

DATE IN 9/22/2016	SUSPENSE	ENGINEER MAM	LOGGED IN 9/22/2016	TYPE DHC	APP NO PMAM16266 58456
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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.

<u>Simon MARTIN</u>	<u>see Form C-107A</u>	<u>Petroleum</u>	<u>9-22-2016</u>
Print or Type Name	Signature	Title	Date

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rin Bruzns Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Chevron Midcontinent L.P.

332 Road 3100 Aztec, NM 87410

Operator

Address

Yager

2

B-20-32N-6W

San Juan

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 241333

Property Code 302871

API No. 30-045-22382

Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Fruitland Coal		Blanco Mesa Verde
Pool Code	71629		72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3032' - 3102'		5530' - 5700'
Method of Production (Flowing or Artificial Lift)	Rod Pump		Rod Pump
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	950		1005
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Estimated Rates: 370 MCFPD, 0 BOPD, 1 BWPD See Attached for New Zone Supporting Data		Date: 6/19/2016 Rates: 77 MCFPD, 0 BOPD, 1 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0% 83%		Oil Gas 100% 17%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes ☐ No ☒

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application?

Yes ☐ No ☒

NMOCD Reference Case No. applicable to this well: DHC 4685, DHC 4491, AO DHC 4374

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.

Production curve for each zone for at least one year. (If not available, attach explanation.)

For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.

Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

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

SIGNATURE Simon Martin TITLE Petroleum Engineer DATE 6/21/2016

TYPE OR PRINT NAME Simon Martin TELEPHONE NO. (713) 372-3821

E-MAIL ADDRESS SimonMartin@Chevron.com

Yager 2 Fruitland Coal Recompletion Procedure

- Rig up, install and test BOP
- Pull out of hole with tubing
- Run bit and scraper on workstring to liner top at ~3280'
- Set bridge plug at ~3250', above liner top
- Test casing and bridge plug to anticipated frac pressure
- If casing passes pressure test run in with perforating guns and perforate *Fruitland Coal interval* (3032' – 3063', 3082' – 3093', 3096' – 3102')
- Fracture treat Fruitland Coal with energized frac
- Cleanout well to bridge plug at ~3250' and retrieve bridge plug
- Cleanout well to PBTD of ~5800'
- Trip in with tubing and land at ~5700'
- Run in hole with rods and pump
- Load and test tubing to 500psi
- Rig down, turn well over to production

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, NM 87505

Form C-102
Revised August 1,
2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-22382		² Pool Code 72319		³ Pool Name Blanco Mesa Verde	
⁴ Property Code 302871		⁵ Property Name Yager			⁶ Well Number 2
⁷ OGRID No. 241333		⁸ Operator Name Chevron Midcontinent L.P.			⁹ Elevation 6465'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	20	32N	6W		1200	N	1800	E	San Juan

" 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
¹² Dedicated Acres 320 (E/2)		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.

	<p>" OPERATOR CERTIFICATION</p> <p>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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Simon Martin</i> 6/21/16 Signature Date</p> <p>Simon Martin Printed Name</p> <p>Simon.martin@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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>	
	<p>Certificate Number</p>	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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811 S. First St., Artesia, NM 88210
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Phone: (505) 334-6178 Fax: (505) 334-6170
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1220 S. St. Francis Dr., Santa Fe, NM 87505
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State of New Mexico
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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1,
2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-22382	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 302871	⁵ Property Name Yager	⁶ Well Number 2
⁷ OGRID No. 241333	⁸ Operator Name Chevron Midcontinent L.P.	⁹ Elevation 6465'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	20	32N	6W		1200	N	1800	E	San Juan

" 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

¹² Dedicated Acres 320 (E/2)	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.

	<p>" 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 leased 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.</p> <p><i>Simon Martin</i> 6/21/16 Signature Date</p> <p>Simon Martin Printed Name</p> <p><i>Simon.martin@chevron.com</i> E-mail Address</p>
	<p>"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.</p>
	<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

