

August 19, 2014

VIA HAND DELIVERY

Florene Davidson
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Dr.
Santa Fe, NM 87501

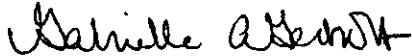
RECEIVED OGD
2014 AUG 19 5:21 PM
Case 15208

**Re: Application Of Chevron U.S.A. Inc. To Surface Commingle Production From
Separate Leases In A Central Tank Battery, Lea County, New Mexico.**

Dear Florene:

Attached is Chevron's administrative application for commingling which received an objection and, thus, must be set for hearing. Chevron requests this application be placed on the September 18, 2014 Examiner Docket. A case description for the docket has also been included.

Sincerely,



Gabrielle A. Gerholt
Of Counsel

GAG

CASE 15204: Application Of Chevron U.S.A Inc. For Approval Of Surface Lease

Commingling, Lea County, New Mexico. Applicant seeks authority to surface commingle production from the Bone Spring formation, Red Hills; Bone Spring North Pool produced from the **Gramma Ridge 14 24 34 #1H** and the **Gramma Ridge 14 24 34 #2H** wells located on Fee Leases in Section 14, Township 24 South, Range 34 East. Applicant proposes to measure production by monthly well tests with a coriolis for oil and EFM for gas. Production will be stored in a central tank battery at the Gramma Ridge 14 24 34 #2H well site, located on Unit D, Section 14, Township 24 South, Range 34 East. These wells are located approximately 2 miles North of Ochoa, New Mexico.

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2014 AUG 19 PM 4:21

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



Case 15204

ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leascholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

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

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

CINDY HERRERA-MURILLO
 Print or Type Name

Cindy Herrera-Murillo
 Signature

PERMITTING SPECIALIST
 Title

07/22/2014
 Date

Cherreramurillo@chevron.com
 e-mail Address

RECEIVED
 2014 AUG 19 PM 4:21

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: 1616 W. BENDER BLVD. HOBBS, NM 88240
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. _____
I have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

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

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☐ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code: RED HILLS; BONE SPRING, NORTH
(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) Monthly well test

(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: Cindy Herrera-Murillo TITLE: PERMITTING SPECIALIST DATE: 07/22/2014
TYPE OR PRINT NAME: CINDY HERRERA-MURILLO TELEPHONE NO.: 575-263-0431
E-MAIL ADDRESS: CherreraMurillo@chevron.com



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 88240
Tel 575-263-0431
Cherreramurillo@chevron.com

July 22, 2014

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

Application for surface commingling, Bone Spring Pool, Lea County, NM (T24S-R34E, Sec 14)

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 Gramma Ridge Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. Wells producing to this battery include the Chevron Gramma Ridge 14 24 34 #1H and the Gramma Ridge 14 24 34 #2H. All wells will be completed within the Red Hills; Bone Spring North sand Formation, per attached map. These wells are located in section 14, T24S-R34E, Lea County, New Mexico. APDs for each well, which includes surface plats, are included with this notification.

The working interest and royalties are as follows for each well involved in this request:

Gramma Ridge 14 24 34 #1H (71.2% Chevron) WI/ 28.8%.

Gramma Ridge 14 24 34 #2H (83.3 % Chevron) WI/ 16.7%

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.

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

Sincerely,

A handwritten signature in black ink that reads "Cindy Herrera-Murillo".

Cindy Herrera-Murillo
Permitting Specialist



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 88240
Tel 575-263-0431
Cherreramurillo@chevron.com

July 22, 2014

Re: Application for Surface Commingling
Gramma Ridge, Bone Spring Tank Battery
Section 14, T24S, R 34E
Lea County, New Mexico

State of New Mexico
Commissioner of Public Lands
PO Box 1148
Santa Fe, NM 87504

Dear Sirs,

Chevron USA Inc. respectfully requests gives notice of intent to surface commingle oil, gas, and water production from the Bone Spring Pool through Chevron's Gramma Ridge Battery. Chevron's request the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. Wells producing to this battery include the Chevron Gramma Ridge 14 24 34 #1H; Gramma Ridge 14 24 34 #2H. All wells will be completed within the Red Hills; Bone Spring North sand Formation, per attached map. These wells are located in section 14 T24S-R34E, Lea County, New Mexico.

The working interest and royalties for each well are as follows:
Gramma Ridge 14 24 34 #1H (71.2% Chevron) WI/ 28.8 %.
Gramma Ridge 14 24 34 #2H (83.3% Chevron) WI/ 16.7 %

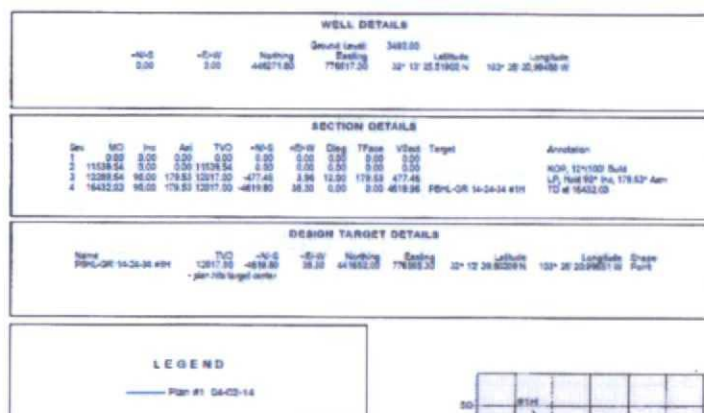
Any objections to this commingle must be sent to the New Mexico Oil Conservation Division; 1220 South St. Francis Drive; Santa Fe, New Mexico 87504, within 20 days of receipt of this notification. If you require additional information, please contact me at 575-263-0431, or by email at: cherreramurillo@chevron.com.

Sincerely,

A handwritten signature in black ink that reads "Cindy Herrera-Murillo".

