

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.

Cindy Herrera-Murillo
 Print or Type Name

Cindy Herrera-Murillo
 Signature

Permitting Specialist
 Title

11/21/2016
 Date

Cherreramurillo@chevron.com
 e-mail Address

-PLC 458
 -Chevron US B Inc
 4323

RECEIVED
 NOV 23 2016

-W 411
 -Jordan 12
 State #1
 30-025-33532
 -Jordan 12 State
 #2
 30-025-36716
 -Jordan 12 State
 #3
 30-025-37080
 -Po 4

-Mescalero, Cisco,
 North East
 46636

-Mescalero,
 Upper Penn, North
 4570

-Mescalero, North
 Wolfcamp, State
 4612



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 134
Hobbs FMT, Hobbs, NM 88240
Tel 575-263-0431
Cherreramurillo@chevron.com

November 21, 2016

Oil Conservation Division
Attn: Engineering Department
1220 St. Francis Drive
Santa Fe, NM87505

Application for surface commingle, Mescalero ;Cisco NE/Mescalero; Wolfcamp, N/Mescalero, Upper Penn, N Poolsl, Lea County, NM (T10S, R32E, Section 12)

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas and water production from the Mescalero; Cisco NE/Mescalero; Wolfcamp, N/Mescalero, Upper Penn, N Pools through Chevron's Jordan Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. Wells producing to this battery include the Jordan 12 State #1; Jordan 12 State #2 and the Jordan 12 State #3. These wells are located in Section 12, T 10S, R 32E in Lea County, New Mexico. A list of all wells currently routed to the Jordon Central Tank Battery can be found on the following pages.

The working interest and federal royalty rate are the same for all leases involved in this request (100% Chevron,). These wells were completed in the 2004. Each well will be tested monthly through a three - phase test heater treater located at the Jordan 12 State 2 CTB. Oil and water will be metered on the oil and water outlets. The gas will be metered by an orifice meter on the gas outlet. The oil form the three phase separator will then be commingled into a common oil tank. Gas production will be allocated on a daily basis on the results of monthly well tests of each well.

Sincerely,

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

Cindy Herrera-Murillo
Permitting Specialist

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

Proposal for commingling all oil, water, and gas for the Jordan wells. Proposal to commingle the oil, water, and some entrained gas for the JORDAN 12 STATE #1, JORDAN 12 STATE #2 AND JORDAN 12 STATE #3

Proposal for Jordan Central Tank Battery
Chevron USA Inc. is requesting approval for the Commingling of oil and gas.

Jordan Central Tank Battery							
Well Names	Locations	API Numbers	Pool	Oil BOPD	Oil Gravity	Gas MCFPD	Gas BTU
Jordan 12 State #1	12-10S-32E	30-025-33532	Mescalero;Cisco NE	11	46.4	24	1324
Jordan 12 State #2	12-10S-32E	30-025-36716	Mescalero;Upper Penn, N	7	44.3	43	1407
Jordan 12 State #3	12-10S-32E	30-025-37050	Mescalero;Wolfcamp N	10	44.3	67	1407

Oil & Gas metering:

The Jordan 12 State 2 Central Tank Battery (CTB) is located at the Jordan 12 State #2. The production from three wells will go into a common production header where one well will be sent to a test heater treater quantify oil, water, and gas at least once per month. Bulk production will be sent through the production heater treater. There are three oil tanks at the central tank battery that the wells will utilize and total oil will be measured by having qualified field personnel gauge the tanks. The CTB is located in the NWNW of Section 12, Township 10S, Range 32E. For gas there is a central delivery point (CDP) gas sales meter. The produced water will go to one common water tank on location.

Each well will be tested monthly through a three-phase test heater treater located at the Jordan 12 State 2 CTB. Oil and water will be metered on the oil and water outlets and gas is measured by an orifice meter on the gas outlet. The oil from the three-phase separator will then be commingled into a common oil tank.

Production will be allocated to each well by monthly well tests. A 24 hour test will be performed monthly on each well. Each wells share of the central tank battery's total production will be calculated based on the results of each monthly well test. This ratio will be applied to the total oil production metered by tank gauging. This method will also be applied to the total gas production metered by the Targa Sales meter.

Gas production will be allocated on a daily basis based on the results of monthly well tests of each well. These meters will be calibrated on a regular basis per API and NMOCD specifications. The OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed process flow diagram and facility diagram maps which show the lease boundaries, well locations, flow line location, CTB, and gas sales meter. The commingling of this production is the most effective economical means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce footprint, reduce traffic, and lower overall emissions.

