

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator CHEVRON USA INCORPORATED		6. If Indian, Allottee or Tribe Name
Contact: CINDY H MURILLO E-Mail: CHERRERAMURILLO@CHEVRON.COM		7. If Unit or CA/Agreement, Name and/or No. Multiple--See Attached
3a. Address 15 SMITH ROAD MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-391-6679	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory COTTONWOOD DRAW
		11. County or Parish, and State EDDY COUNTY, NM

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

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

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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

CHEVRON USA INC RESPECTFULLY REQUESTS ADMINISTRATIVE APPROVAL TO SURFACE COMMINGLE OIL GAS AND WATER PRODUCTION FROM THE COTTONWOOD DRAW BONE SPRING POOL THROUGH CHEVRON'S HAYHURST BATTERY. WELLS PRODUCING TO THIS BATTERY INCLUDE THE CHEVRON HAYHURST 17 FEDERAL #1H AND THE HAYHURST 18 FEDERAL #1H (WHICH WILL BE HORIZONTALLY DRILLED IN SPRING OF 2014 INTO THE SECOND BONE SPRING SAND FORMATION, ATTACHED MAP). THESE WELLS ARE LOCATED IN SECTION 17 & 18, T25S-R27E, EDDY COUNTY, NEW MEXICO. APD'S FOR EACH WELL, WHICH INCLUDES SURFACE PLATS ARE INCLUDED WITH THIS NOTIFICATION.
HAYHURST 17 FEDERAL #1H 30-015-41845
HAYHURST 18 FEDERAL #1H 30-015-41848

Accepted for record

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

NMOCD 4-2-14

14. I hereby certify that the foregoing is true and correct.		RECEIVED APR 07 2014 NMOCD ARTESIA
Electronic Submission #239795 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH HAM on 03/28/2014 (14DMH0326SE)		
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST	
Signature (Electronic Submission)	Date 03/25/2014	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK	Title EPS	Date 04/02/2014
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 Carlsbad		

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.

Additional data for EC transaction #239795 that would not fit on the form

5. Lease Serial No., continued

NMNM111530
NMNM113954

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM113954	NMNM113954	HAYHURST 17 FEDERAL 1H	30-015-41845-00-X1	Sec 17 T25S R27E NWNW 55FNL 190FWL 32.137057 N Lat, 104.219798 W Lon
NMNM111530	NMNM111530	HAYHURST 18 FEDERAL 1H	30-015-41848-00-X1	Sec 18 T25S R27E NENE 340FNL 1040FEL 32.136450 N Lat, 104.223771 W Lon

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY
Hayhurst 17 Federal #1 and Hayhurst 18 Federal # 1H

Chevron Corporation

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

Proposal for Hayhurst 17 Federal #1H and Hayhurst 18 Federal #1H

Chevron USA Inc is requesting approval for the Central Tank Battery, Commingling, and
Off lease sales of gas and oil:

Federal Lease NMNM113954

Well Name	Location	API #	Pool 97494	Oil BOPD	Gravities	MCFPD	BTU
Hayhurst 17 Fed #1H	Sec17, W2W2 T25S R27E	3001541845	Cottonwood Draw; Bone Spring	406	43.1	1454	1313

Federal Lease NMNM11530

Well Name	Location	API #	Pool 97494	Oil BOPD	Gravities	MCFPD	BTU
Hayhurst 18 Fed #1H	Sec18, E2E2 T25S R27E	3001541848	Cottonwood Bone Spring	406	43.1	1454	1313

Map shows the federal leases and well locations in Section 17 & 18 -T25S-R27E.

The BLM's interest in these leases is the same. Lease NMNM113954 royalty rate is 12.5%,
Lease NMNM11530 royalty rate is 12.5 %.

Oil & Gas metering:

The central tank battery will be located to the east of the well pad for the Hayhurst 17 Federal 1H located at Sec 17-T25S-R37E on federal lease NMNM113954 in Eddy County, New Mexico. There are five (*) oil/water tanks at the Hayhurst 17 tank battery. They have a common gas sales meter, Triple Crown System, which is located on the southeast side of the facility. Oil, gas and water volumes from each well producing to this battery will be determined by using two three phase metering separators at the proposed facility. Oil production will be allocated on a continuous basis based on the Coriolis Test. The Micro Motion Meters for Hayhurst 17 (*) and the Hayhurst 18 (*) will be proved, as per API, NMOC and BLM specification when installed and quarterly thereafter. Gas production will be allocated on a continuous basis based on separate EFM meters for Hayhurst 17 (*) and Hayhurst 18 (*).

(*) All serial numbers will be provided prior to the commissioning date.

* LACT serial number will be provided prior to the commissioning date.

Each well will be tested continuously through individual three-phase test separators located at the Hayhurst central 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.

Production will be allocated to each on a continuous basis based on the EFM and Coriolis meters on the metering test separators. Each well's share of the central tank battery's total production will be calculated based on the results of continuous metering. This ratio will be applied to the total oil production metered by the Lease Automated Custody Transfer (LACT) meter located at the Hayhurst central tank battery. The allocation will also be applied to the total gas production metered by Triple Crown System sales meter. As purchasers contract all production will be paid on a flat API 40 sweet quality in Bone Spring value with no deducts for gravity.

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY
Hayhurst 17 Federal #1 and Hayhurst 18 Federal # 1H

Chevron Corporation

Hayhurst 17 Federal #1H oil allocation meter on the Hayhurst central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N).

Hayhurst 18 Federal #1H oil allocation meter on the Hayhurst 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 continuous basis based on separate EFM meters for Hayhurst 17 (*) and Hayhurst 18 (*).

Hayhurst 17 Federal #1H gas allocation meter on the Hayhurst central tank battery three-phase test separator consists of a Total Flow EFM (S/N).

Hayhurst 18 Federal #1H gas allocation meter on the Hayhurst central tank battery three-phase test separator consists of a Total Flow EFM (S/N).

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.

A central tank battery is located on the Hayhurst 17 Federal #1H located in Sec. 17 W/2W/2, T25S-R27E, on federal lease NMNM113954 in Eddy County, New Mexico. The production from the two wells will be routed to the Hayhurst central tank battery. After separation and allocation measurement, the oil, gas, and water will go to common oil tanks, water tank, and gas CDP located in Section 17.

Chevron is the only working interest owner

Signed: Cindy Herrera-Murillo
Printed Name: Cindy Herrera-Murillo
Title: Regulatory Compliance Associate
Date: 03/24/2014

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY
Hayhurst 17 Federal #1 and Hayhurst 18 Federal #1H

Chevron Corporation

Federal Lease	Royalty Rate	Well Name	BOPD	Oil Gravity @60 deg	Value/bbl	MCFPD	Dry BTU	Value/mcf
NMNM113954	12.5%	Hayhurst 17 Fed 1H	406	43.1	\$88.24	1454	1313	\$3.05
NMNM111530	12.5%	Hayhurst 18 Fed 1H	406	43.1	\$88.24	1454	1313	\$3.05

	Facility Name	BOPD	Oil Gravity @60 deg	Value/bbl	MCFPD	Dry BTU	Value/mcf
Economic combined production	Hayhurst 17/18 Battery	812	43.1	\$88.24	2908	1313	\$3.05

**** Proposed values and actuals will be provided once well is completed****

Chevron has a master sales agreement in place for all the Bone Springs wells in the area. All Bone Springs oil production in the area is sweet. Part of this agreement is that all oil is deemed as sweet and sold at a flat rate of 40 API gravity. Therefore, regardless of the API values of the individual wells, the common stream will be sold as if it was sweet and 40 API gravity.