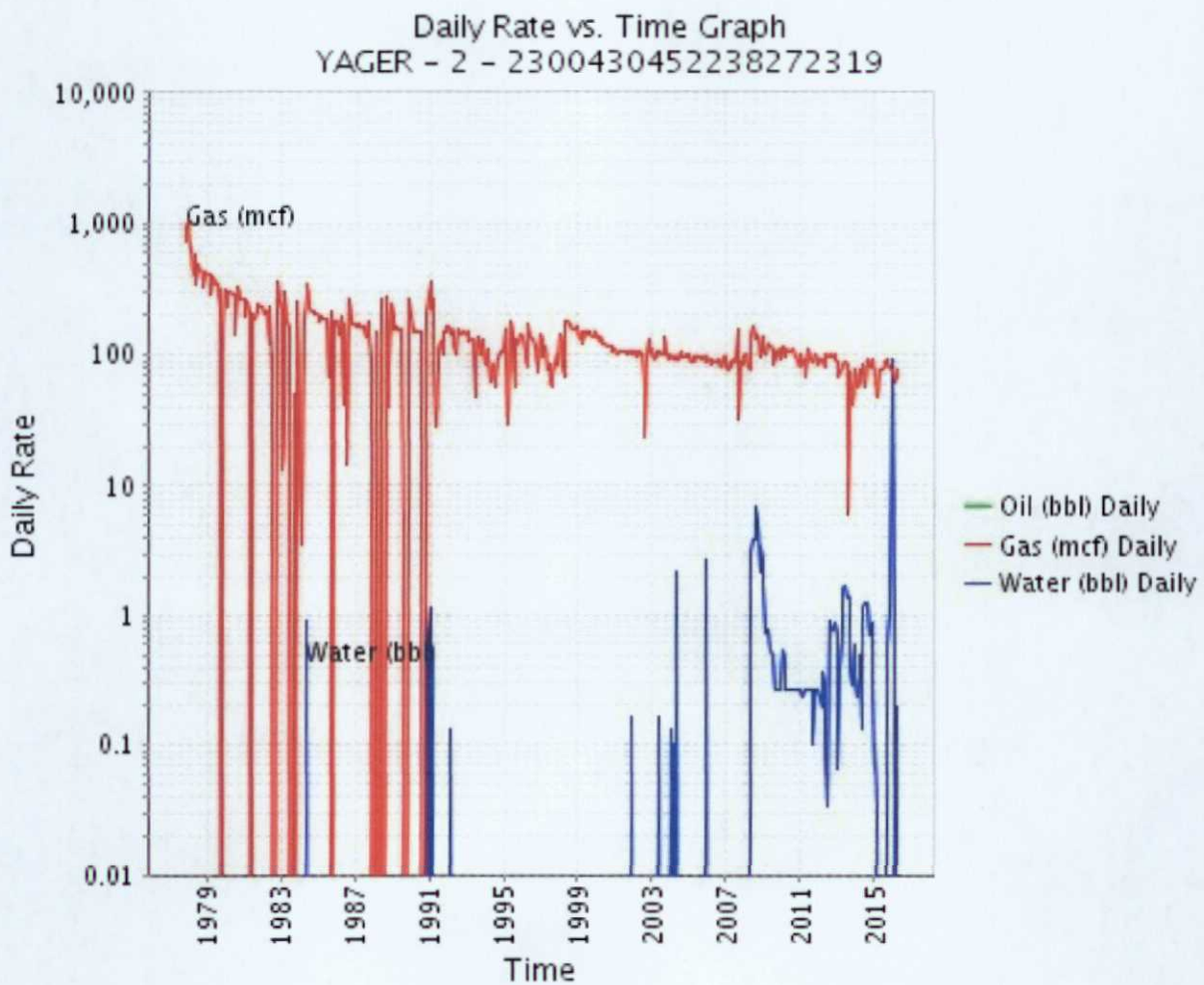
Yager 2 Allocation Determination

API: 3004522382

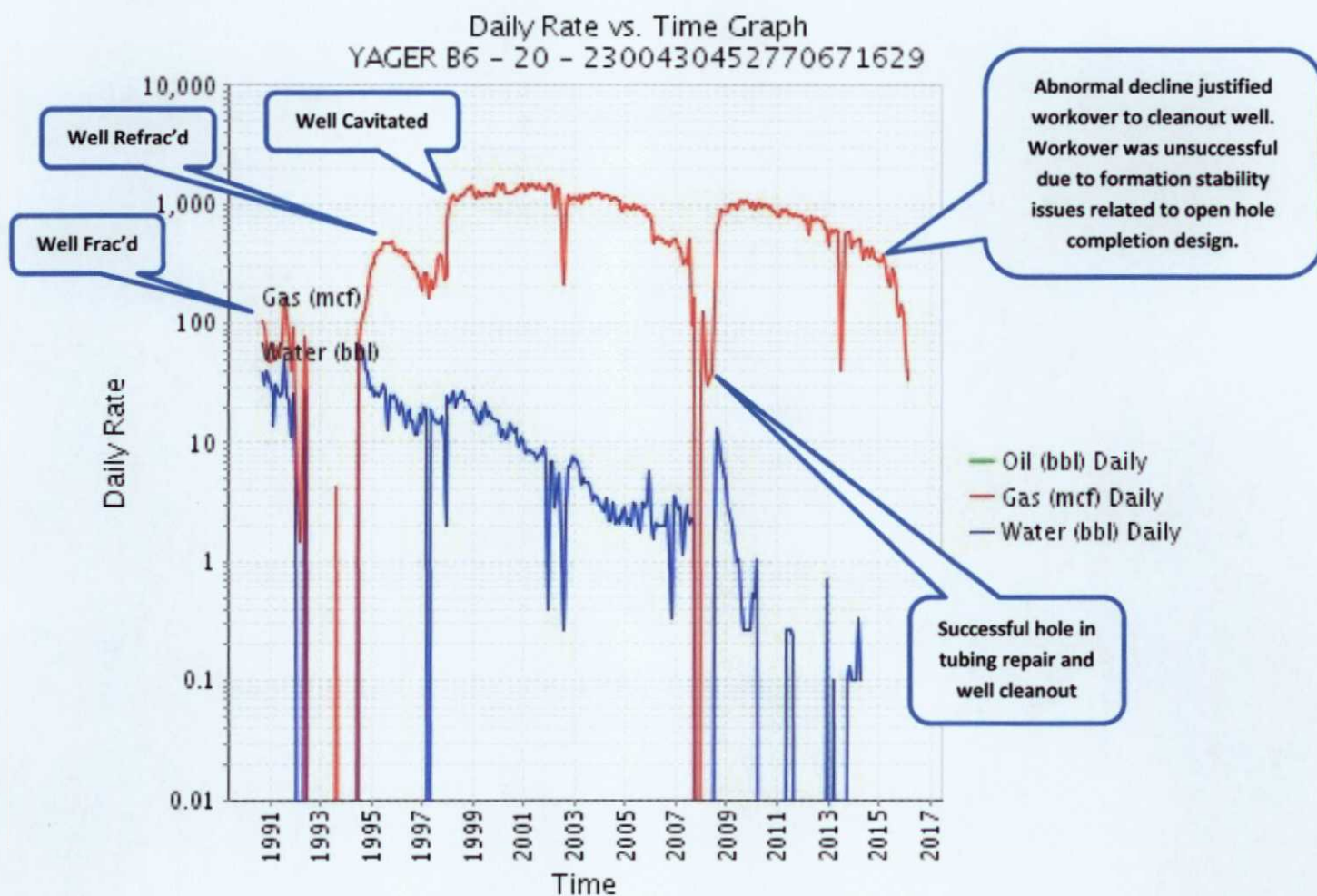
Well Status

The subject well is currently a Mesa Verde well that is actively producing via plunger lift. An opportunity has been identified to recomplete into the Fruitland Coal and downhole commingle the well. The neighboring Fruitland Coal well (Yager B6-20 API 3004527706) is currently completed with an open hole design. After a recent failed workover to reestablish lost production due to fill issues, completing the Fruitland Coal in the Yager 2 (a cased hole design) is the most economic path forward to develop the remaining reserves in place. During the proposed workover on the Yager 2 we will shut-in the Yager B6-20, and pending successful completion of the new zone in the Yager 2 will temporarily or permanently abandon the Yager B6-20 to remain in compliance with well spacing regulations.

