

APPLICATION FOR GAS COMMINGLING AT A COMMON CENTRAL DELIVERY POINT
Chevron U.S.A. Inc. - White City 21 25 27 & Hayhurst 16 25 27

9/29/2015	DATE	MAM	5/29/2015	PLC	PLMAM1527230015
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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



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.

State Name-Middle
Print or Type Name

Andy Herrera-Munillo
Signature

Permitting Specialist
Title

10/1/2015
Date

Chevronarbit@chevron.com
e-mail Address

RECEIVED OGD
2015 SEP 29 A 8:08

Well
- Hayhurst 16 25 27
State # 2H
30-015-41121
+ other wells
Pool
- Hayhurst 16 25 27
Bonne Spring
South
30216
- WG-0156-02
5252715A
Bonne Spring
97816

- Not sure to
build for under

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL DELIVERY POINT
Chevron U.S.A. Inc. – White City 21 25 27 & Hayhurst 16 25 27 Central Delivery Point



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

September 21, 2015

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

Application for surface commingling, Bone Spring Pool, Eddy County, NM (T25S-R27E, Sec 16 & 21).

Dear Sirs,

Chevron USA Inc. respectfully requests notice of intent to surface commingle gas from the Wildcat; Bone Spring pool through Chevron's White City Central Tank Battery. Wells producing to this battery include the Chevron Hayhurst 16 25 27 State #1H; Hayhurst 16 25 27 State #2H; Hayhurst 16 25 27 State #3H; Hayhurst 16 25 27 State #4H; White City 21 25 27 Fed Com #5H and White City 21 25 27 Fed Com #6H. All wells will be completed within the Bone Spring sand Formation. These wells are located in section 16 & 21, T25S-R27E, Eddy County, New Mexico.

The working interest and royalties for each well is as follows:

Hayhurst 16 25 27 State #1H	WI 100%/NRI 81.25%/ 18.75%
Hayhurst 16 25 27 State #2H	WI 100%/NRI 83.33%/ 16.66%
Hayhurst 16 25 27 State #3H	WI 100%/NRI 81.25%/ 18.75%
Hayhurst 16 25 27 State #4H	WI 100%/NRI 83.33%/ 16.66%
White City 21 25 27 Fed Com #5H	WI 86%/ NRI 71.2%/ 18.75%
White City 21 25 27 Fed Com #6H	WI 86%/ NRI 71.2%/ 18.75%

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 cursive script that reads "Cindy Herrera-Murillo".

Cindy Herrera-Murillo
Permitting Specialist

APPLICATION FOR GAS COMMINGLING AT A COMMON CENTRAL DELIVERY POINT
Chevron U.S.A. Inc. – White City 21 25 27 & Hayhurst 16 25 27

District I
1625 N. French Drive, Hobbs, NM 88240
District II
871 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 Commingling)

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
WILDCAT;BONE SPRING (97816)	1330				
HAY HOLLOW;BONE SPRING N (30216)	1363				

- (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, _____
(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 B.

(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: 08/21/2015
TYPE OR PRINT NAME: CINDY HERRERA-MURILLO TELEPHONE NO.: 505-263-0431
E-MAIL ADDRESS: CHERRERAMURILLO@CHEVRON.COM

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL DELIVERY POINT
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APPLICATION FOR GAS COMMINGLING and OFF LEASE MEASUREMENT AT A COMMON CENTRAL DELIVERY POINT

Proposal for White City 21 & Hayhurst 16 Central Delivery Point:

Chevron U.S.A. Inc. is requesting approval for Commingling and Off-lease sales of gas:

Federal Lease NMNM107369; State Lease VB-0673-2							
Well Name	Location	API Number	Pool 30216	Oil BOPD	Oil Gravity	Gas MCFPD	Gas BTU
White City 21 25 27 Fed Com #5H	Sec 21, SWSW T25S, R27E	30-015-42975	Hay Hollow; Bone Spring, North	N/A	N/A	2166*	1363*
White City 21 25 27 Fed Com #6H	Sec 21, SESW T25S, R27E	30-015-42976	Hay Hollow; Bone Spring, North	N/A	N/A	2166*	1363*

The BLM's interest in both White City 21 25 27 wells is the same. Federal Lease # NMNM107369 royalty rate is 12.5%. The State of New Mexico's interest in both White City 21 25 27 wells is the same. State Lease # VB-0673-2 royalty rate is 18.75%.

State Lease VB-1865							
Well Name	Locations	API Numbers	Pool 97816	Oil BOPD	Oil Gravity	Gas MCFPD	Gas BTU
Hayhurst 16 25 27 State #1H	Sec 16, NENW T25S, R27E	30-015-41120	Wildcat; Bone Spring	N/A	N/A	1092	1330
Hayhurst 16 25 27 State #3H	Sec 16, NWNW T25S, R27E	30-015-42491	Wildcat; Bone Spring	N/A	N/A	1709	1330

The State of New Mexico's interest in both Hayhurst 16 25 27 State #1H and #3H wells is the same. State Lease # VB-1865 royalty rate is 18.75%.

