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|------------------------|------------------|--------------|---------------------------|
| RECEIVED: 5/24/2017 | REVIEWER: MAN | TYPE: ETB | APP NO: DMA 1714531143 |
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Geological & 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

Applicant: CHEVRON USA INC

OGRID Number: 4323

Well Name: NEUHAUS 14 FEDERAL #5

API: 30-025-37351

Pool: OSUDA; MORROW, WEST FEATHERSTONE, BONE SPRING, E Pool Code: 82240 & 24270

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☒ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required

FOR OCD ONLY



Notice Complete

Application
Content
Complete3) 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.

05/19/2017

CINDY HERRERA-
MURILLO

Date

575-263-0431

Print or Type Name

Phone Number

Cindy Herrera-Murillo

Signature

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

June 13, 2017

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

Application for surface commingle, Morrow Gas and Bone Spring Oil Lea County, NM (T20S, R35E, Section 14)

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas and water production from the Morrow Gas and Bone Spring Oil Pools through Chevron's Neuhaus 14 Federal Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. The well producing to this battery is a dual completion, which includes the Neuhaus 14 Fed #5 Morrow and Neuhaus 14 Fed #5 Bone Spring Completion. These wells are located in Section 14, T 20S, R 35E in Lea County, New Mexico.

The working interest owners are the same for both zones; however, due to owners non-consenting operations the working interest amounts vary in the zones. The well is located on federal lease NMNM 16835 and the royalty rate is the same for all zones involved in this request. These wells were completed in the 2003 & 2005. The Neuhaus 14 Federal #5 Bone Spring will be tested continuously through turbine meters installed on the heater treater and the gas allocation meter and the Neuhaus 14 Federal #5 Morrow will be allocated through subtraction method. 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. The Neuhaus 14 Federal #5 Bone Spring will be tested continuously through a three phase heater treater located at the Neuhaus 14 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,

Cindy Herrera-Murillo
Permitting Specialist

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 30-025-37351 | | ² Pool Code 82240 | | ³ Pool Name OSUDO; MORROW WEST | |
| ⁴ Property Code 310769 | | ⁵ Property Name NEUHAUS 14 FEDERAL | | | ⁶ Well Number 5 |
| ⁷ OGRID No. 4323 | | ⁸ Operator Name CHEVRON USA INC | | | ⁹ Elevation 3650' |
| ¹⁰ Surface Location | | | | | |
| UL or lot no. A | Section 14 | Township 20S | Range 35E | Lot Idn | Feet from the 1090 |
| | | | | | North/South line NORTH |
| | | | | | Feet from the 330 |
| | | | | | East/West line EAST |
| | | | | | County LEA |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | |
| UL or lot no. A | Section 14 | Township 20S | Range 35E | Lot Idn | Feet from the 1090 |
| | | | | | North/South line NORTH |
| | | | | | Feet from the 685 |
| | | | | | East/West line EAST |
| | | | | | County LEA |
| ¹² Dedicated Acres 320 | | 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 | 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 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. | |
| | Signature | Date 05/19/2017 |
| | CINDY HERRERA-MURILLO Printed Name | |
| | CHERRAMURILLO@CHEVRON.COM E-mail Address | |
| 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 | |
| | | |

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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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 30-025-37351 | ² Pool Code 24270 | ³ Pool Name FEATHERSTONE; BONE SPRING, EAST |
| ⁴ Property Code 310769 | ⁵ Property Name NEUHAUS 14 FEDERAL | ⁶ Well Number 5 |
| ⁷ OGRID No. 4323 | ⁸ Operator Name CHEVRON USA INC | ⁹ Elevation 3650' |

| 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 |
| A | 14 | 20S | 35E | | 1090 | NORTH | 330 | 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 |
| A | 14 | 20S | 35E | | 1090 | NORTH | 685 | EAST | 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.

| | | |
|--|--|--|
| <div style="text-align: center;"> </div> | <p>¹⁷ 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><u>Cindy Herrera-Murillo</u> 05/19/2017 Signature Date</p> <p>CINDY HERRERA-MURILLO Printed Name</p> <p>CERRERAMURILLO@CHEVRON.COM E-mail Address</p> | |
| | <p>¹⁸ 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> | |