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC .JORDAN 12 STATE 1, 2 & 3

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

All royalty and overriding interest owners will be notified. Chevron is the only working interest owner.

Printed Name: Christopher LeBlanc
Title: Facility Engineer
Date: 11/01/2016

Economic Justification Work Sheet
JORDAN Central Tank Battery

Unit	Royalty Rate	Federal Tract Percentage of Total Unit Area	BOPD	Oil Gravity (@60 deg)	Value / BBL	MCFPD	DRY BTU	Value / MCF
Jordan 12 State #1	12.5%	0%	11	46.4	38.27	20	1324	1.91
Jordan 12 State #2	12.5%	0%	7	44.3	38.27	43	1407	1.91
Jordan 12 State #3	12.5%	0%	10	46.3	38.27	67	1407	1.91

Economic combined gas production			BOPD	Oil Gravity (@60 deg)	Value / BBL	MCFPD	DRY BTU	Value / MCF
				28	45.1	38.27	1374	1.91

The commingling of gas between the captioned wells will not have an impact on the value of the production, as the oil to be commingled has similar APIs (36-38). The oil, gas, and water from the VGSAU wells have been comingled already and come from a common pool.

Printed Name: Edgar Acero
Title: Engineer
Date: 11/18/2016

JORDAN CENTRAL TANK BATTERY

Owner Information

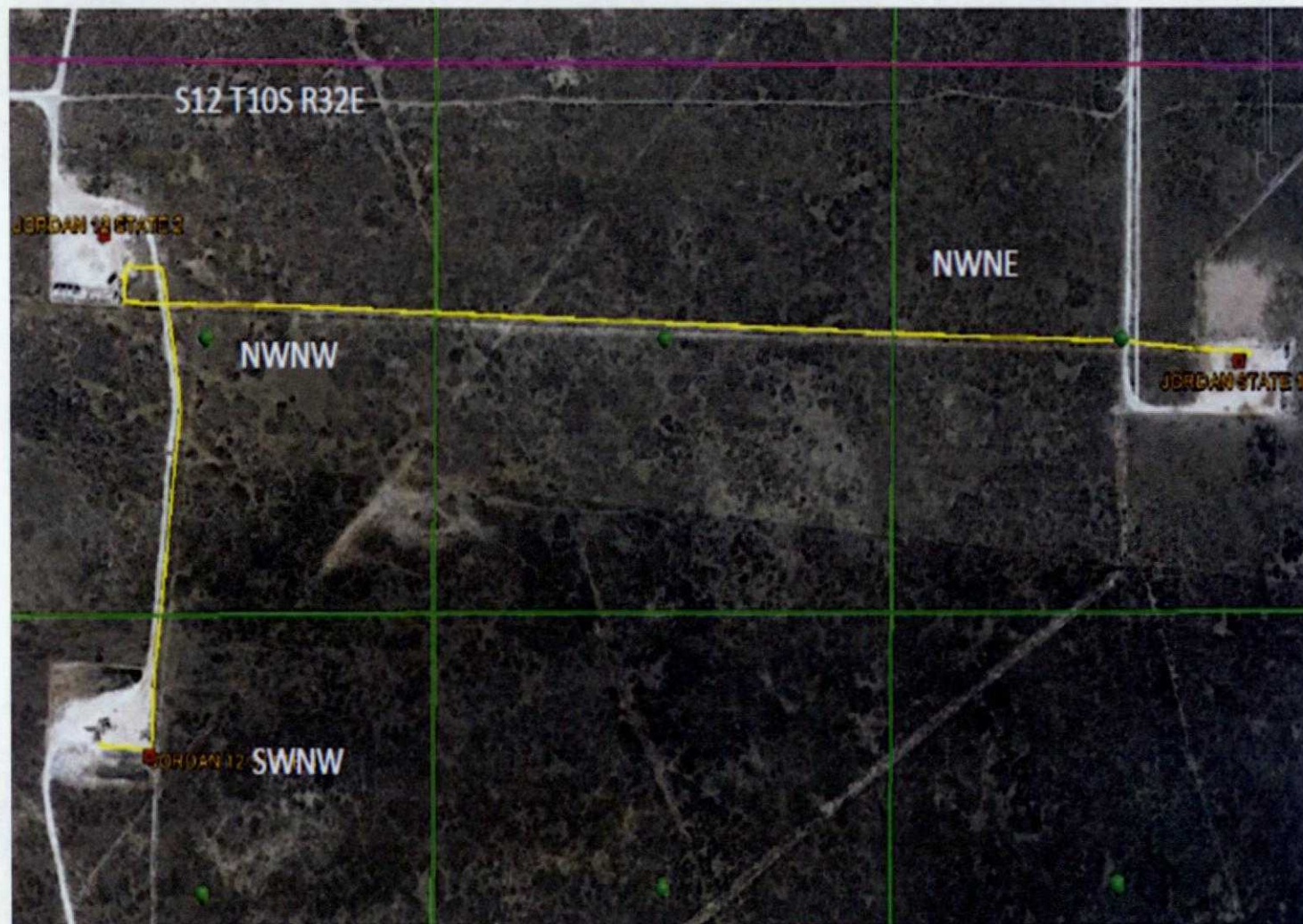
Section 12, T10S, R32E, NMPM, Lea County, New Mexico

