

DATE IN 4/25/2017	SUSPENSE	ENGINEER MAM	LOGGED IN 4/25/2017	TYPE PC	APP NO. 11MAM1702557779
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ABOVE THIS LINE FOR DIVISION USE ONLY

Need
Delaware
Pool

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 _____

PC 11302
- ch curon 4547 Inc
4323

2017 JAN 25 P 2:26
RECEIVED OGD

- [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

4211
- Coduron 2 Red
452
30-025-36794
- Coduron 2 Red
30-025-37523
Pool
- Quilkidge
monrom
83280
- Lee Delaney
Northeast
37584

- [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

01/19/2017
Date

Cherreramurillo@chevron.com
e-mail Address



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

January 19, 2017

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

Application for surface commingle, Quail Ridge; Morrow Gas Lea County, NM (T19S, R34E, Section 28)

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas and water production from the Quail Ridge Morrow Gas Pool through Chevron's Cordorniz 28 Federal 3 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 Codorniz 28 Federal #2 and Codorniz 28 Federal #3. These wells are located in Section 28, T 19S, R 34E in Lea County, New Mexico.

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 2003 & 2005. Each well will be tested monthly through a turbine meters installed on the heater treater and the gas allocation meter. There are two oil tanks at the CTB that the wells utilize and total oil will be measured by having a qualified field personnel gauge. Each well will be tested monthly through a three phase heater treater located at the Codorniz 28 Federal CTB. Oil and water are measured by a turbine meter on the oil and water outlets and gas is measured by an orifice meter on the gas outlet.

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 Codorniz wells. Proposal to commingle the oil, water, and some entrained gas for the CORDORNIZ 28 FED #2 AND CODORNIZ 28 FED #3

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

Codorniz Central Tank Battery							
Well Names	Locations	API Numbers	Pool	Oil BOPD	Oil Gravity	Gas MCFPD	Gas BTU
Codorniz 28 Fed #2	28-19S-34E	30-025-36196	Quail Ridge; Delaware	60	40	200	0
Codorniz 28 Fed #3	28-19S-34E	30-025-37523	Quail Ridge; Morrow (Gas)	0	0	11	1156

Oil & Gas metering:

The Codorniz 28 Federal 3 Battery (CTB) is located at the Codorniz 28 Federal #3. The production from the Codorniz 28 Federal #3 will go into a 2 phase production separator and then one to a common heater treater shared by both wells. The Codorniz 28 Federal #2 will go into the heater treater. Each well will be tested once per month to quantify oil, water and gas by shutting in the well not being tested and metering the tested well via turbine meters installed on the heater treater and the gas allocation meter. There are two oil tanks at the centralized 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 SWSE of Section 28, Township 19S, Range 34E. on Federal Lease NMNMS7285. 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 Codorniz 28 Federal 3 CTB. Oil and water are measured by a turbine meters on the oil and water outlets and gas is measured by an orifice meter on the gas outlet.

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.

These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed 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 CODORNIZ 28 FEDERAL 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: Cameron Khalili

Title: Engineer

Date: 12/14/2016

Economic Justification Work Sheet
CODORNIZ Central Tank Battery

Unit	Royalty Rate	Federal Tract Percentage of Total Unit Area	BOPD	Oil Gravity	Value / BBL	MCFPD	DRY BTU	Value / MCF
Codorniz 28 Fed #2	12.5%	0%	60	40	37.93	200	1156	1.67
Codorniz 28 Fed #3	12.5%	0%	0	NA	NA	11	1156	1.67

Economic combined gas production	BOPD	Oil Gravity	Value / BBL	MCFPD	DRY BTU	Value / MCF
	60	40	37.93	211	1156	1.67

Printed Name: Cameron Khalili
Title: Reservoir Engineer
Date: 12/14/2016

HOBBS OCD

Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JAN 10 2017

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM56263
2. Name of Operator CHEVRON USA INCORPORATED Contact: CINDY H MURILLO E-Mail: CHERRAMURILLO@CHEVRON.COM		6. If Indian, Allottee or Tribe Name
3a. Address 15 SMITH ROAD MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0445	7. If Unit or CA/Agreement, Name and/or No. NMNM117035
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 28 T19S R34E NWSW 1980FSL 660FWL		8. Well Name and No. CODORNIZ 28 FEDERAL 02 ✓
		9. API Well No. 30-025-36196-00-S1
		10. Field and Pool or Exploratory Area QUAIL RIDGE
		11. County or Parish, State LEA COUNTY, NM ✓