Cindy Herrera-Murillo
Permitting Specialist

Azimuth to Grid North
 True North: -0.45°
 Magnetic North: 8.70°
 Magnetic Flux
 strength: 48348.8nT
 Dip Angle: 60.14°
 Date: 04/03/2014
 Model: JGM73010 14

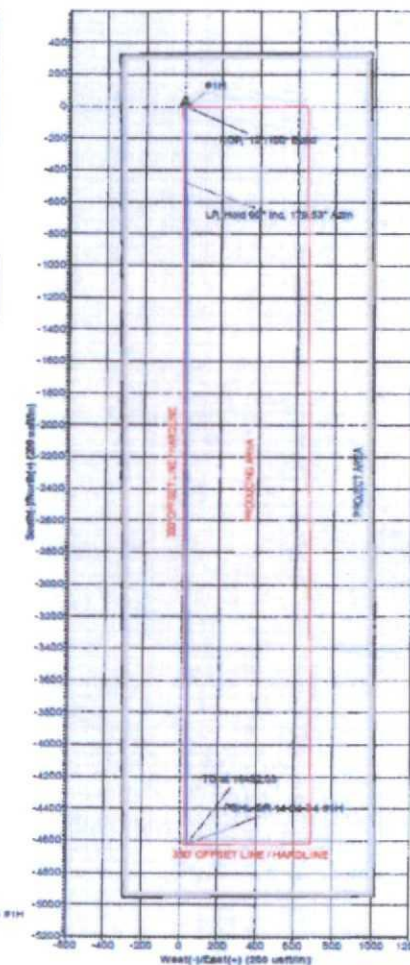
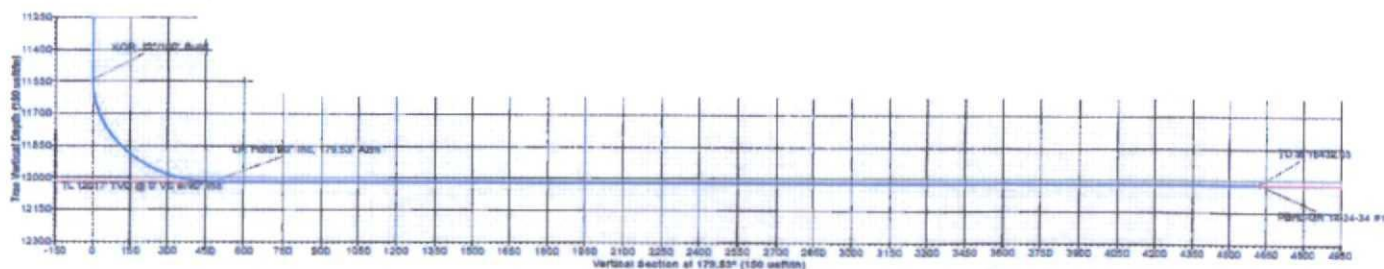
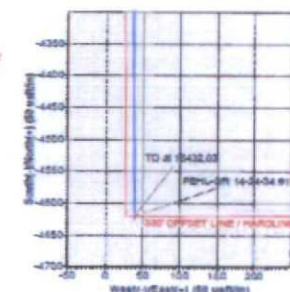
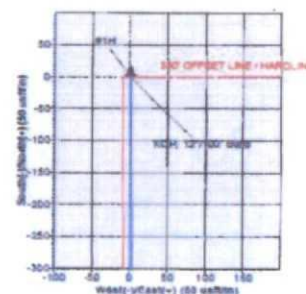


Map System:	US State Plane 1983 (State Plane)
Datum:	NAD 83 (NAVD83 Contour)
Ellipsoid:	Clarke 1866
Zone Name:	New Mexico East 3001
Local Origin:	Wall #11, Grid North
Latitude:	39° 19' 26.51000 N
Longitude:	103° 26' 30.95488 W
Grid East:	716617.90
Grid North:	466271.90
Scale Factor:	1.000
Geographic Model:	IGRF2010_14
Sample Date:	25-Aug-14
Magnetic Declination:	7.49°
Dip Angle from Horizontal:	60.14°
Magnetic Field Strength:	43300

To convert a Magnetic Direction to a Grid Direction, Add 6.70°
 To convert a Magnetic Direction to a True Direction, Add 7.16° East

FORMATION TOP DETAILS

TvOPch	UDOPch	Formelon	DisAmp	DisO
12017.50	12269.54	TL 13647 TvO @ 0 VS = 90° = 4	0.56	179.53



Gramma Ridge 2H – the first well – 30-025-41731



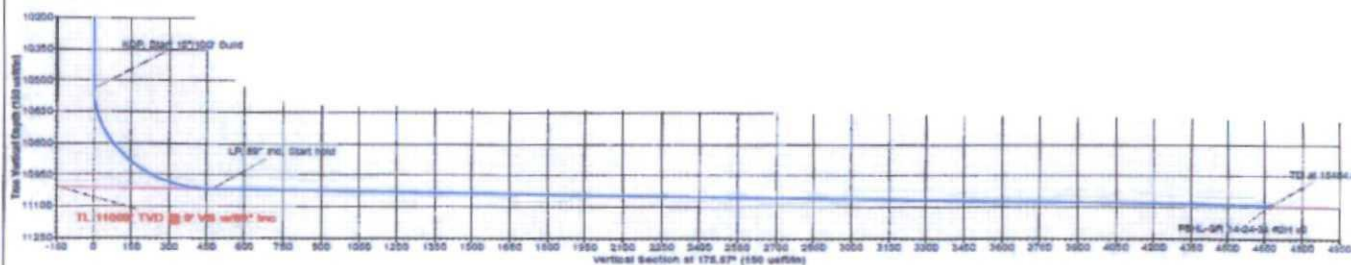
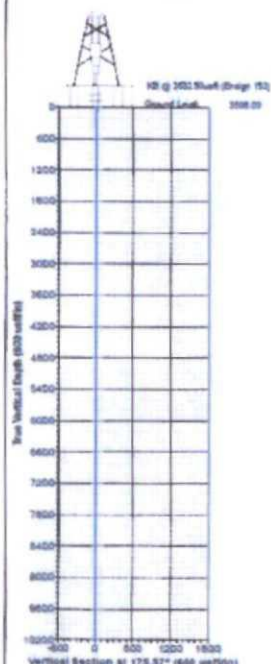
Project: Lea County NM (NAD27 NME)
Site: Gramma Ridge 14-24-34
Well: 82H
Wellbore: WB1/Job #1410440
Design: Plan #3 06-02-14
Rig: Ensign 153



PHOENIX
TECHNOLOGY SERVICES



Latitude to Grid North
True North: -4.43°
Magnetic North: 0.69°
Magnetic Field
Strength: 48553 nT
Dip Angle: 66.15°
Date: 20140609
Model: IGRF2010_14

