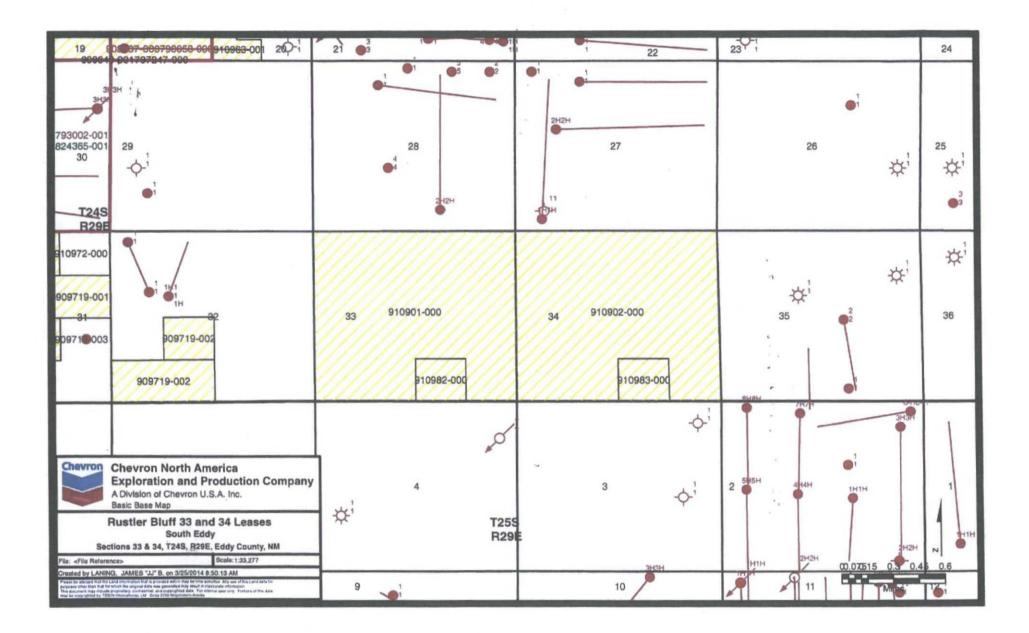
Delaware Basin: 34, 29S, 24E

Eddy County, New Mexico

| Hole Size | Mud | Bits |
|-----------|-------------------|------|
| 17-1/2" | FW/Spud Mud | PDC |
| 12-1/4" | Brine 10.0 ppg | PDC |
| 8-3/4" | Cut Brine/LSND | PDC |
| | 8.6-8.8 ppg | |
| | | |







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

DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT** CASE RECORDATION

Run Date: 10/14/2014

0002

0003

0004

0005 0006 STIPULATIONS ATTACHED TO LEASE:

NM-11-LN SPECIAL CULTURAL RESOURCE SENM-LN-1 CAVE - KARST OCCURRENCE AREA

SENM-S-19 PLAYAS AND ALKALI LAKES

SENM-S-11 (NSO) PECOS RIVER/CANYON COMPLEX

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

| | | Serial Nur | nber: NMNM 120 |)893 |
|------|----------------------|--|---|---|
| | | | Int Rel | % Interest |
| | 15 SMITH RD | MIDLAND TX 797055423 | LESSEE | 100.00000000 |
| | | Serial Num | ber: NMNM 1208 | 93 |
| STyp | SNr Suff Subdivision | District/Field Office | County | Mgmt Agency |
| ALIQ | SWSE; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| | STyp | 15 SMITH RD STyp SNr Suff Subdivision | 15 SMITH RD MIDLAND TX 797055423 Serial Num STyp SNr Suff Subdivision District/Field Office | 15 SMITH RD MIDLAND TX 797055423 LESSEE Serial Number: NMNM 1208 STyp SNr Suff Subdivision District/Field Office County |