State Lease V0-7320							
Well Name	Locations	API Numbers	Pool 97816	Oil BOPD	Oil Gravity	Gas MCFPD	Gas BTU
Hayhurst 16 25 27 State #2H	Sec 16, NWNE T25S, R27E	30-015-41121	Wildcat; Bone Spring	N/A	N/A	888	1330
Hayhurst 16 25 27 State #4H	Sec 16, NENE T25S, R27E	30-015-42553	Wildcat; Bone Spring	N/A	N/A	1783	1330

The State of New Mexico's interest in both Hayhurst 16 25 27 State #2H and #4H wells is the same. State Lease # V0-7320 royalty rate is 16.6667%.

*These are only estimates; actuals will be supplied after well tests are completed.

Attached map shows leases and well locations in Sections 16 and 21, T25S, R27E.

Oil & Gas metering:

There is a central tank battery (CTB) located at Hayhurst 16 (NE/NW, Section 16, T25S, R27E) servicing 4 state wells and a CTB located at White City 21 (SE/SW, Section 21, T25S, R27E) servicing 2 Federal/State/Fee Communitized wells. For gas, there is a common central delivery point (CDP) Agave gas sales meter (S/N *). Oil from these sites will not be commingled.

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Gas production will be allocated to each CTB based on continuous measurement located at each CTB, and each CTB's share of the commingled gas stream will be calculated based on the results of these measurements. This ratio will be applied to the total gas production metered by the Agave sales meter located in the SE/SE, Section 16, T25S, R27E (S/N*)

Gas production for Federal Communitized wells will be determined based on continuous measurement located at the White City 21 CTB.

Gas production will be allocated to each White City 21 Federal/State/Fee Communitized well per original commingling agreement verbally approved by the BLM.

Hayhurst 16 CTB gas allocation meter consists of two Total Flow EFM meters (Station Numbers 3300150018, 3300150019).

White City 21 CTB gas allocation meter consists of a Total Flow EFM meter (Station Number 5300150117).

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

Process and Flow Descriptions:

The flow of gas production is shown in detail on the enclosed facility diagram and map that shows the lease boundaries, communitization agreement boundaries, location of wells, facilities, and gas sales meter. The commingling of this gas production is the most effective economical means of producing the reserves and will not reduce royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint and overall emissions.

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

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

Printed Name: David Macurdy
Title: Regulatory Supervisor
Date: 9/24/2015

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL DELIVERY POINT
Chevron U.S.A. Inc. – White City 21 25 27 & Hayhurst 16 25 27 Central Delivery Point

Economic Justification Worksheet
White City 21 & Hayhurst 16 Central Delivery Point

Federal Lease NMNM107369 Royalty Rate 12.5%

Well Name	BOPD	Oil Gravity (@60 deg)	Value / bbl	MCFPD	DRY BTU	Value / mcf
White City 21 25 27 Fed Com #5H	N/A	N/A	N/A	2166*	1363*	2.71
White City 21 25 27 Fed Com #6H	N/A	N/A	N/A	2166*	1363*	2.71

State of New Mexico Lease VB-1865

Well Name	BOPD	Oil Gravity (@60 deg)	Value / bbl	MCFPD	DRY BTU	Value / mcf
Hayhurst 16 25 27 State #1H	N/A	N/A	N/A	1092	1330	2.71
Hayhurst 16 25 27 State #3H	N/A	N/A	N/A	1709	1330	2.71

State of New Mexico Lease V0-7320

Well Name	BOPD	Oil Gravity (@60 deg)	Value / bbl	MCFPD	DRY BTU	Value / mcf
Hayhurst 16 25 27 State #2H	N/A	N/A	N/A	888	1330	2.71
Hayhurst 16 25 27 State #4H	N/A	N/A	N/A	1783	1330	2.71

Economic combined production

Facility Name	BOPD	Oil Gravity (@60 deg)	Value / bbl	MCFPD	DRY BTU	Value / mcf
Agave Central Delivery Point	N/A	N/A	N/A	9804*	1345*	2.71

*These are only estimates; actuals will be supplied after well tests are completed.