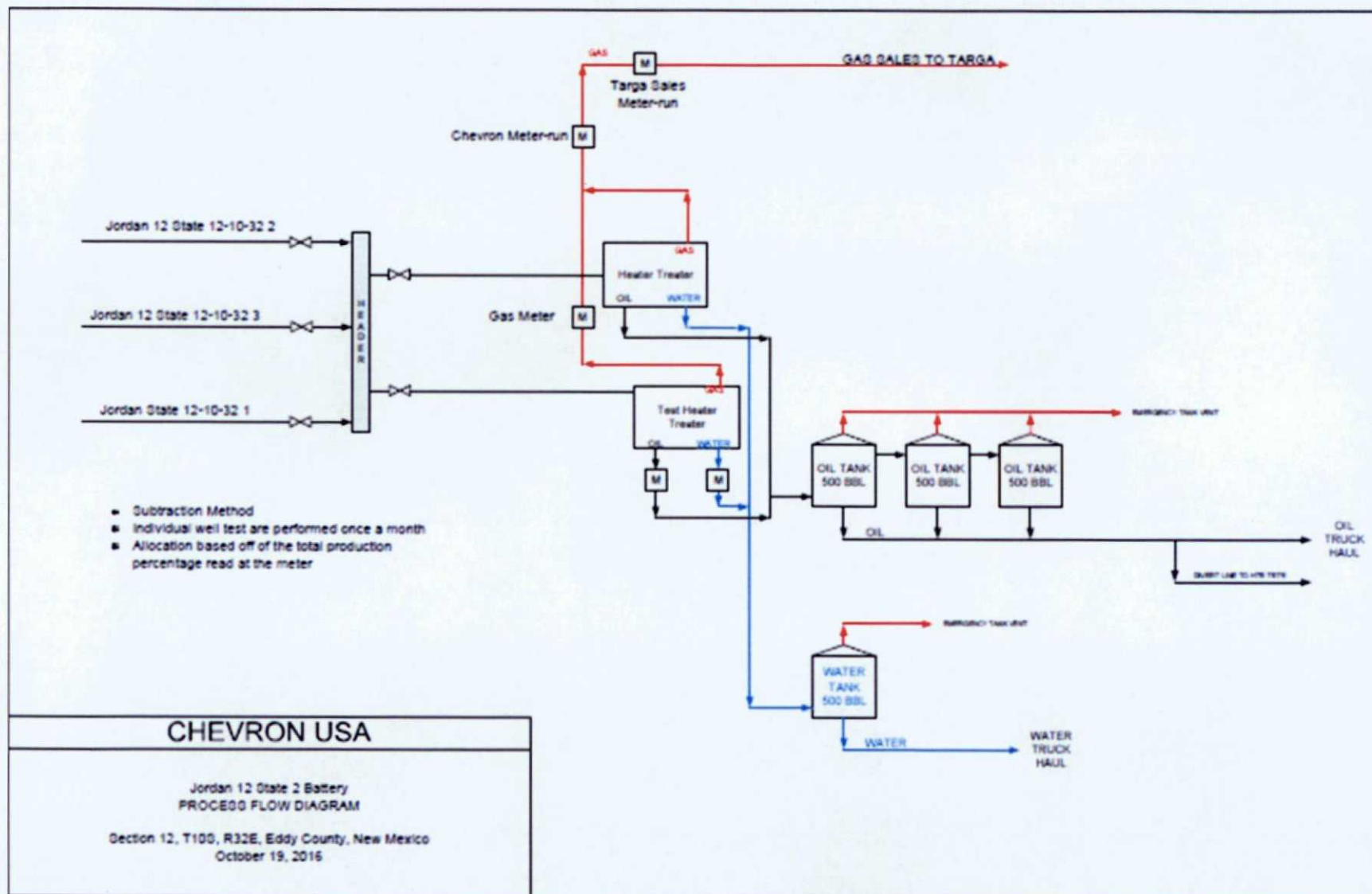
Lease	Interest Type	WI %	Name	Address	City	State	Zip Code
VA-0622	Working Interest	13.9021%	Yates Energy Corp	PO Box 2323	Roswell	NM	88202-2323
VA-0622	Noncensent Working Interest	0.00%	S A Frazier LLC	3805 W. 100 th Ave	Westminster	CO	80031-2475
VA-0622	Working Interest	3.77826%	K P Kauffman Company Inc	1675 Broadway Ste 2800	Denver	CO	80202-4628
VA-0622	Working Interest	1.0000%	Daniel G. Lusk	605 Waterway Village Blvd # 31-H	Myrtle Beach	SC	29579-6351
VA-0622	Working Interest	1.5000%	Larry Arnold Est	1112 Telluride Ct	Midland	TX	79705
VA-0622	Working Interest	2.5000%	TLW Investment LLC	1001 Fannin Ste 2020	Houston	TX	77002
VA-0622	Working Interest	21.0000%	Allar Company	P O Box 1567	Graham	TX	76450-1567
VA-0622	Working Interest	10.0000%	Marshall & Winston	P O Box 50880	Midland	TX	79701-0000
VA-0622	Working Interest	46.3193%	Chevron USA Inc	1400 Smith Street	Houston	TX	77002-7327
VA-0622	Working Interest	12.50%	State of New Mexico	P O Box 1148	Santa Fe	NM	87504-1148