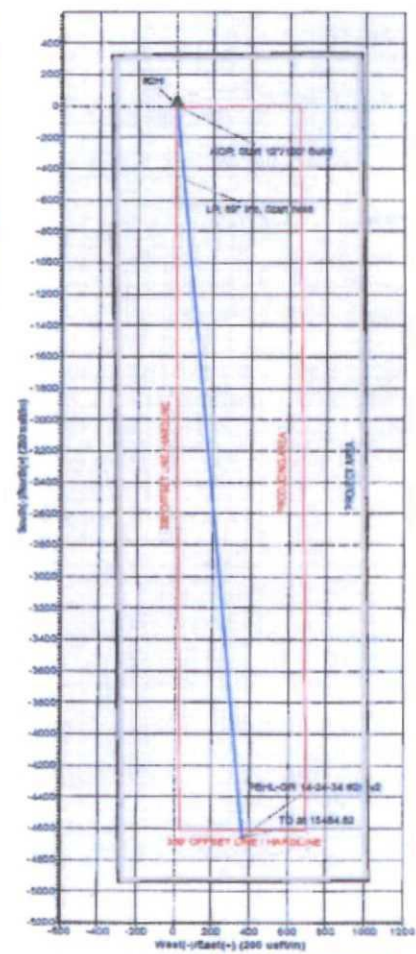
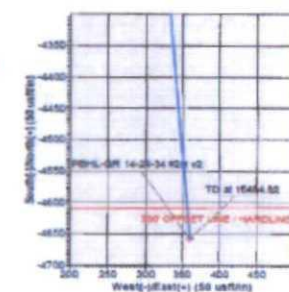
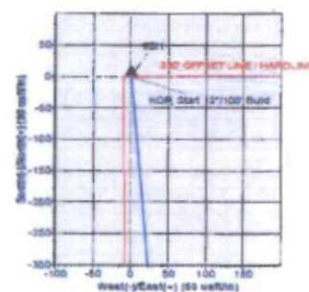


WELL DETAILS											
N/E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ground Level	3553.00	3553.00	3553.00	3553.00	3553.00	3553.00	3553.00	3553.00	3553.00	3553.00	3553.00
Wellbore	77370.00	77370.00	77370.00	77370.00	77370.00	77370.00	77370.00	77370.00	77370.00	77370.00	77370.00
Latitude	32° 17' 25.4528" N	32° 17' 25.4528" N	32° 17' 25.4528" N	32° 17' 25.4528" N	32° 17' 25.4528" N	32° 17' 25.4528" N	32° 17' 25.4528" N	32° 17' 25.4528" N	32° 17' 25.4528" N	32° 17' 25.4528" N	32° 17' 25.4528" N
Longitude	102° 24' 51.7957" W	102° 24' 51.7957" W	102° 24' 51.7957" W	102° 24' 51.7957" W	102° 24' 51.7957" W	102° 24' 51.7957" W	102° 24' 51.7957" W	102° 24' 51.7957" W	102° 24' 51.7957" W	102° 24' 51.7957" W	102° 24' 51.7957" W

SECTION DETAILS											
Sec	NO	IN	AP	TV	TO	TO	TO	TO	TO	TO	TO
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	1029.80	0.00	0.00	1029.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	11281.48	88.00	176.87	11281.48	487.73	36.23	62.66	176.87	487.73	36.23	62.66
4	15484.82	88.00	176.87	15484.82	487.73	36.23	62.66	176.87	487.73	36.23	62.66

DESIGN TARGET DETAILS											
Name	PHL-GR 14-24-34 40H v2	TV	11081.55	487.73	36.23	62.66	176.87	487.73	36.23	62.66	176.87
Wellbore	PHL-GR 14-24-34 40H v2	TV	11081.55	487.73	36.23	62.66	176.87	487.73	36.23	62.66	176.87

LEGEND	
Plan #3 06-02-14	



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

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

DISTRICT III
1000 Rio Hondo Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate District Office
JUL 07 2014
DIAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION RECEIVED

API Number 30-025-41811	Pool Code 96434	Pool Name Red Hills; BONE SPRING, NORTH
Property Code 40461	Property Name GRAMMA RIDGE 14-24-34	Well Number 1H
GRID No. 4323	Operator Name CHEVRON USA INC.	Elevation 3492'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	14	24-S	34-E		330	NORTH	2300	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	14	24-S	34-E		280	SOUTH	1980	EAST	LEA

Dedicated Acres 160	Joint or Infill	Consolidation Code	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

GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION & FIRST TAKE POINT Y=446271.8 N X=776517.0 E LAT.=32.223755° N LONG.=103.439165° W		OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Cindy Herrera-Murillo</u> Date: <u>7-7-14</u> Printed Name: <u>Cindy Herrera-Murillo</u> E-mail Address: <u>CherreraMurillo@chevron.com</u>
CORNER COORDINATES TABLE NAD 27 NME A - Y=446599.7 N, X=776173.9 E B - Y=446607.7 N, X=777493.9 E C - Y=441329.1 N, X=777537.1 E D - Y=441319.6 N, X=776216.8 E		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. APRIL 18, 2013
GEODETIC COORDINATES NAD 27 NME LAST TAKE POINT 330' FSL & 1983.4' FEL Y=441654.3 N X=776871.8 E LAT.=32.211055° N LONG.=103.438142° W		Date of Survey: <u>APRIL 18, 2013</u> Signature: <u>Ronald J. Eidson</u> Seal of Professional Surveyor:
GEODETIC COORDINATES NAD 27 NME BOTTOM HOLE LOCATION Y=441604.3 N X=776875.6 E LAT.=32.210918° N LONG.=103.438131° W		ACK: R. Eidson, 12641 JWSC W.O.: 10.12.0676

JUL 08 2014

DISTRICT I
1635 N French Dr. Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 391-0730

DISTRICT II
815 S. Santa Fe Ave. NM 88210
Phone: (505) 748-1282 Fax: (505) 748-9720

DISTRICT III
1000 Rm. Morgan Road, Ams. NM 87410
Phone: (505) 734-6178 Fax: (505) 734-6170

DISTRICT IV
1220 S. St. Francis Dr. Santa Fe, NM 87505
Phone: (505) 478-3460 Fax: (505) 478-3462

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

Form C-102
Revised 11/11
Submit one copy to appropriate District Office
HOBBS OCD
MAR 14 2014
DAMAGED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-41731	Pool Code 910434	Pool Name Red Hills, Bone Spring, North
Property Code 40401	Property Name GRAMMA RIDGE 14-24-34	Well Number 2H
OCRD No. 4323	Operator Name CHEVRON USA INC.	Elevation 3508'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	14	24-S	34-E		330	NORTH	340	WEST	LEA