A. Yager 2 Production Stream (Mesa Verde Only)



B. Yager B6-20 Total Production Stream (Fruitland Coal Only)

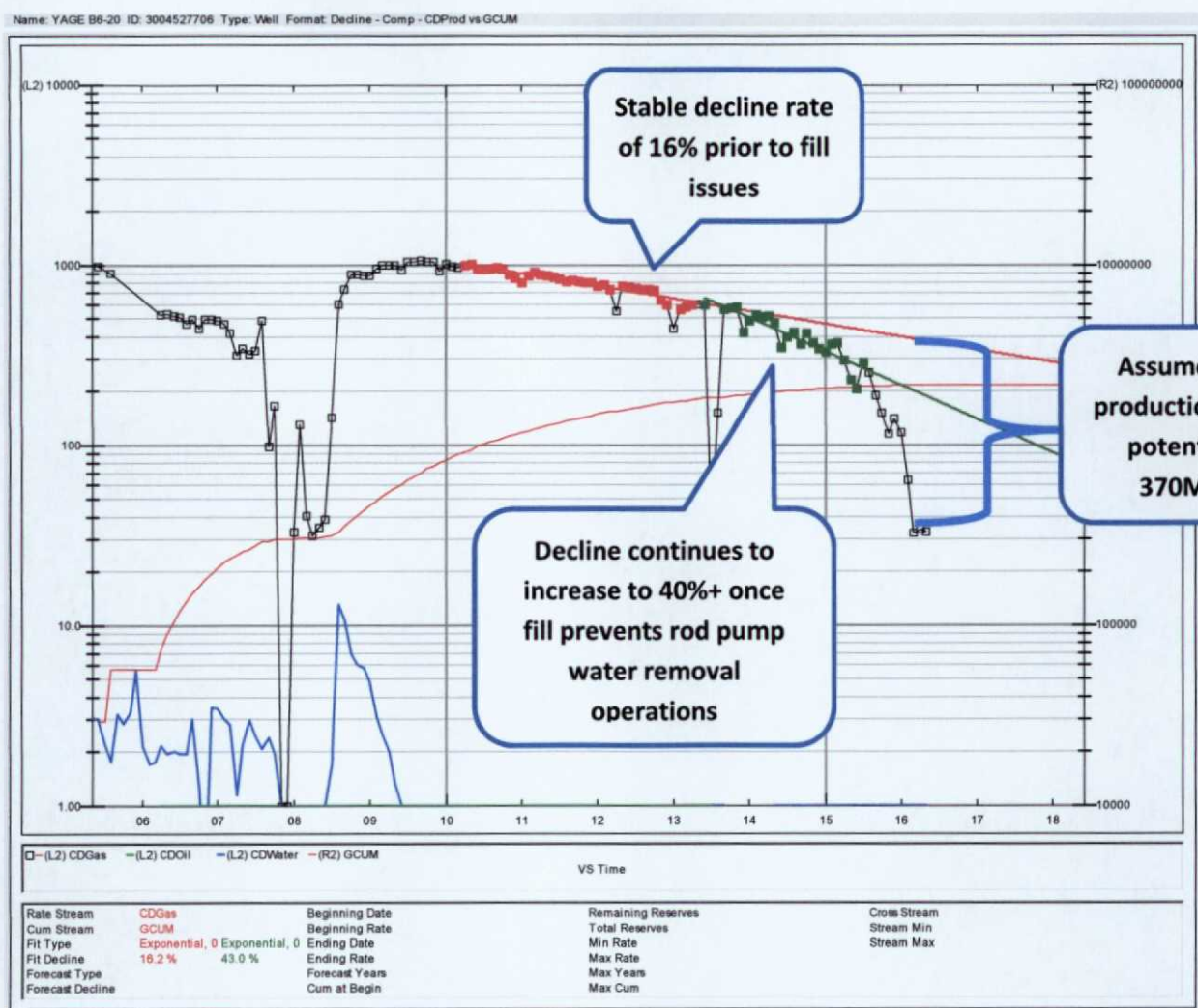


Proposed Allocation Factors

The allocation factors have been determined by using the subtraction method while considering the current Mesa Verde production of the Yager 2 and the expected contribution of the Fruitland Coal in the Yager 2 based on the lost production in the neighboring Yager B6-20. Production chart C shows the estimated lost production of the Yager B6-20 by using a stable, typical, exponential decline rate and this is assumed to be equal to the contribution & uplift that will be observed once the Fruitland Coal is completed in the Yager 2.

Formation	Gas Rate	Gas Allocation	Oil Rate	Oil Allocation
Mesa Verde	77 MCFPD	17%	0 BOPD	100%
Fruitland Coal	370 MCFPD	83%	0 BOPD	0%

