

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Artesia
FORM APPROVED
OMB NO. 1004-0137
Expires January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
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. NMNM119754 |
| 2. Name of Operator CHEVRON USA INCORPORATED | | 6. If Indian, Allottee or Tribe Name |
| Contact: LAURA BECERRA E-Mail: LBECCERRA@CHEVRON.COM | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706 | 3b. Phone No. (include area code) Ph: 432-687-7665 | 8. Well Name and No. Multiple--See Attached |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached | | 9. API Well No. Multiple--See Attached |
| | | 10. Field and Pool or Exploratory Area PURPLE SAGE-WOLFCAMP (GAS) |
| | | 11. County or Parish, State EDDY 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 checked="" type="checkbox"/> Other Off-Lease Measurement |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input 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 recompleat 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 recompleat 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 respectfully requests approval of Off-Lease Measurement for oil and gas from Chevron's Culebra Bluff East Sec. 8 Central Tank Battery located at Sec. 8, T24S-R29E, Lat: 32.233026, Long: 104.008392 (NAD 83). This site will measure all fluid streams flowing from the following wells:

CB SE 5 32 FED COM 11H 30-015-44637
CB SE 5 32 FED COM 12H 30-015-44638
CB SE 5 32 FED COM 13H 30-015-44639

The wells are located in the SE4SE4 of Sec. 5, T24S-R29E, Eddy County, New Mexico. Well plats for all wells connected to this battery and facility diagram are included with this notification.

RECEIVED

JUN 25 2019

DISTRICT II-ARTESIA O.C.D.

Maps & CA proposal added after submission

| | |
|--|-----------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #454976 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 02/22/2019 (19PP1086SE) | |
| Name (Printed/Typed) LAURA BECERRA | Title PERMITTING SPECIALIST |
| Signature (Electronic Submission) | Date 02/18/2019 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---------------------------------|---------------------|
| Approved By <i>[Signature]</i> <i>Dylan Ross-mango</i> | Title <i>Petroleum Engineer</i> | Date <i>5/29/19</i> |
| 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 <i>CFO</i> |

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 ****

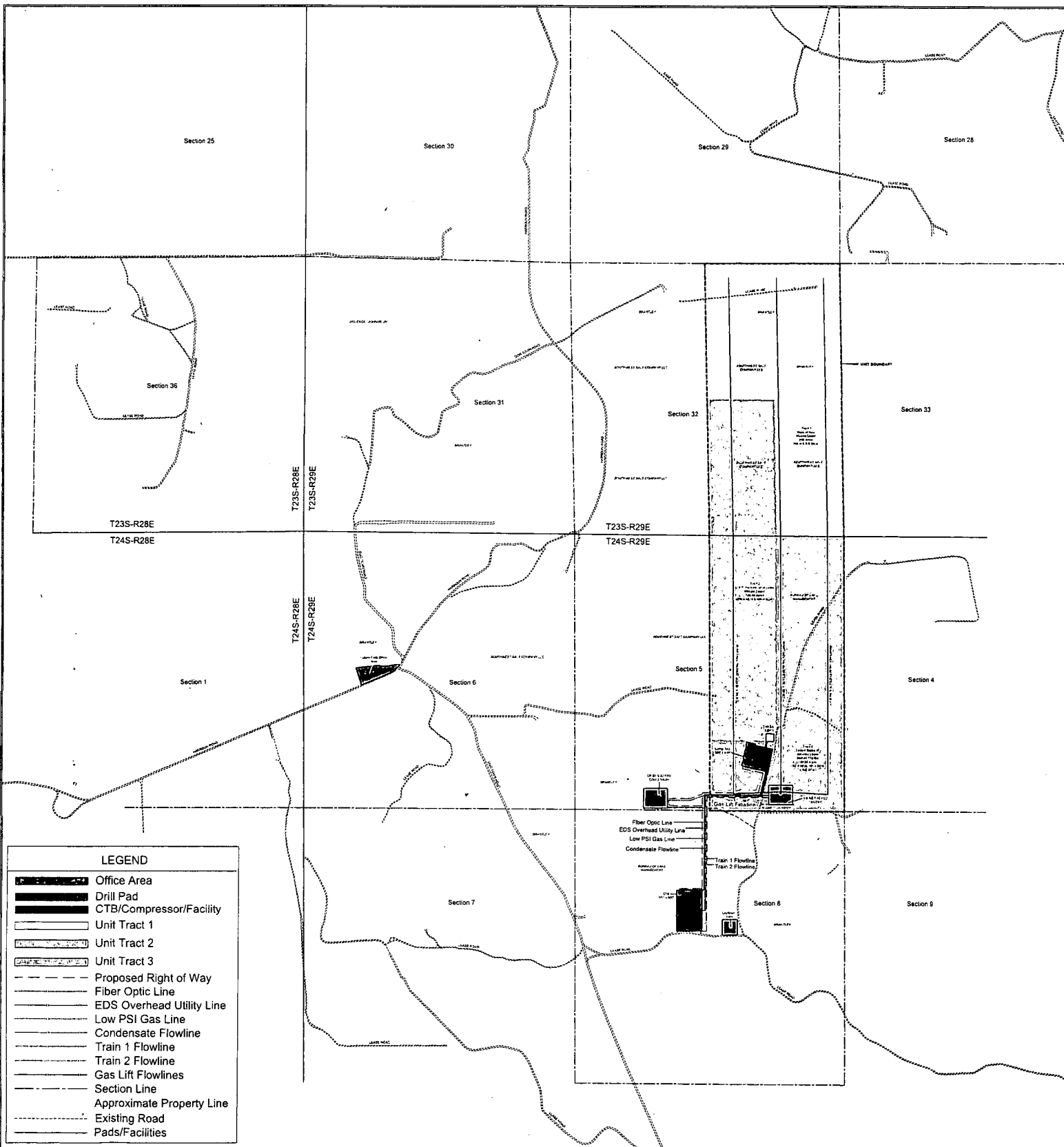
Additional data for EC transaction #454976 that would not fit on the form