WELL WORK - CURRENT WELLBORE DIAGRAM

DATE: 8/22/16 UPDATE: _____
ENGINEER: TY _____

LEASE/WELL: NEUHAUS #14 FEDERAL #5

API #: 30-025-37351

CHEVNO: JF5413

LOCATION: 1,090' FNL & 330' FEL, SEC 14, RANGE 35, TOWNSHIP 20

REGULATORY FIELD: OSUDO WEST

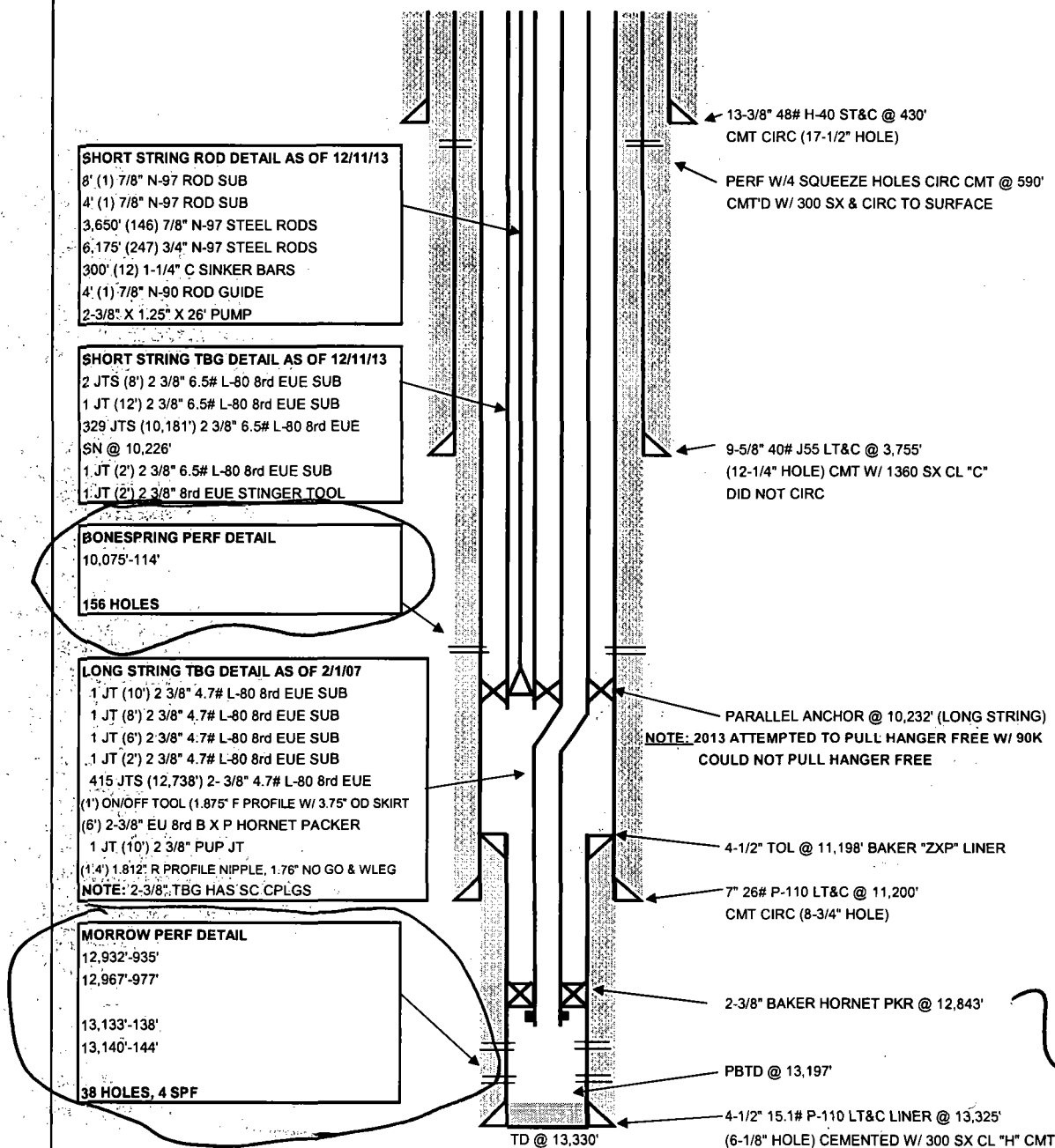
COUNTY: LEA

STATE: NM

DESCRIPTION OF WORK: RTP

0

GL (ft): 3,658 KB (ft): 3,683 = 25 ft AGL SPUD: 8/7/05 AGE (yrs): 11.0



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

Proposal for commingling all oil, water, and gas for the Neuhaus wells. Proposal to commingle the oil, water, and some entrained gas for the Neuhaus 14 Federal #5 Bone Spring and Morrow

