

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 Dr.
 Santa Fe, NM 87505

| | | |
|--|--|--|
| 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.) | | WELL API NO. 30-015-54252 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator CHEVRON USA, INC. | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 6301 DEAUVILLE BLVD., MIDLAND, TEXAS 79705 | | 7. Lease Name or Unit Agreement Name BULLEIT 13 24 FEDERAL COM |
| 4. Well Location Unit Letter <u>N</u> : <u>559</u> feet from the <u>SOUTH</u> line and <u>2102</u> feet from the <u>WEST</u> line Section <u>12</u> Township <u>26S</u> Range <u>27E</u> NMPM County <u>EDDY</u> | | 8. Well Number <u>156H</u> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3179 | | 9. OGRID Number 4323 |
| | | 10. Pool name or Wildcat HAY HOLLOW; BONE SPRING |

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

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: ADD WELLS TO EXISTING PLC-887-B <input checked="" type="checkbox"/> | |

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. REQUESTS THE FOLLOWING:

PLEASE FIND ATTACHED THE APPROVED SUPPLEMENT FROM THE STATE LAND OFFICE TO THE PREVIOUSLY APPROVED ORDER PLC-887B FOR THE FOLLOWING WELLS IN HAYHURST NEW MEXICO:

BULLEIT 13 24 FEDERAL COM 223H / API # 30-015-54250
 BULL EIT 13 24 FEDERAL COM 156H / API # 30-015-54252
 BULLEIT 13 24 FEDERAL COM 257H / API # 30-015-54255
 BULLEIT 13 24 FEDERAL COM 258H / API # 30-015-54256

Spud Date:

Rig Release Date:

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

SIGNATURE Carol Adler TITLE Sr. Regulatory Affairs Coordinator DATE 10/16/2024

Type or print name Carol Adler E-mail address: caroladler@chevron.com PHONE: (432) 687-7148

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

Chevron USA Inc
Bulleit 13 24 Federal State Com 32 004H
Bone Spring
Township: 26 South, Range: 27 East, NMPM
Section 13: E2
Section 24: E2

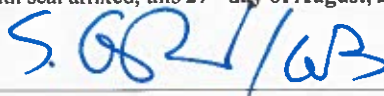
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **July 1, 2024**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 27th day of August, 2024.



COMMISSIONER OF PUBLIC LAND
of the State of New Mexico

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**

Revised March, 2024

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-0 15 - 54250

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions E/2,
Sect(s) 13 & 24, T 26S, R 27E, NMPM Eddy County, NM
containing 640 acres, more or less, and this agreement shall include only the
Bone Spring Formation
or pool, underlying said lands and the oil and gas
(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is July 1 Month 1 Day, 2024 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

| | | | |
|----------|-------------------------------------|-------------------|----------------------------|
| Operator | <u>Chevron U.S.A. Inc.</u> | Lessees of Record | <u>Chevron U.S.A. Inc.</u> |
| By | <u>IRVIN R GUTIERREZ</u> | | |
| | <small>Print name of person</small> | | |
| | <u>Attorney-in Fact</u> | | |
| | <u>Type of authority</u> | | |
| | <u>LR MB</u> | | |
| | <u>Signature</u> | | |

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of _____)
County of _____) SS)

This instrument was acknowledged before me on _____
DATE

By _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of Texas)
County of Harris) SS)

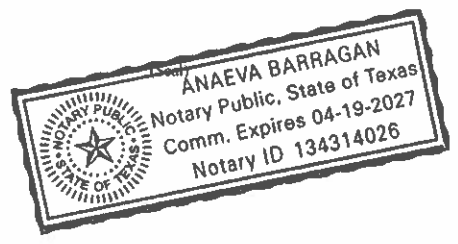
This instrument was acknowledged before me on 7/30/24
DATE

By Irvin R Gutierrez
Name(s) of Person(s)

as Attorney-in-Fact of Chevron USA

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed



[Signature]
Signature of Notarial Officer

My commission expires: 4/19/27

EXHIBIT A

To Communitization Agreement dated July 1, 2024

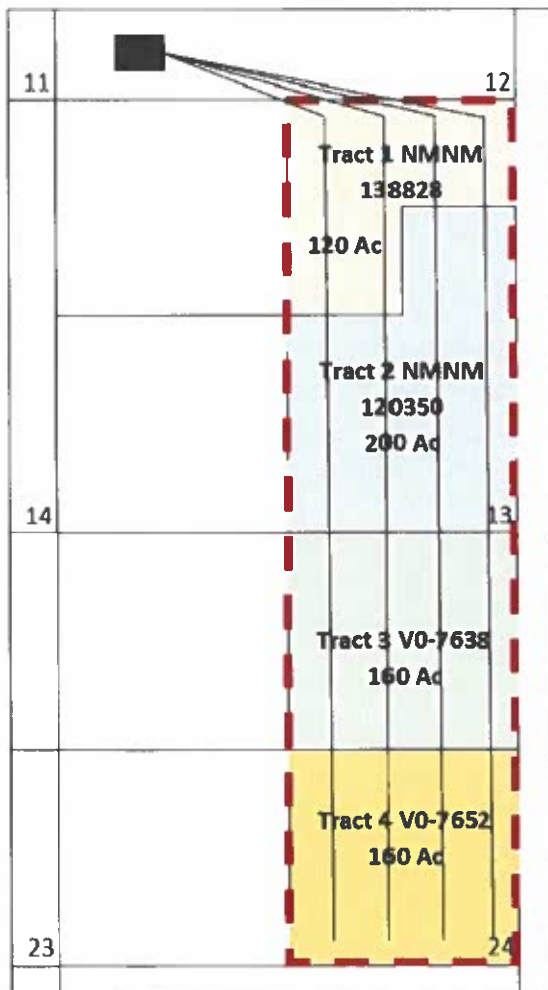
Plat of communitized area covering the:

Subdivisions E/2,

of Sect(s). 13 & 24, T 26S, R 27E, NMPM, Eddy County, NM.

Wells:

| | |
|--------------------------------|--------------|
| BULLEIT 13 24 FEDERAL COM 223H | 30-015-54250 |
| BULLEIT 13 24 FEDERAL COM 156H | 30-015-54252 |
| BULLEIT 13 24 FEDERAL COM 257H | 30-015-54255 |
| BULLEIT 13 24 FEDERAL COM 258H | 30-015-54256 |



*Simplified map - does not accurately reflect all well locations

EXHIBIT B

To Communitization Agreement dated July 1, 2024, embracing the

Subdivisions E/2
of Sect(s) 13 & 24, T 26S, R 27E, N.M.P.M., Eddy County, NM

Operator of Communitized Area: CHEVRON U.S.A. INC.

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.: NMNM 138828
Lease Date: November 11, 2018
Lease Term: 10 years
Lessor: United State of America
Original Lessee: Chevron U.S.A. Inc.
Present Lessee: Chevron U.S.A. Inc.
Description of Land Committed: Subdivisions NE/4 of NE/4, W/2 of NE/4,
Sect(s) 13, Twp 26S, Rng 27E, NMPM, Eddy County, NM
Number of Acres: 120
Royalty Rate: 1/8th
Name and Percent ORRI Owners: N/A
Name and Percent WI Owners: Chevron U.S.A. Inc. (100%)

TRACT NO. 2

Lease Serial No.: NMNM 120350
Lease Date: August 1, 2008
Lease Term: 10 years
Lessor: United States of America
Original Lessee: Upland Corporation
Present Lessee: Chevron U.S.A. Inc.
Description of Land Committed: Subdivisions SE/4, SE/4 of NE/4,
Sect(s) 13, Twp 26S, Rng 27E, NMPM, Eddy County, NM
Number of Acres: 200
Royalty Rate: 1/8th
Name and Percent ORRI Owners: N/A
Name and Percent WI Owners: Chevron U.S.A. Inc. (100%)

TRACT NO. 3

Lease Serial No.: V0- 7638
 Lease Date: December 1, 2005
 Lease Term: 5 years
 Lessor: The State of New Mexico
 Original Lessee: Yates Petroleum Company
 Present Lessee: Chevron U.S.A. Inc.
 Description of Land Committed: Subdivisions NE/4,
 Sect(s) 24, Twp 26S, Rng 27E, NMPM, Eddy County, NM
 Number of Acres: 160
 Royalty Rate: 1/6th
 Name and Percent ORRI Owners: Pico Canyon Properties (0.25%)
 Name and Percent WI Owners: Chevron U.S.A. Inc. (98.125%); Sharbro Energy, LLC (1.875%)

TRACT NO. 4

Lease Serial No.: V0- 7652
 Lease Date: December 1, 2005
 Lease Term: 5 years
 Lessor: The State of New Mexico
 Original Lessee: Yates Petroleum Company
 Present Lessee: Chevron U.S.A. Inc.
 Description of Land Committed: Subdivisions SE/4,
 Sect(s) 24, Twp 26S, Rng 27E, NMPM, Eddy County, NM
 Number of Acres: 160
 Royalty Rate: 1/6th
 Name and Percent ORRI Owners: Pico Canyon Properties (0.25%)
 Name and Percent WI Owners: Chevron U.S.A. Inc. (98.125%); Sharbro Energy, LLC (1.875%)

RECAPITULATION

| Tract numbers | Number of Acres Committed | Percentage of Interest in Communitized Area |
|----------------------|--------------------------------------|--|
| Tract No.1 | <u>120</u> | <u>18.75%</u> |
| Tract No.2 | <u>200</u> | <u>31.25%</u> |
| Tract No.3 | <u>160</u> | <u>25%</u> |
| Tract No.4 | <u>160</u> | <u>25%</u> |

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 393548

CONDITIONS

| | |
|--|--|
| Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706 | OGRID: 4323 |
| | Action Number: 393548 |
| | Action Type: [C-103] Sub. General Sundry (C-103Z) |

CONDITIONS

| | | |
|------------|---|----------------|
| Created By | Condition | Condition Date |
| dmcclure | ACCEPTED FOR RECORD ONLY; any revisions or the addition of wells to the commingling project shall be reported in accordance with the Commingling Order. | 1/27/2025 |