| Act Date | Code | Action | Action Remark | Pending Office |
|------------|-------|------------------------|-----------------------|----------------|
| 05/30/2008 | 387 | CASE ESTABLISHED | 200807011; | |
| 06/11/2008 | 817 | MERGER RECOGNIZED | CHESA LLC/CHESA LP | |
| 06/30/2008 | 299 | PROTEST FILED | SUSAN H BELL | |
| 07/01/2008 | 299 | PROTEST FILED | WESTERN ENVR LAW CTR | |
| 07/01/2008 | 299 | PROTEST FILED | WILD EARTH GUARDIANS | |
| 07/16/2008 | 143 | BONUS BID PAYMENT RECD | \$80.00; | |
| 07/16/2008 | 191 | SALE HELD | | |
| 07/16/2008 | 267 | BID RECEIVED | \$56000.00; | |
| 07/23/2008 | 143 | BONUS BID PAYMENT RECD | \$55920.00; | |
| 08/22/2008 | 817 | MERGER RECOGNIZED | CHESAP EXPL/LLC | |
| 09/08/2008 | 298 | PROTEST DISMISSED | SUSAN H BELL | |
| 10/24/2008 | 298 | PROTEST DISMISSED | WILD EARTH GUARDIANS | |
| 10/31/2008 | 237 | LEASE ISSUED | | |
| 10/31/2008 | 298 | PROTEST DISMISSED | WESTERN ENVR LAW CTR | |
| 10/31/2008 | 974 | AUTOMATED RECORD VERIF | MJD | |
| 11/01/2008 | 496 | FUND CODE | 05;145003 | |
| 11/01/2008 | 530 | RLTY RATE - 12 1/2% | | |
| 11/01/2008 | 868 | EFFECTIVE DATE | | |
| 12/15/2008 | 140 | ASGN FILED | MOSES ELI/HORN STEV;1 | |
| 03/05/2009 | 139 | ASGN APPROVED | EFF 01/01/09; | |
| 03/05/2009 | 974 | AUTOMATED RECORD VERIF | MV | |
| 11/16/2009 | 140 | ASGN FILED | HORN STEV/CHESAPEAK;1 | |
| 03/05/2010 | 139 | ASGN APPROVED | EFF 12/01/09; | |
| 03/05/2010 | 974 | AUTOMATED RECORD VERIF | RAYO/RAYO | |
| 11/27/2012 | 140 | ASGN FILED | CHESAPEAK/CHEVRON U;1 | |
| 04/09/2013 | 139 | ASGN APPROVED | EFF 12/01/12; | |
| 04/09/2013 | 974 | AUTOMATED RECORD VERIF | ANN | |
| 10/31/2018 | 763 | EXPIRES | | |
| line Nr | Barra | | Serial Number | ": NMNM 120893 |
| Line Nr | Remai | rxs | | |

(MASS) Serial Register Page **Total Acres**

02:31 PM Run Time:

Serial Number

NMNM- - 120893

40.000

Serial Number: NMNM- - 120893

Run Date: 10/14/2014

 0007
 03/05/2010 - RENT PAID THRU 11/01/2010 PER MMS

 0008
 04/09/2013 - RENTAL PAID 11/01/2013 PER ONRR

Page 2 of 2

02:31 PM

Run Time:

Run Date: 10/14/2014

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

Total Acres Series

600.000

Serial Number NMNM-- - 118714

| | | Serial Numbe | r: NMNM 118714 | |
|-----------------|---------------|----------------------|----------------|---------------|
| Name & Address | | | Int Rel | % Interest |
| CHEVRON USA INC | 1400 SMITH ST | HOUSTON TX 770027327 | LESSEE | 100.000000000 |
| | | Serial Number: | NMNM 118714 | |

| | | | | | 91 (4 |
|--------------------|------|----------------------|-----------------------|--------|---------------------|
| Mer Twp Rng Sec | STyp | SNr Suff Subdivision | District/Field Office | County | Mgmt Agency |
| 23 0240S 0290E 034 | ALIQ | NE,W2,N2SE,SESE; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

| | | | Serial Numbe | er: NMNM 118714 |
|------------|------|-------------------------|-----------------------|-----------------|
| Act Date | Code | Action | Action Remark | Pending Office |
| 05/25/2007 | 387 | CASE ESTABLISHED | 200707053; | |
| 07/03/2007 | 299 | PROTEST FILED | Forest Guardians etal | |
| 07/18/2007 | 143 | BONUS BID PAYMENT RECD | \$1200.00; | |
| 07/18/2007 | 191 | SALE HELD | | |
| 07/18/2007 | 267 | BID RECEIVED | \$960000.00; | |
| 07/25/2007 | 143 | BONUS BID PAYMENT RECD | \$958800.00; | |
| 08/31/2007 | 074 | RESERVED FOR BLM-SO USE | BCO | |
| 08/31/2007 | 237 | LEASE ISSUED | | |
| 08/31/2007 | 298 | PROTEST DISMISSED | | |
| 09/01/2007 | 496 | FUND CODE | 05;145003 | |
| 09/01/2007 | 530 | RLTY RATE - 12 1/2% | | |
| 09/01/2007 | 868 | EFFECTIVE DATE | | |
| 06/11/2008 | 817 | MERGER RECOGNIZED | CHESA LLC/CHESA LP | |
| 08/22/2008 | 817 | MERGER RECOGNIZED | | |
| 11/27/2012 | 140 | ASGN FILED | CHESAPEAK/CHEVRON U;1 | |
| 04/10/2013 | 139 | ASGN APPROVED | EFF 12/01/12; | |
| 04/10/2013 | 974 | AUTOMATED RECORD VERIF | ANN | |
| 08/31/2017 | 763 | EXPIRES | | |

