

State of New Mexico Commissioner of Public Lands -9 Porter

Aubrey Dunn COMMISSIONER COMMUSSIONER'S OFFICE Z. Phone (505) 827-5760

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March 1, 2016

Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 77002

Attn: Mr. William N. Phillips

Re: North Wilson Deep Unit Rejection of 2015 Plan of Development Lea County, New Mexico

R.2621 C' 2560

Dear Mr. Phillips:

We received your letter of May 7, 2015 together with your 2015 plan of development for the North Wilson Deep Unit agreement, Lea County, New Mexico. Your plan as proposed, is to evaluate the Bone Spring horizontal play.

Please be advised that your 2015 plan of development for the North Wilson Deep Unit as submitted is unacceptable. Production from this unit is minimal. Please submit an acceptable plan of development for 2016 that provides for the further development of the Bone Spring and Wolfcamp formations for this unit area.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Respectf NER OF PUBLIC LANDS

AD/pm cc: Reader File, NMOCD Attention: Mr. Daniel Sanchez