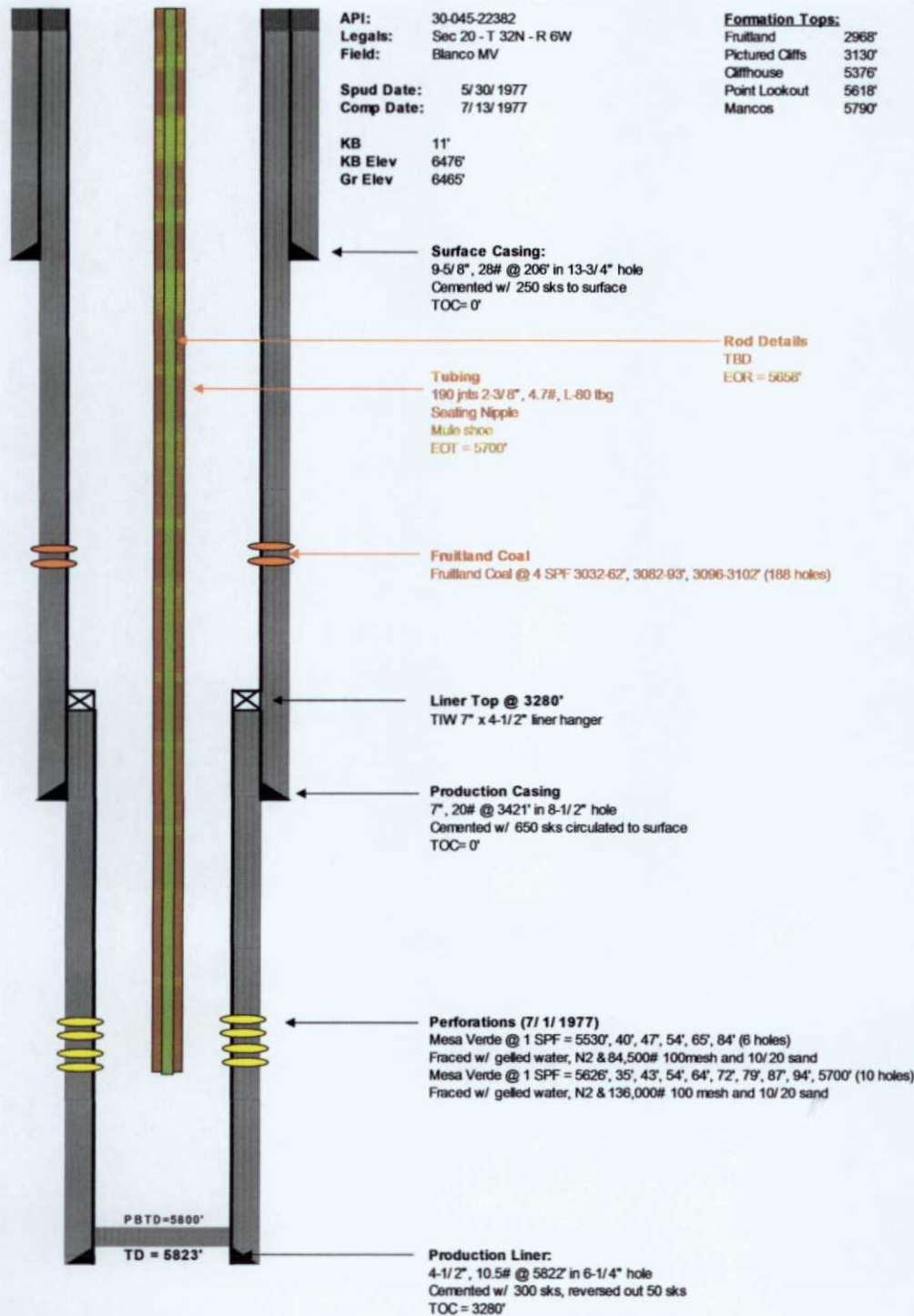
C. Yager B6-20 Lost Production (Fruitland Coal Only)