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

| Neuhaus Central Tank Battery | | | | | | | |
|------------------------------|------------|-------------------|--------------------|----------|-------------|-----------|---------|
| Well Names | Locations | API Numbers | Pool | Oil BOPD | Oil Gravity | Gas MCFPD | Gas BTU |
| Neuhaus 14 Fed #5 | 14-20S-35E | 30-025-37351-0101 | Bone Springs (Oil) | 8 | 49 | 3 | 1251 |
| Neuhaus 14 Fed #5 | 14-20S-35E | 30-025-37351-0102 | Morrow (Gas) | 0 | 55 | 231 | 1249 |

Oil & Gas metering:

The Neuhaus Battery (CTB) is located at the Neuhaus 14 Federal #2. The production from the Neuhaus 14 Fed #5 Bone Spring will go into a 2 phase production separator and then one to a common heater treater. The Neuhaus 14 Fed #5 Morrow will go into a 3 phase stack pack at the well location and then the gas will go into a separate 2 phase production separator. The Neuhaus 14 Federal #5 will be tested continuously to quantify oil, water and gas via turbine meters installed on the heater treater and the gas allocation meter. The Neuhaus 14 Federal #5 Morrow will be allocated using the subtraction method. 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 NWNE of Section 14, Township 20S, Range 35E on Federal Lease NMNM 16835. For gas there is a central delivery point (CDP) gas sales meter. The produced water will go to one common water tank on location.

The Neuhaus 14 Fed #5 Bone Spring well will be tested continuously through a three-phase test heater treater located at the Neuhaus 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 the Neuhaus 14 Fed #5 Bone Spring by continuously metering the well and to the Neuhaus 14 Fed #5 Morrow through the subtraction method. A 24-hour test will be performed continuously on Neuhaus 14 Fed #5 Bone Spring. Each wells share of the central tank battery's total production will be calculated based on the results of subtracting the continuous meter values from the total production. 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 NEUHAUS 14 FED #5

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 have been notified.

Printed Name: Bradley Hulme

Title: Engineer

Date: 05/19/2017

**Economic Justification Work Sheet
Neuhaus Central Tank Battery**

| Unit | Royalty Rate | Federal Tract Percentage of Total Unit Area | BOPD | Oil Gravity | Value / BBL | MCFPD | DRY BTU | Value / MCF |
|----------------------------------|--------------|---|------|-------------|-------------|-------|---------|-------------|
| Neuhaus 14 Fed #5 Bone Spring | 12.5% | 100% | 8 | 49 | 48.59 | 3 | 1251 | 1.16 |
| Neuhaus 14 Fed #5 Morrow | 12.5% | 100% | 0 | 55 | NA | 291 | 1249 | 1.16 |

| Economic combined gas production | BOPD | Oil Gravity | Value / BBL | MCFPD | DRY BTU | Value / MCF |
|----------------------------------|------|-------------|-------------|-------|---------|-------------|
| | 8 | 52 | 48.59 | 294 | 1250 | 1.16 |