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

CHEVRON USA INC RESPECTFULLY REQUESTS FOR AN EXTENSION ON THE TA. THE CURRENT TA IS DUE TO EXPIRE ON 01/09/2017. CHEVRON PLANS TO PLUGBACK AND RECOMPLETE THIS WELL IN THE DELAWARE FORMATION. THE WORKOVER INTENT FOR CODORNIZ 28 FED #2 HAS BEEN APPROVED BY BLM ON 12/07/2016. DUE TO TITLE COMPLICATIONS AND RIG SCHEDULE. CHEVRON KINDLY REQUESTS A 90 DAY EXTENSION ON THE CURRENT TA EXPIRATION DATE TO COMMENCE OPERATIONS.

CAMERON KHALILI HAS SPOKE TO JIM AMOS ON 12/14/2016 REGARDING THIS MATTER.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT CAMERON KHALILI, ENGINEER, AT 432-687-7360.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #360911 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by JIM AMOS on 12/16/2016 (17JA0003SE)	
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 12/14/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JAMES A AMOS	Title SUPERVISORY PET	Date 12/16/2016
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Hobbs

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Revisions to Operator-Submitted EC Data for Sundry Notice #360911

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	OTHER NOI	TA NOI
Lease:	NMNM56263	NMNM56263
Agreement:		NMNM117035 (NMNM117035)
Operator:	CHEVRON USA INC 6301 DEAUVILLE BLVD MIDLAND, TX 79707 Ph: 575-263-0431	CHEVRON USA INCORPORATED 15 SMITH ROAD MIDLAND, TX 79705 Ph: 432.687.7826 Fx: 432-687-7221
Admin Contact:	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CHERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-263-0445	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CHERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-263-0445
Tech Contact:	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CHERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-263-0445	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CHERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-263-0445
Location:		
State:	NM	NM
County:	LEA	LEA
Field/Pool:	MORROW	QUAIL RIDGE
Well/Facility:	CODORNIZ 28 FEDERAL 2 Sec 28 T19S R34E Mer NMP NWSW 1980FSL 660FWL	CODORNIZ 28 FEDERAL 02 Sec 28 T19S R34E NWSW 1980FSL 660FWL

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 &3

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA INC .CODORNIZ 28 FED 2 & 3

CODORNIZ CENTRAL TANK BATTERY

Owner Information

Section 28, T19S, R34E, NMPM, Lea County, New Mexico

Lease	Interest Type	Interest %	Name	Address	City	State	Zip Code
USA NMNM 57285 LSE	WI	97.5	CHEVRON USA INC	PO Box 4791	Houston	TX	77210-4791
USA NMNM 57285 LSE	WI	2.5%	TLW INVESTMENTS LLC	PO BOX 301535	Dallas	TX	75303-1535
USA NMNM 57285 LSE	RI	14.583334%	OFFICE OF NATURAL RESOURCES REVENUE	PO BOX 25627	Denver	CO	80225-0627
USA NMNM 57285 LSE	OR	0.75%	WAYNE NEWKUMET	P O BOX 11330	Midland	TX	79102
USA NMNM 57285 LSE	OR	0.785%	STEVEN N. GARRITY	4821 EASTMAN DRIVE	Oklahoma City	OK	73122
USA NMNM 57285 LSE	OR	0.11718%	SHOGOIL AND GAS CO LLC	PO BOX 209	Hay Springs	NE	69347
USA NMNM 57285 LSE	OR	0.117189%	SHOGOIL AND GAS CO II LLC	PO BOX 29450	Santa Fe	NM	87592-9450
USA NMNM 57285 LSE	OR	0.234374%	BALOG FAMILY TRUST	PO BOX 111890	Anchorage	AK	99511-1890
USA NMNM 57285 LSE	OR	0.234374%	JACK V WALKER REV TRUST	PO BOX 102256	Anchorage	AK	99510-2256
USA NMNM 57285 LSE	OR	0.937501%	JAMES & CELIA STIVASON FAM TR	9500 HARRITT RD SP 97	Lakeside	CA	92040