Printed Name: Williams Guaregua

Title: Reservoir Engineer

Date: 04/01/2014

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

Federal Lease	Lease description	WI / NRI	Lease	Royalty Interest
NMNM113954	Hayhurst 17#1H	100% / 87.5%	Federal	12.5%
NMNM111530	Hayhurst 18 #1H	100% / 87.5%	Federal	12.5%

Chevron is the only working interest owner for each lease.

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

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

DISTRICT III
1000 Rio Brazos Road, 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

DAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-41845	Pool Code 97494	Pool Name COTTONWOOD DRAW; BOAR SPRING
Property Code 40276	Property Name HAYHURST 17 FEDERAL	Well Number 1H
OGRID No. 4323	Operator Name CHEVRON USA INC	Elevation 3245'

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	17	25-S	27-E		55	NORTH	190	WEST	EDDY

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	17	25-S	27-E		250	SOUTH	800	WEST	EDDY

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

	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=413601.9 N X=535142.8 E</p> <p>LAT.=32.137057° N LONG.=104.219798° W</p> <p>BOTTOM HOLE LOCATION Y=408602.6 N X=535758.8 E</p> <p>CORNER COORDINATES TABLE</p> <table> <tr> <td>A</td> <td>-</td> <td>Y=413657.1 N, X=534952.7 E</td> </tr> <tr> <td>B</td> <td>-</td> <td>Y=413655.9 N, X=536272.9 E</td> </tr> <tr> <td>C</td> <td>-</td> <td>Y=408352.8 N, X=536282.1 E</td> </tr> <tr> <td>D</td> <td>-</td> <td>Y=408352.5 N, X=534959.3 E</td> </tr> </table>	A	-	Y=413657.1 N, X=534952.7 E	B	-	Y=413655.9 N, X=536272.9 E	C	-	Y=408352.8 N, X=536282.1 E	D	-	Y=408352.5 N, X=534959.3 E	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or 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.</p> <p>Signature: <i>Denise Pinkerton</i> Date: 07/09/13</p> <p>Printed Name: Denise Pinkerton</p> <p>E-mail Address: Leakejd@chevron.com</p>
	A	-	Y=413657.1 N, X=534952.7 E											
B	-	Y=413655.9 N, X=536272.9 E												
C	-	Y=408352.8 N, X=536282.1 E												
D	-	Y=408352.5 N, X=534959.3 E												
<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JUNE 4, 2013</p> <p>Date of Survey</p> <p>Signature: <i>Ronald J. Eidson</i> Professional Surveyor:</p> <p></p> <p>Certification Number: 3239 Expires: 12/19/2013</p> <p>ACK JWSC W.O.: 13.11.0327</p>														

EXHIBIT A-2

Hayhurst 17 Federal #1H

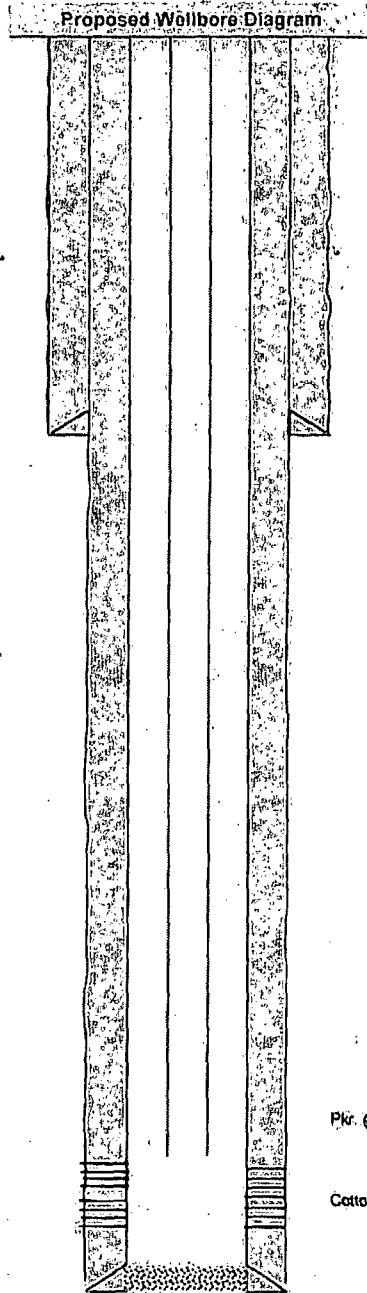
Created: 1/9/2014 By: EEOF
 Updated: By:
 Updated: By:
 Updated: By:
 Lease: Hayhurst 17 Federal #1H
 Field: Cottonwood Draw Bone Spring
 Surf. Loc: 55° E N L & 190° F W L
 Bot. Loc: 250° F S L & 800° F W L
 County: EDDY ST NM
 Status: New Oil Well

Well #: 1H St. Lse: NMNM113954
 API: 30-015-41845
 Unit Ltr: D Section: 17
 TSHR/Rng: T25S R27E
 Bottom Hole Location
 Unit Ltr: M Section: 17
 TSHR/Rng: T25S R27E
 CHEVNO:
 Directions: From Intersection of Co Rd 724 and Co Rd 720 go S approx
 6.5 mi turn left and go E approx 7 mi to Hayhurst 17

Proposed
 Surface Casing
 Size: 13 3/8 H-40
 Wt. Grd.: 48
 Depth: 1500
 Sxs Cmt: 569 Sks
 Circulate: Yes
 TOC: Surface
 Hole Size: 17 1/2

Log Formation Tops	
Lamar LS	2165
Bell Canyon	2414
Cherry Canyon	2217
Brushy Canyon	4141
T/Bone Spring	5698
T/1st Bone Spring Sand	6015
T/2nd Bone Spring Sand	7268
B/2nd Bone Spring Sand	7463

Proposed
 Production Casing
 Size: 5 1/2 P-110
 Wt. Grd.: 17#
 Depth: 12,091
 Sxs Cmt: 606 Sks
 Circulate: No
 TOC: Surface
 Hole Size: 8-3/4"



KB:
 DF:
 GL: 3245'
 Ini. Spud: Spring of 2014
 Ini. Comp:

Pkr. @

Cottonwood Draw Bone Spring Perfs:
 7850-12,082

PBTD:
 TD: 10,500'

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

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 766-1263 Fax (505) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6176 Fax (505) 334-6173

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87503
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

DAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-41848	Pool Code 91494	Pool Name COTTONWOOD DRAW, BOON SPRINGS
Property Code 40281	Property Name HAYHURST 18 FEDERAL	Well Number 1H
OGRIID No 4323	Operator Name CHEVRON USA INC	Elevation 3209'

Surface Location

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	25-S	27-E		340	NORTH	1040	EAST	EDDY

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
P	18	25-S	27-E		250	SOUTH	855	EAST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No NSL -
-------------------------------	-----------------	--------------------	--------------------------

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>DETAIL</p> <p>3209.4' 3224.9'</p> <p>600'</p> <p>3197.6' 3220.5'</p> <p>340'</p> <p>1040'</p> <p>CRID. AZ = 177° 40' 48"</p> <p>HORIZ. DIST. = 4716.4'</p> <p>340'</p> <p>855'</p> <p>B.H.</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Denise Pinkerton</i> 01/04/13 Signature Date Denise Pinkerton Printed Name leakid@chevron.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JUNE 4, 2013</p> <p>Date of Survey Signature of Professional Surveyor RONALD J. EIDSON NEW MEXICO 3239 Certification Number Ronald J. Eidson 12641 PROFESSIONAL JWSC W.O. 15 11 0229</p>
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=413305.0 N X=533913.4 E</p> <p>LAT.=32.136245' N LONG.=104.223771' W</p> <p>BOTTOM HOLE LOCATION Y=408593.7 N X=534104.2 E</p> <p>CORNER COORDINATES TABLE</p> <p>A - Y=413641.7 N, X=533630.3 E B - Y=413657.1 N, X=534952.7 E C - Y=408352.5 N, X=534959.3 E D - Y=408338.9 N, X=533633.7 E</p>	