Bottom Hole Location If Different From Surface

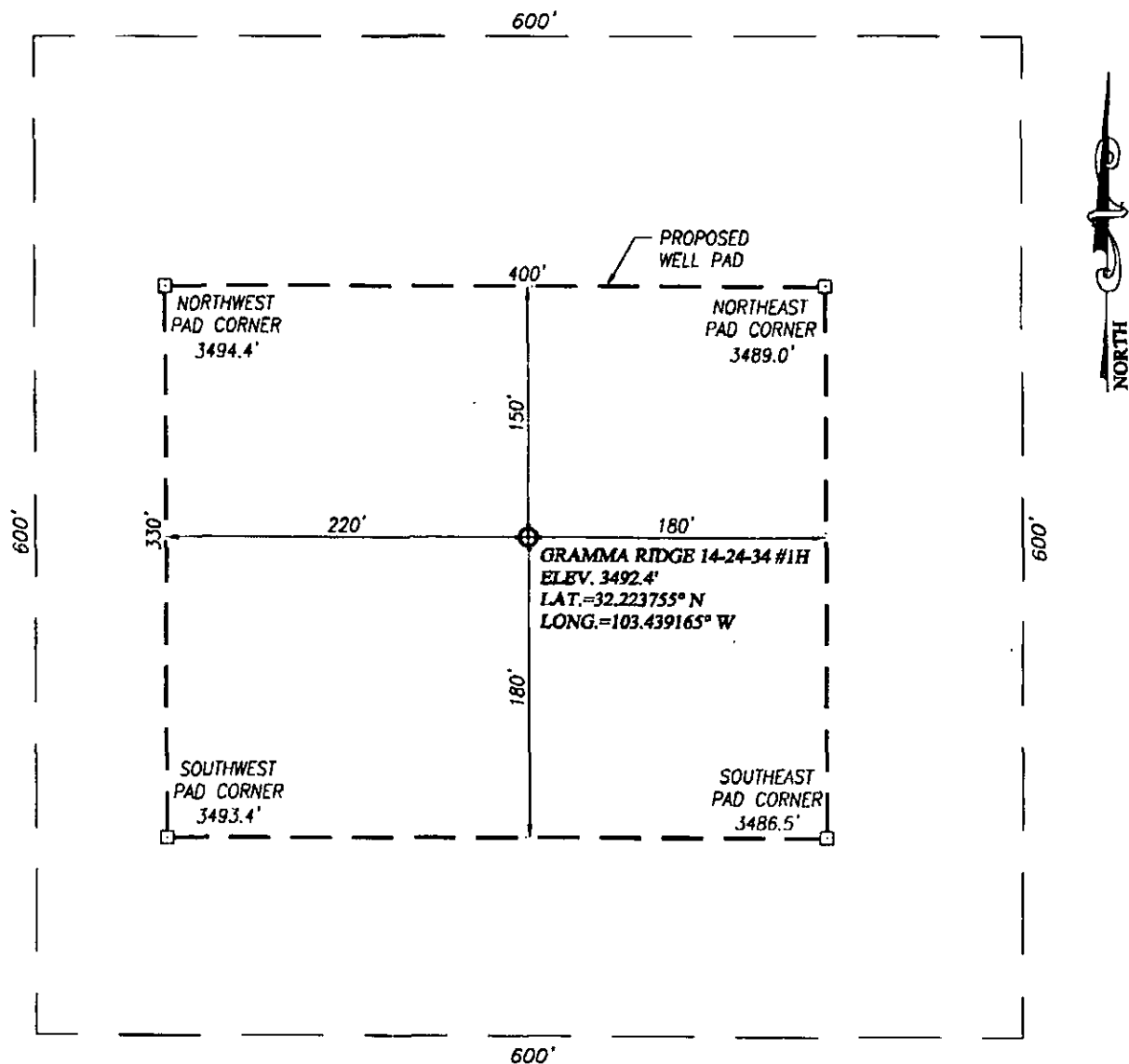
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	24-S	34-E		330	SOUTH	340	WEST	LEA
Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

GRID AZ = 170.2942° HORIZ. DIST = 4611.3' 340' 330'	CORNER COORDINATES TABLE A - Y=446569.3 N, X=773528.0 E B - Y=446584.5 N, X=774850.9 E C - Y=441310.2 N, X=774895.5 E D - Y=441300.7 N, X=773574.2 E		OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order (hereinafter referred to as the "owner"). <i>[Signature]</i> 03/13/14 Signature Date DENISE PINKERTON Printed Name leakeid@chevron.com E-mail Address	
	GEODEIC COORDINATES NAD 27 NME SURFACE LOCATION Y=446243.2 N X=773870.9 E			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. APRIL 18, 20013 Date of Survey Signature of Registered Surveyor [Circular Stamp: NEW MEXICO 3239] [Signature] 03/10/2013 Certified by [Signature] 12841 Professional Seal of J. Eubank 3239 BKL JWSC W.O.: 13.11.0364
	LAT. = 32.223737° N LONG. = 103.447722° W BOTTOM HOLE LOCATION Y=441633.0 N X=773911.2 E			
	340' 330'			

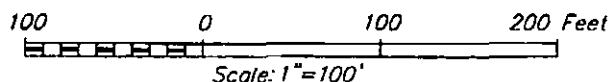
MAR 29 2014

SECTION 14, TOWNSHIP 24 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY **NEW MEXICO**



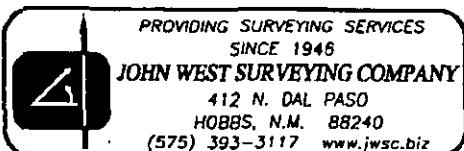
DIRECTIONS TO GRAMMA RIDGE 14-24-34 #2H:

FROM THE INTERSECTION OF STATE HIGHWAY 18 AND STATE HIGHWAY 128, GO WEST APPROX. 16.5 MILES; TURN RIGHT AND GO NORTH APPROX. 0.8 MILES; TURN RIGHT AND GO EAST APPROX. 0.3 MILES. LOCATION IS APPROX. 1.0 MILES TO THE EAST.