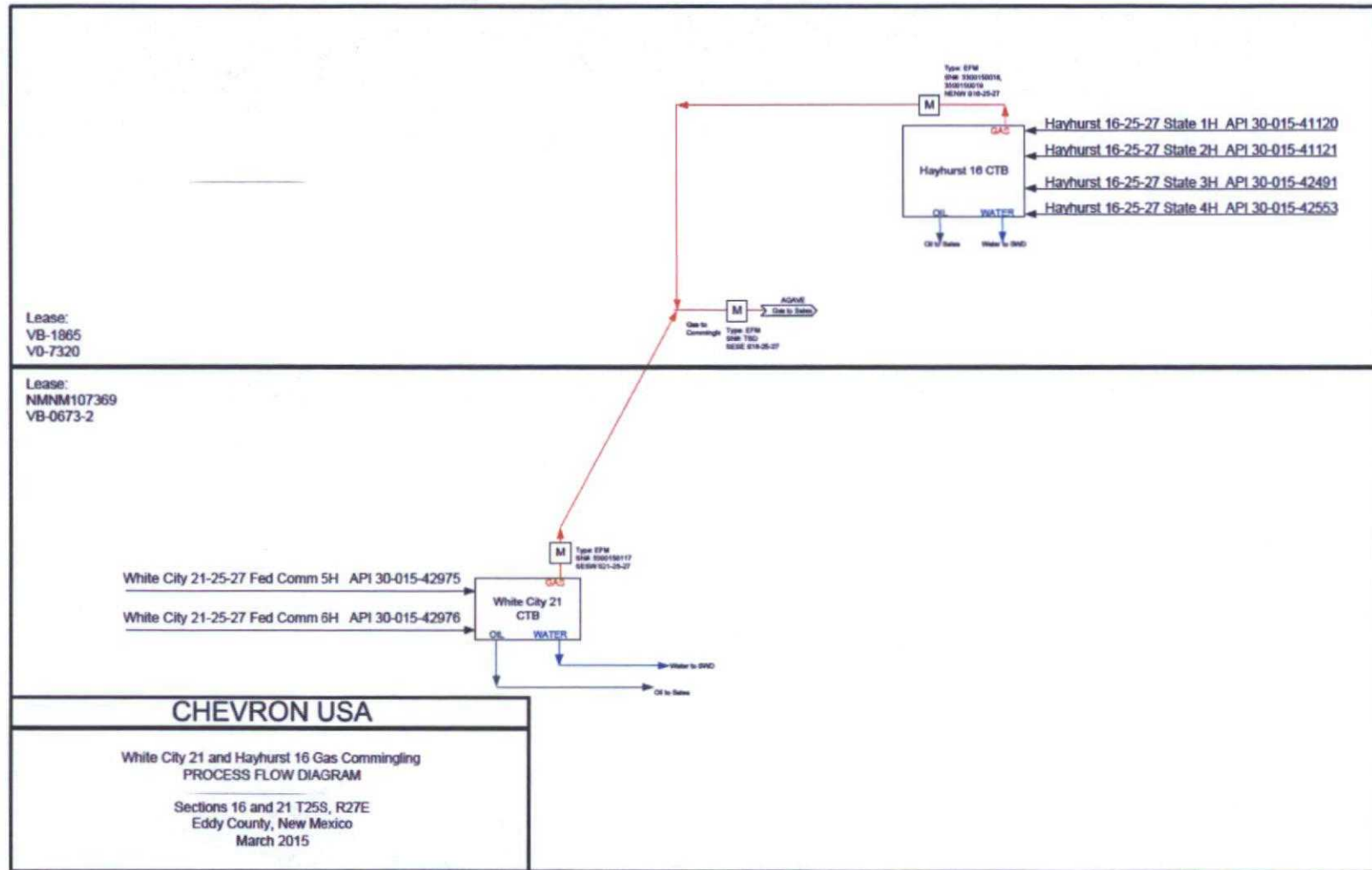
The BTU values are similar so royalty will not be affected.

Printed Name: David W. Macurdy

Title: Regulatory Supervisor

Date: 9/27/2015

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DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Time: 08:48 AM

Page 1 of 1

Run Date: 08/18/2015

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

Total Acres 1,200.000
Serial Number NMNM-- - 107369

Name & Address	Serial Number: NMNM-- - 107369	Int Rel	% Interest
CHEVRON USA INC 1400 SMITH ST HOUSTON TX 770027327	LESSEE		100.000000000

Mer Twp	Rng	Sec	STYP	SNr SUFF	Subdivision	District/Field Office	County	Mgmt Agency
23	02S6S	0270E 021	ALIQ		NWNE,GNWN,25E;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	02S6S	0270E 005	ALIQ		NE,W3/4N,SW,SWSE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	02S6S	0270E 003	ALIQ		N2,SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remark	Pending Office
10/16/2001	387	CASE ESTABLISHED	200110074	
10/17/2001	191	SALE HELD		
10/17/2001	267	BID RECEIVED	\$120000.00;	
10/17/2001	392	MONEY RECEIVED	\$120000.00;	
11/05/2001	237	LEASE ISSUED		
11/05/2001	974	AUTOMATED RECORD VERIF	LBO	
12/31/2001	456	FUND CODE	65;145003	
12/31/2001	530	RLTY RATE - 12 1/2%		
12/31/2001	868	EFFECTIVE DATE		
01/28/2002	963	CASE MICROFILMED/SCANNED		
11/15/2002	140	ASGN FILED	GRANDE OIL & GAS IN;1	
02/19/2003	135	ASGN APPROVED	EFF 12/01/02;	
02/19/2003	974	AUTOMATED RECORD VERIF	MV	
09/07/2007	246	LEASE COMMITTED TO CA	CA NM120260	
04/08/2008	643	PRODUCTION DETERMINATION	/1/	
04/08/2008	691	HELD BY PROD - ALLOCATED	/1/	
04/08/2008	660	MEMO OF 1ST PROD-ALLOC	/1/NMNM120260;	
06/11/2008	817	MERGER RECOGNIZED	CHESSA LLC/CHESSA LP	
08/22/2008	817	MERGER RECOGNIZED	CHESSA EXP LP/EXP LLC	
05/15/2010	246	LEASE COMMITTED TO CA	2K-124659	
11/27/2012	140	ASGN FILED	CHESSAPEAK/CHEVRON U;1	
01/03/2013	135	ASGN APPROVED	EFF 12/01/12;	
04/03/2013	974	AUTOMATED RECORD VERIF	ADM	