Proposed Wellbore Diagram



Yager #2
San Juan County, New Mexico
Proposed Wellbore Schematic



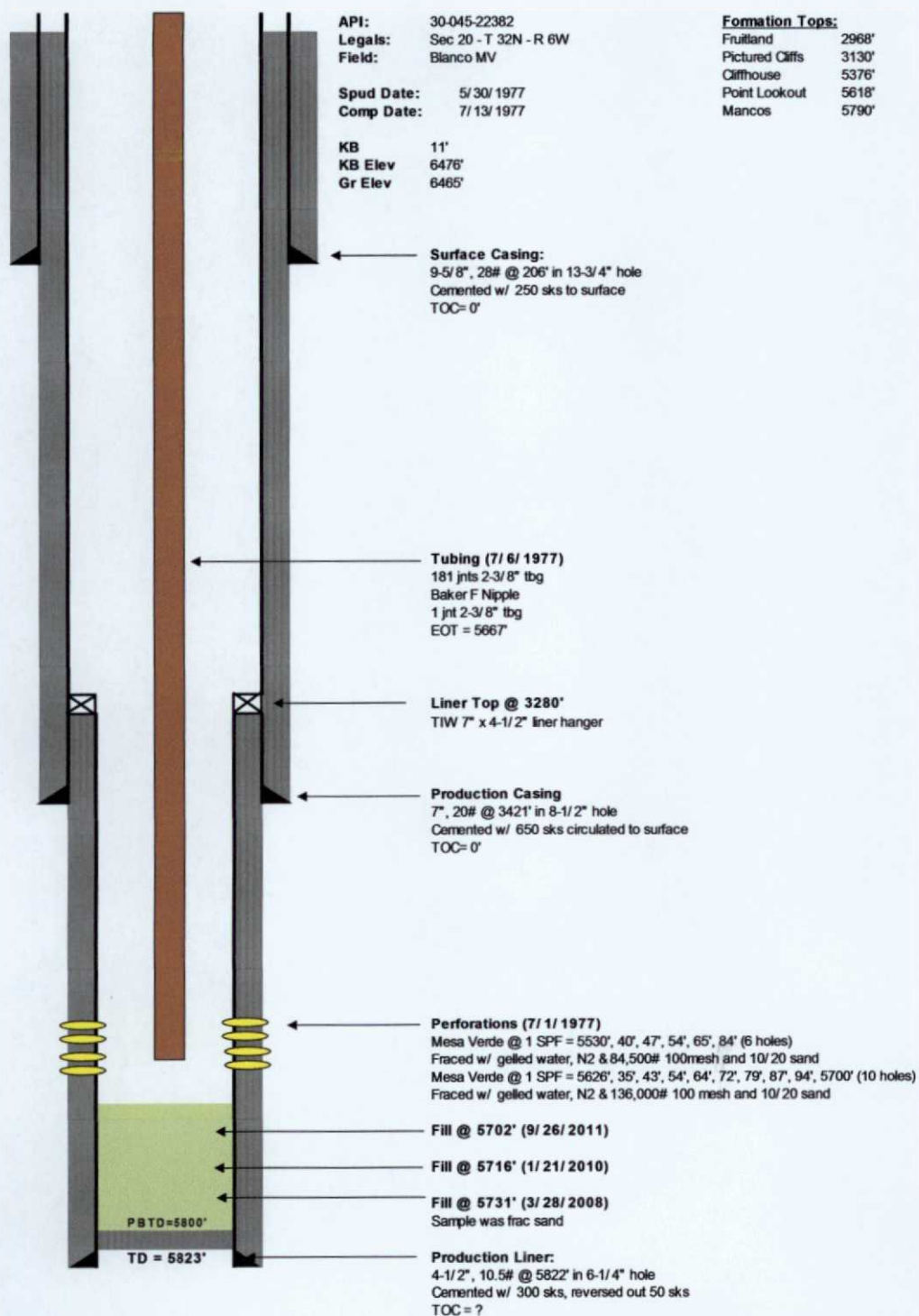
Prepared by: Simon Martin
Date: 03/10/2016

Updated by:
Date:

Current Wellbore Diagram



Yager #2 San Juan County, New Mexico Current Wellbore Schematic as of 3-10-16 Well is Plunger Lifted



Conclusion

We respectfully submit for approval downhole commingling the Fruitland Coal and Mesa Verde using the aforementioned allocation factors. Formation water compatibility and crossflow will not have a detrimental impact to either zone's production since we will use the rod pump configuration to keep the fluid level in the well below the Mesa Verde perforations. Completing the Fruitland Coal in Yager 2 and downhole commingling with the existing Mesa Verde production is the most economic path forward to capture remaining reserves and will extend the economic life of the wellbore.

LIST OF ROYALTY AND OVERIDING ROYALTY OWNERS IN YAGER 2 WELL:

PALMETTO PARTNERS L P	0.00937500	OR
YOSEMITE CREEK OL & GAS LLLP	0.00937500	OR
NEUHOFF-TAYLOR ROYALTY CO.	0.00420437	OR
SUNDANCE MINERALS I	0.00017063	OR
SYLVIA F LITTLE TTEE	0.00437500	OR
AE&J ROYALTIES LLC	0.12500000	RI
RAFFKIND REV TR5T	0.03125000	RI
JUDY G ZWEIBACK	0.03125000	RI
PAMELA K STAECK TRUST	0.03125000	RI
VICKI MIZEL	0.03125000	RI



Gregory Davis
Contract Land Representative

Mid-Continent BU
Chevron North America
Exploration and Production
1400 Smith; Room 45145
Houston, Texas 77002
Tel (713) 372-3276
gpda@chevron.com

August 8, 2016

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
Certified Mail:

BURLINGTON RESOURCES O&G CO LP

7012 3460 0000 1668 3375

CONOCOPHILLIPS COMPANY

7012 3460 0000 1668 3382

SOUTHLAND ROYALTY COMPANY LLC

7012 3460 0000 1668 3368

RE: Downhole Commingle Fruitland Coal & Mesaverde
Yager 2 (API 30-045-22382) Mesaverde
E/2 Section 20: T32N, R6W, San Juan County, NM

Dear Interest Owner:

Chevron Midcontinent, L.P. is contemplating a Fruitland Coal formation completion in the Yager 2, and downhole commingle production with current Mesaverde production. As an Offset Owner in the MV and/or the FC formations, you are entitled to notice of the enclosed C-107A Downhole Commingling Application.