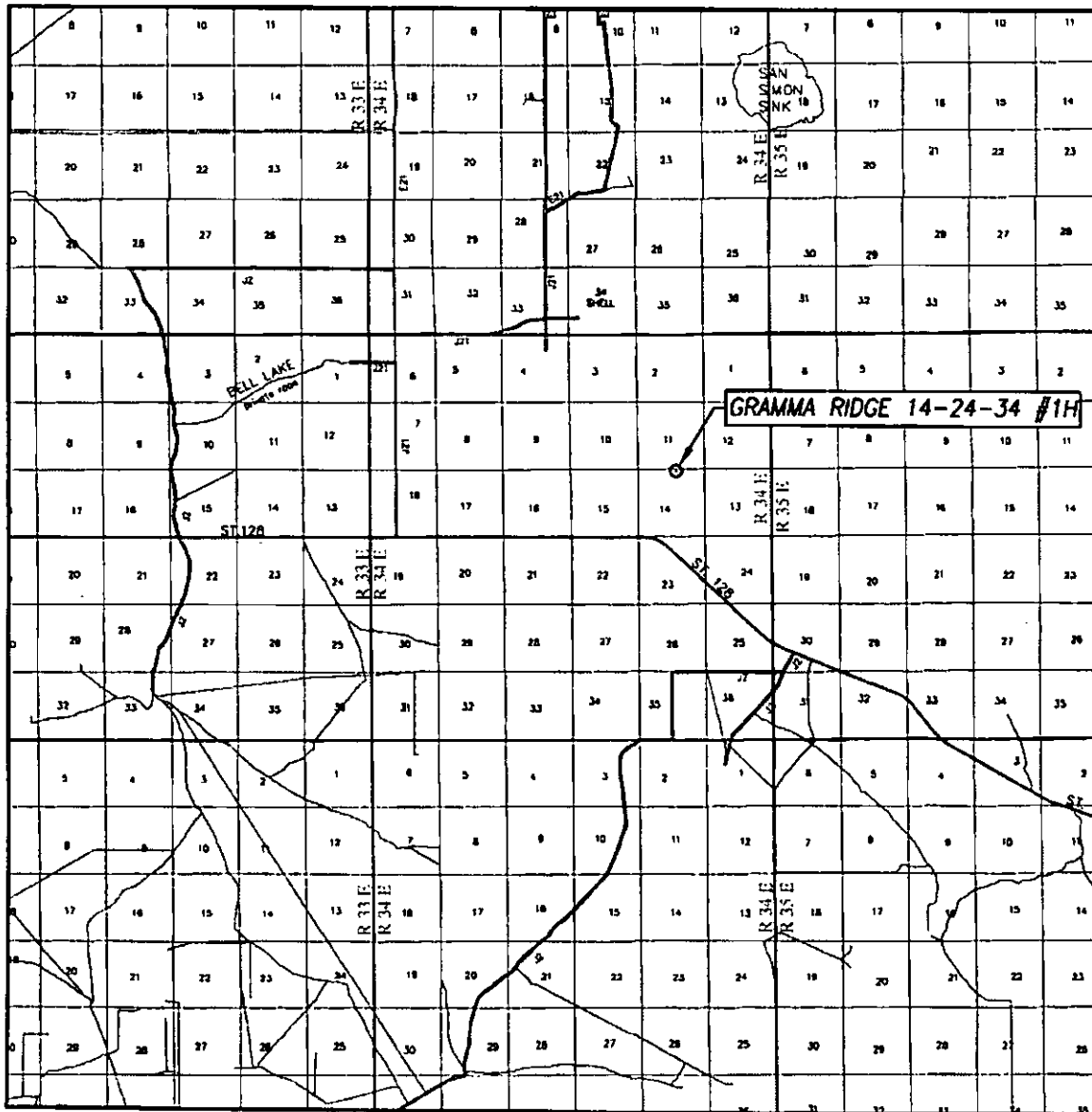
CHEVRON USA INC.

GRAMMA RIDGE 14-24-34 #1H WELL
LOCATED 330 FEET FROM THE NORTH LINE
AND 2300 FEET FROM THE EAST LINE OF SECTION 14,
TOWNSHIP 24 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



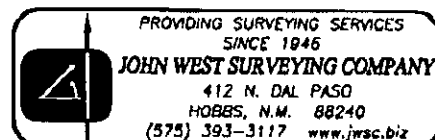
Survey Date: 4/18/13	CAD Date: 5/7/13	Drawn By: BKL
W.O. No.: 13110363	Rev: .	Rel. W.O.: Sheet 1 of 1

VICINITY MAP

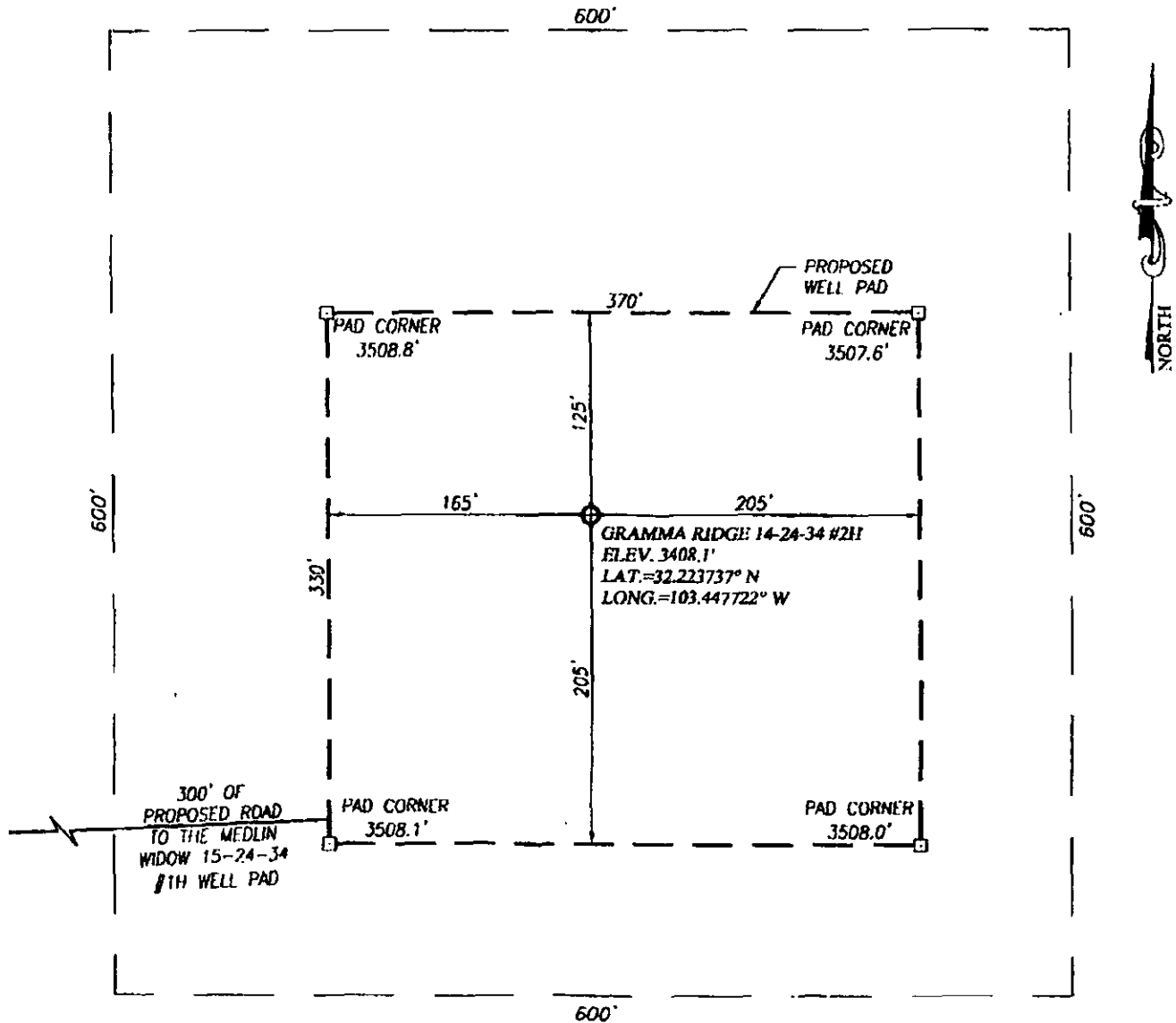


SCALE: 1" = 2 MILES

SEC. 14 TWP. 24-S RGE. 34-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 330' FNL & 2300' FEL
 ELEVATION 3492'
 OPERATOR CHEVRON USA INC.
 LEASE GRAMMA RIDGE 14-24-34