Exhibit A-2

Hayhurst 18 Federal #1H

Created: 1/9/2014 By: EEOF
 Updated: By:
 Updated: By:
 Updated: By:
 Lease: Hayhurst 18 Federal #1H
 Field: Cottonwood Draw Bone Spring
 Surf. Loc.: 340° FNL & 1040° FEL
 Bot. Loc.: 250° FSL & 855° FEL
 County: EDDY ST. NM
 Status: New Oil Well

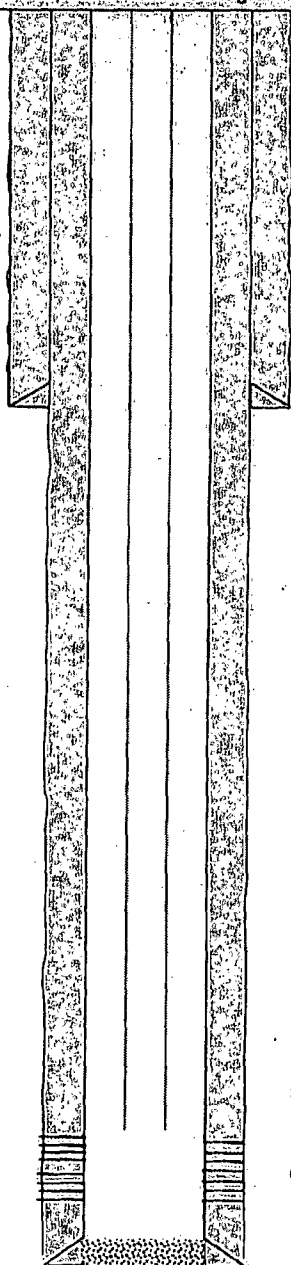
Well #: 1H St. Lse: NMNM111530
 API: 30-015-41848
 Unit Ltr: A Section: 18
 TSHR/Rng: T25S R27E
 Bottom Hole Location
 Unit Ltr: M Section: 17
 TSHR/Rng: T25S R27E
 CHEVNO:
 Directions: From Intersection of Co Rd 724 and Co Rd 720 go S approx
 6.5 mi turn left and go E approx 5 mi to RD Survey.
 Follow stakes S 324° 11' to the Hayhurst 18 Federal #1H

Proposed

Surface Casing

Size: 13 3/8 H-40
 Wt. Grd.: 48
 Depth: 1500'
 Sxs Cmt: 569 Sks
 Circulate: Yes
 TOC: Surface
 Hole Size: 17 1/2

Proposed Wellbore Diagram



KB:

DF:

GL:

3209'

Ini. Spud: Spring of 2014

Ini. Comp:

Log Formation Tops	
Lamar L.S.	2075
Bell Canyon	2127
Cherry Canyon	2647
Brushy Canyon	3930
T/Bone Spring	5598
T/1st Bone Spring Sand	6525
T/2nd Bone Spring Sand	7183
B/2nd Bone Spring Sand	7463
B/2nd Bone Spring Sand	7400

Proposed

Production Casing

Size: 5 1/2 P-110
 Wt. Grd.: 17#
 Depth: 15,250'
 Sxs Cmt: 606 Sks
 Circulate: No
 TOC: Surface
 Hole Size: 8-3/4"

Pkr. @

Cottonwood Draw, Bone Spring Parts:
 7692' - 11,842'

PBTU:
 TD: 10,500'

Lease Line: 17-25-27
NMNM113954

Lease Line: 18-25-27
NMNM111530

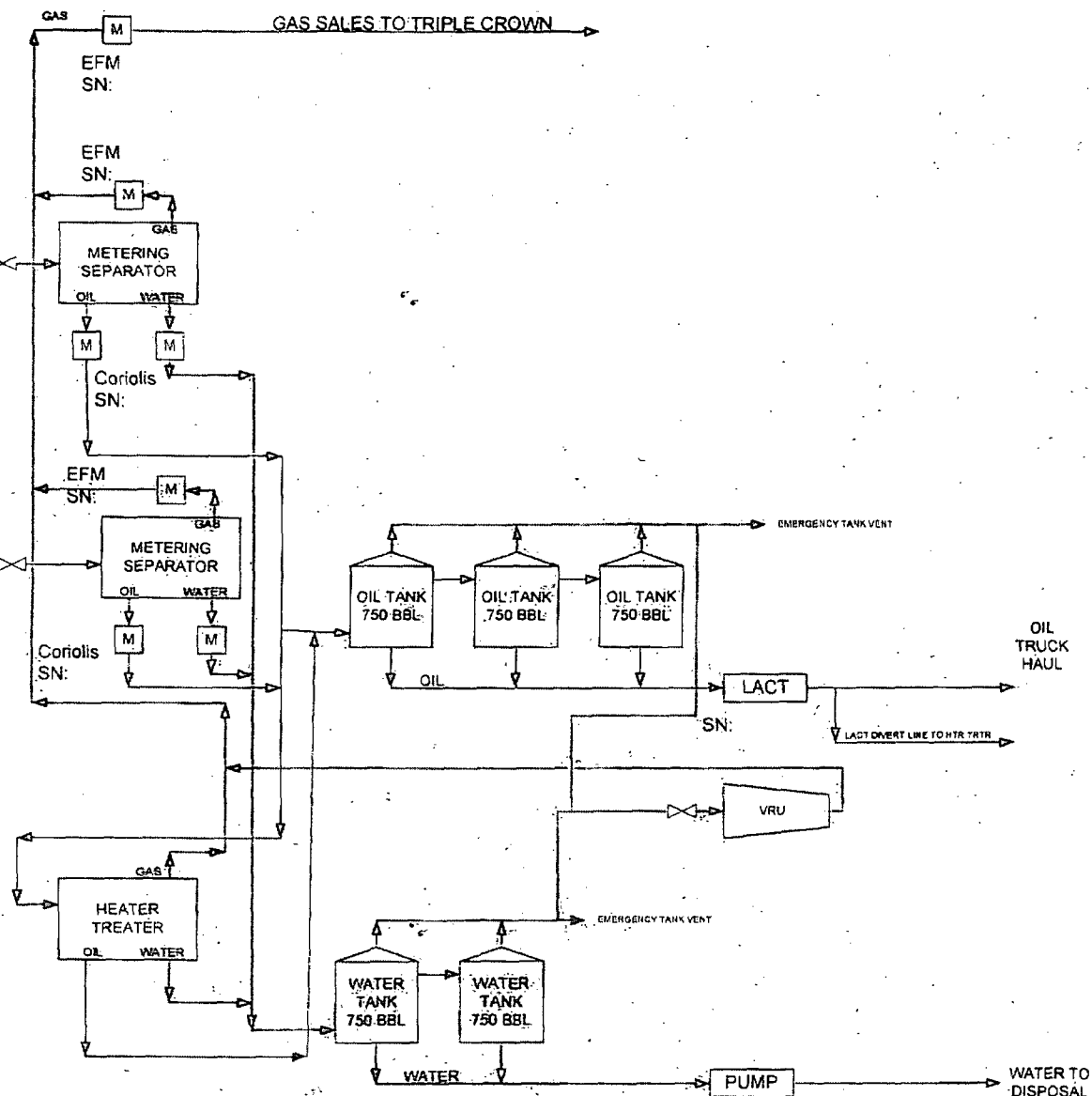
Hayhurst 17-25-27 1H
Sec 17, T-25S, R27E
55' FNL & 190' FWL
API: 30-015-41845