If no objections are filed with the NMOCD or further suggestions to the procedure within 20 days, CMLP will file the Downhole Commingle Application for approval. Should you have any technical questions, please feel free to contact Simon Martin, P.E., 713-372-3821. For other question or concern, you can reach me 713-754-7807.

Thank you,


Gregory Davis
Contract Land Rep
CNAEP-MCBU



Gregory Davis
Contract Land Representative

Mid-Continent BU
Chevron North America
Exploration and Production
1600 Smith; Room 26058-A
Houston, Texas 77002
Tel (713) 754-7807
gpd@chevron.com

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 27, 2016

Yosemite Creek Oil and Gas LLC
4350 S. Monaco Street, 5th FL
Denver CO 80237-3400

Certified Mail: 70122920000180260747

Palmetto Partners LP
535 5th Ave., 25th floor
New York City NY 10017

Certified Mail: 70122920000180260754

RE: Downhole Commingle Fruitland Coal & Mesaverde
Yager 2 (API 30-045-22382) Mesaverde
E/2 Section 20: T32N, R6W, San Juan County, NM

Dear Interest Owner:

The Yager B 6-20 (API 3004527706) Fruitland Coal well has been on a steep decline and has become uneconomic. To recapture potential FC reserves we are proposing the following.

Four Star Oil & Gas Company intends to complete and downhole commingle Fruitland Coal formation in the Yager 2, in which it owns a 100% Working Interest, with current Mesaverde production in the above referenced well. As an Overriding Royalty Owner in the FC formation and a Working Interest Owner in the current MV production from the well, you are entitled to notice of the enclosed C-107A Downhole Commingling Application. Also enclosed are the procedures and wellbore diagrams for the completions.

If no objections are filed with the NMOCDC or further suggestions to the procedure within 20 days, Four Star Oil & Gas Company will file the Downhole Commingle Application for approval. If approved, we will amend the current JOA covering the E/2 of Sec 20, to administer and allocate the costs associated with producing Fruitland Coal/ Mesaverde DHC production. Should you have any technical questions, please feel free to contact Simon Martin, P.E., at 713-372-3821. For other question or concern, you can reach me at 713-754-7807.

Thank you,

Gregory Davis
Contract Land Rep
CNAEP-MCBU

Davis, Gregory [PFM, LLC]

From: auto-reply@usps.com
Sent: Monday, September 19, 2016 10:17 AM
To: Davis, Gregory [PFM, LLC]
Subject: **[**EXTERNAL**]** USPS Item Delivered, Left with Individual for Shipment
70123460000016683733

**Tracking Number: 70123460000016683733****Hello Greg Davis,****Thank you for using
USPS.com.**

This is a post-only message. Please do not respond.

Greg Davis has requested that you receive a USPS Tracking® delivery or delivery attempt update, as shown below.

USPS Tracking® e-mail update information provided by the U.S. Postal Service.

Tracking Number: 70123460000016683733

Service Type: Certified Mail™

Shipment Activity	Location	Date & Time	Shipping Partner
Delivered, Left with Individual	AMARILLO, TX 79109	August 30, 2016 12:54 pm	
Out for Delivery	AMARILLO, TX 79109	August 30, 2016 7:13 am	
Sorting Complete	AMARILLO, TX 79109	August 30, 2016 7:03 am	
Arrived at Unit	AMARILLO, TX 79109	August 29, 2016 8:04 am	
Departed USPS Facility	AMARILLO, TX 79120	August 29, 2016 2:14 am	
Arrived at USPS Facility	AMARILLO, TX 79120	August 27, 2016 3:58 pm	
Arrived at USPS Facility	NORTH HOUSTON, TX 77315	August 25, 2016 11:10 pm	

Reminder: USPS Tracking® by email

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p style="text-align: center;">PALMETTO PARTNERS LP C/O CITY NATIONAL BANK 475 ARTHUR GODFREY RD MIAMI FL 33140</p>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p style="text-align: right;">8/29/10</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7012 3460 0000 1668 3719</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p style="text-align: center;">YOSEMITE CREEK OIL AND GAS LLLP 4350 S MONACO ST 5TH FL DENVER CO 80237</p>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p style="text-align: right;">AUG 29 2016</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center;">Square Two Financial</p> <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail[®] <input type="checkbox"/> Priority Mail Express[™]</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7012 3460 0000 1668 3825</p>	
<p>PS Form 3811, July 2013 Domestic Return Receipt</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p style="text-align: center;">NEUHOFF-TAYLOR ROYALTY CO PO BOX 9 ALEDO TX 76008</p>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p style="text-align: right;">8/29/16</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7012 3460 0000 1668 3795</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

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.