Line Nr	Remarks
0001	02/19/2003 PER MMS RENTAL PAID 12/01/02

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

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Chevron U.S.A. Inc. – White City 21 25 27 & Hayhurst 16 25 27 Central Delivery Point



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

Chevron North America
Exploration and Production
Company
1616 W. Bender Blvd Room 134,
Hobbs FM7, Hobbs, NM 88240
Tel 575-263-0431
Fax 575-263-0445
cherreramurillo@chevron.com

September 17, 2015

Re: Application for Surface Commingling
Chevron's Hayhurst and White City Central Tank Battery
Section 16 & 21; T25S, R27E,
Eddy County, New Mexico

Neville Manning
32112 Indiana
Lubbock, TX 79410
Royalty Interest Owner,

Chevron U.S.A. Inc. respectfully gives notice of intent to surface commingle gas from the Widcat; Bone Spring Pool through Chevron's Hayhurst and White City Central Tank Battery. Wells producing to this battery include the Chevron Hayhurst 16 25 27 State #1H; Hayhurst 16 25 27 State #2H; Hayhurst 16 25 27 State #3H; Hayhurst 16 25 27 State #4H; White City 2125 27 Fed Com #5H; and White City 21 25 27 Fed Com #6H. All wells will be complete within the Second Bone Spring sand formation. These wells are located in sections 16 & 21, T25S; R27E, Eddy County, New Mexico.

For gas, there is a common central delivery point. Agave gas sales meter. Oil from these sites will not be commingled.

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

Cindy Herrera-Murillo
Regulatory Specialist

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
- Complete items 1, 2, and 3. - 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.	A. Signature <i>Deborah Kemp</i> B. Received by (Print Name) <i>D. Kime</i> C. Date <i>9/28/15</i> D. Is delivery address different from item 1? ☐ Yes ☒ No If Yes, enter delivery address below:
1. Addressee (Print Name) Neville Manning 32112 Indiana Lubbock, TX 79410	2. Service Type ☒ Air Mail ☐ Registered Mail ☐ Certified Mail ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ Registered Mail 3. Priority Mail Express ☐ Registered Mail ☐ Registered Mail Restricted Delivery ☐ Registered Mail Signature Confirmation ☐ Registered Mail Signature Restricted Delivery
4. Barcode 9590 9401 0006 536A 5758 51 7015 0640 0005 0115 2867	
PS Form 3811, April 2015 PSN 7530-02-000-9034	Domestic Mail Network

APPLICATION FOR GAS COMMINGLING AT A COMMON CENTRAL DELIVERY POINT
Chevron U.S.A. Inc. – White City 21 25 27 & Hayhurst 16 25 27

CERTIFIED MAILING LIST

<u>Respondant Name/Address:</u>	<u>Certified Receipt #</u>
William L. & Muriel Diescher Irrev Trust 3646 Route 11, South Cortland, NY 13045	7015 0640 0005 0115 2744
Francis F. & Betty J Beeman Irrev Trust 14005 W. Ural Dr Carlsbad, NM 88220	7015 0640 0005 0115 2751
William F. Beeman 71 Apache Dr. Carlsbad, NM 88220	7015 0640 0005 0115 2775
Mark Beeman 57 North Sly Loop Roswell, NM 88201	7015 0640 0005 0115 2768
Robert B. Beeman 1520 N. Guadalupe Carlsbad, NM 88220	7015 0640 0005 0115 2782
Patricia Ann Beeman 807 Alamos Street Carlsbad, NM 88220	7015 0640 0005 0115 2799
Thomas Stribling 75 Circle Drive Northeast Albuquerque, NM 87122	7015 0640 0005 0115 2560
George and Teresa Stribling 1933 San Mateo Blvd NE Albuquerque, NM 87110	7015 0640 0005 0115 2577
Martha Stribling 918 Parkland Circle St Albuquerque, NM 87108	7015 0640 0005 0115 2584
Steve R. Stribling 9670 Iris Road NE Rio Rancho, NM 87144	7015 0640 0005 0115 2591