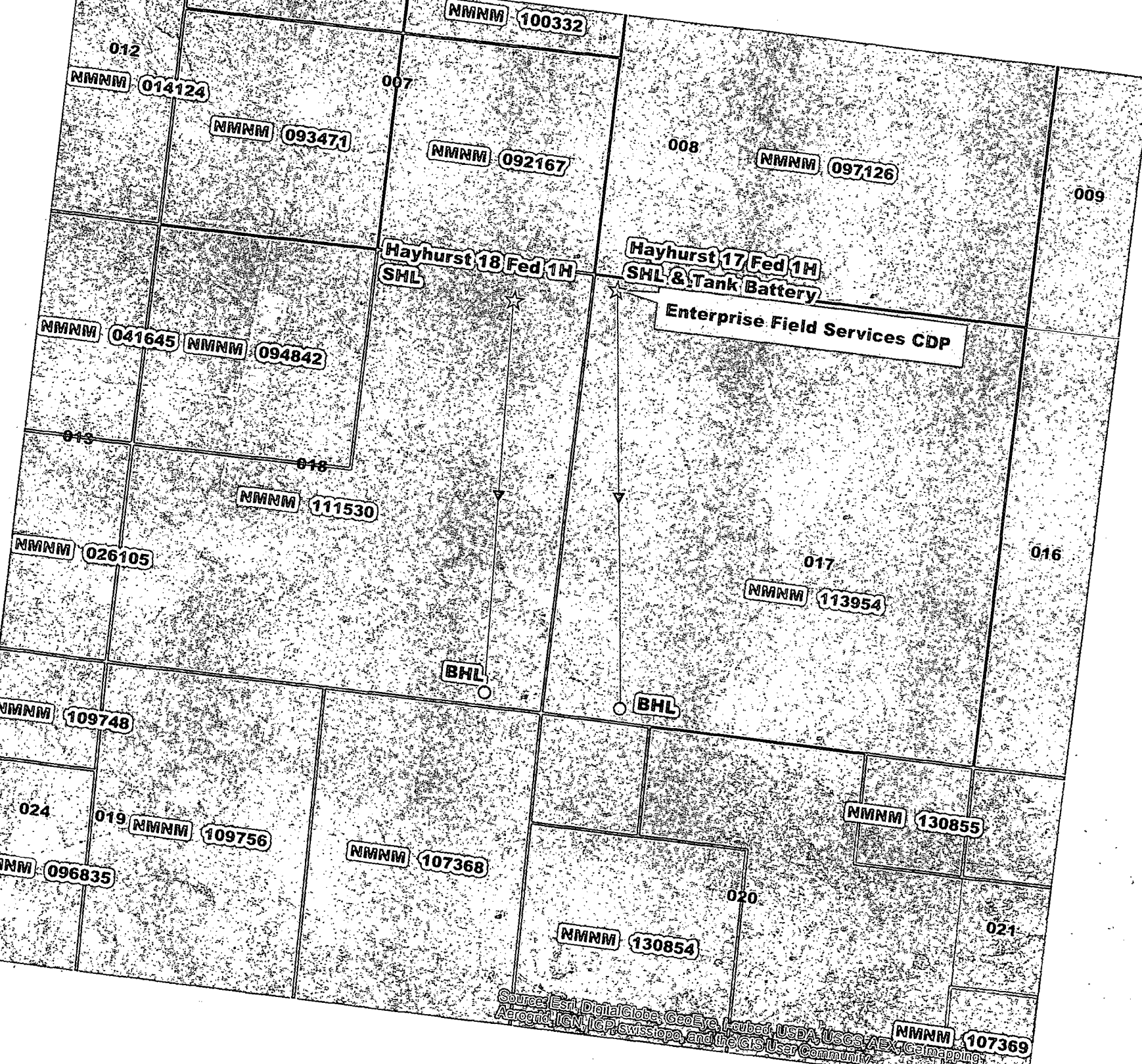
Hayhurst 18-25-27 1H
Sec 18, T-25S, R27E
340' FNL & 1040' FEL
API: 30-015-41848

CHEVRON USA

Hayhurst 17 Battery
PROCESS FLOW DIAGRAM

Section 17, T25S, R27E,
Section 18, T25S, R27E,
Eddy County, New Mexico
April 1, 2014

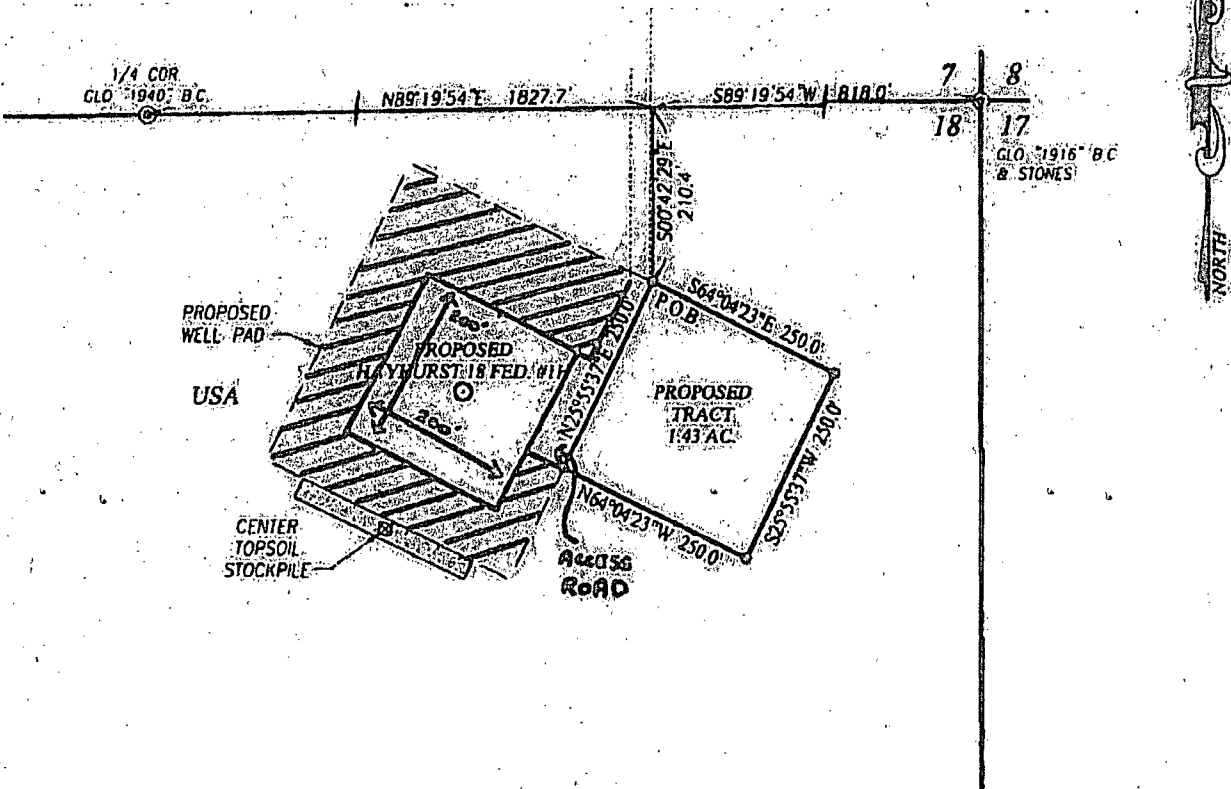




Sources: Esri, DigitalGlobe, GeoEye, Earthstar, USDA, USGS, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community