| Line Nr | Remarks | Serial Number: NMNM 118714 |
|---------|---|----------------------------|
| 0002 | STIPULATIONS ATTACHED TO LEASE: | |
| 0003 | NM-11-LN SPECIAL CULTURAL RESOURCE | |
| 0004 | SENM-LN-1 CAVE - KARST OCCURRENCE AREA | |
| 0005 | SENM-S-11 (NSO) PECOS RIVER/CANYON COMPLEX | |
| 0006 | SENM-S-17 SLOPES OR FRAGILE SOILS | |
| 0007 | SENM-S-18 STREAMS, RIVERS, AND FLOODPLAINS | |
| 8000 | SENM-S-21 CAVES AND KARST | |
| 0009 | SENM-S-25 VISUAL RESOURCE MANAGEMENT | |
| 0010 | 04/10/2013 - RENTAL PAID 09/01/12; PER ONRR | |

Run Time: 02:22 PM

Run Date: 10/14/2014

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

Name & Address Serial Number: NMNM-- - 118714 CHEVRON USA INC 1400 SMITH ST HOUSTON TX 770027327 LESSEE

| | | | Serial Number | er: NMNM– - 118 | 3714 |
|--------------------|------|----------------------|-----------------------|-----------------|---------------------|
| Mer Twp Rng Sec | STyp | SNr Suff Subdivision | District/Field Office | County | Mgmt Agency |
| 23 0240S 0290E 034 | ALIQ | NE,W2,N2SE,SESE; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

| Serial Number: NMNM 11871 | 4 |
|---------------------------|---|
|---------------------------|---|

Total Acres

600.000

| Act Date | Code | Action | Action Remark | Pending Office |
|------------|-------|-------------------------|-----------------------|----------------|
| 05/25/2007 | 387 | CASE ESTABLISHED | 200707053; | |
| 07/03/2007 | 299 | PROTEST FILED | Forest Guardians etal | |
| 07/18/2007 | 143 | BONUS BID PAYMENT RECD | \$1200.00; | |
| 07/18/2007 | 191 | SALE HELD | | |
| 07/18/2007 | 267 | BID RECEIVED | \$960000.00; | |
| 07/25/2007 | 143 | BONUS BID PAYMENT RECD | \$958800.00; | |
| 08/31/2007 | 074 | RESERVED FOR BLM-SO USE | BCO | |
| 08/31/2007 | 237 | LEASE ISSUED | | |
| 08/31/2007 | 298 | PROTEST DISMISSED | | |
| 09/01/2007 | 496 | FUND CODE | 05;145003 | |
| 09/01/2007 | 530 | RLTY RATE - 12 1/2% | | |
| 09/01/2007 | 868 | EFFECTIVE DATE | | |
| 06/11/2008 | 817 | MERGER RECOGNIZED | CHESA LLC/CHESA LP | |
| 08/22/2008 | 817 | MERGER RECOGNIZED | | |
| 11/27/2012 | . 140 | ASGN FILED | CHESAPEAK/CHEVRON U;1 | |
| 04/10/2013 | 139 | ASGN APPROVED | EFF 12/01/12; | |
| 04/10/2013 | 974 | AUTOMATED RECORD VERIF | ANN · | |
| 08/31/2017 | 763 | EXPIRES | | |

| Line Nr | Remarks | Serial Number: NMNM 118714 |
|---------|---|----------------------------|
| 0002 | STIPULATIONS ATTACHED TO LEASE: | |
| 0003 | NM-11-LN SPECIAL CULTURAL RESOURCE | |
| 0004 | SENM-LN-1 CAVE - KARST OCCURRENCE AREA | |
| 0005 | SENM-S-11 (NSO) PECOS RIVER/CANYON COMPLEX | |
| 0006 | SENM-S-17 SLOPES OR FRAGILE SOILS | · |
| 0007 | SENM-S-18 STREAMS, RIVERS, AND FLOODPLAINS | |
| 8000 | SENM-S-21 CAVES AND KARST | |
| 0009 | SENM-S-25 VISUAL RESOURCE MANAGEMENT | |
| 0010 | 04/10/2013 - RENTAL PAID 09/01/12; PER ONRR | |