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Chevron U.S.A. Inc. – White City 21 25 27 & Hayhurst 16 25 27

CERTIFIED MAILING LIST

<u>Respondant Name/Address:</u>	<u>Certified Receipt #</u>
George O. Stribling as Trustee of the Margaret Stribling, Robert Cain and Salem Stribling Trust 1933 San Mateo Blvd NE Albuquerque, NM 87110	7015 0640 0005 0115 2607
John D. Stribling PO Box 10204 Albuquerque, NM 87131	7015 0640 0005 0115 2614
Carmex Inc P O Box 1718 Carlsbad, NM 88221	7015 0640 0005 0115 2621
The Beveridge Company P O Box 993 Midland, TX 79702	7015 0640 0005 0115 2638
Gulf Coast Oil & Gas Company P O Box 1684 Midland, TX 79702	7015 0640 0005 0115 2645
Zia Royalty P O Box 2160 Hobbs, NM 88241	7015 0640 0005 0115 2652
T.L. & Margaret D. Rees P O Box 1007 Colorado City, TX 79512	7015 0640 0005 0115 2669
Patricia Gae Stamps PO Box 249 Panhandle, TX 79068	7015 0640 0005 0115 2683
John W. Osborn PO Box 419 Tipton, OK 73540	7015 0640 0005 0115 2690
Law Firm of Klipstine and Hanratty PO Box 1525 Carlsbad, NM 88220	7015 0640 0005 0115 2706

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<u>Respondant Name/Address:</u>	<u>Certified Receipt #</u>
Sue Osborn Powell 889 Hedgewood Dr Georgetown, TX 78628	7015 0640 0005 0115 2713
Mary Camille Hall 3812 Tailfeather Dr Round Rock, TX 78681	7015 0640 0005 0115 2720
Brian & Shirley McGonagill 1612 Westridge Carlsbad, NM 88220	7015 0640 0005 0115 2737
Panagopoulos Enterprise LLC 511 W. Reinken Belen, NM 87002	7015 0640 0005 0115 2805
Bonnie Ruth Gregory 305 S. Hemlock Ave Roswell, NM 88203	7015 0640 0005 0115 2812
Clarence & Mary L. Ervin 4016 Jones St Carlsbad, NM 88220	7015 0640 0005 0115 2829
LBD, LP PO Box 686 Hobbs, NM 88241	7015 0640 0005 0115 2836
Law Firm of Kirby, Ratliff, Manning & Greak 8008 Slide Rd , Ste 33 Lubbock, TX 79424	7015 0640 0005 0115 2843
Louis Ratliff Jr. and Mary D. Ratliff 8 Firwood Ct The Hills, TX 78738	7015 0640 0005 0115 2850
Neville Manning 32112 Indiana Lubbock, TX 79410	7015 0640 0005 0115 2867

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CERTIFIED MAILING LIST

Respondant Name/Address:

Certified Receipt #

Nolan Greak
8008 Slide Rd Ste 33
Lubbock, TX 79424

7015 0640 0005 0115 2874

Chasity Garza
1410 E. Broadway
Brownfield, TX 79316

7015 0640 0005 0115 2881

MRC Permian Company
5400 LBJ Freeway, Ste 1500
Dallas, TX 75240

7015 0640 0005 0115 2898

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

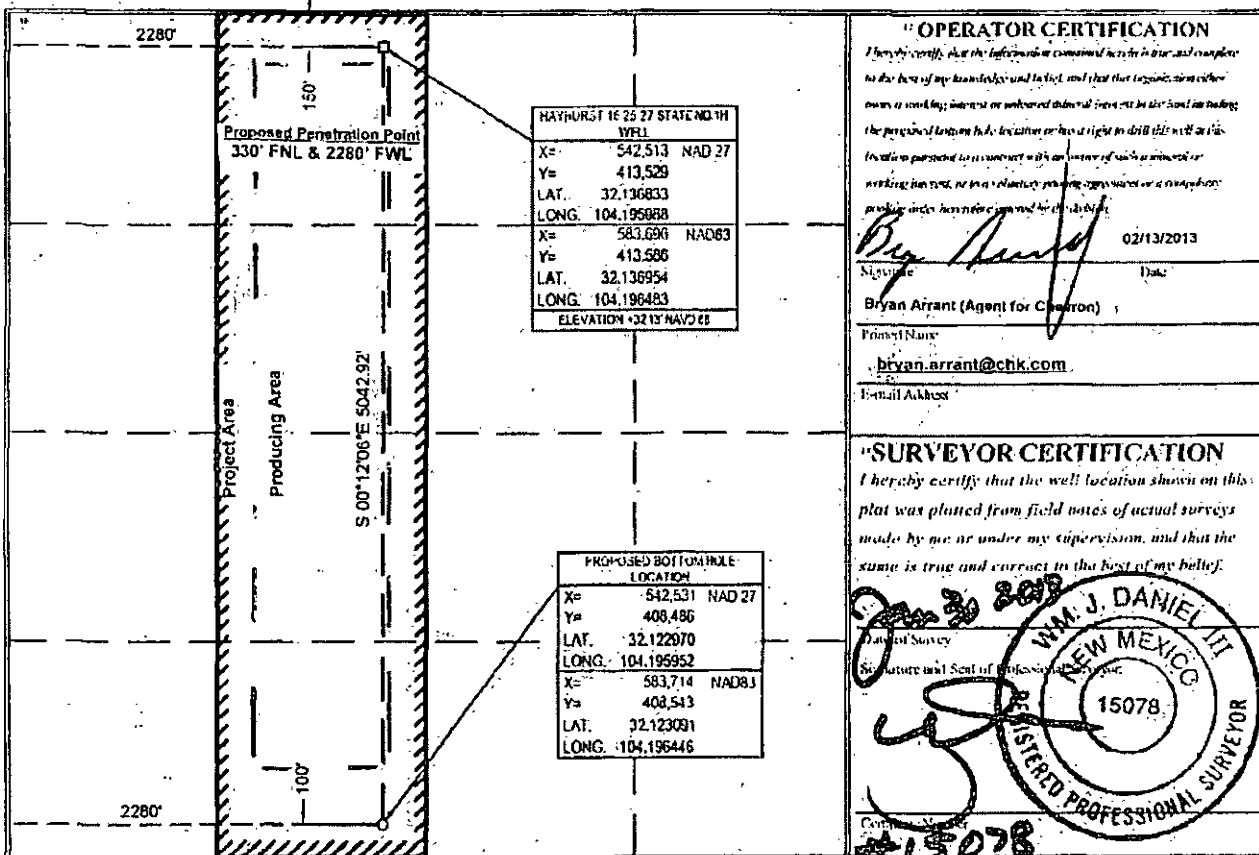
☐ AMENDED REPORT

¹ API Number 30-015-4120	² Pool Acq# 97816	³ Pool Name Wildcat G-02 S2527 15A; Bone Spring
⁴ Property Code 39726	⁵ Property Name HAYHURST 16 25 27 STATE	⁶ Well Number III 1H
⁷ County No. 4323	⁸ Operator Name CHEVRON U.S.A., INC.	⁹ Elevation 3213'

UL or lot no.	Section	Township	Range	Lot (s)	Feet from the	North/South line	Feet from the	East/West line	Comments
C	16	25 SOUTH	27 EAST, N.M.P.M.		150'	NORTH	2280'	WEST	EDDY

131, or lot no.	Section	Township	Range	Lot 14th	Feet from the	North/South line	Feet from the	East/West line	Cont.
N	16	25 SOUTH	27 EAST, N.M.P.M.		100'	SOUTH	2280'	WEST	EDDY

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NM OIL CONSERVATION ARTESIA DISTRICT

District I
1625 N. Franch 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
JUL 09 2014
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-42491	Pool Code 97816	Pool Name Wildcat; Bone Spring
Property Code 35726	Property Name HAYHURST 16 25 27 STATE	Well Number 3H
OGRID No. 4323	Operator Name CHEVRON U.S.A. INC.	Elevation 3219'

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	16	25 SOUTH	27 EAST, N.M.P.M.		175'	NORTH	660'	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	16	25 SOUTH	27 EAST, N.M.P.M.		150'	SOUTH	660'	WEST	EDDY

Dedicated Acres 16.0	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.

Proposed First Take Point 330' FNL & 660' FWL Proposed Last Take Point 330' FSL & 660' FWL Proposed Producing Interval S 00°12'04"E 4973.63' 175' 660' 150' 660'	<table border="1"> <tr> <th colspan="2">HAYHURST 16 25 27 STATE NO. 3H WELL</th></tr> <tr> <td>X=</td><td>540,893 NAD 27</td></tr> <tr> <td>Y=</td><td>413,487</td></tr> <tr> <td>LAT.</td><td>32.136723</td></tr> <tr> <td>LONG.</td><td>104.201221</td></tr> <tr> <td>X=</td><td>582,076 NAD83</td></tr> <tr> <td>Y=</td><td>413,544</td></tr> <tr> <td>LAT.</td><td>32.136843</td></tr> <tr> <td>LONG.</td><td>104.201717</td></tr> <tr> <td colspan="2">ELEVATION +3219' NAVD 86</td></tr> </table>	HAYHURST 16 25 27 STATE NO. 3H WELL		X=	540,893 NAD 27	Y=	413,487	LAT.	32.136723	LONG.	104.201221	X=	582,076 NAD83	Y=	413,544	LAT.	32.136843	LONG.	104.201717	ELEVATION +3219' NAVD 86		" OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the district. <i>Denise Pinkerton</i> 09/08/2014 Signature Date Denise Pinkerton Printed Name denise.pinkerton@chevron.com E-mail Address
	HAYHURST 16 25 27 STATE NO. 3H WELL																					
X=	540,893 NAD 27																					
Y=	413,487																					
LAT.	32.136723																					
LONG.	104.201221																					
X=	582,076 NAD83																					
Y=	413,544																					
LAT.	32.136843																					
LONG.	104.201717																					
ELEVATION +3219' NAVD 86																						
CORNER COORDINATES TABLE (NAD 27) A - Y=413664.70, X=540232.49 B - Y=413668.74, X=541554.29 C - Y=408353.74, X=540251.14 D - Y=408372.47, X=541574.37	"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. 5.17.14 Date of Survey <i>[Signature]</i> Signature and Seal of Professional Surveyor WM. J. DANIEL III NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 15078 Certificate Number #15078																					