Wells/Facilities, continued

| Agreement | Lease | Well/Fac Name, Number | API Number | Location |
|------------------|--------------|------------------------------|--------------------|--|
| NMNM119754 | NMNM119754 | CB SE 5 32 FED COM 11H | 30-015-44637-00-X1 | Sec 5 T24S R29E SESE 379FSL 1300FEL 32.240524 N Lat, 104.002266 W Lon |
| NMNM119754 | NMNM119754 | CB SE 5 32 FED COM 12H | 30-015-44638-00-X1 | Sec 5 T24S R29E SESE 380FSL 1275FEL 32.240520 N Lat, 104.002182 W Lon |
| NMNM119754 | NMNM119754 | CB SE 5 32 FED COM 13H | 30-015-44639-00-X1 | Sec 5 T24S R29E SESE 380FSL 1250FEL 32.240520 N Lat, 104.002106 W Lon |

32. Additional remarks, continued

Supporting documents and copies of notifications sent to interest owners are also attached.



C. H. Fenstermaker & Associates, L.L.C.
135 Regency Sq. Lafayette, LA 70508
Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

Not to be used for construction,
bidding, recordation, conveyance
tasks or engineering design

PRELIMINARY

Figure 1 shows a horizontal cross-section of a road. The road is represented by a horizontal line with a central section and two side sections. The dimensions are labeled as follows: 1200, 600, 0, 600, 1200, 1800, and 2400. Below the diagram is the scale: Scale: 1" = 600'.