Printed Name: Bradley Hulme
Title: Reservoir Engineer
Date: 05/19/2017

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC NEUHAUS 14 FED #5

APPLICATION FOR COMMINGLING OF NEUHAUS 14 FED 5 WELLS

OWNER INFORMATION

| WELL NAME | INTEREST TYPE | INTEREST % | NAME | ADDRESS | CITY | STATE | ZIP CODE |
|-------------------------|---------------|------------|-------------------------------------|------------------------------|-------------|------------|------------|
| NEUHAUS 14 FED 5 MORROW | OR | 0.06500000 | EXXONMOBIL OIL CORPORATION | PO Box 731917 | DALLAS | TEXAS | 75373-1917 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.58812500 | CHEVRON USA INC | PO Box 4791 | HOUSTON | TEXAS | 77210-4791 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.05000000 | BEAN FAMILY LIMITED COMPANY | PO BOX 1738 | ROSWELL | NEW MEXICO | 88202-1738 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.16187500 | HAYES LAND AND PRODUCTION CO | PO BOX 51407 | MIDLAND | TEXAS | 79710 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.02500000 | TLW INVESTMENTS LLC | PO BOX 301535 | DALLAS | TEXAS | 75303-1535 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.03385505 | YATES ENERGY CORP | PO BOX 2323 | ROSWELL | NEW MEXICO | 88202-2323 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.01614495 | JALAPENO CORP | PO BOX 484 | ALBUQUERQUE | NEW MEXICO | 87103-0000 |
| NEUHAUS 14 FED 5 MORROW | OR | 0.03000000 | BTA OIL PRODUCERS LLC | 104 S PECOS | MIDLAND | TEXAS | 79701-0000 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.00566800 | VALKO L L C | PO BOX 1090 | ROSWELL | NEW MEXICO | 88202-0000 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.01433200 | EAKO LLC | PO BOX 1090 | ROSWELL | NEW MEXICO | 88202-0000 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.00500000 | JAMES A BOSS | 2708 CORONADO DR | ROSWELL | NEW MEXICO | 88201-0000 |
| NEUHAUS 14 FED 5 MORROW | CW | | BLAINE HESS | PO BOX 326 | ROSWELL | NEW MEXICO | 88202-0326 |
| NEUHAUS 14 FED 5 MORROW | CW | | TEXAKOTA OIL CO | 2707 KIPLING | HOUSTON | TEXAS | 77098-0000 |
| NEUHAUS 14 FED 5 MORROW | OR | 0.00500000 | W O NEUHAUS TR FBO | 10906 LITTLE LISA | HOUSTON | TEXAS | 77024 |
| NEUHAUS 14 FED 5 MORROW | OR | 0.00500000 | W O NEUHAUS RES TR FBO | PO BOX 925567 | HOUSTON | TEXAS | 77292-5567 |
| NEUHAUS 14 FED 5 MORROW | OR | 0.00500000 | W O NEUHAUS RES TR FBO | 479 CAMINO DON MIGUEL | SANTA FE | NEW MEXICO | 87505 |
| NEUHAUS 14 FED 5 MORROW | OR | 0.01500000 | HOWARD F SMITH JR TR FBO | PROP MGMT LLC PO BOX 56429 | HOUSTON | TEXAS | 77256-6429 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.01000000 | SISBRO OIL & GAS LLLP | 4350 S MONACO ST | DENVER | COLORADO | 80236 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.05000000 | READ & STEVENS INC | P O BOX 1518 | ROSWELL | NEW MEXICO | 88202-1518 |
| NEUHAUS 14 FED 5 MORROW | RI | 0.12500000 | OFFICE OF NATURAL RESOURCES REVENUE | PO BOX 25627 | DENVER | COLORADO | 80225-0627 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.02000000 | TOM P STEPHENS TR | 3707 CAMP BOWIE BLVD STE 220 | FORT WORTH | TEXAS | 76107-0738 |
| NEUHAUS 14 FED 5 MORROW | WI | 0.02000000 | BURSAKE LLC | PO BOX51407 | MIDLAND | TEXAS | 79710 |