District I
1625 N. French Dr., Hobbs, NM 88240
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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
NM OIL CONSERVATION
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
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District Office
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-42553		² Pool Code 97810		³ Pool Name Wildcat Bone Spring	
⁴ Property Code 39726		⁵ Property Name Hayhurst 16 25 27 State			⁶ Well Number 4H
⁷ OGRID No. 4323		⁸ Operator Name Chevron U.S.A. Inc			⁹ Elevation 3187 GR

" 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	16	25S	27E		175	N	990	E	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	16	25S	27E		147	S	957	E	Eddy

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

	" OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Brittany Conner</i> Date: 4/14/15 Printed Name: Brittany Conner E-mail Address: bconner@chevron.com
	"SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: Signature and Seal of Professional Surveyor:
	Certificate Number

Exhibit A1

Exhibit A-1

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) 745-1233 Fax: (505) 745-0720

District III
1000 Rio Grande Road, Arree, NM 87410
Phone: (505) 334-6173 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
NM OIL CONSERVATION DIVISION
ARTESIA DISTRICT
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

one copy to appropriate

District Office

MAR 05 2015

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-42975	Pool Code 30216	Pool Name Hay Hollow; Bone Spring North
Property Code 314248	Property Name WHITE CITY 21 25 27 FED COM	Well Number 5H
OGRII No. 4323	Operator Name CHEVRON U.S.A. INC.	Elevation 3128'

10 Surface Location.

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	25 SOUTH	27 EAST, N.M.P.M.		330'	SOUTH	990'	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	25 SOUTH	27 EAST, N.M.P.M.		330'	NORTH	990'	WEST	EDDY

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	PROPOSED BOTTOM HOLE LOCATION X= 541,247 NAD 27 Y= 408,038 LAT. 32.121742 LONG. 104.200095 X= 582,431 NAD83 Y= 408,095 LAT. 32.121863 LONG. 104.200594	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Danise Pinkerton</i> Date: 05/22/2014 Printed Name: Danise Pinkerton E-mail Address: leakejd@chevron.com
	WHITE CITY 21 25 27 FED COM NO. 5H WELL X= 541,335 NAD 27 Y= 403,401 LAT. 32.108994 LONG. 104.199835 X= 582,518 NAD83 Y= 403,458 LAT. 32.109115 LONG. 104.200330 ELEVATION = 3128' NAVD 88	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: Feb 28, 2014 Signature and Seal of Professional Surveyor: <i>[Signature]</i> WM J. DANIEL III NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 15078 License Number: #15078

Exhibit A-1

District I
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Phone: (575) 393-6161 Fax: (575) 393-6720

District II
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State of New Mexico **NM OIL CONSERVATION**
Energy, Minerals & Natural Resources **DISTRICT**
OIL CONSERVATION DIVISION **MAR 05 2015**
1220 South St. Francis Dr.
Santa Fe, NM 87505

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Submit one copy to appropriate
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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-42976	Pool Code 30216	Pool Name Harp Hollow, Bone Spring Wash
Property Code 314248	Property Name WHITE CITY 21 25 27 FED COM	
OGRIID No. 4323	Operator Name CHEVRON U.S.A. INC.	
	Well Number 6H	Elevation 3127

"Surface Location"

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	21	25 SOUTH	27 EAST, N.M.P.M.		330'	SOUTH	1923'	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
C	21	25 SOUTH	27 EAST, N.M.P.M.		330'	NORTH	1923'	WEST	EDDY

"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.