Run Time: 02:22 PM

Serial Number

NMNM- - 118714

Page 1 of 1

% Interest

100.000000000

Run Date: 10/14/2014

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

Total Acres Serial Number 600.000

NMNM--- 118713

| | | | Serial Nur | nber: NMNM 118 | 713 | |
|--------------------|------|----------------------|-----------------------|----------------|--------|---------------|
| Name & Address | | | | Int Rel | | % Interest |
| CHEVRON USA INC | | 1400 SMITH ST | HOUSTON TX 770027327 | LESSEE | 1 | 100.000000000 |
| | | | Serial Num | ber: NMNM 1187 | 13 | |
| Mer Twp Rng Sec | STyp | SNr Suff Subdivision | District/Field Office | County | Mgmt A | gency |
| 23 0240S 0290E 033 | ALIQ | NE,W2,N2SE,SESE; | CARLSBAD FIELD OFFICE | EDDY | BUREAU | OF LAND MGMT |

| | | | Serial Number: NMNM 118713 | | |
|------------|------|--------------------------|----------------------------|----------------|--|
| Act Date | Code | Action | Action Remark | Pending Office | |
| 05/25/2007 | 387 | CASE ESTABLISHED | 200707052; | | |
| 07/03/2007 | 299 | PROTEST FILED | Forest Guardians etal | | |
| 07/18/2007 | 143 | BONUS BID PAYMENT RECD . | \$1200.00; | | |
| 07/18/2007 | 191 | SALE HELD | | | |
| 07/18/2007 | 267 | BID RECEIVED | \$540000.00; | | |
| 07/25/2007 | 143 | BONUS BID PAYMENT RECD | \$538800.00; | | |
| 08/31/2007 | 237 | LEASE ISSUED | | | |
| 08/31/2007 | 298 | PROTEST DISMISSED | | | |
| 08/31/2007 | 974 | AUTOMATED RECORD VERIF | BCO | | |
| 09/01/2007 | 496 | FUND CODE | 05;145003 | | |
| 09/01/2007 | 530 | RLTY RATE - 12 1/2% | | | |
| 09/01/2007 | 868 | EFFECTIVE DATE | | | |
| 06/11/2008 | 817 | MERGER RECOGNIZED | CHESA LLC/CHESA LP | | |
| 08/22/2008 | 817 | MERGER RECOGNIZED | | | |
| 11/27/2012 | 140 | ASGN FILED | CHESAPEAK/CHEVRON U;1 | | |
| 04/10/2013 | 139 | ASGN APPROVED | EFF 12/01/12; | | |
| 04/10/2013 | 974 | AUTOMATED RECORD VERIF | ANN | | |
| 08/31/2017 | 763 | EXPIRES | | | |

440740

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| Line Nr | Remarks | Serial Number: NMNM 118/13 |
|---------|--|----------------------------|
| 0002 | STIPULATIONS ATTACHED TO LEASE: | |
| 0003 | NM-11-LN SPECIAL CULTURAL RESOURCE | |
| 0004 | SENM-LN-1 CAVE - KARST OCCURRENCE AREA | |
| 0005 | SENM-S-11 (NSO) PECOS RIVER/CANYON COMPLEX | |
| 0006 | SENM-S-17 SLOPES OR FRAGILE SOILS | |
| 0007 | SENM-S-18 STREAMS, RIVERS, AND FLOODPLAINS | |
| 0008 | SENM-S-21 CAVES AND KARST | |
| 0009 | SENM-S-25 VISUAL RESOURCE MANAGEMENT | |
| 0010 | 04/10/2012 RENTAL PAID 09/01/12; PER ONRR | |