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 &3

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA INC .CODORNIZ 28 FED 2 & 3

USA NMNM 57285 LSE	OR	0.75%	DENNIS EIMERS	PO BOX 50637	Midland	TX	79710
USA NMNM 57285 LSE	OR	0.75%	JERRY BARNES	1657 LIV 510	Chillicothe	MO	64601
USA NMNM 57285 LSE	OR	0.234373%	MARGARETE PETERSON	4817 NEW CASTLE WAY	Anchorage	AK	99503-7042
USA NMNM 57285 LSE	OR	0.5%	ATLAS INVESTMENT CORP	ADDRESS UNKNOWN	Harrisburg	PA	17120

I have verified that this information is correct



Jimmy Smith

Land Representative

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 &3

CERTIFIED MAILING LIST

Wells and Leases: ~~Codorniz~~ Central Tank Battery (Section 28, 19S, R34E, NMNM57285)

Respondant Name/Address:

Certified Receipt #

TLW Investments LLC
P O Box 301535
Dallas, TX 75303-1535

7011 0110 0002 0279 8096

Office of Natural Resources
P O Box 25627
Denver, CO 802254-0627

7011 0110 0002 0279 8072

State of New Mexico Land Office
P.O. Box 1148
Santa Fe, NM 87504

7010 2780 003 4019 3744

Wayne Newkumet
PO Box 11330
Midland, TX 79702

7011 0110 0002 0279 8089

Steven N. Garrity
4821 Eastman Drive
Oklahoma City, OK 73122

7011 0110 0002 0279 7860

Shogol and Gas Co LLC
P O Box 209
Hay Springs, NE 69347

7011 0110 0002 0279 7877

Shogol and Gas LLC
PO Box 29450
Santa Fe, NM 87592-9450

7011 0110 0002 0279 7884

Jack V. Walker Rev Trust
PO Box 102256
Anchorage, AK 99510-2256

7011 0110 0002 0279 7907

James & Celia Stinson Family Trust
9500 Harritt Rd Sp 97
Lakeside, CA 92040

7011 0110 0002 0279 7914

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 &3

CERTIFIED MAILING LIST

Wells and Leases: Codorniz Central Tank Battery (Section 28, 19S, R34E, NMNM57285)

Dennis Eimers
P O Box 50637
Midland, TX 79710

7011 0110 0002 0279 7921

Jerry Barnes
1657 Liv 510
Chillicothe, MO 64601

7011 0110 0002 0279 7945

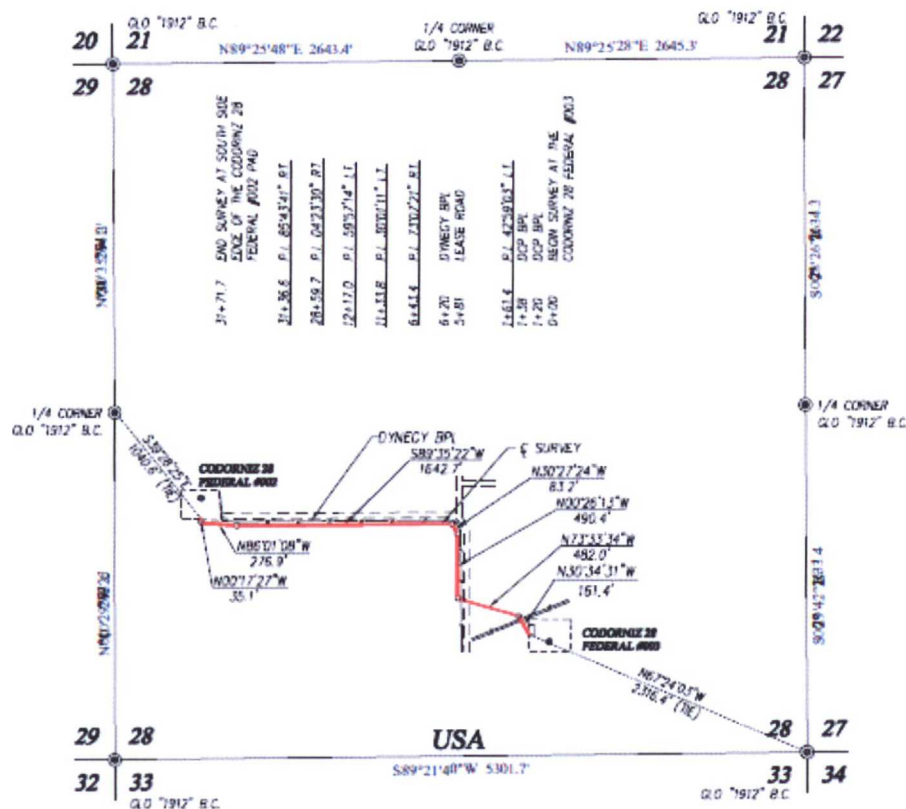
Margaret Peterson
4817 New Castle Way
Anchorage AK, 99503-7042