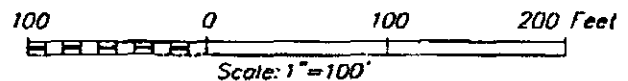


SECTION 14, TOWNSHIP 24 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY NEW MEXICO



DIRECTIONS TO GRAMMA RIDGE 14-24-34 #2H:

FROM THE INTERSECTION OF STATE HIGHWAY 18 AND STATE HIGHWAY 128, GO WEST ON STATE HIGHWAY 128 APPROX. 16.5 MILES; TURN RIGHT ON LEASE ROAD AND GO NORTH APPROX. 0.8 MILES; TURN RIGHT AND GO EAST APPROX. 0.3 MILES TO A STAKED ROAD SURVEY; FOLLOW STAKES EAST APPROX. 0.55 MILES TO THE PROPOSED MEDLIN WIDOW 15-24-34 #1H WELL PAD. FROM THE SOUTHEAST CORNER OF THE PROPOSED PAD, FOLLOW STAKED ROAD SURVEY EAST APPROX. 300 FEET TO THIS LOCATION.



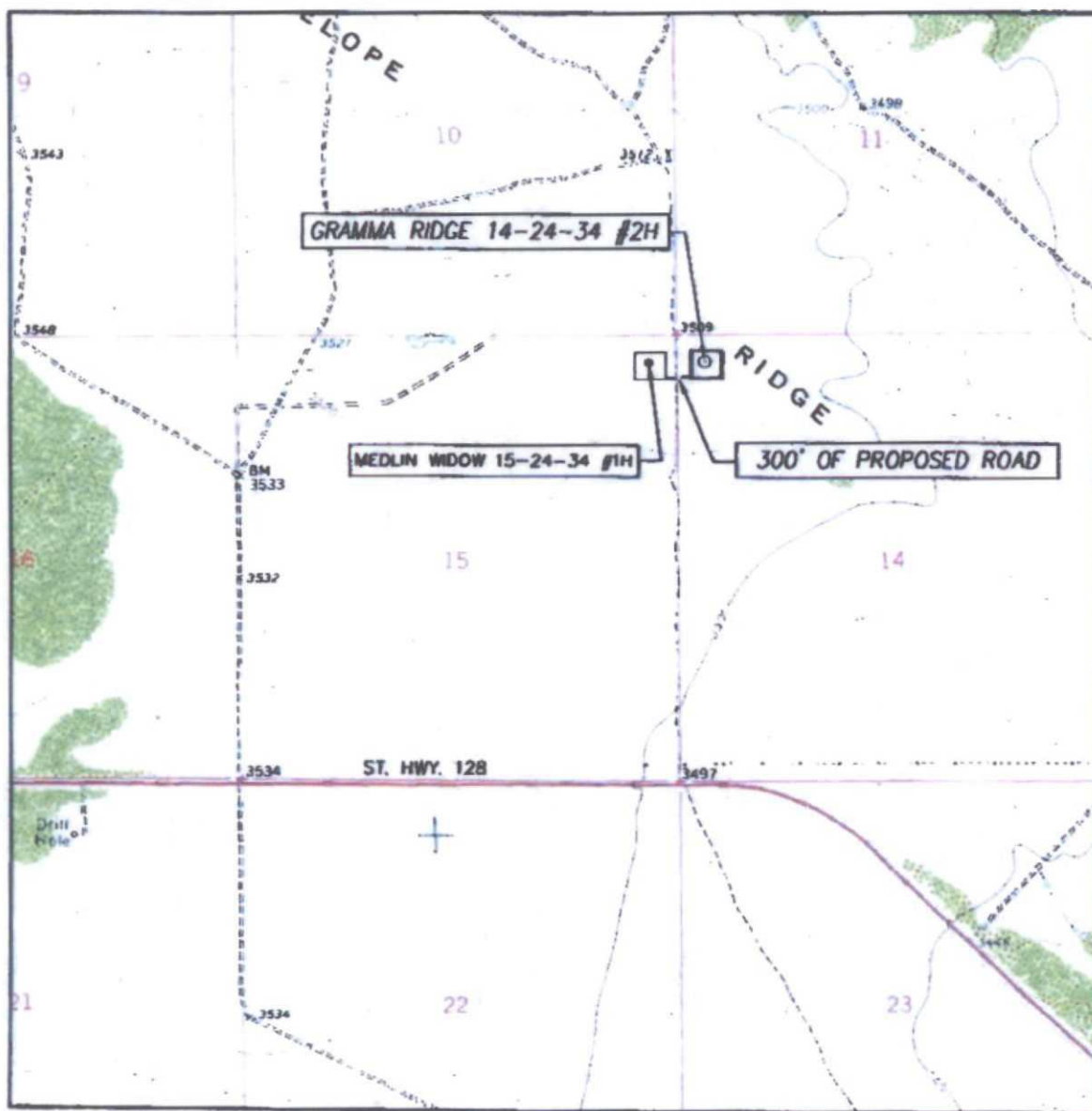
CHEVRON USA INC.

GRAMMA RIDGE 14-24-34 #2H WELL
LOCATED 330 FEET FROM THE NORTH LINE
AND 340 FEET FROM THE WEST LINE OF SECTION 14,
TOWNSHIP 24 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz

Survey Date: 7/23/13	CAD Date: 7/24/13	Drawn By: BKL/DS
W.O. No.: 13110851	Rev. .	Rel. W.O.: 13110362

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
WOODLEY FLAT, N.M. - 10'

SEC. 14 TWP. 24-S RGE. 34-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 330' FNL & 340' FWL

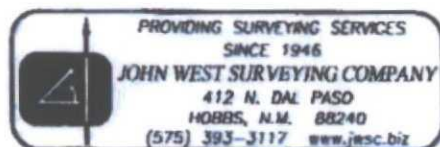
ELEVATION 3508'

OPERATOR CHEVRON USA INC.