I have verified that this information is correct

Gabrielle Garcia
Gabrielle Garcia

APPLICATION FOR COMMINGLING OF NEUHAUS 14 FED 5 WELLS

OWNER INFORMATION

| WELL NAME | INTEREST | INTEREST % | NAME | ADDRESS | CITY | STATE | ZIP CODE |
|------------------------------|----------|------------|-------------------------------------|----------------------------|-------------|------------|------------|
| NEUHAUS 14 FED 5 BONE SPRING | OR | 0.06500000 | EXXONMOBIL OIL CORPORATION | PO Box 731917 | DALLAS | TEXAS | 75373-1917 |
| NEUHAUS 14 FED 5 BONE SPRING | CW | | READ & STEVENS INC | P O BOX 1518 | ROSWELL | NEW MEXICO | 88202-1518 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.63812500 | CHEVRON USA INC | PO Box 4791 | HOUSTON | TEXAS | 77210-4791 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.05000000 | BEAN FAMILY LIMITED COMPANY | PO BOX 1738 | ROSWELL | NEW MEXICO | 88202-1738 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.16187500 | HAYES LAND AND PRODUCTION CO | PO BOX 51407 | MIDLAND | TEXAS | 79710 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.02500000 | TLW INVESTMENTS LLC | PO BOX 301535 | DALLAS | TEXAS | 75303-1535 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.03385505 | YATES ENERGY CORP | PO BOX 2323 | ROSWELL | NEW MEXICO | 88202-2323 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.01614495 | JALAPENO CORP | PO BOX 484 | ALBUQUERQUE | NEW MEXICO | 87103-0000 |
| NEUHAUS 14 FED 5 BONE SPRING | OR | 0.03000000 | BTA OIL PRODUCERS LLC | 104 S PECOS | MIDLAND | TEXAS | 79701-0000 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.00566800 | VALKO L L C | PO BOX 1090 | ROSWELL | NEW MEXICO | 88202-0000 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.01433200 | EAKO LLC | PO BOX 1090 | ROSWELL | NEW MEXICO | 88202-0000 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.00500000 | JAMES A BOSS | 2708 CORONADO DR | ROSWELL | NEW MEXICO | 88201-0000 |
| NEUHAUS 14 FED 5 BONE SPRING | CW | | BLAINE HESS | PO BOX 326 | ROSWELL | NEW MEXICO | 88202-0326 |
| NEUHAUS 14 FED 5 BONE SPRING | CW | | TEXAKOTA OIL CO | 2707 KIPLING | HOUSTON | TEXAS | 77098-0000 |
| NEUHAUS 14 FED 5 BONE SPRING | OR | 0.00500000 | W O NEUHAUS TR FBO | 10906 LITTLE LISA | HOUSTON | TEXAS | 77024 |
| NEUHAUS 14 FED 5 BONE SPRING | OR | 0.00500000 | W O NEUHAUS RES TR FBO | PO BOX 925567 | HOUSTON | TEXAS | 77292-5567 |
| NEUHAUS 14 FED 5 BONE SPRING | OR | 0.00500000 | W O NEUHAUS RES TR FBO | 479 CAMINO DON MIGUEL | SANTA FE | NEW MEXICO | 87505 |
| NEUHAUS 14 FED 5 BONE SPRING | OR | 0.01500000 | HOWARD F SMITH JR TR FBO | PROP MGMT LLC PO BOX 56429 | HOUSTON | TEXAS | 77256-6429 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.01000000 | SISBRO OIL & GAS LLLP | 4350 S MONACO ST | DENVER | COLORADO | 80236 |
| NEUHAUS 14 FED 5 BONE SPRING | RI | 0.12500000 | OFFICE OF NATURAL RESOURCES REVENUE | PO BOX 25627 | DENVER | COLORADO | 80225-0627 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.02000000 | TOM P STEPHENS TR | 3707 CAMP BOWIE BLVD ST | FORT WORTH | TEXAS | 76107-0738 |
| NEUHAUS 14 FED 5 BONE SPRING | WI | 0.02000000 | BURSAKE LLC | PO BOX51407 | MIDLAND | TEXAS | 79710 |