7011 0110 0002 0279 7938





APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 2 & 3



DESCRIPTION

SURVEY OF A STRIP OF LAND 50.0 FEET WIDE AND 3171.7 FEET OR 0.601 MILES IN LENGTH CROSSING
USA LAND IN SECTION 28, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO,
AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

NOTE

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

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

RONALD J. EDSON *Ronald J. Edson*

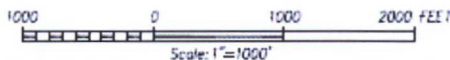
DATE: 3/08/2016



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO MORRIS, N.M. 88440
(575) 393-3117 www.jwsc.biz
TBLSP 10021000

LEGEND

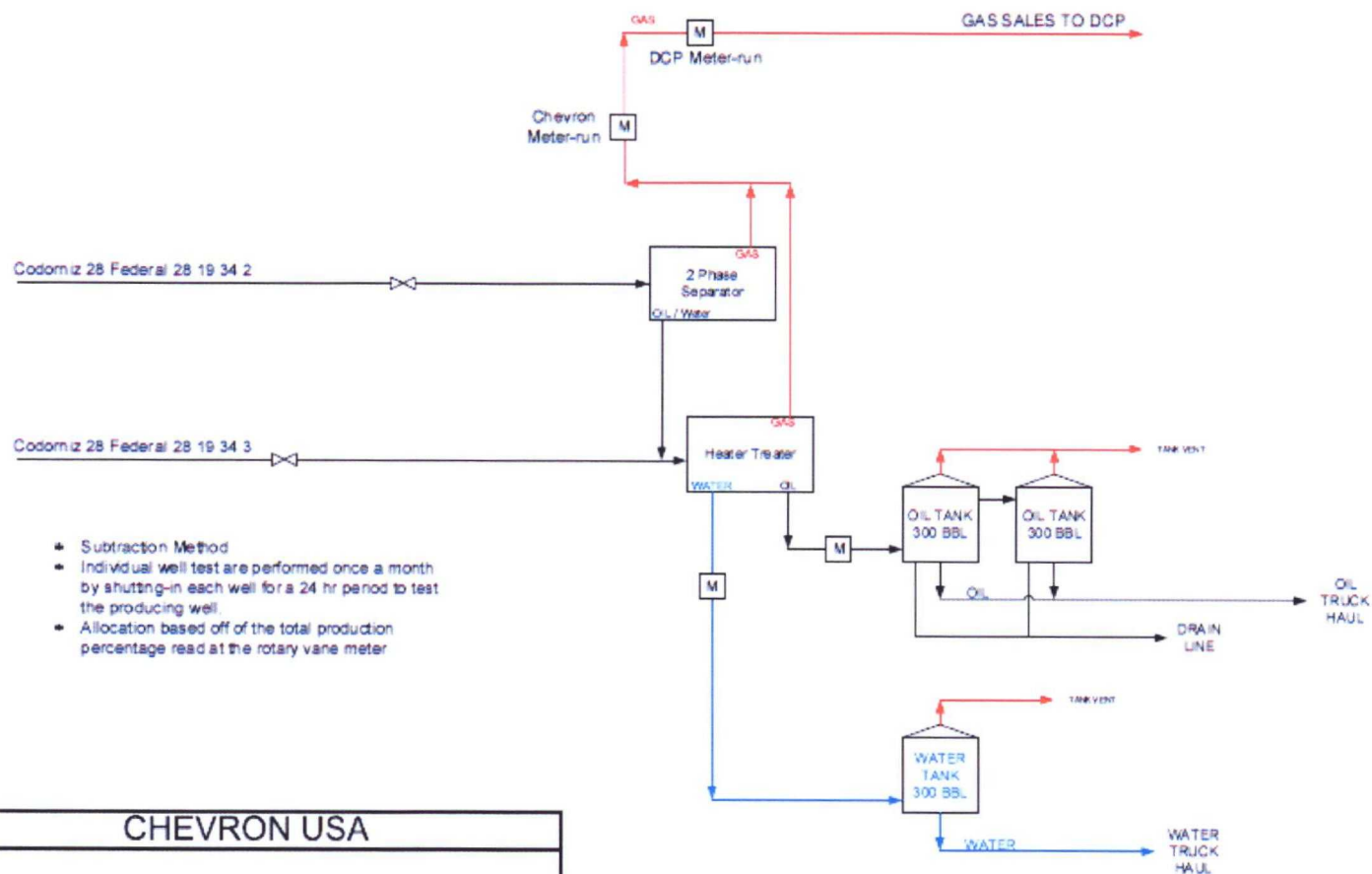
⊙ DENOTES FOUND CORNER AS NOTED



CHEVRON USA INC

**SURVEY FOR A PIPELINE EASEMENT
TO THE CODORNIZ 28 FEDERAL #002
CROSSING SECTION 28,
TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO**

Survey Date: 2/27/16 CAD Date: 3/7/16 Drawn By: ACK
W.O. No.: 16110201 Rev: Rel. W.O.: 15110961 Sheet 1 of 1



- Subtraction Method
- Individual well test are performed once a month by shutting-in each well for a 24 hr period to test the producing well
- Allocation based off of the total production percentage read at the rotary vane meter

CHEVRON USA

Codorniz 28 Federal 3 Battery
 PROCESS FLOW DIAGRAM

Section 28, T19S, R34E, Lea County, New Mexico
 October 28, 2016

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC CODORNIZ 28 FEDERAL 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
chenramurillo@chevron.com

January 09, 2017

Re: Application for Surface Commingling
Chevron's Codorniz Central Tank Battery
Section 28, T19S, R34E,
Lea County, New Mexico

Dennis Eimers
PO Box 50637
Midland, TX 79710

Override Royalty Interest Owner,

Chevron U.S.A. Inc. respectfully gives notice of intent to surface commingle oil, gas and water production from the Quail Ridge Morrow (Gas) Pool through Chevron's Codorniz 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 Codorniz 28 Federal #2 and Codorniz 28 Federal #3 located in Section 28, T 19S, R-34E, NMPM, Lea County.