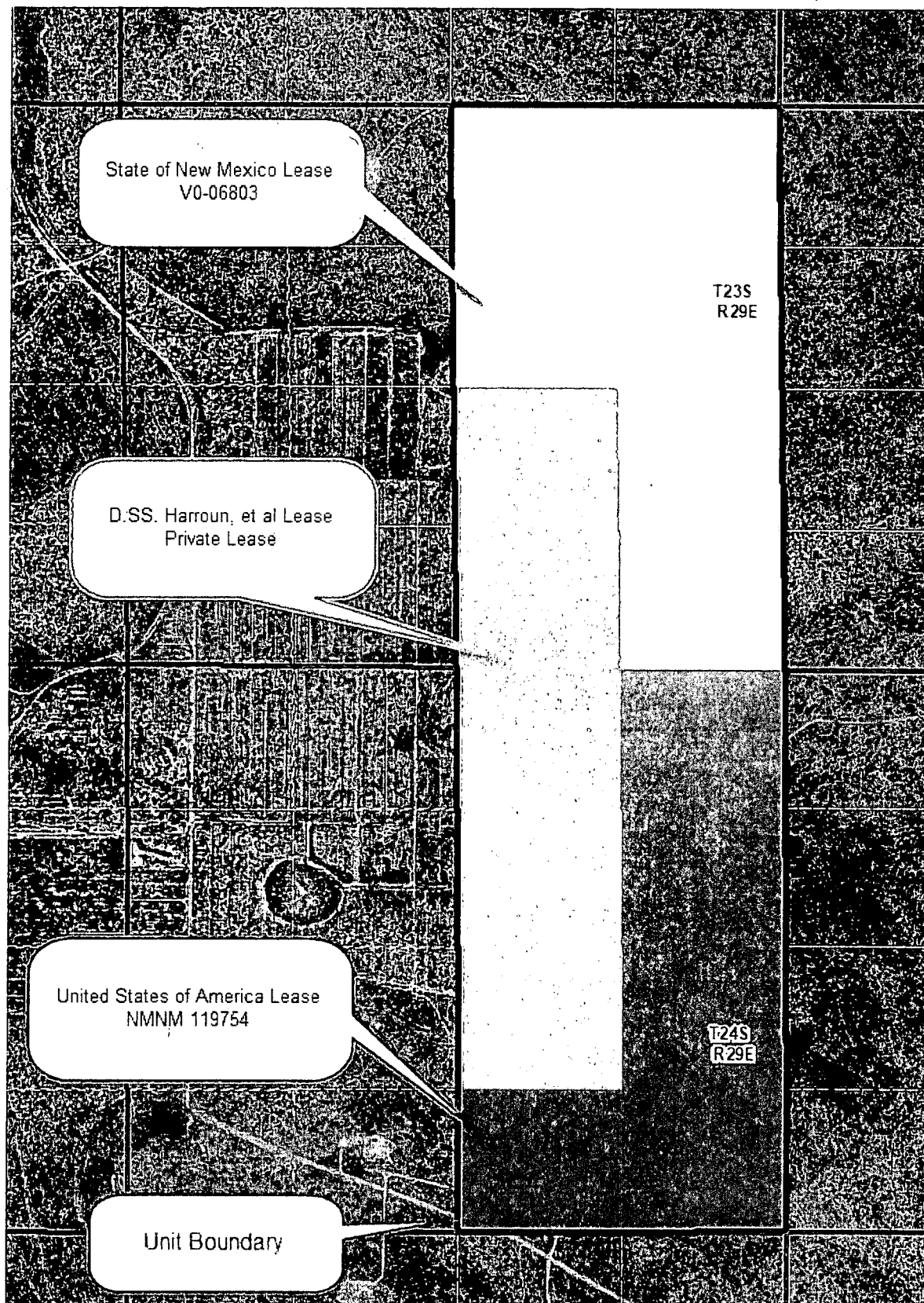


CHEVRON U.S.A., INC
CB EAST BASE MAP
CUEBRA BLUFF BASE MAP
EDDY COUNTY, NEW MEXICO

| | | | | | | | |
|----------------|--|--|--|------------|-----------|-----------|--|
| DO-104-ET AM* | | | | AF-124-MS | | | |
| Per-124-MS GUG | | | | Per-124-MS | Do-124-MS | HE-124-MS | |
| Call-124-MS | | | | Per-124-MS | Do-124-MS | HE-124-MS | |

Added after
Submission

Lease Map



Added after
Submission

EXHIBIT A

To Communitization Agreement dated March 1, 2018

2019 MARCH 0: 29

Plat of communitized area covering **639.77** acres in the E/2 of Section 5, Township 24 South, Range 29 East, and the E/2 of Section 32, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. This agreement shall include only the Wolfcamp Formation more specifically defined as those depths from 9,630 feet to 11,087 feet beneath the surface, as shown in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 10, 1978, in the Williams Gas Com #1 (API # 30-015-22686), located in Section 34, Township 23 South, Range 28 East, Eddy County, New Mexico **SAVE AND EXCEPT** the Macho Grande State #2H (API # 30-015-42659) well.