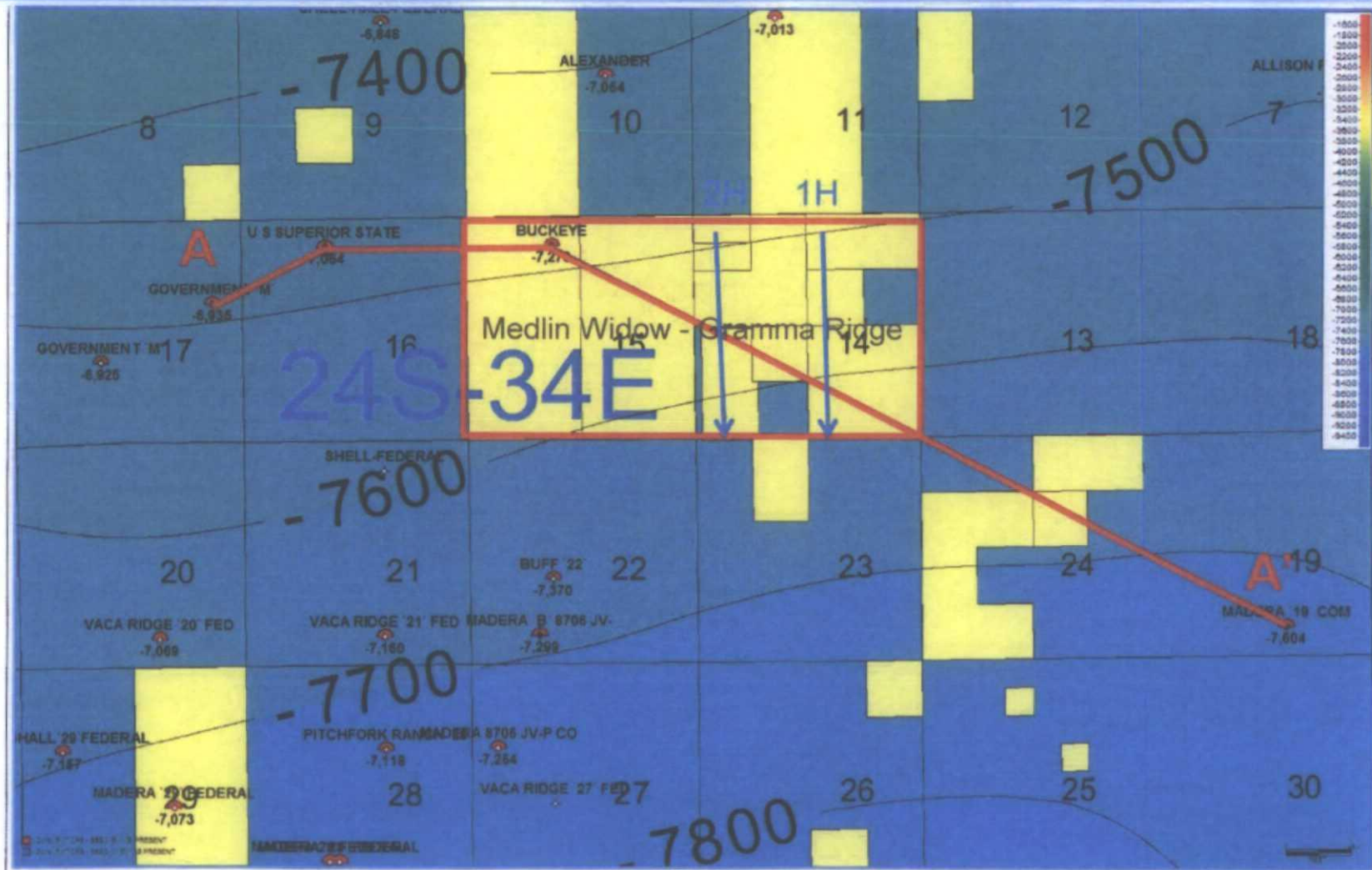
LEASE GRAMMA RIDGE 14-24-34

U.S.G.S. TOPOGRAPHIC MAP

WOODLEY FLAT, N.M.



Second Bone Spring Sand Structure (TVDSS)



List of Owners to be Commingled

W/2W/2

Gramma Ridge 2H

Owner		Type of Owner
Karen D. Whitt and husband, Phillip N. Whitt	500 W. Broom Drive, Hobbs, New Mexico 88004	Royalty
JOHN NAGY		Royalty
Betty Joyce Irvin Perryman Jones	2009 Nowlin Road #58, Coleman, Texas 76834	Royalty
Burlington Resources Oil & Gas Company Conoco-Phillips Adtkins, Land Manager	P.O. Box 51810, Midland, Texas 79702 P.O. Box 4428, Houston, TX 77210	WI
Powhatan Carter, III	1382 Caprock Road, Ft. Sumner, NM 88119-9008	Royalty
Rodney Carter	18334 Nicklaus Way, Eden Prairie, MN 55347-3437	Royalty
Charles and Beverly Overton Revocable Trust UTA dated December 15, 1993	P.O. Box 32, Yeso, NM 88136	Royalty
Anderson Carter II, Individually and as Trustee under the Amended and Restated Trust	P.O. Box 7190, Ruidoso, NM 88355	Royalty
Norman C. Case, dealing in his sole and separate property	26828 Maple Valley Hwy #259, Maple Valley, WA 98038	Royalty
New Mexico Dept. of Transportation	PO Box 1149, Santa Fe, NM 87504	Royalty
Western Commerce Bank, A New Mexico Corporation, Trustee of the W. T. Reed Trust	P.O. Box 1627, Lovington, NM 88260-1627	Royalty
James Reed McCrory	P.O. Box 25764, Albuquerque, NM 87125-0764	Royalty
Energex, LLC	4425 98th St. Ste 200, Lubbock, TX 79424	WI
Crump Energy Partners, LLC	P.O. Box 50820, Midland, Texas 79710	WI
Crown Oil Partners IV, LP	P.O. Box 50820, Midland, Texas 79710	WI
Justin Nine and wife, Sara Nine	4414 10th Street, Lubbock, TX 79416	WI
White Gold Corporation	P.O. Box 730, Roswell, NM 88202	WI
Timothy D. Lilley	4425 98th Street, Suit 200 Lubbock, TX 79424	ORRI
Lisa M. Lilley	4425 98th Street, Suit 200 Lubbock, TX 79424	ORRI

W/2E/2

Gramma Ridge 1H

Owner		Type of Owner
Kenneth N. Headley Trust	P.O. Box 1359, Tijeras, NM 87059	Royalty
Davis A. Coppedge	P.O. Box 2071, 5111 N. Travis St., Knollwood, TX 75092-	Royalty