The working interest and federal royalty rate are the same for all leases involved in this request (97.5% Chevron). Each well will be tested monthly through a three-phase test heater treater located at the Codorniz 28 Federal Central Tank Battery. Oil and water are measured by a turbine meter on the oil and water outlets and gas is measured by an orifice meter on the gas outlet. Production will be allocated to each well by monthly well tests. A 24 hour test will be performed monthly on each well. Each well share the CTB's total production. The 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 DCP sales meter.

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.

Sincerely,
Cindy Herrera-Murillo
Cindy Herrera-Murillo
Regulatory Specialist

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<input type="checkbox"/> Complete items 1, 2, and 3. <input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <input checked="" type="checkbox"/> <i>Dennis Eimers</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Dennis Eimers PO Box 50637 Midland, TX 79710		B. Received by (Printed Name) C. Date of Delivery <i>Dennis Eimers</i> <i>1/11/17</i>	
2. Article Number (Transfer from service label) 7590 9401 0006 5168 5754 17		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No <i>Dennis Eimers</i> <i>1/11</i>	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	

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 30-025-37523		² Pool Code 83280		³ Pool Name QUAIL RIDGE;MORROW (GAS)	
⁴ Property Code 310517		⁵ Property Name CODORNIZ 28 FEDERAL			⁶ Well Number 3
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON USA INC			⁹ Elevation 3698

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
O	28	19S	34E		860	SOUTH	1980	EAST	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
O	28	19S	34E		860	SOUTH	1980	EAST	LEA

¹² Dedicated Acres 320	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.

