

Aubrey Dunn COMMISSIONER

State of New Mexico Commissioner of Public Lands

COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

March 1, 2016

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

Attn: Mr. William N. Phillips

Re: Lancaster Springs Unit Rejection of 2015 Plan of Development Eddy County, New Mexico

R; 6443 L:6189

Dear Mr. Phillips:

We received your letter of April 9, 2015 together with your 2015 plan of development for the Lancaster Springs Unit agreement, Eddy County, New Mexico. Your plan as proposed, is to continue to monitor and optimize the current production.

Please be advised that your 2015 plan of development for the Lancaster Springs Unit as submitted is unacceptable. Please submit an acceptable plan of development for 2016 that addresses the further development of the Bone Spring and Delaware 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.

Respectfully,

COMMISSIONER OF PUBLIC LANDS

AD/pm

- cc: Reader File,
 - NMOCD Attention: Mr. Daniel Sanchez



State of New Mexico Commissioner of Public Lands 310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 C. 6 9 8 9

Aubrey Dunn COMMISSIONER

May 12, 2015

Chevron USA, Inc. 1400 Smith Street Houston, TX 77002

Attn: Mr. William N. Phillips

Re: 2015 Plans of Development Lancaster Springs Unit Eddy County, New Mexico

Dear Mr. Phillips:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

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

Very truly yours,

Jun lan

COMMISSIONER OF PUBLIC LANDS

AD/sk xc: Reader File OCD-Daniel Sanchez



State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

March 13, 2015

Chevron USA, Inc. 1400 Smith Street Houston, TX 77002

RE: Lancaster Spring Unit

Attn: Ms. Kirsten Hunter

Dear Ms. Hunter:

p: 6447

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COMMISSIONER'S OFFICE

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www.nmstatelands.org

This office is in the process of reviewing all oil and gas units that contain New Mexico State Trust Lands. Our records reflect that Chevron USA, Inc. is the current operator for the Lancaster Spring Unit, and it has come to our attention that, in some cases, we are not receiving required unit information including current Plans of Development. Many 2015 Plans of Development are due to the OCD, the BLM, and this office in the near future, we would like to take this opportunity to remind you to submit them on a timey basis. Please refer to your Unit Agreement regarding the due dates for submittal of Plans of Development.

Your Unit Agreement may state that Plans of Development are to be filed from "time to time", or whenever a change in the current Plan of Development is necessary. If you're Unit falls under this category please submit a current Plan of Development to this office by April 15, 2015.

In order to help you put together your 2015 Plan of Development, we have included a list of the information to be submitted to this office. We recognize the time involved in putting together the Unit Plans of Development and appreciate your cooperation in this matter.

Plans of Development

Please include the following when submitting current Plans of Development.

- 1.) A summary of the 2014 unit activities including new wells drilled, wells completed, wells shut in, dry holes, and wells converted to injection.
- 2.) If you have not submitted a Plan of Development within the past 12 months, please include a summary of unit activities since you last Plan of Development was approved by the Commissioner of Public Lands.
- 3.) A summary of the anticipated unit activity for 2015 including the wells to be drilled, worked over, shut in or converted to injection wells.
- 4.) A list of the wells in the unit indicating which ones are currently producing, shut in, or are injection wells. Please identify which wells are unit wells and which produce on a lease basis and the formation and pool from which they produce.
- 5.) The monthly production history of each well in the unit for the past two years. This may be a production decline graph or it may be in tabular form.

Aubrey Dunn COMMISSIONER 6.) Current copies of Exhibits A and B to the Unit Agreement and current maps of existing participating areas.

If you have any questions, please contact Mr. Pete Martinez at (505)-827-5791.

Very truly yours,

AUBREY DUNN COMMISSIONER OF PUBLIC LANDS

M l BY:

TERRY WARNELL, Director Oil, Gas and Minerals Division

AD/TW/sk xc: Reader File OCD-Daniel Martinez BLM – Attn: Ed Fernandez