	PROPOSED BOTTOM HOLE LOCATION X= 542,180 NAD 27 Y= 408,051 LAT. 32.121775 LONG. 104.197086 X= 583,364 NAD83 Y= 408,108 LAT. 32.121896 LONG. 104.197580	"OPERATOR CERTIFICATION" I hereby certify that the information contained herein is true and complete, to the best of my knowledge and belief, and that this organization either owns a working interest or 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsion. Signed: <i>Denise Pinkerton</i> 05/22/2014 Date: 05/22/2014 Signature: <i>Denise Pinkerton</i> Printed Name: Denise Pinkerton E-mail Address: <i>leakejd@chevron.com</i>
	WHITE CITY 21 25 27 FED COM: NO. 6H WELL X= 542,268 NAD 27 Y= 403,417 LAT. 32.109036 LONG. 104.196822 X= 583,451 NAD83 Y= 403,474 LAT. 32.109157 LONG. 104.197317 ELEVATION 3127 NAVD 83	"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. 2-26-14 Date of Survey Signature and Seal of Registered Professional Surveyor: <i>[Signature]</i> Certificate Number: #15078

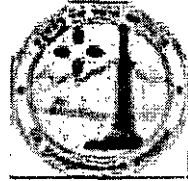
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-685-B
Administrative Application Reference No. pMAM1426158134

September 25, 2014

CHEVRON U.S.A. INC.
Attention: Ms. Cindy Herrera-Murillo

Chevron U.S.A. Inc. requests an amendment to Division Order No. CTB-685-A to add the Hayhurst 16 25 27 State Well No. 4H well to the existing order. This request is approved, and Chevron U.S.A. Inc. (OGRID 4323) is hereby authorized to surface commingle oil and gas production from Wildcat G-02 S2527 15A; Bone Spring (97816), and from the following leases and wells:

<u>Name</u>	<u>API No.</u>	<u>Footages</u>
<u>ULSTR</u>		
Hayhurst 16 25 27 State Well No.1H C-16-25S-27E	30-015-41120	175 FNL & 2280 FWL
Hayhurst 16 25 27 State Well No.2H B-20-19S-25E	30-015-41121	175 FNL & 1733 FEL
Hayhurst 16 25 27 State Well No.3H D-20-19S-25E	30-015-42491	175 FNL & 660 FWL
Hayhurst 16 25 27 State Well No.4H A-20-19S-25E	30-015-42553	175 FNL & 990 FEL

All in NMPM, Eddy County, New Mexico

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Hayhurst 16 25 27 State Well No. 1H central tank battery (CTB), located in Unit C, Section 16, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico.

The oil and gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

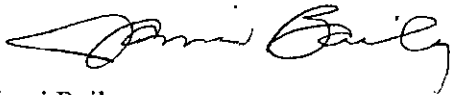
The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

September 25, 2014
Page 2

This order supersedes Order No. CTB 685-A, issued August 26, 2014.

This approval is subject to like approval from the New Mexico State Land Office before commencing commingling operations.

DONE at Santa Fe, New Mexico, on September 25, 2014

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Division Director

JB/mam

cc: Oil Conservation Division – Artesia
New Mexico State Land Office - Oil, Gas, and Minerals

McMillan, Michael, EMNRD

From: Herrera-Murillo, Cindy O <CHerreraMurillo@chevron.com>
Sent: Wednesday, September 30, 2015 8:52 AM
To: McMillan, Michael, EMNRD
Subject: RE: HH-WC Surface Commingle Application

Mike,

Please see monthly production average for each Hayhurst well as below:

	Mar	April	May	June	July	August
Hayhurst 1H	477	407	318	339	231	327
Hayhurst 2H	28	32	22	25	47	27
Hayhurst 3H	438	396	336	343	256	327
Hayhurst 4H	545	367	166	390	99	96

If you need anything else, let me know.

Thanks,



Cindy Herrera-Murillo
Permitting Specialist SE New Mexico
1616 W. Bender Blvd
Hobbs, NM 88240
575-263-0400 ext 30431
Cherreramurillo@chevron.com

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Tuesday, September 29, 2015 8:08 AM
To: Herrera-Murillo, Cindy O
Subject: RE: HH-WC Surface Commingle Application

Send last 6 month's monthly production and cum production.

Send C-102 for the wells

Thanks

Mike

From: Herrera-Murillo, Cindy O [mailto:CHerreraMurillo@chevron.com]
Sent: Tuesday, September 29, 2015 8:04 AM
To: McMillan, Michael, EMNRD
Subject: HH-WC Surface Commingle Application

McMillan, Michael, EMNRD

From: Herrera-Murillo, Cindy O <CHerreraMurillo@chevron.com>
Sent: Friday, October 09, 2015 1:55 PM
To: McMillan, Michael, EMNRD
Subject: RE: Hayhurst/White City surface commingle

Mike,

I have spoken to Chris Smith/ FE Engineer on the above project and he indicates that At both locations each individual well's gas is measured by an orifice plate meter before entering a common gas sales line.

*If you have additional questions, please let me know.
Thanks,*



Cindy Herrera-Murillo
Permitting Specialist SE New Mexico
1616 W. Bender Blvd
Hobbs, NM 88240
575-263-0400 ext 30431
Cherreramurillo@chevron.com

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Friday, October 09, 2015 10:24 AM
To: Herrera-Murillo, Cindy O
Subject: **[**EXTERNAL**]** Hayhurst/White City surface commingle

Cindy:

How are the individual wells gas production being measured before they flow to their respective CDP?
Are the wells being metered separately before they flow to the individual CDP?

Thank You

Mike