Run Time: 02:26 PM

Run Date: 10/14/2014

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

Serial Number Total Acres 600.000

NMNM--- 118713

| | | Serial Numbe | r: NMNM 118713 | |
|-----------------|---------------|----------------------|----------------|--------------|
| Name & Address | | | Int Rel | % Interest |
| CHEVRON USA INC | 1400 SMITH ST | HOUSTON TX 770027327 | LESSEE | 100.00000000 |

| | | | Serial Number: NMNM 118713 | | | | |
|--------------------|------|----------------------|----------------------------|--------|---------------------|--|--|
| Mer Twp Rng Sec | STyp | SNr Suff Subdivision | District/Field Office | County | Mgmt Agency | | |
| 23 0240S 0290E 033 | ALIQ | NE,W2,N2SE,SESE; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT | | |

| | Serial | Number: | NMNM | 118713 |
|---|--------|---------|----------|--------|
| - | | | . | N/# |

| Act Date | Code | Action | Action Remark | Pending Office |
|------------|------|------------------------|-----------------------|----------------|
| 05/25/2007 | 387 | CASE ESTABLISHED | 200707052; | |
| 07/03/2007 | 299 | PROTEST FILED | Forest Guardians etal | |
| 07/18/2007 | 143 | BONUS BID PAYMENT RECD | \$1200.00; | |
| 07/18/2007 | 191 | SALE HELD | | |
| 07/18/2007 | 267 | BID RECEIVED | \$540000.00; | |
| 07/25/2007 | 143 | BONUS BID PAYMENT RECD | \$538800.00; | |
| 08/31/2007 | 237 | LEASE ISSUED | | |
| 08/31/2007 | 298 | PROTEST DISMISSED | | |
| 08/31/2007 | 974 | AUTOMATED RECORD VERIF | BCO | |
| 09/01/2007 | 496 | FUND CODE | 05;145003 | |
| 09/01/2007 | 530 | RLTY RATE - 12 1/2% | | |
| 09/01/2007 | 868 | EFFECTIVE DATE | | |
| 06/11/2008 | 817 | MERGER RECOGNIZED | CHESA LLC/CHESA LP | |
| 08/22/2008 | 817 | MERGER RECOGNIZED | | |
| 11/27/2012 | 140 | ASGN FILED | CHESAPEAK/CHEVRON U;1 | |
| 04/10/2013 | 139 | ASGN APPROVED | EFF 12/01/12; | |
| 04/10/2013 | 974 | AUTOMATED RECORD VERIF | ANN | |
| 08/31/2017 | 763 | EXPIRES | | |
| | | | | |

| Line Nr | Remarks | Serial Number: NMNM 118713 |
|---------|--|----------------------------|
| 0002 | STIPULATIONS ATTACHED TO LEASE: | |
| 0003 | NM-11-LN SPECIAL CULTURAL RESOURCE | |
| 0004 | SENM-LN-1 CAVE - KARST OCCURRENCE AREA | |
| 0005 | SENM-S-11 (NSO) PECOS RIVER/CANYON COMPLEX | |
| 0006 | SENM-S-17 SLOPES OR FRAGILE SOILS | |
| 0007 | SENM-S-18 STREAMS, RIVERS, AND FLOODPLAINS | |
| 0008 | SENM-S-21 CAVES AND KARST | |
| 0009 | SENM-S-25 VISUAL RESOURCE MANAGEMENT | |
| 0010 | 04/10/2012 RENTAL PAID 09/01/12; PER ONRR | |

Serial Number: NMNM... 440742

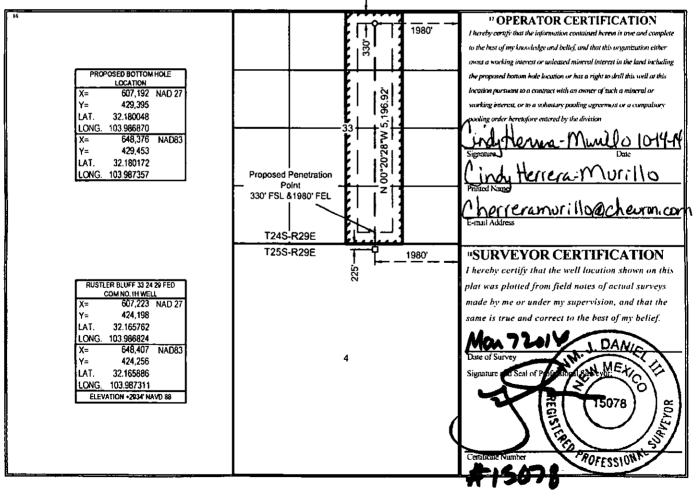
02:26 PM Run Time:

<u>District 1</u> 1625 N. French Dr., Hobbs. NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District 11</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District 111</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

| | WELL LOCATION AND ACREAGE DEDICATION PLAT | | | | | | | | | |
|---------------------|---|-------------|--|-----------|----------------|------------------|---------------|--------|-----------|-------------|
| 30-0 | 15-4 | à le | 10 9621 | ode | WILL | JW LA | HKE B | ME | SP | RING SE |
| ⁴ Proper | ty Code | | | 3 P | roperty Name | | | | 6 | Well Number |
| 33 | 121 | | RL | STLER BLU | JFF 33 24 29 F | ED COM | | | | 1H |
| ⁷ OGR | ID No. | | | ٥٢ | perator Name | | | | | * Elevation |
| 432 | 23 | | | CHEVR | ON U.S.A. IN | C. | | | 2934' | |
| | " Surface Location | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/1 | Vest line | County |
| В | 4 | 25 SOUTH | 29 EAST, N.M.P.M. | | 225' | NORTH | 1980' | EA | ST | EDDY |
| | | | " Bottom H | ole Locat | ion If Diffe | erent From S | urface | | | |
| UL or lot no. | Section | Township | Range | Los Idn | Feet from the | North/South line | Feet from the | East/V | Vest line | County |
| В | 33 | 24 SOUTH | 29 EAST, N.M.P.M. | | 330' | NORTH | 1980' | EA | ST | EDDY |
| 12 Dedicated A | cres ¹³ Joir | t or Infill | ¹⁴ Consolidation Code ¹³ | Order No. | | | | | | |
| 60 | | | | | | | | | | |

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.



<u>Djetriet 1</u> 1625 N. French Dr., Hobbs. NM 82240 Phone: (575) 393-6161 Fax: (575) 393-6720 <u>Djetriet II</u> 813 S. First St., Artesia, NM 88240 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>Djetriet III</u> 1009 Rio Brazos Road, Artee, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>Djetriet IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

_ _ .