I have verified that this information is correct.



Blake O'Donnel
Land Representative





APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC. JORDAN 12 STATE 1, 2 & 3



Cindy Herrera-Murillo
Regulatory Specialist
Midcontinent BU

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

November 14, 2016

**Re: Application for Surface Commingling
Chevron's Jordan Central Tank Battery
Section 12, T10S, R32E,
Lea County, New Mexico**

**Yates Energy Corporation
P.O. Box 2323
Roswell, NM 88202-2323**

Working Interest Owner.

Chevron U.S.A. Inc. respectfully gives notice of intent to surface commingle oil, gas and water production from the Mescalero ;Cisco NE; Mescalero Wolfcamp and Mescalero Upper Penn Pools through Chevron's Jordan Central Tank Battery. Wells producing to this battery include the Chevron Jordan 12 State #1; Jordan 12 State #2 and Jordan 12 State #3 located in Section 12, T10S, R-32E, NMPM, Lea County.

The working interest and federal royalty rate are the same for all leases involved in this request (100% Chevron). These wells were completed in the 2004. Each well will be tested monthly through a three - phase test heater treater located at the Jordan 12 State 2 CTB. Oil and water will be metered on the oil and water outlets. The gas will be metered by an orifice meter on the gas outlet. The oil from the three phase separator will then be commingled into a common oil tank. Gas production will be allocated on a daily basis on the results of monthly well tests of each well.

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 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.

1. Article Addressed to:

**Yates Energy Corp
P O Box 2323
Roswell, NM 88202-2323**

9590 9401 0006 5168 5756 22

7010 2780 0003 4019 3362

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agreed ☐ Add
- B. Received by (Printed Name) ☐ Date of Delivery
- C. Is delivery address different from item 1? ☐ Yes ☒ No
- If Yes, enter delivery address below: ☐ No

3. Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☐ Certified Mail
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Priority Mail Express
 - ☐ Registered Mail™
 - ☐ Registered Mail®
 - ☐ Return Receipt for Merchandise
 - ☐ Signature Confirmation
 - ☐ Signature Confirmation Restricted Delivery