1. Article Addressed to:

SUNDANCE MINERALS I
306 W 7th ST STE 302
FORT WORTH TX 76102

2. Article Number

(Transfer from service label)

7012 3460 0000 1668 3788

PS 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)

PEGGY GARRETT

C. Date of Delivery

8-29

D. Is delivery address different from item 1? ☐ YesIf 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

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.

1. Article Addressed to:

SYLVIA F LITTLE
PO BOX 1258
FARMINGTON NM 87499

2. Article Number

(Transfer from service label)

7012 3460 0000 1668 3771

PS 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)

Cynthia McAlister

C. Date of Delivery

8-31

D. Is delivery address different from item 1? ☐ YesIf 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

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.

1. Article Addressed to:

A E & J ROYALTIES LLC
23 BERGEN ST
BROOKLYN NY 11201

2. Article Number

(Transfer from service label)

7012 3460 0000 1668 3764

PS 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)

[Signature]

C. Date of Delivery

[Signature]

D. Is delivery address different from item 1? ☐ YesIf 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

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.

1. Article Addressed to:

JUDY G ZWEIBACK
8914 FARNAM COURT
OMAHA NE 68114

2. Article Number

(Transfer from service label)

7012 3460 0000 1668 3757

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Judy Zweiback*
☐ Agent
☐ Addressee

B. Received by (Printed Name)

Judy Zweiback

C. Date of Delivery

8-29

D. Is delivery address different from item 1? ☐ YesIf 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

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.

1. Article Addressed to:

PAMELA K STAECK TRUST
8001 E JEWELL AVENUE
DENVER CO 80231

2. Article Number

(Transfer from service label)

7012 3460 0000 1668 3740

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Pamela K Staeck*
☐ Agent
☐ Addressee

B. Received by (Printed Name)

Pamela K Staeck

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf 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

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.

1. Article Addressed to:

VICKI MIZEL
10945 BLUFFSIDE DRIVE #331
STUDIO CITY CA 91604

2. Article Number

(Transfer from service label)

7012 3460 0000 1668 3726

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Kelly Mizel*
☐ Agent
☐ Addressee

B. Received by (Printed Name)

Kelly Mizel

C. Date of Delivery

9/1/16

D. Is delivery address different from item 1? ☐ YesIf 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



Gregory Davis
Contract Land Representative

Mid-Continent BU
Chevron North America
Exploration and Production
1400 Smith; Room 45145
Houston, Texas 77002
Tel (713) 372-3276
gpda@chevron.com

August 25, 2016

CERTIFIED MAIL – RETURN RECEIPT REQUESTED
Certified Mail:

To: Royalty and Overriding Royalty owners

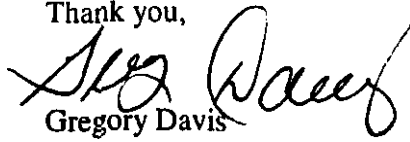
RE: Downhole Commingle Fruitland Coal & Mesaverde
Yager 2 (API 30-045-22382) Mesaverde
E/2 Section 20: T32N, R6W, San Juan County, NM

Dear Interest Owner:

Chevron Midcontinent L.P. is contemplating a Fruitland Coal formation completion in the Yager 2, and downhole commingle production with current Mesaverde production. As Royalty or Overriding Royalty Owner in the MV and/or the FC formations, you are entitled to notice of the enclosed C-107A Downhole Commingling Application.

Chevron Midcontinent, L.P. will file the Downhole Commingle Application if no objections are filed with the NMOCD within 20 days. Should you have any technical questions, please feel free to contact Simon Martin, P.E., 713-372-3821. For other question or concern, you can reach me 713-754-7807.

Thank you,


Gregory Davis
Contract Land Rep
CNAEP-MCBU

Mr. McMillan,

Per our discussion regarding the Yager 2 C107A that was recently submitted for approval, we have done further investigation regarding the bottomhole pressures of the Fruitland Coal and the Mesa Verde. We have a recent shutin bottomhole pressure of two offsetting wells (Yager B6-20 and Yager 9) showing the Fruitland Coal static bottomhole pressure to be about 130psi. We believe that the Mesa Verde bottomhole pressure is far below the normal pressure gradient since the well has been produced for 39 years and has decreased on a natural decline to marginal production rates. Crossflow during production will also be prevented by use of a pumping unit artificial lift configuration and maintaining a fluid level below the deepest perforations.

Thanks,

A handwritten signature in black ink, appearing to read "Simon Martin", with a stylized flourish at the end.

Simon Martin

simonmartin@chevron.com

713-372-3821