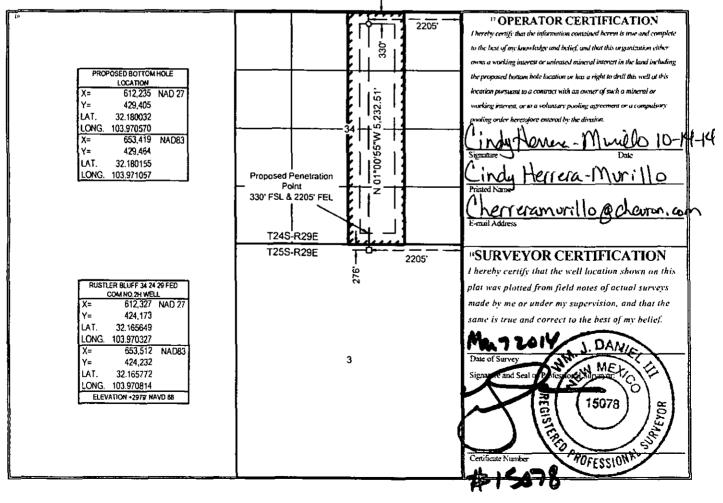
AMENDED REPORT

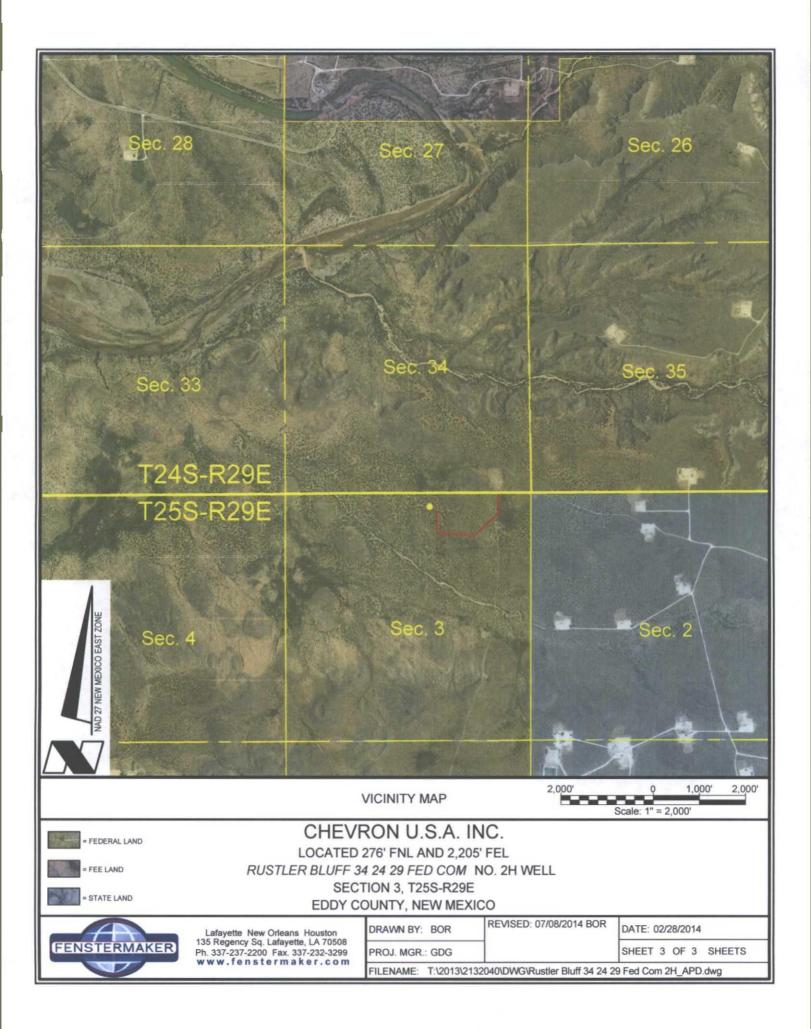
t

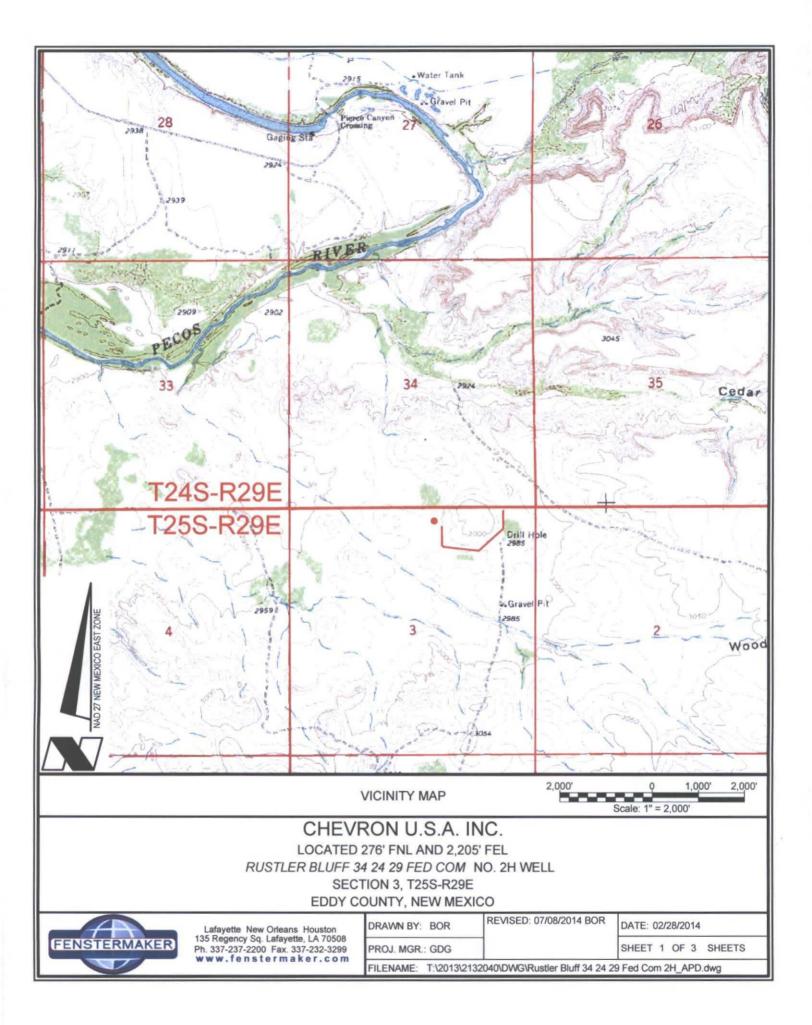
:

| | WELL LOCATION AND ACREAGE DEDICATION PLAT | | | | | | | | |
|---------------------------|---|-------------|--------------------------|-----------|----------------|------------------|---------------|----------------|-------------|
| 30-0 | 15- | Ŧ26- | 119621 | ode | WILL | an LA | KEB | <u>BNESPR</u> | ING SE |
| Proper | ty Code | | | , b | roperty Name | | _ , | | Well Number |
| 1213 | 151 | | RU | STLER BLU | JFF 34 24 29 F | ED COM | | | 2H |
| 70GR | DNo. | | | - "ô | perator Name | | | | 'Elevation |
| 432 | <u> </u> | | | CHEVR | ION U.S.A. IN | С | | | 2979' |
| | | | | 1ª Sur | face Locat | ion | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| В | 3 | 25 SOUTH | 29 EAST, N.M.P.M. | | 276' | NORTH | 2205' | EAST | EDDY |
| | | _ | " Bottom H | ole Locat | ion If Diffe | erent From S | urface | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Fect from the | East/West line | County |
| В | 34 | 24 SOUTH | 29 EAST, N.M.P.M. | | 330' | NORTH | 2205' | EAST | EDDY |
| 12 Dedicated A | cres 13 Join | t or Infill | 14 Consolidation Code 45 | Order No. | | | | | |
| $\lfloor \underline{160}$ | | | | | <u></u> | <u> </u> | | | |

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.







| Form 3160-5 (September 2001) SUNDF | FORM APPROVED OM B No. 1004-0135 Expires: January 31, 2004 5. Lease Serial No. MULTIPLE -SEE ATTACHED | | | |
|--|--|--|---|---|
| | this form for proposals t well. Use Form 3160-3 (| | | 6. If Indian, Allottee or Tribe Name |
| | RIPLICATE- Other inst | ructions on re | everse side. | 7. If Unit or CA/Agreement, Name and/or No. |
| 1. Type of Well ↓ Oil Well□ □ | Gas Well OD Other | | | 8. Well Name and No. |
| · 2. Name of Operator CHEVRO | N USA INC | | | MULTIPLE -SEE ATTACHED 9. API Well No. |
| 3a Address 1616 W. BENDER BLVD, I | 10BBS NM 88240 | 3b. Phone No. (i 575-263-043) | nclude area code) | 30-015-42670 & 30-015-42671 10. Field and Pool, or Exploratory Area |
| 4. Location of Well (Footage, Se | cc., T., R., M., or Survey Description) | ! | | WILLOW LAKE; BONE SPRING SE |
| | d 1980' FEL, Section 4, Townshi d 2205' FEL, Section 3, Townshi | | | 11. County or Parish, State EDDY COUNTY, NM |
| 12. CHECK | APPROPRIATE BOX(ES) TO | INDICATE NA | ATURE OF NOTICE, | REPORT, OR OTHER DATA |
| TYPE OF SUBMISSION | | | TYPE OF ACTION | |
| Notice of Intent | Acidize | Deepen Fracture Treat New Construc | | Well Integrity |
| Final Abandonment Notice | Change Plans | Plug and Aban Plug Back | don Temporarily A | |
| If the proposal is to deepen Attach the Bond under whit following completion of the | directionally or recomplete horizontall the work will be performed or provi- involved operations. If the operation Final Abandonment Notices shall be | y, give subsurface k de the Bond No. or results in a multiple | ocations and measured and to file with BLM/BIA. Requision or recompletion | any proposed work and approximate duration thereof. true vertical depths of all pertinent markers and zones. ired subsequent reports shall be filed within 30 days n in a new interval, a Form 3160-4 shall be filed once mation, have been completed, and the operator has |
| through Chevron's Ru concentrating activities 34 24 29 Fed Com #2H wells are located in sec Rustler Bluff 33 24 29 Rustler Bluff 34 24 29 | stler Bluff Central Battery. Chev at one battery. Wells producing (which will be horizontally drill- tion 33 & 34, T24S-R29E, Eddy (Fed Com #1H | ron request the a to this battery in ed in fall of 2014 County, New Mex PI# 30-025-4267 PI# 30-025-4267 | pproval to minimize sur clude the Chevron Rusti into the Second Bone Sp ico. API's Included: 0 Lease # NMN 1 Lease # NMN | M120894 |
| 14. I hereby certify that the f Name (Printed/Typed) | | . | | |
| | RERA-MURILLO | | the PERMITTING SPE | CIALIST |
| Signature Cindy H | mue muilo | | ate | 10/14/2014 |
| J | THIS SPACE FOR | FEDERAL O | R STATE OFFIC | EUSE |
| Approved by | | | Title | Date |
| certify that the applicant holds I which would entitle the applicant | | n the subject lease | Office | |
| Title 18 U.S.C. Section 1001 and States any false fictitious or frau | Title 43 U.S.C. Section 1212, make it a idulent statements or representations | crime for any per- | son knowingly and willfull | y to make to any department or agency of the United |

(Instructions on page 2)

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