Exhibit E

SECTION 18, TOWNSHIP 25 SOUTH, RANGE 27 EAST, N.M.P.M.
EDDY COUNTY NEW MEXICO



INTERIM RECLAMATION PLAN

LEGEND

- ⊙ DENOTES FOUND CORNER AS NOTED
- DENOTES SET SPIKE NAIL

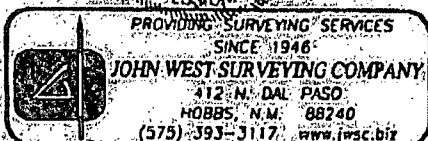
NOTE

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

I, RONALD J. EIDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 3239, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND FROM WHICH THIS IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THE SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

RONALD J. EIDSON

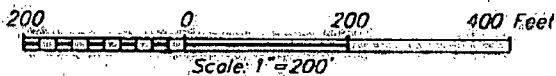
DATE: 6/13/2013



DESCRIPTION

A PROPOSED TRACT SITUATED IN THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 25 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH CORNER OF THE PROPOSED TRACT WHICH LIES S89°19'54"W 818.0 FEET AND S00°42'29"E 210.4 FEET FROM THE NORTHEAST CORNER; THEN S64°04'23"E 250.0 FEET; THEN S25°55'37"W 250.0 FEET; THEN N64°04'23"W 250.0 FEET; THEN N25°55'37"E 250.0 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.43 ACRES MORE OR LESS.



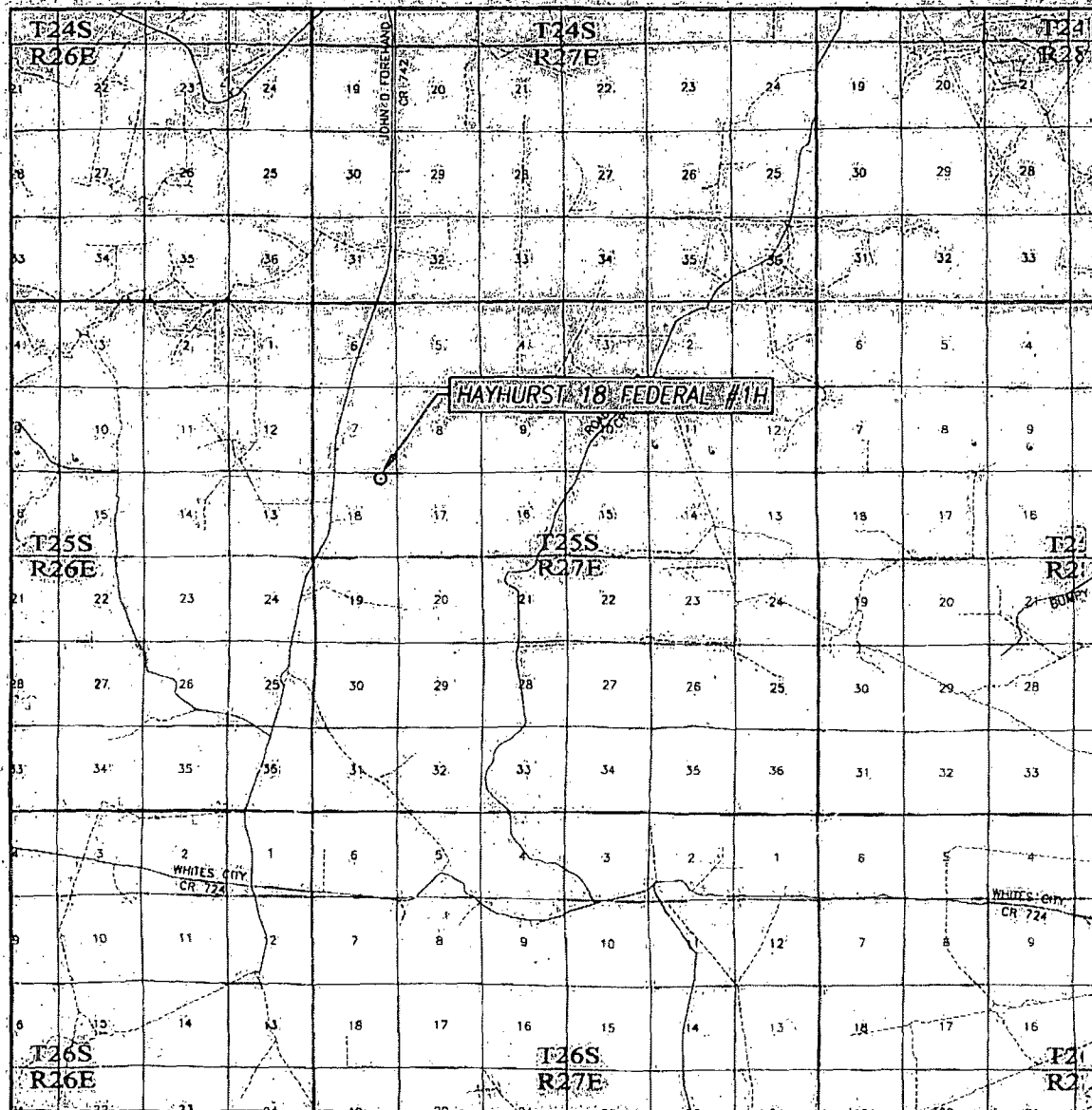
CHEVRON USA INC

SURVEY FOR THE HAYHURST 18 FEDERAL #1H WELL FACILITY PAD SITUATED IN THE NE4 OF SECTION 18, TOWNSHIP 25 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 6/4/13	CAD Date: 6/21/13	Drawn By: ACK
W.O. No: 13110329	Rev:	Rel. W.O:

Sheet 1 of 1

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 18 TWP. 25-S RGE. 27-E

SURVEY N.M.P.M.

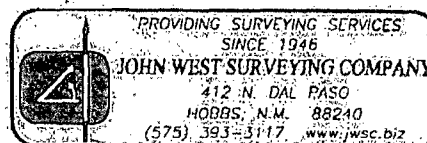
COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 340' FNL & 1040' FEL