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC .JORDAN 12 STATE 1, 2 & 3

CERTIFIED MAILING LIST

Wells : Jordan 12 State #1; Jordan 12 State #2 and Jordan 12 State #3

<u>Respondant Name/Address:</u>	<u>Certified Receipt #</u>
Yates Energy Corporation P O Box 2323 Roswell, NM 88202-2323	7010 2780 0003 4019 3362
<u>SA Frazier LLC</u> 3805 W. 100 th Ave Westminster, CO 80031-2475	7010 2780 0003 4019 3379
K P Kauffman Company Inc 1675 Broadway <u>Ste</u> 2800 Denver, CO 80202-4628	7010 2780 0003 4019 3386
Daniel G. Lusk 605 Waterway Village Blvd 31-H Myrtle Beach, SC 29579-6351	7010 2780 0003 4019 3393
Larry Arnold <u>Est</u> 112 Telluride Ct Midland, TX 79705	7010 2780 0003 4019 3690
TLW Investments LLC 1001 Fannin <u>Ste</u> 2020 Houston, TX 77002	7010 2780 0003 4019 3706
Marshall & Winston PO Box 50880 Midland, TX 79710	7010 2780 0003 4019 3713
<u>Allar Company</u> P O Box 1567 Graham, TX 76450-1567	7010 2780 0003 4019 3720
State of New Mexico Commissioner of Public Lands PO Box 1148 Santa Fe, NM 87504-1148	7010 2780 0003 4019 3737

McMillan, Michael, EMNRD

From: Herrera-Murillo, Cindy O <CHerreraMurillo@chevron.com>
Sent: Tuesday, November 29, 2016 7:27 AM
To: McMillan, Michael, EMNRD
Subject: RE: Jordan State surface commingle Lea County
Attachments: Copy of DAILY PRODUCTION REPORT (2) Jordan 2 &3.xls; Copy of DAILY PRODUCTION REPORT Jordan 1.xls; C-102's Jordan wells.pdf

Mike,

I have attached a copy of the 6 months production and C102 for the Jordan wells.

The CUM production is as follows:

- 30-025-36716 JORDAN 12 STATE #002
 - 65323 BO
 - 417040 MCF
 - 38248 BW
- 30-025-37050 JORDAN 12 STATE #003
 - 154454 BO
 - 633790 MCF
 - 96207 BW
- 30-025-33532 JORDAN STATE #001
 - 49391 BO
 - 54882 MCF
 - 93107 BW

Thanks,



Cindy Herrera-Murillo
Permitting Specialist SE New Mexico
1616 W. Bender Blvd
Hobbs, NM 88240
575-263-0431
Cherreramurillo@chevron.com

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Monday, November 28, 2016 10:39 AM
To: Herrera-Murillo, Cindy O
Subject: [****EXTERNAL****] Jordan State surface commingle Lea County

Cindy:

I received your surface commingle for the Jordan State On Wednesday November 23, 2016.
I need the following information

<div>16</div>				<div>17 OPERATOR CERTIFICATION</div> <div><i>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.</i></div> <div><div><i>Cindy Herrera Murillo</i></div><div>Signature</div><div>11/28/2016</div><div>Date</div></div> <div><div>CINDY HERRERA-MURILLO</div><div>Printed Name</div></div> <div><div><u>Cherremurillo@chevron.com</u></div><div>E-mail Address</div></div>
				<div>18 SURVEYOR CERTIFICATION</div> <div><i>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.</i></div> <div><div>Date of Survey</div><div>Signature and Seal of Professional Surveyor:</div></div>
				<div><div>Certificate Number</div></div>

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 Branos 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 30-025-36716	² Pool Code 45750	³ Pool Name MESCALERO; UPPER PEN, NORTH
⁴ Property Code 310681	⁵ Property Name JORDAN 12 STATE	⁶ Well Number 2
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON USA INC	⁹ Elevation 4217 GL

" 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	12	10S	32E		510	NORTH	330	WEST	LEA

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	12	10S	32E		510	NORTH	330	WEST	LEA

¹² Dedicated Acres 40	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.

¹⁶ 	" OPERATOR CERTIFICATION <i>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.</i>		
	 Signature _____ Date 11/28/2016		
	CINDY HERRERA-MURILLO Printed Name CherreraMurillo@chevron.com E-mail Address		
"SURVEYOR CERTIFICATION <i>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.</i>	Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____		

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
911 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 30-025-37050		² Pool Code 46120		³ Pool Name MESCALERO; WOLFCAMP; NORTH	
⁴ Property Code 310681		⁵ Property Name JORDAN 12 STATE			⁶ Well Number 3
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON USA INC			⁹ Elevation 4237 GL

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
E	12	10S	32E		1650	NORTH	330	WEST	LEA

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
E	12	10S	32E		1650	NORTH	330	WEST	LEA

¹² Dedicated Acres 40	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.