CB SE 5 32 FED COM #11H, #12H, #13H

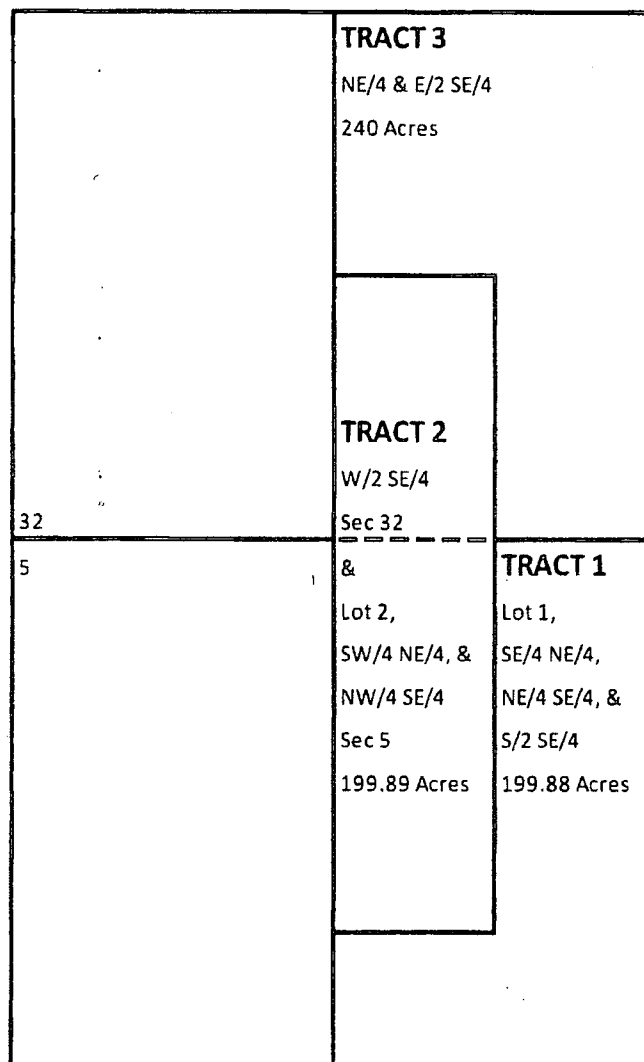


EXHIBIT B

To Communitization Agreement dated March 1, 2018 embracing the E/2 of Section 5, Township 24 South, Range 29 East, and the E/2 of Section 32, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico containing 639.77 acres.

The Contract Area is hereby limited in depth from the stratigraphic equivalent of the top of the Wolfcamp formation, as seen at 9,630 feet beneath the surface, to the stratigraphic equivalent of the base of the Wolfcamp formation, as seen at 11,087 feet beneath the surface, as shown in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 10, 1978, in the Williams Gas Com #1 (API # 30-015-22686), located in Section 34, Township 23 South, Range 28 East, Eddy County, New Mexico SAVE AND EXCEPT the Macho Grande State #2H (API # 30-015-42659) well.

Operator of Communitized Area: CHEVRON U.S.A. INC.

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.: NMNM 119754
Lease Date: May 1, 2008
Lease Term: Ten years
Lessor: United States of America
Original Lessee: Steven W Horn
Present Lessee: Chevron U.S.A. Inc.

Description of Land Committed:

Lot 1, SE/4 NE/4, NE/4 SE/4, and S/2 SE/4 of Section 5, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, among other lands.

Number of Acres: 199.88 Acres

Royalty Rate: 1/8th

Name and Percent ORRI Owners: N/A

Name and Percent WI Owners: Chevron U.S.A Inc. - 100%

TRACT NO. 2

Lease Date: February 2, 1972

Lease Term: Five years

Lessor: D.S. Harroun, et al

Original Lessee: Skelly Oil Company

Present Lessee: Chevron U.S.A. Inc.

Description of Land Committed:

Lot 2, SW/4 NE/4, and NW/4 SE/4 of Section 5, Township 24 South, Range 29 East, and W/2 SE/4 of Section 32, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, among others lands.

Number of Acres: 199.89 Acres

Royalty Rate: 1/8th

Name and Percent ORRI Owners: N/A

Name and Percent WI Owners: Chevron U.S.A Inc. - 100%

TRACT NO. 3

Lease Serial No.: V0-6803-0000

Lease Date: March 1, 2003

Lease Term: 5 years

Lessor: The State of New Mexico

Original Lessee: Nadel and Gussman Permian, LLC

Present Lessee: Marathon Oil Permian, LLC

Description of Land Committed:

NE/4, and E/2 SE/4 of Section 32, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, among other lands.