Tate Byrne Jennings	3535 32nd Street, Boulder, CO 80304	Royalty
New Mexico Western Mineral, Inc.	P.O. Box 1973, Las Cruces, NM 88004	Royalty
William E. Walker, Individually and as Trustee of the William E. Walker Trust	P.O. Box 113, 1654 N. Pennsylvania Ave, Wichita, KS 67214-1623	Royalty
Maura Smyrl Jennings	1810 S. Breton Pl. , Tucson, AZ 85748-7622	Royalty
James L. Falgout, in his capacity as the Trustee of the Michael Herd Moore Irrevocable Trust	2929 N. Central Expressway, Ste. 235, Richardson, TX 75080	Energex, L.L.C., Volume 1704, Page 767, Lea County Records, Lea County, New Mexico. Term: 3 years
H-D Mineral Properties	P.O. Box 3061, Midland, TX 79701	Royalty
Percy Lee Lawrence , III Heir of Percy L. Lawrence, II	P.O. Box 1, Crowley, LA 70527; 219 E 2nd St., Crowley, LA 70527	Royalty
David W. Lawrence Heir of Percy L. Lawrence, II	P.O. Box 15817, Wqn El3to, CQ 92175	Royalty
Anne Elizabeth Lawrence Heir of Percy L. Lawrence, II		Royalty
Elaine Walker	4341 Clayton Road West, Fort Worth, TX 76116; 5026	Royalty
Janice Cooke Miller, Trustee of the Restatement of the Charles M. Miller and Janice Cook Miller Family Trust	3412 E. Oregon, Phoenix, AZ 85018	Royalty
Sandi Miller	1015 Fern Dr. , Roswell, NM 88203	Royalty
Ann D. Allison	P.O. Box 64035, Lubbock, TX 79464	Royalty
Mary J. McWhorter, Trustee of the Mary J. McWhorter	2033 East Second St., Tucson, AZ 85719	Royalty
David H. Arrington david@arringtonoil.com	500 W Wall, P.O. Box 2071, Midland, TX 79702	Possible Royalty or WI
Brent McWhorter and Ruth A. McWhorter, Trustees for the McWhorter Living Trust	6140 E. Voltaire, Scottsdale, AZ 85254	Royalty
James T. Coppedge	P.O. Box 2071, Richardson, TX 75081	Royalty
Evelyn Elaine Horner	2604 North Halderman Road, Artesia, NM 88210	Royalty
S.P. Johnson, III and Barbara Jo Johnson, Co-trustees of the S.P. Johnson, III and Barbara Jo Johnson Trust,	P.O. Box 1641, Roswell, NM 88202	Royalty
Willie Ruth Tatum	3415 56th Street, Lubbock, TX 79413	Royalty
L.M. Robinson, LLC	P.O. Box 1090, Roswell, NM 88202	Royalty
Carlton J. Carmichael , Jr.	9510 Signal Avenue NE, Albuquerque, NM 87122	Royalty
CRJ Resources, LLC	P.O. Box 1090, Roswell, NM 88202	Royalty
Ila Nettesheim	1501 W. Mann Avenue, Artesia, NM 88210	Royalty
Herring's Carter Minerals, LLC	P.O. Box 2036, Roswell, NM 88202	Royalty
WEIGL FAMILY TRUST		Royalty

PJC, Limited Partnership	P.O. Box 1713, Roswell, NM 88202	Royalty
Carter Legacy, LLC	5331 85th St., Lubbock, TX 79424	WI
Debra D. Dye	P.O. Box 834, La Porte, TX 77572	WI
David Fred Carr	6401 Mount Ada Road, #143, San Diego, CA 92111	Royalty
Francis Carolyn Crider	1950 NW 185th #447, Hillsboro, OR 97006	Royalty
Janice Goldberg	1665 E. 26th Ave., Eugene, OR 97403	Royalty
Robert Crider aka Dan Crider	15944 Fir Grove Ct., Lake Oswego, OR 97035	Royalty
Burlington Resources Oil & Gas Company Conoco-Phillips Tom Adtkins, Land Manager	P.O. Box 51810, Midland, Texas 79702 P.O. Box 4428, Houston, TX 77210	WI
William S. Nichols	309 Montclair N.E., Albuquerque, NM 87108	Royalty
Purvis Oil Corporation	P.O. Box 11006, Midland, TX 79702	Royalty
Flo Scott Brown New Add: C/O William Scott Brown	1907 US Hsy 70, Muleshoe, TX 79347	Royalty
George B. Dotson	Route 2, Box 1217, Freeport, TX 77541	Royalty
Estate of Lawrence Gordon Dotson, dec.	P.O. Box 556, Sierra Blanca, TX 79851	WI
Rodney D. Dickens	1315 Spring Water, Canyon Lake, TX 78133	Royalty
Mary Francis Bell	719 South 19th St, Temple, TX 76504	Royalty
Melissa E. Smith	P.O. Box 40, Carrizo Springs, TX 78834	Royalty
Charee Joe Dotson	Box 510, Aurla, AZ 85320	WI
Charlee Jessica Dotson	Box 662, Summerset, TX 78060	WI
Jason Campbell	29 Edgewood Dr., Damascus, Arkansas 72038	Royalty
Roy Dean Campbell	151 Surf Way, Apt 13, Monteray, CA 93940	Royalty
Charles Phillips	243 Atlantic, Angleton, TX 77515	Royalty
Odus Phillips	1762 FM 314, Ben Wheeler, TX 75754	Royalty
Mary Ann Gathings	27 Leona Heights, Uvalde, TX 78801	Royalty
Harry H. Jung and wife, Virginia Jung	6218 Lynnhaven Dr., Lubbock, TX 79413	Royalty
Carl A. Schellinger	P.O. Box 447, Roswell, NM 88202	Royalty
Babe Development, LLC	P.O. Box 758, Roswell NM 88202	WI
Elova Moad Miller	603 W. 9th Street, Cisco, TX 76437	Royalty
Nova Jean Marley	211 S. Farmer, Crosbyton, TX 79322	Royalty
Shawn Freck	22621 South 212 th, Queen Creek, AZ 85142, 18722 E	Royalty
Robert Freck	6020 Manila, El Paso, TX 79924	Royalty
Michael Freck	Route 1, Box 261, Burkeville, TX 75932, P.O. Box 5121,	Royalty

Jamie Ann Medlin Billington , Dec Jerry Dwayne Billington, widower	3406 Nebraska, Amarillo, TX 79109	Royalty
George M. Davis, a widower	209 Melody Ln., Gainesville, TX 76240	Royalty
Gary G. Davis	404 Circle View Dr. South, Hurst, TX 76054-3525	Royalty
Lee & Judy Davis Revocable Trust, Leland & Judith E. Davis, Trustees	1625 9th Ave SE, St Cloud, MN 56304	Royalty
Norma Loving	2009 Crockett Ct., Irving, TX 75038-6227	Royalty
Karen Freck Rognerud	P.O. Box 4045, Bergheim, TX 78004; 7631 Presidio	Royalty
Barbara Medlin	4819 E. Libby Ln., Scottsdale, AZ 85254-7519	Royalty
Michael Hall Medlin	223 Hwy 474, Boerne, TX 78006	Royalty
James M. Davis, single	924 E. Bryan St., P.O. Box 63, Kermit, TX 79745-0063	Royalty
Robert E. Landreth	1600 Country Club Dr., Midland, TX 79701	Possible Royalty or WI
Jeanene Hall	P.O. Box 888, Socorro, NM 87801-4484	Royalty
William K. Hollis	1610 Heritage Ln., Mission, TX 78572	Royalty