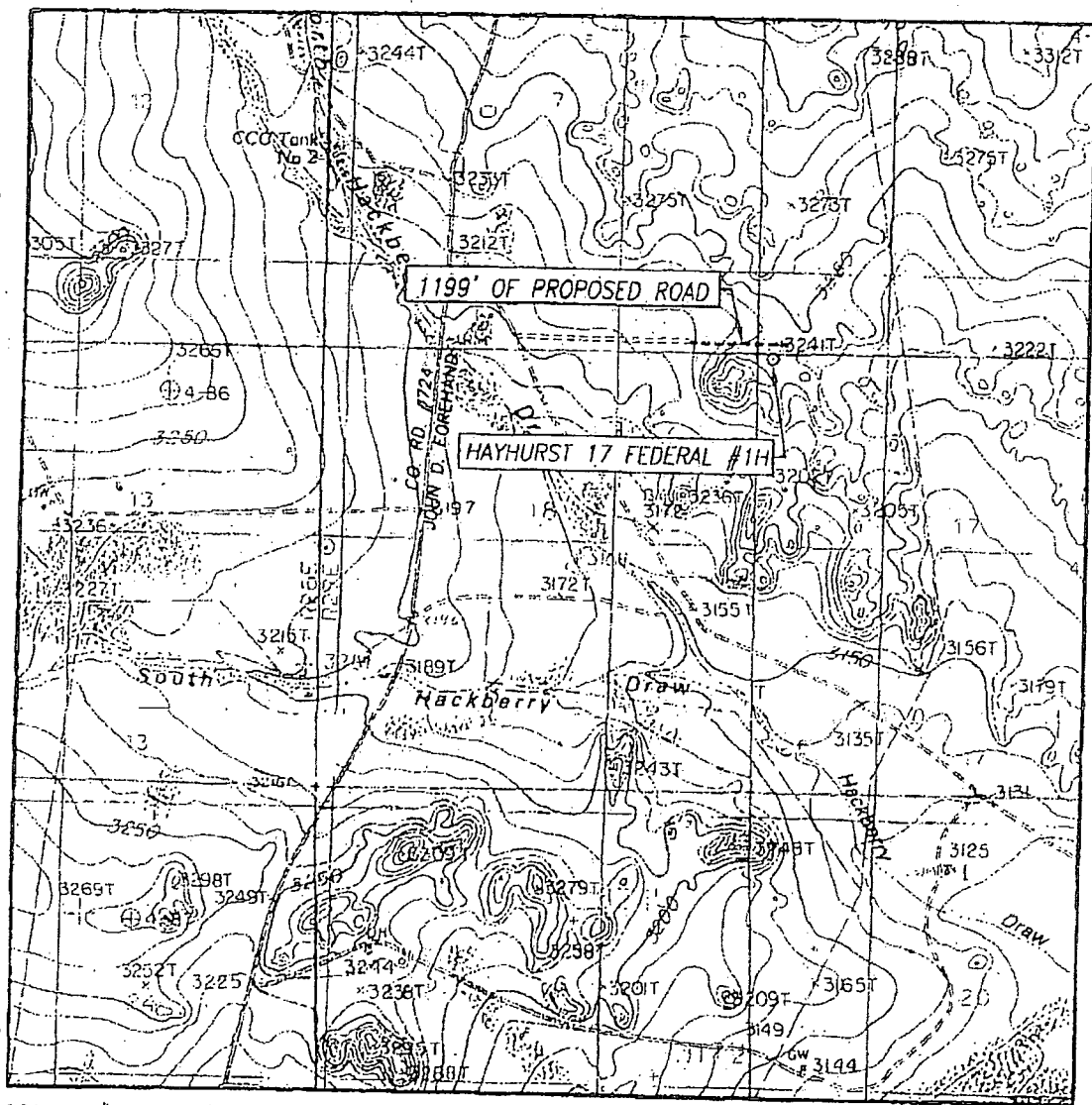
ELEVATION 3209'

OPERATOR CHEVRON USA INC

LEASE HAYHURST 18 FEDERAL



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

SEC. 17 TWP. 25-S. RGE. 27-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 55' FNL & 190' FWL

ELEVATION 3245'

OPERATOR CHEVRON USA INC

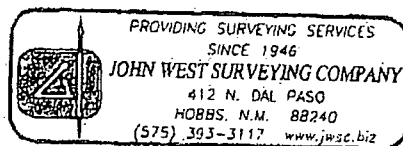
LEASE HAYHURST 17 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

BOND DRAW, N.M.

CONTOUR INTERVAL:
BOND DRAW, N.M. - 10'
COTTONWOOD HILLS, N.M. - 10'

EXHIBIT A-3



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

Run Time: 06:07 AM

Page 1 of 3

CASE RECORDATION

(MASS) Serial Register Page

Run Date: 01/06/2014

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

RECEIVED
BLM - MAIL ROOM
2014 FEB 20 AM 9:52
Serial Number NMNM-- 111530
STATE OFFICE
SANTA FE, NEW MEXICO
Serial Number: NMNM-- 111530

Name & Address			Int Rel	% Interest
CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327	LESSEE	100.0000000
CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327	OPERATING RIGHTS	0.0000000

Serial Number: NMNM-- 111530

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0250S	0270E	018	ALIQ	E2,E2SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0250S	0270E	018	LOTS	3,4;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- 111530

Act Date	Code	Action	Action Remark	Pending Office
01/20/2004	299	PROTEST FILED		
01/20/2004	387	CASE ESTABLISHED	200401061;	
01/21/2004	143	BONUS BID PAYMENT RECD	\$958.00;	
01/21/2004	191	SALE HELD		
01/21/2004	267	BID RECEIVED	\$299375.00;	
02/04/2004	143	BONUS BID PAYMENT RECD	\$298417.00;	
04/27/2004	298	PROTEST DISMISSED		
04/29/2004	237	LEASE ISSUED		
04/29/2004	974	AUTOMATED RECORD VERIF	BTM	
05/01/2004	496	FUND CODE	05;145003	
05/01/2004	530	RLTY RATE - 12 1/2%		
05/01/2004	868	EFFECTIVE DATE		
05/24/2004	120	APPEAL FILED		
05/24/2004	963	CASE MICROFILMED		
07/19/2004	138	STAY DENIED		
10/28/2004	899	TRF OF ORR FILED	1	
01/10/2005	932	TRF OPER RGTS FILED	RUBICON OG/CHESAPEAKE	
03/02/2005	933	TRF OPER RGTS APPROVED	EFF 02/01/05;	
03/02/2005	974	AUTOMATED RECORD VERIF	JLV	
06/24/2005	140	ASGN FILED	RUBICON O/CHESAPEAK;1	
07/19/2005	139	ASGN APPROVED	EFF 07/01/05;	
07/19/2005	974	AUTOMATED RECORD VERIF	JLV	
08/28/2005	651	HELD BY PROD - ALLOCATED		
05/03/2006	643	PRODUCTION DETERMINATION		
05/03/2006	658	MEMO OF 1ST PROD-ACTUAL		
09/08/2006	119	APPEAL DISMISSED		
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED	CHES PERM/EXPL LP	
08/22/2008	817	MERGER RECOGNIZED	CHESA EXP LP/EXP LLC	
11/24/2011	246	LEASE COMMITTED TO CA	CA NM131781	
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1	
11/27/2012	932	TRF OPER RGTS FILED	CHESAPEAK/CHEVRON U;1	
02/27/2013	139	ASGN APPROVED	EFF 12/01/12;	
02/27/2013	933	TRF OPER RGTS APPROVED	EFF 12/01/12;	
02/27/2013	974	AUTOMATED RECORD VERIF	LBO	

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**

Run Time: 06:07 AM

Page 3 of 3

**CASE RECORDATION
(MASS) Serial Register Page 1**

Run Date: 01/06/2014

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

RECEIVED
2014 FEB 20 AM 9:52
Total Acres 640.0000
Serial Number NMNM-- - 113954

STATE OFFICE
SANTA FE, NEW MEXICO

Serial Number: NMNM-- - 113954

Name & Address	Int Rel	% Interest
CHEVRON USA INC 1400 SMITH ST HOUSTON TX 770027327	LESSEE	100.0000000

Serial Number: NMNM-- - 113954

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0250S	0270E	017	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 113954

Act Date	Code	Action	Action Remark	Pending Office
04/19/2005	299	PROTEST FILED		
04/19/2005	387	CASE ESTABLISHED	200504048;	
04/20/2005	143	BONUS BID PAYMENT RECD	\$1280.00;	
04/20/2005	191	SALE HELD		
04/20/2005	267	BID RECEIVED	\$512000.00;	
04/28/2005	143	BONUS BID PAYMENT RECD	\$510720.00;	
05/20/2005	237	LEASE ISSUED		
05/20/2005	298	PROTEST DISMISSED		
05/20/2005	974	AUTOMATED RECORD VERIF	LR	
06/01/2005	496	FUND CODE	05;145003	
06/01/2005	530	RLTY RATE - 12 1/2%		
06/01/2005	868	EFFECTIVE DATE		
07/01/2005	963	CASE MICROFILMED		
08/10/2005	140	ASGN FILED	CHALFANT/CHESAPEAK;1	
09/20/2005	139	ASGN APPROVED	EFF 09/01/05;	
09/20/2005	974	AUTOMATED RECORD VERIF	MV	
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	
04/09/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/09/2013	974	AUTOMATED RECORD VERIF	ANN	
05/31/2015	763	EXPIRES		