Number of Acres: 240 Acres

Royalty Rate: 1/6th

Name and Percent ORRI Owners:

| | |
|--|----------|
| Sam H. Jolliffe IV | 0.50000% |
| Nadel and Gussman Permian, LLC | 0.29167% |
| Crown Oil Partners V, LP | 0.27083% |
| Crump Energy Partners II, LLC | 0.27083% |
| Westall Oil & Gas, LLC | 2.00000% |
| Zunis Energy, LLC | 1.87473% |
| Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts | 0.15860% |

Name and Percent WI Owners:

| | |
|---------------------------------|--------|
| Marathon Oil Permian, LLC | 62.50% |
| Featherstone Development Corp. | 3.75% |
| Marshall & Winston, Inc. | 18.75% |
| Juneau Oil & Gas LLC | 3.75% |
| Yosemite Creek Oil and Gas, LLC | 9.00% |
| Mizel Resources, a Trust | 2.25% |

RECAPITULATION

| Tract numbers | Number of Acres Committed | Percentage of Interest in Communitized Area |
|---------------|------------------------------|--|
| Tract No.1 | 199.88 | 31.2425% |
| Tract No.2 | 199.89 | 31.2440% |
| Tract No.3 | <u>240.00</u> | <u>37.5135%</u> |
| | 639.77 | 100.0000% |

8:30

| | | | |
|-----------|-----------|-------|---------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: |
|-----------|-----------|-------|---------|

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: CB SE 5 32 FED COM 11H | API: 30-015-44637 |
| Pool: PURPLE SAGE; WOLFCAMP (GAS) | Pool Code: 98220 |

**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 holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ 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
 Complete

- 3) 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.

LAURA BECERRA

Print or Type Name

Signature

2/18/2019

Date

(432) 687-7665

Phone Number

LBECERRA@CHEVRON.COM

e-mail Address



Chevron North America
Exploration and Production Company
(A Chevron U.S.A. Inc. Division)
6301 Deauville Blvd
Midland, TX 79706
Tel 432.687.7665
LBecerra@Chevron.com

February 18, 2019

Attn: Michael McMillan
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Application for Off-Lease Measurement – Oil and Gas

Dear Mr. McMillan,

Chevron U.S.A. Inc. respectfully requests administrative approval of Off-Lease Measurement for oil and gas from Chevron's Culebra Bluff East Sec. 8 Central Tank Battery located at Sec. 8, T24S-R29E, Lat: 32.233026, Long: 104.008392 (NAD 83). This site will measure all fluid streams flowing from the following wells:

| | | | | |
|------------------------|--------------|--------------------------------|--|---|
| CB SE 5 32 FED COM 11H | 30-015-44637 | PURPLE SAGE; WOLFCAMP (GAS) | SHL: 379' FSL 1,300' FEL, Sec. 5, T24S-R29E | BHL: 228' FNL 2,165' FEL, Sec. 32, T23S-R29E |
| CB SE 5 32 FED COM 12H | 30-015-44638 | PURPLE SAGE; WOLFCAMP (GAS) | SHL: 380' FSL 1,275' FEL, Sec. 5, T24S-R29E | BHL: 158' FNL 1,314' FEL, Sec. 32, T23S-R29E |
| CB SE 5 32 FED COM 13H | 30-015-44639 | PURPLE SAGE; WOLFCAMP (GAS) | SHL: 380' FSL 1,250' FEL, Sec. 5, T24S-R29E | BHL: 168' FNL 341' FEL, Sec. 32, T23S-R29E |

The wells are located in the SE4SE4 of Section 5, T24S-R29E, Eddy County, New Mexico. C-102s for all wells connected to this battery and facility diagram are included with this notification.

I have attached the Administrative Application checklist, facility diagram, C-102s for referenced wells and proof of notice to interest owners. Should you need additional information, please give me a call at (432) 687-7665 or LBecerra@Chevron.com.

Sincerely,

Laura Becerra
Regulatory Specialist
Midcontinent BU



Irvin Gutierrez
Land Representative

Chevron U.S.A. Inc.
1400 Smith Street
Houston, Texas 77002
Tel 713.372.4299
irvin.gutierrez@chevron.com

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 18th, 2019

Marshall & Winston, Inc
P.O. Box 50880
Midland, Texas 79710

RE: Application for Off Lease Measurement of Gas:

CB SE 5 32 FED COM #11H, #12H, #13H
Section 5, Township 24 South, Range 29 East and
Section 32, Township 23 South, Range 29 East, N.M.P.M.,
Eddy County, New Mexico

Dear Interest Owner:

This letter will serve as notice that Chevron U.S.A. Inc. has applied for a permit from the Oil Conservation Division in Santa Fe, NM. for Off Lease Measurement of Gas.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. If the Oil Conservation Division determines the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, the telephone number is 505-476-3200.