<div style="border: 1px solid black; width: 100px; height: 100px; margin: 10px auto;"></div>				<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><i>Cindy Herrera Murillo</i> 01/19/2017 Signature Date</p> <p>CINDY HERRERA-MURILLO Printed Name</p> <p>Cherreramurillo@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>



DAILY PRODUCTION REPORT

10/1/2016 to 1/18/2017

Area	HOBBS FMT		
Sub Area	HOBBS		
Operator Route	6010005 - ROUTE 5		
Collection Point	CODORNIZ 28 FEDERAL 3		
DAY	OIL (bpd)	WATER (bpd)	GAS (mscf)
10/1/2016	0.00	0.00	0.30
10/2/2016	0.00	0.00	0.10
10/3/2016	0.00	0.00	0.20
10/4/2016	0.00	0.00	0.10
10/5/2016	0.00	0.00	0.40
10/6/2016	0.00	0.00	0.40
10/7/2016	0.00	0.00	0.80
10/8/2016	0.00	0.00	1.40
10/9/2016	0.00	0.00	0.70
10/10/2016	0.00	0.00	2.20
10/11/2016	0.00	0.00	0.90
10/12/2016	0.00	0.00	0.80
10/13/2016	0.00	0.00	1.20
10/14/2016	0.00	0.00	6.80
10/15/2016	0.00	0.00	10.00
10/16/2016	0.00	0.00	12.00
10/17/2016	0.00	0.00	11.00
10/18/2016	0.00	0.00	9.00
10/19/2016	0.00	0.00	9.00
10/20/2016	0.00	0.00	6.00
10/21/2016	0.00	0.00	2.25
10/22/2016	0.00	0.00	11.00
10/23/2016	0.00	0.00	9.00
10/24/2016	0.00	0.00	10.00
10/25/2016	0.00	0.00	0.40
10/26/2016	0.00	0.00	10.50
10/27/2016	0.00	0.00	7.50
10/28/2016	0.00	0.00	8.40
10/29/2016	0.00	0.00	9.30
10/30/2016	0.00	0.00	9.50
10/31/2016	0.00	0.00	8.30
11/1/2016	0.00	0.00	2.77
11/2/2016	0.00	0.00	4.00
11/3/2016	0.00	0.00	5.00
11/4/2016	0.00	0.00	2.00
11/5/2016	0.00	0.00	4.00
11/6/2016	0.00	0.00	3.60
11/7/2016	0.00	0.00	7.00
11/8/2016	0.00	0.00	1.90
11/9/2016	0.00	0.00	4.59
11/10/2016	0.00	0.00	4.96
11/11/2016	0.00	0.00	2.56
11/12/2016	0.00	0.00	3.80
11/13/2016	0.00	0.00	3.70
11/14/2016	0.00	0.00	6.10
11/15/2016	0.00	0.00	3.00
11/16/2016	0.00	0.00	4.79



DAILY PRODUCTION REPORT

10/1/2016 to 1/18/2017

11/17/2016	0.00	0.00	2.99
11/18/2016	0.00	0.00	4.92
11/19/2016	0.00	0.00	2.12
11/20/2016	0.00	0.00	5.07
11/21/2016	0.00	0.00	2.38
11/22/2016	0.00	0.00	5.00
11/23/2016	0.00	0.00	2.50
11/24/2016	0.00	0.00	5.00
11/25/2016	0.00	0.00	2.10
11/26/2016	0.00	0.00	3.80
11/27/2016	0.00	0.00	2.10
11/28/2016	0.00	0.00	2.60
11/29/2016	0.00	0.00	2.14
11/30/2016	0.00	0.00	5.01
12/1/2016	0.00	0.00	0.85
12/2/2016	0.00	0.00	0.00
12/3/2016	0.00	0.00	0.00
12/4/2016	0.00	0.00	0.00
12/5/2016	0.00	0.00	0.00
12/6/2016	0.00	0.00	0.00
12/7/2016	0.00	0.00	0.00
12/8/2016	0.00	0.00	0.00
12/9/2016	0.00	0.00	0.00
12/10/2016	0.00	0.00	0.00
12/11/2016	0.00	0.00	0.00
12/12/2016	0.00	0.00	0.00
12/13/2016	0.00	0.00	0.00
12/14/2016	0.00	0.00	0.00
12/15/2016	0.00	0.00	0.00
12/16/2016	0.00	0.00	0.00
12/17/2016	0.00	0.00	0.00
12/18/2016	0.00	0.00	0.00
12/19/2016	0.00	0.00	0.00
12/20/2016	0.00	0.00	0.00
12/21/2016	0.00	0.00	0.00
12/22/2016	0.00	0.00	0.00
12/23/2016	0.00	0.00	0.00
12/24/2016	0.00	0.00	0.00
12/25/2016	0.00	0.00	0.00
12/26/2016	0.00	0.00	0.00
12/27/2016	0.00	0.00	0.00
12/28/2016	0.00	0.00	0.00
12/29/2016	0.00	0.00	0.00
12/30/2016	0.00	0.00	0.00
12/31/2016	0.00	0.00	0.00
1/1/2017	0.00	0.00	0.00
1/2/2017	0.00	0.00	0.00
1/3/2017	0.00	0.00	0.00
1/4/2017	0.00	0.00	0.00
1/5/2017	0.00	0.00	0.00
1/6/2017	0.00	0.00	0.00
1/7/2017	0.00	0.00	0.00
1/8/2017	0.00	0.00	0.00