Serial Number: NMNM-- - 113954

Line Nr	Remarks
0002	STIPULATIONS ATTACHED TO LEASE:
0003	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE NOTICE
0004	SENM-LN-1 CAVE - KARST OCCURRENCE AREA
0005	SENM-S-17 SLOPES OR FRAGILE SOILS
0006	SENM-S-18 STREAMS, RIVERS, AND FLOODPLAINS
0007	SENM-S-21 CAVES AND KARST
0008	0409/2013 - RENTAL PAID 06/01/2013 - PER ONRR



RECEIVED
B.L.M. - MAILROOM

2014 FEB 20 AM 9:53

Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU
Chevron North America
Exploration and Production
Company
PO Box 190 Room 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Fax 575-391-6679
cherreramurillo@chevron.com

January 28, 2014

**Re: Application for Surface Commingling
Hayhurst 17 Central Tank Battery
Section 17 & Section 18, T25S, R27E,
Eddy County, New Mexico**

**State Of New Mexico
Commissioner of Public Lands
Royalty Interest Owner,**

Chevron U.S.A. Inc. respectfully gives notice of intent to surface commingle oil, gas and water production from the Cottonwood Draw, Bone Spring Pool through Chevron's Hayhurst 17 Central Battery. Wells producing to this battery include the Chevron Hayhurst 17 Federal #1H and Hayhurst 18 Federal #1H (which will be horizontally drilled in Spring of 2014 into the Second Bone Spring sand formation, attached map). These wells are located in Section 17 and Section 18, Township 25 South and Range 27 East.

The working interest is the same for both wells (CVX 100% WI).

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

Sincerely,

Cindy Herrera-Murillo
Regulatory Specialist
Enclosure

cc: NMOCD - District II, Artesia
Lease File

A list of all interest owner addresses is below:

Chevron MidContinent PO Box 4791 Houston, Texas 77210-4791	Bureau of Land Management New Mexico State Office P.O. Box 27115 Santa Fe, NM 87502-0115
Oxy USA Inc. 5 Greenway Plaza Houston, TX 77046	COG Operating LLC 600 W. Illinois Avenue Midland, TX 79701
Cimarex Energy Co. of Colorado 600 N. Marienfeld, St. Suite 600 Midland, TX 79701	Yates Petroleum 105 S. 4th St. Artesia, NM 88210
State of New Mexico Commissioner of Public Lands P.O. Box 1148 Santa Fe, NM 7504-1148	

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Cumarex Energy Co
600 N. Marienfeld St
Suite 600
Midland, TX 79701

Article Number

(Transfer from service label) 701 7013 1710 0000 1868 1284

Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Signature]

☐ Agent

☐ Addressee

B. Received by (Printed Name)

David Garcia

C. Date of Delivery

1-30-14

D. Is delivery address different from item 1? ☒ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☒ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

U.S. Postal Service

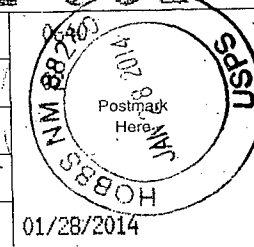
CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

MIDLAND, TX 79701

Postage	\$	\$0.49
Certified Fee		\$3.30
Return Receipt Fee (Endorsement Required)		\$2.70
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.49



Sent To

Chevron USA Inc

Street, Apt. No., or PO Box No.

P.O. Box 190

City, State, ZIP

Hobbs NM 88241

PS Form 3800, August 2006

See Reverse for Instructions

RECEIVED
B.L.M.-MAILROOM
2014 FEB 20 AM 9:53
STATE OFFICE
SANTA FE, NEW MEXICO

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Yates Petroleum
105 S. 4th St.
Artesia, NM 88210

Article Number

(Transfer from service label)

7013 1710 0000 1868 1307

Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

☒ Agent

☒ Addressee

B. Received by (Printed Name)

H. Arge

C. Date of Delivery

1/29/13

D. Is delivery address different from item 1?

☒ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☒ Registered

☐ Return Receipt for Merchandise

☒ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com
ARTESIA, NM 88210
OFFICIAL USE

Postage	\$ 49 \$8.50
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$49 \$14.50

Postmark Here
JAN 28 2014
0640
NM 88240
01/28/2014

Sent To
Chevron USA Inc
Street, Apt. No., or PO Box No. P.O. Box 190
City, State, ZIP+4[®] Hobbs NM 88241
PS Form 3800, August 2006 See Reverse for Instructions

STATE OFFICE
SANTA FE, NEW MEXICO

2014 FEB 20 AM 9:53

RECEIVED
B.L.M.-MAILROOM

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

COG Operating LLC
600 W. Illinois Ave
Midland, TX 79701

Article Number

(Transfer from service label)

7013 1710 0000 1868 1291

Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

☒ Agent

☒ Addressee

B. Received by (Printed Name)

Wette Porhilo

C. Date of Delivery

1/30/14

D. Is delivery address different from item 1?

☒ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☒ Registered

☐ Return Receipt for Merchandise

☒ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com
MIDLAND, TX 79701
OFFICIAL USE

Postage	\$ 0.49
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.49

Postmark Here
JAN 28 2014
0640
NM 88240
01/28/2014

Sent To
Chevron USA Inc
Street, Apt. No., or PO Box No. P.O. Box 190
City, State, ZIP+4[®] Hobbs NM 88241
PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Bureau of Land Management
P O Box 27115
Santa Fe, NM 87502-0115

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Signature]* ☐ Agent ☒ Addressee
B. Received by (Printed Name) *[Signature]* C. Date of Delivery *1/3*
D. Is delivery address different from item 1? ☒ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☒ Registered ☐ Return Receipt for Merchandise
☒ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number

(Transfer from service label)

7013 1710 0000 1868 1260

Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

State of NM
Commissioner of Public Lands
P O Box 1148
Santa Fe, NM 87504-1148

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Signature]* ☐ Agent ☒ Addressee
B. Received by (Printed Name) *[Signature]* C. Date of Delivery *1/3*
D. Is delivery address different from item 1? ☒ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☒ Registered ☐ Return Receipt for Merchandise
☒ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number

(Transfer from service label)

7013 1710 0000 1868 1253

Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Postage \$ 0.49 0640
Certified Fee \$ 3.30
Return Receipt Fee (Endorsement Required) \$ 2.70
Restricted Delivery Fee (Endorsement Required) \$ 0.00
Total Postage & Fees \$ 6.49
Postmark: SANTA FE, NM 87504 JAN 28 2014

Sent To: Chevron USA Inc
Street, Apt. No., or PO Box No.: P O Box 190
City, State, ZIP+4: Hobbs, NM 88241

PS Form 3800, August 2006

See Reverse for Instructions

**U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Postage \$ 0.49 0640
Certified Fee \$ 3.30
Return Receipt Fee (Endorsement Required) \$ 2.70
Restricted Delivery Fee (Endorsement Required) \$ 0.00
Total Postage & Fees \$ 6.49
Postmark: SANTA FE, NM 87504 JAN 28 2014

Sent To: Chevron USA Inc
Street, Apt. No., or PO Box No.: P O Box 190
City, State, ZIP+4: Hobbs, NM 88241

PS Form 3800, August 2006

See Reverse for Instructions

RECEIVED
BLM-MAILROOM
2014 FEB 20 AM 9:53
STATE OFFICE
SANTA FE, NEW

English

Customer Service

USPS Mobile

Register / Sign In



RECEIVED
B.L.M. - MAILROOM
2014 FEB 20 AM 9:53

Search USPS.com or Track Packages

Quick Tools
Track

Enter up to 10 Tracking # Find

Find USPS Locations

Buy Stamps

Schedule a Pickup

Calculate Postage

Look Up a Carrier

Hold Mail

Change of Address

Ship a Package

STATE OFFICE
SANTA FE, NEW MEXICO

Manage Your Mail

Shop

Business Solutions

USPS Tracking™



Customer Service

Have questions? We're here to help.