¹⁶ 				<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p><u>Cindy Herrera Murillo</u> 11/28/2016 Signature Date</p> <p>CINDY HERRERA-MURILLO Printed Name</p> <p>Chesteramurillo@chevron.com E-mail Address</p>
				<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></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

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-025-37050	* Pool Code 45750	* Pool Name Mescalero; Cisco North ^{Upper Perm}
* Property Code 34007	* Property Name Jordan 12 State	* Well Number 3
* OGRID No. 147179	* Operator Name Chesapeake Operating Inc.	* Elevation 4237 GR

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
E	12	10S	32E		1650	North	330	West	Lea

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
" Dedicated Acres 40		" Joint or Infill		" Consolidation Code		" Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	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 the 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: <u>Brenda Coffman</u> Date: <u>10/12/2006</u> Printed Name: <u>Brenda Coffman</u>			
	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 Signature and Seal of Professional Surveyor			
	Certificate Number			



DAILY PRODUCTION REPORT

5/1/2016 to 11/26/2016

Area		HOBBS FMT			
Sub Area		HOBBS			
Operator Route		6010012 - CONTRACT			
Collection Point		JORDAN STATE 1			
DAY		OIL (bpd)	WATER (bpd)	GAS (mscf)	BOEG
5/31/2016		10		20	
6/30/2016		8		17	
7/31/2016		17		13	
8/31/2016		0		0	
9/30/2016		0		0	
10/31/2016		0		0	
11/26/2016		0		0	
MTD Total :		566	2452.00	1248.51	773.87
MTD Avg:		2.69	11.68	5.95	3.69
Prev Avg:		4.45	18.74	8.62	5.88
Change +/-		(1.75)	(7.07)	(2.68)	(2.20)

Production Summary Report API: 30-025-33532 JORDAN STATE #001				
		Production		
Year	Pool	Month	Oil(BBLS)	Gas(MCF)
2016	[96636] Mescalero;Cisco, Northeast	Jan	276	441
2016	[96636] Mescalero;Cisco, Northeast	Feb	420	545
2016	[96636] Mescalero;Cisco, Northeast	Mar	288	571
2016	[96636] Mescalero;Cisco, Northeast	Apr	368	552
2016	[96636] Mescalero;Cisco, Northeast	May	298	642
2016	[96636] Mescalero;Cisco, Northeast	Jun	251	478
2016	[96636] Mescalero;Cisco, Northeast	Jul	17	250
2016	[96636] Mescalero;Cisco, Northeast	Aug	0	0
2016	[96636] Mescalero;Cisco, Northeast	Sep	0	0
2016	[96636] Mescalero;Cisco, Northeast	Oct	0	0
	CUM		49431	54882

Production Summary Report API: 30-025-36716 JORDAN 12 STATE #002				
		Production		
Year	Pool	Month	Oil(BBLS)	Gas(MCF)
2016	[45750] Mescalero;Upper Penn, North	Jan	81	1431
2016	[45750] Mescalero;Upper Penn, North	Feb	67	1242
2016	[45750] Mescalero;Upper Penn, North	Mar	89	1223
2016	[45750] Mescalero;Upper Penn, North	Apr	68	1146
2016	[45750] Mescalero;Upper Penn, North	May	313	1345
2016	[45750] Mescalero;Upper Penn, North	Jun	170	1410
2016	[45750] Mescalero;Upper Penn, North	Jul	353	1991
2016	[45750] Mescalero;Upper Penn, North	Aug	164	1594
2016	[45750] Mescalero;Upper Penn, North	Sep	171	1241
2016	[45750] Mescalero;Upper Penn, North	Oct	178	1224
	Cum		65501	418214

Production Summary Report
API: 30-025-37050
JORDAN 12 STATE #003

		Production		
Year	Pool	Month	Oil(BBLS)	Gas(MCF)
2016	[45750] Mescalero;Upper Penn, North	Jul	0	0
2016	[45750] Mescalero;Upper Penn, North	Aug	0	0
2016	[45750] Mescalero;Upper Penn, North	Sep	0	0
2016	[45750] Mescalero;Upper Penn, North	Oct	0	0
2016	[46120] Mescalero;Wolfcamp, North	May	429	2236
2016	[46120] Mescalero;Wolfcamp, North	Jun	196	1444
2016	[46120] Mescalero;Wolfcamp, North	Jul	352	1990
2016	[46120] Mescalero;Wolfcamp, North	Aug	186	1912
2016	[46120] Mescalero;Wolfcamp, North	Sep	294	1985
2016	[46120] Mescalero;Wolfcamp, North	Oct	284	1940
	CUM		154738	635730