DAILY PRODUCTION REPORT

10/1/2016 to 1/18/2017

1/9/2017	0.00	0.00	0.00
1/10/2017	0.00	0.00	0.00
1/11/2017	0.00	0.00	0.00
1/12/2017	0.00	0.00	0.00
1/13/2017	0.00	0.00	0.00
1/14/2017	0.00	0.00	0.00
1/15/2017	0.00	0.00	0.00
1/16/2017	0.00	0.00	0.00
1/17/2017	0.00	0.00	0.00
1/18/2017	0.00	0.00	0.00
MTD Total :	0.00	0.00	271.80
MTD Avg:	0.00	0.00	2.47
Prev Avg:	0.00	0.00	3.39
Change +/-	0.00	0.00	(0.91)

BOEG
0.05
0.02
0.03
0.02
0.07
0.07
0.13
0.23
0.12
0.37
0.15
0.13
0.20
1.13
1.67
2.00
1.83
1.50
1.50
1.00
0.38
1.83
1.50
1.67
0.07
1.75
1.25
1.40
1.55
1.58
1.38
0.46
0.67
0.83
0.33
0.67
0.60
1.17
0.32
0.77
0.83
0.43
0.63
0.62
1.02
0.50
0.80

1/19/2017 2:14:37 PM

[illegible]

0.00
0.00
0.00
0.00
0.00
0.00
0.00
0.00
0.00
0.00
0.00
45.30
0.41
0.56
(0.15)

McMillan, Michael, EMNRD

From: Herrera-Murillo, Cindy O <CHerreraMurillo@chevron.com>
Sent: Wednesday, February 1, 2017 8:48 AM
To: McMillan, Michael, EMNRD
Subject: FW: Pool

Mike,
Sorry, I did not forward you this information from Paul Kautz regarding the pool.
Thanks,



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

From: Kautz, Paul, EMNRD [mailto:paul.kautz@state.nm.us]
Sent: Thursday, January 26, 2017 3:41 PM
To: Herrera-Murillo, Cindy O <CHerreraMurillo@chevron.com>
Subject: [**EXTERNAL**] RE: Pool

LEA;DELAWARE, NORTHEAST [37584]

Paul Kautz
Hobbs District Geologist
Energy Minerals Natural Resources Dept.
Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240
575-393-6161 ext. 104

From: Herrera-Murillo, Cindy O [mailto:CHerreraMurillo@chevron.com]
Sent: Thursday, January 26, 2017 2:47 PM
To: Kautz, Paul, EMNRD <paul.kautz@state.nm.us>
Cc: Khalili, Cameron <CameronKhalili@chevron.com>
Subject: Pool

Paul,

Chevron is planning on a recompletion/plugback to the Codorniz 28 Fed #2 to the Delaware formation. It will be surface commingled with the Codorniz 28 #3 that is in the Quail Ridge Morrow pool. The pool Quail Ridge;Delaware has been abolished Per Mike McMillan. Can you please let us know what pool in the Delaware formation you want us to use. Please see attached approved sundry from BLM to recomplete/plugback in Delaware. Please advise.

Thanks,



Cindy Herrera-Murillo

Permitting Specialist SE New Mexico

1616 W. Bender Blvd

Hobbs, NM 88240

575-263-0431

Cherreramurillo@chevron.com