Sincerely,

Irvin Gutierrez
Land Representative



Irvin Gutierrez
Land Representative

Chevron U.S.A. Inc.
1400 Smith Street
Houston, Texas 77002
Tel 713.372.4299
irvin.gutierrez@chevron.com

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 18th, 2019

Mizel Resources, a Trust
4350 S Monaco Street, 5th Floor
Denver, CO 80237

RE: Application for Off Lease Measurement of Gas:

CB SE 5 32 FED COM #11H, #12H, #13H
Section 5, Township 24 South, Range 29 East and
Section 32, Township 23 South, Range 29 East, N.M.P.M.,
Eddy County, New Mexico

Dear Interest Owner:

This letter will serve as notice that Chevron U.S.A. Inc. has applied for a permit from the Oil Conservation Division in Santa Fe, NM. for Off Lease Measurement of Gas.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. If the Oil Conservation Division determines the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, the telephone number is 505-476-3200.

Sincerely,

Irvin Gutierrez
Land Representative



Irvin Gutierrez
Land Representative

Chevron U.S.A. Inc.
1400 Smith Street
Houston, Texas 77002
Tel 713.372.4299
irvin.gutierrez@chevron.com

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 18th, 2019

Yosemite Creek Oil & Gas, LLC
4350 S Monaco Street, 5th Floor
Denver, CO 80237

RE: Application for Off Lease Measurement of Gas:

CB SE 5 32 FED COM #11H, #12H, #13H
Section 5, Township 24 South, Range 29 East and
Section 32, Township 23 South, Range 29 East, N.M.P.M.,
Eddy County, New Mexico

Dear Interest Owner:

This letter will serve as notice that Chevron U.S.A. Inc. has applied for a permit from the Oil Conservation Division in Santa Fe, NM. for Off Lease Measurement of Gas.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. If the Oil Conservation Division determines the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, the telephone number is 505-476-3200.

Sincerely,

Irvin Gutierrez
Land Representative



Irvin Gutierrez
Land Representative

Chevron U.S.A. Inc.
1400 Smith Street
Houston, Texas 77002
Tel 713.372.4299
irvin.gutierrez@chevron.com

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 18th, 2019

Juneau Oil & Gas LLC
3700 Buffalo Speedway, Suite 925
Houston, TX 77098

RE: Application for Off Lease Measurement of Gas:

CB SE 5 32 FED COM #11H, #12H, #13H
Section 5, Township 24 South, Range 29 East and
Section 32, Township 23 South, Range 29 East, N.M.P.M.,
Eddy County, New Mexico

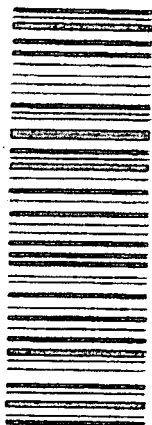
Dear Interest Owner:

This letter will serve as notice that Chevron U.S.A. Inc. has applied for a permit from the Oil Conservation Division in Santa Fe, NM. for Off Lease Measurement of Gas.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. If the Oil Conservation Division determines the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, the telephone number is 505-476-3200.

Sincerely,

Irvin Gutierrez
Land Representative



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7015 0640 0003 0754 6211

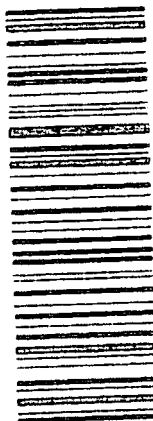
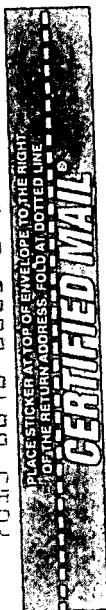
| | |
|---|--|
| U.S. Postal Service CERTIFIED MAIL® RECEIPT <i>Domestic Mail Only</i> | |
| For delivery information, visit our website at www.usps.com | |
| Certified Mail Fee \$ | Postmark Here |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) \$ | |
| <input type="checkbox"/> Return Receipt (electronic) \$ | |
| <input type="checkbox"/> Certified Mail Restricted Delivery \$ | |
| <input type="checkbox"/> Adult Signature Required \$ | |
| <input type="checkbox"/> Adult Signature Restricted Delivery \$ | |
| Postage \$ | |
| Total Postage \$ | |
| Sent To | Yosemite Creek Oil & Gas, LLC |
| Street and Apt | 4350 S Monaco Street, 5th Floor |
| City State Zip | Denver, CO 80237 |
| PS Form 3800, April 2013 PSN 7530-02-000-9017 See Reverse for Instructions | |