Tracking Number: 70131710000018681277

Expected Delivery Day: Friday, January 31, 2014

Product & Tracking Information

Postal Product:

First-Class Mail®

Features:

Certified Mail™

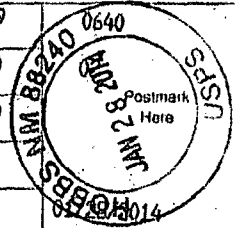
Return Receipt

Email Updates

DATE & TIME	STATUS OF ITEM	LOCATION
January 31, 2014, 5:53 am	Delivered	HOUSTON, TX 77227
January 31, 2014, 5:52 am	Arrival at Unit	HOUSTON, TX 77027
January 30, 2014, 1:20 am	Processed through USPS Sort Facility	HOUSTON, TX 77201
January 29, 2014	Depart USPS Sort Facility	HOUSTON, TX 77201
January 29, 2014, 7:50 pm	Processed through USPS Sort Facility	HOUSTON, TX 77201
January 29, 2014	Depart USPS Sort Facility	LUBBOCK, TX 79402
January 28, 2014, 11:30 pm	Processed at USPS Origin Sort Facility	LUBBOCK, TX 79402
January 28, 2014, 5:20 pm	Dispatched to Sort Facility	HOBBS, NM 88240
January 28, 2014, 11:17 am	Acceptance	HOBBS, NM 88240



Postage	\$0.49
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.49



Sent To: **Chevron USA Inc**
 Street, Apt. No., or PO Box No.: **P O Box 190**
 City, State, ZIP+4: **Hobbs nm 88241**

PS Form 3800, August 2005

See Reverse for Instructions

Track Another Package

What's your tracking (or receipt) number?

Track It

LEGAL

Privacy Policy

Terms of Use

FOIA

No FEAR Act EEO Data

ON USPS.COM

Government Services

Buy Stamps & Shop

Print a Label with Postage

Customer Service

Delivering Solutions to the Last Mile

Site Index

ON ABOUT.USPS.COM

About USPS Home

Newsroom

USPS Service Alerts

Forms & Publications

Careers

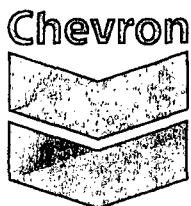
OTHER USPS SITES

Business Customer Gateway

Postal Inspectors

Inspector General

Postal Explorer



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production Company
(A Chevron U.S.A. Inc. Division)
PO Box 190, Room 121
Hobbs, NM 88241
Tel: 505-263-0431
Cherreramurillo@chevron.com

2014 FEB 20 AM 9:51

STATE OFFICE
SANTA FE, NEW MEXICO

February 18, 2014

Bureau of Land Management
New Mexico State Office
P.O. Box 27115
Santa Fe, NM 87502-0115

Application for surface commingling, Cottonwood Draw, Bone Spring Pool (Code 97494), Eddy County, NM (T25S-R27E, Sec 17 & 18)

Dear Sirs,

Chevron North America respectfully requests administrative approval to surface commingle oil, gas, and water production from the Cottonwood Draw, Bone Spring Pool through Chevron's Hayhurst Battery. Wells producing to this battery include the Chevron Hayhurst 17 Federal #1H and the Hayhurst 18 Federal #1H (which will be horizontally drilled in spring of 2014 into the Second Bone Spring sand Formation, attached map). These wells are located in section 17 & 18, T25S-R27E, 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 both wells (100% CVXI). These wells will be horizontally drilled in spring 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 RIO for these wells are included with this request, and all of these owners are being notified of this request and that each will have 20 days with which to object to the commingling request per NMOCD Rule 19.15.12.10 SURFACE COMMINGLING C. (4) c.

Sincerely,

Cindy Herrera-Murillo
Permitting Specialist

2014 FEB 19 11 08 AM
BUREAU OF LAND MANAGEMENT
SANTA FE, NEW MEXICO

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

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



B.L.M. ROOM

2014 FEB 20 AM 9:52

ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

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

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

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

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

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

Cindy Herrera-Murillo
 Print or Type Name

Cindy Herrera-Murillo
 Signature

Permitting Specialist
 Title

02/11/2014
 Date

Cherreramurillo@chevron.com
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: CHEVRON USA INC

OPERATOR ADDRESS: 15 SMITH RD, MIDLAND, TX 79705

APPLICATION TYPE:

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

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

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

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

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

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

(2) Are any wells producing at top allowances? ☐ 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: COTTONWOOD DRAW, BONE SPRING (97494)

(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 attach 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: 04/01/2014

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

E-MAIL ADDRESS: Cherramurillo@chevron.com

Submit a Copy to Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

Revised July 18, 2013

OIL CONSERVATION DIVISION

1220 South St. Francis
Santa Fe, NM 87505

WELL API NO.
30-015-41845 & 30-015-41848
5. Indicate Type of Lease
STATE ☐ FEE ☐ Fed X
6. State Oil & Gas Lease No.

2014 FEB 20 AM 9:52

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

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

2. Name of Operator
CHEVRON USA INC.

3. Address of Operator
15 SMITH RD MIDLAND, TEXAS 79705

4. Well Location D 55' feet from the NORTH line and 190 feet from the WEST line
Unit Letter A : 340' feet from the NORTH line and 1040 feet from the EAST line
Section 17 & 18 Township 25S Range 27E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3245' & 3209'

7. Lease Name or Unit Agreement Name

HAYHURST 17 FEDERAL &
HAYHURST 18 FEDERAL

8. Well Number #1H

9. OGRID Number
4323

10. Pool name or Wildcat
COTTONWOOD DRAW; BONE SPRING

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: SURFACE COMMINGLE, HAYHURST 17 & HAYHURST 18
FEDERAL #1H ☒

SUBSEQUENT REPORT OF:

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

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CHEVRON USA INC. RESPECTFULLY GIVES NOTICE OF INTENT TO SURFACE COMMINGLE OIL, GAS AND WATER PRODUCTION FROM THE COTTONWOOD DRAW; BONE SPRING POOL THROUGH CHEVRON'S HAYHURST CENTRAL BATTERY. WELLS PRODUCING TO THIS BATTERY INCLUDE THE CHEVRON HAYHURST 17 FEDERAL #1H & HAYHURST 18 FEDERAL #1H (WHICH WILL BE DRILLED IN SPRING OF 2014 INTO THE COTTONWOOD DRAW; BONE SPRING SAND FORMATION ATTACHED MAP). THESE WELLS ARE LOCATED IN SECTION 17 & 18, TOWNSHIP 25 SOUTH AND RANGE 27 EAST. THE WORKING INTEREST AND ROYALTIES ARE THE SAME FOR BOTH WELLS (100% CVX).

Spud Date:

ESTIMATED SPRING 2014

Rig Release Date:

APRIL OF 2014

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 01/23/2014

Type or print name CINDY HERRERA-MURILLO E-mail address: Cherreramurillo@chevron.com PHONE: 575-263-0431

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Hayhurst 17 Federal #1H & Hayhurst 18 Federal #1H

NM113954 & NM111530

Chevron USA Inc.

April 1, 2014

**Condition of Approval
Commingling on and off lease**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
9. This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.
11. VRU gas to be allocated based on oil production, supply meter number for VRU upon installation.
12. Meter numbers for the gas and oil allocation meters to be provided upon installation of meters and prior to sales, also provide LACT meter number.