I have verified that this information is correct

Gabrielle Garcia
Gabrielle Garcia

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC NEUHAUS 14 FED #5

EXXONMOBIL OIL CORPORATION

C/O XTO ENERGY INC

PO Box 731917

DALLAS, TEXAS 75373-1917
7016 0750 0000 3051 2236

BEAN FAMILY LIMITED COMPANY

PO BOX 1738

ROSWELL, NEW MEXICO 88202-1738
7016 0750 0000 3051 2267

TLW INVESTMENTS LLC

PO BOX 301535

DALLAS, TEXAS 75303-1535
7016 0750 0000 3051 2298

BTA OIL PRODUCERS LLC

104 S PECOS

MIDLAND, TEXAS 79701-0000
7016 0750 0000 3051 2328

JAMES A BOSS

2706 CORONADO DR

ROSWELL, NEW MEXICO 88201-0000
7016 0750 0000 3051 2359

TEXAKOTA OIL CO

2707 KIPLING

HOUSTON, TEXAS 77098-0000
7016 0750 0000 3051 2380

W O NEUHAUS RES TR FBO

W O NEUHAUS III

479 CAMINO DON MIGUEL
SANTA FE, NEW MEXICO 87505
7016 0750 0000 3051 2410

BURSAKE LLC

PO BOX 51407

MIDLAND, TEXAS 79710
7016 0750 0000 3051 2441

READ & STEVENS INC

P O BOX 1518

ROSWELL, NEW MEXICO 88202-1518
7016 0750 0000 3051 2243

HAYES LAND AND PRODUCTION CO

PO BOX 51407

MIDLAND, TEXAS 79710
7016 0750 0000 3051 2274

YATES ENERGY CORP

PO BOX 2323