7015 0640 0003 0754 6228
7015 0640 0003 0754 6228

| | |
|---|--|
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| For delivery information, visit our website at www.usps.com | |
| Certified Mail Fee \$ | Postmark Here |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) \$ | |
| <input type="checkbox"/> Return Receipt (electronic) \$ | |
| <input type="checkbox"/> Certified Mail Restricted Delivery \$ | |
| <input type="checkbox"/> Adult Signature Required \$ | |
| <input type="checkbox"/> Adult Signature Restricted Delivery \$ | |
| Postage \$ | |
| Total Postage \$ | |
| Sent To | Mizel Resources, a Trust |
| Street and | 4350 S Monaco Street, 5th Floor |
| City State Zip | Denver, CO 80237 |
| PS Form 3800, April 2013 PSN 7530-02-000-9017 See Reverse for Instructions | |

7015 0640 0003 0754 6235



7015 0640 0003 0754 6235
7015 0640 0003 0754 6235

| U.S. Postal Service™ CERTIFIED MAIL® RECEIPT <i>Domestic Mail Only</i> | |
|--|------------------|
| For delivery information, visit our website at www.usps.com | |
| Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) <input type="checkbox"/> Return Receipt (hardcopy) \$ <input type="checkbox"/> Return Receipt (electronic) \$ <input type="checkbox"/> Certified Mail Restricted Delivery \$ <input type="checkbox"/> Adult Signature Required \$ <input type="checkbox"/> Adult Signature Restricted Delivery \$ | Postmark Here |
| Postage \$ Total Postage \$ Sent To Street and A/City, State, ZIP | |
| Marshall & Winston, Inc P.O. Box 50880 Midland, Texas 79710 | |
| PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions | |

7015 0640 0003 0754 6204



7015 0640 0003 0754 6204
7015 0640 0003 0754 6204

| U.S. Postal Service™ CERTIFIED MAIL® RECEIPT <i>Domestic Mail Only</i> | |
|--|------------------|
| For delivery information, visit our website at www.usps.com | |
| Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) <input type="checkbox"/> Return Receipt (hardcopy) \$ <input type="checkbox"/> Return Receipt (electronic) \$ <input type="checkbox"/> Certified Mail Restricted Delivery \$ <input type="checkbox"/> Adult Signature Required \$ <input type="checkbox"/> Adult Signature Restricted Delivery \$ | Postmark Here |
| Postage \$ Total Postage \$ Sent To Street and A/City, State, ZIP | |
| Juneau Oil & Gas LLC 3700 Buffalo Speedway, Suite 925 Houston, TX 77098 | |
| PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions | |

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Off-Lease/CA Storage, Measurement and Sales of production

Conditions of Approval

Chevron USA Incorporated

CB SE 5 32 Fed Com 11H, 12H, 13H

**All wells are located in section 5, T24S R29E and are part of the same applied-for CA
CTB is located in section 8, T24S R29E**

Approval of off-lease/CA measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented/flared without proper measurement and prior approval. Any gas vented must be flared.
3. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per 43 CFR 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer. These volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33" for royalty-bearing flared gas and disposition code 63 for royalty-bearing vented gas.
DC 33 = Flared gas – royalty due
DC 63 = Vented gas – royalty due
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments and/or product accountability.
5. This approval is subject to like approval by the New Mexico Oil Conservation Division.
6. Additional wells require additional approvals.
7. This approval does not constitute right-of-way approval for any off-lease/Unit activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
8. This off-lease/CA measurement is only valid if the attached application for communitization is approved as requested.
9. This approval does not include the approval of commingling the CB SE 5 32 Fed Com 11H, 12H, 13H wells with the 1H, 2H, 3H wells as described in the attached flow diagram. The 1H, 2H, and 3H wells will be brought into the CTB at a later time, at which point Chevron shall apply for commingling (if still opting to commingle these wells) & additional OLM.
10. Approval for off-lease/CA from various sources is a privilege which is granted to lessees/operators for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.

5/29/2019 DR