ROSWELL, NEW MEXICO 88202-2323
7016 0750 0000 3051 2304

VALKO LLC

PO BOX 1090

ROSWELL, NEW MEXICO 88202-0000
7016 0750 0000 3051 2335

BLAINE HESS

PO BOX 326

ROSWELL, NEW MEXICO 88202-0326
7016 0750 0000 3051 2366

W O NEUHAUS TR FBO

EDWARD K NEUHAUS

10906 LITTLE LISA

HOUSTON, TEXAS 77024
7016 0750 0000 3051 2387

HOWARD F SMITH JR TR FBO

LOUISE SMITH NEUHAUS

PROP MGMT LLC PO BOX 56429
HOUSTON, TEXAS 77256-8429
7016 0750 0000 3051 2427

CHEVRON USA INC

PO Box 4791

HOUSTON, TEXAS 77210-4791
7016 0750 0000 3051 2250

OFFICE OF NATURAL RESOURCES REVENUE

PO BOX 25627

DENVER, COLORADO 80225-0627
7016 0750 0000 3051 2281

JALAPENO CORP

PO BOX 484

ALBUQUERQUE, NEW MEXICO 87103-0000
7016 0750 0000 3051 2311

EAKO LLC

PO BOX 1090

ROSWELL, NEW MEXICO 88202-0000
7016 0750 0000 3051 2359

TOM P STEPHENS TR

PLAINS CAPITL BANK SVCE TRST

3707 CAMP BOWIE BLVD STE 220
FORT WORTH, TEXAS 76107-0738
7016 0750 0000 3051 2373

W O NEUHAUS RES TR FBO

LAURANCE B NEUHAUS

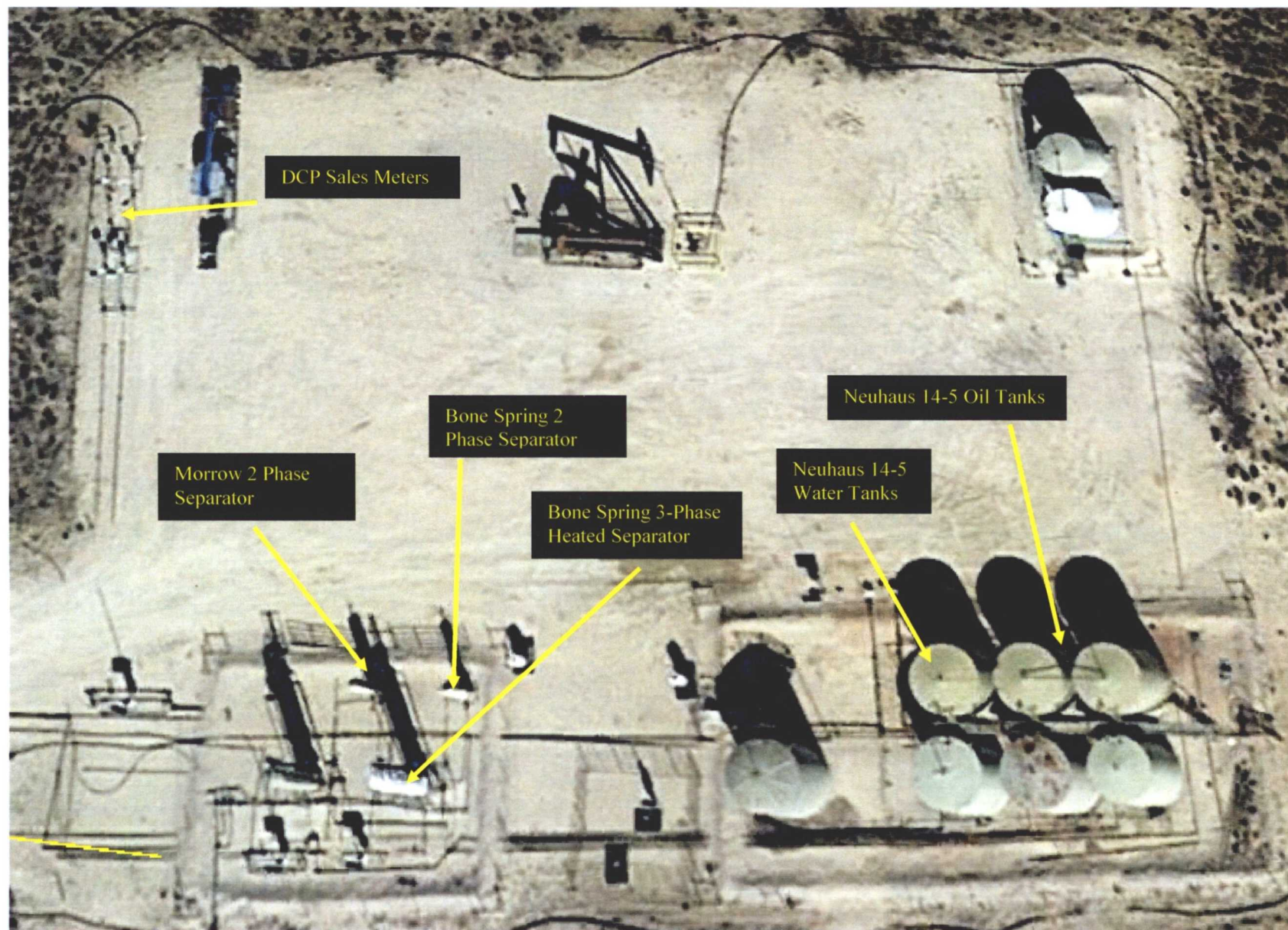
PO BOX 925567

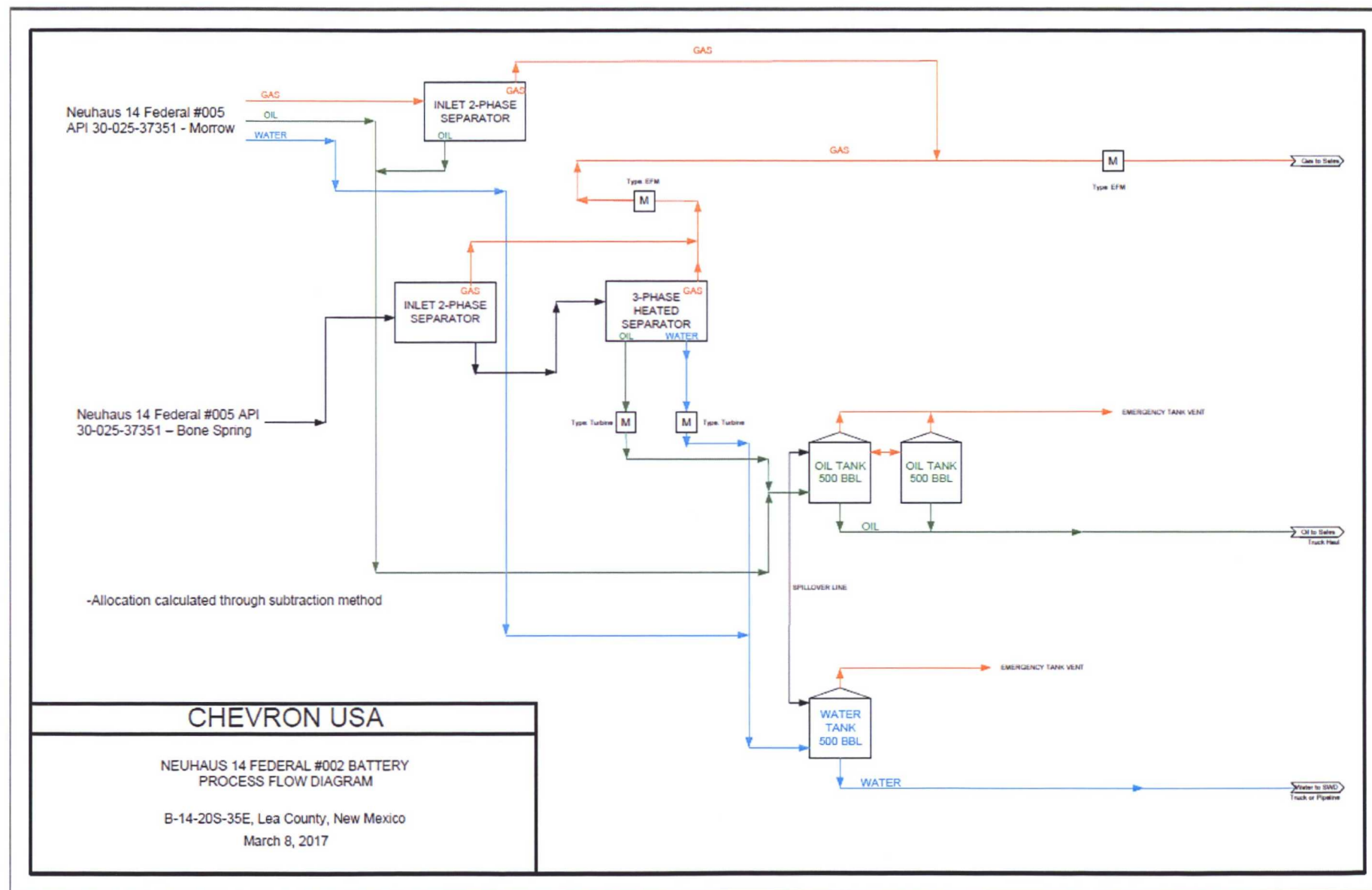
HOUSTON, TEXAS 77292-5567
7016 0750 0000 3051 2403

SISBRO OIL & GAS LLLP

350 S MONACO ST

DENVER, COLORADO 80236
7016 0750 0000 3051 2434





APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY CHEVRON USA
INC NEUHAUS 14 FED #5



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

May 2, 2017

Re: Application for Surface Commingling
Chevron's Neuhaus Central Tank Battery
Section 14, T20S, R35E
Lea County, New Mexico

[Address Here]

Dear Sirs,

Chevron U.S.A. Inc. respectfully requests administrative approval to surface commingle oil, gas and water production from the Morrow Gas and Bone Spring Oil Pools through Chevron's Neuhaus 14 Federal Central Tank Battery. Chevron requests the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. The well producing to this battery is a dual completion, which includes the Neuhaus 14 Fed #5 Morrow and Neuhaus 14 Fed #5 Bone Spring Completion. These wells are located in Section 14, T 20S, R 35E 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. The Neuhaus 14 Federal #5 Bone Spring will be tested monthly through turbine meters installed on the heater treater and the gas allocation meter and the Neuhaus 14 Federal #5 Morrow will be allocated through subtraction method. 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. The Neuhaus 14 Federal #5 Bone Spring will be tested monthly through a three phase heater treater located at the Neuhaus 14 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.

Any objections to this commingle must be sent to the New Mexico Conservation Division; 1220 South St. Francis Drive; Santa Fe, NM 87504 within 30 days of receipt of this notification. If you require additional information, please contact me at 505-263-0431.

Sincerely,

Cindy Herrera-Murillo
Permitting Specialist

| SENDER: COMPLETE THIS SECTION | | COMPLETE THIS SECTION ON DELIVERY | |
|---|--|--|--|
| <p>1. Complete items 1, 2, and 3.</p> <p>2. Print your name and address on the reverse so that we can return the card to you.</p> <p>3. Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>4. Address Addressed to:</p> <p>VALCO LLC PO BOX 1090 ROSWEIL NEW MEXICO 88202-0000</p> <p>5. Article Number (Transfer from service label) 9510 9401 0120 5225 7135 46 7016 0750 0000 3051 2335</p> | | <p>A. Signature X [Signature] Received by (Printed Name) S. Coluck Date of Delivery 4-27-17</p> <p>B. 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 <input type="checkbox"/> Air Mail Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <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 </p> | |

PS Form 3811, July 2015 PSN 7513-02-000-9049

Production Summary Report

API: 30-025-37351

NEUHAUS 14 FEDERAL #005

| Date | Pool | Oil(BBLS) | Gas(MCF) | Days P/I |
|------------|--|---------------|----------------|----------|
| 10/1/2016 | [24270] FEATHERSTONE;BONE SPRING, EAST | 0 | 7170 | 31 |
| 11/1/2016 | [24270] FEATHERSTONE;BONE SPRING, EAST | 146 | 3321 | 14 |
| 12/1/2016 | [24270] FEATHERSTONE;BONE SPRING, EAST | 0 | 0 | 0 |
| 1/1/2017 | [24270] FEATHERSTONE;BONE SPRING, EAST | 0 | 0 | 0 |
| 2/1/2017 | [24270] FEATHERSTONE;BONE SPRING, EAST | 126 | 49 | 15 |
| 3/1/2017 | [24270] FEATHERSTONE;BONE SPRING, EAST | 229 | 72 | 31 |
| CUM | [24270] FEATHERSTONE;BONE SPRING, EAST | 100327 | 449447 | |
| 10/1/2016 | [82240] OSUDO;MORROW, WEST (GAS) | 0 | 2238 | 31 |
| 11/1/2016 | [82240] OSUDO;MORROW, WEST (GAS) | 0 | 1048 | 14 |
| 12/1/2016 | [82240] OSUDO;MORROW, WEST (GAS) | 0 | 0 | 0 |
| 1/1/2017 | [82240] OSUDO;MORROW, WEST (GAS) | 2 | 534 | 5 |
| 2/1/2017 | [82240] OSUDO;MORROW, WEST (GAS) | 1 | 5189 | 28 |
| 3/1/2017 | [82240] OSUDO;MORROW, WEST (GAS) | 2 | 7999 | 31 |
| CUM | [82240] OSUDO;MORROW, WEST (GAS) | 79582 | 1446147 | |