

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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 reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator CHEVRON USA INCORPORATED		6. If Indian, Allottee or Tribe Name
3a. Address 15 SMITH ROAD MIDLAND, TX 79705		7. If Unit or CA/Agreement, Name and/or No. Multiple--See Attached
3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-391-6679		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 Multiple--See Attached
		11. County or Parish, and State LEA COUNTY, NM

HOBBS OCD

JUL 29 2014

RECEIVED

12. CHECK 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"/> Fracture Treat	<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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 requests approval to Surface Commingle oil, gas and water production from the Bone Spring Pool through Chevron's Brininstool Battery. Wells producing in this battery include the Chevron Brininstool 23 23 33 #1H; Brininstool 23 23 33 #2H; Brininstool 25 23 33 #2H and the Limestone 11 23 33 #1H (which will be horizontally dilled in spring of 2014 into the Second Bone Spring sand formation, attached map) These wells are located in Section 11, 23, 25, T23S-R33E, Lea County, New Mexico, API's included:

Limestone 11 23 33 #1H API# 30-025-41360 Lease # NMNM114985
Brininstool 23 23 33 #1H API# 30-025-41330 Lease # NMNM114986
Brininstool 23 23 33 #2H API# 30-025-41331 Lease # NMNM114986
Brininstool 25 23 33 #2H API# 30-025-41627 Lease # NMNM112940

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Please find attached surface application for the above wells and facility diagrams and maps.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #239768 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by DEBORAH HAM on 03/24/2014 (14DMH0168SE)	
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 03/24/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>EPS</u>	Date <u>03/26/2014</u>
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 <i>KZ</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.

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

JUL 30 2014

dm

Additional data for EC transaction #239768 that would not fit on the form

5. Lease Serial No., continued

NMNM112940
NMNM114985
NMNM114986

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM114986	NMNM114986	BRININSTOOL 23 23 33 USA 1H	30-025-41330-00-X1	Sec 23 T23S R33E NWNE 149FNL 1568FEL 32.297005 N Lat, 103.539687 W Lon
NMNM114986	NMNM114986	BRININSTOOL 23 23 33 USA 2H	30-025-41331-00-X1	Sec 23 T23S R33E SESE 150FSL 400FEL 32.283309 N Lat, 103.535903 W Lon
NMNM114985	NMNM114985	LIMESTONE 11 23 33 FED 1H	30-025-41360-00-X1	Sec 11 T23S R33E NWNW 150FNL 650FWL 32.325962 N Lat, 103.549580 W Lon
NMNM112940	NMNM112940	BRININSTOOL 25 23 33 USA 2H	30-025-41627-00-X1	Sec 25 T23S R33E NENW 150FNL 1980FWL 32.282621 N Lat, 103.527722 W Lon

10. Field and Pool, continued

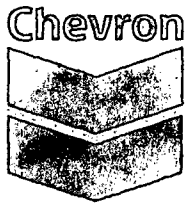
TRIPLE X

32. Additional remarks, continued

***Multiple Leases**

Revisions to Operator-Submitted EC Data for Sundry Notice #239768

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	SURCOM NOI	SURCOM NOI
Lease:	NMNM114986	NMNM112940 NMNM114985 NMNM114986
Agreement:		
Operator:	CHEVRON USA INC 15 SMITH RD MIDLAND, TX 79705 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: 575-391-6679	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CHERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-391-6679
Tech Contact:	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CHERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-391-6679	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CHERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-391-6679
Location:		
State:	NM	NM
County:	LEA	LEA
Field/Pool:	BONE SPRING	BELL LAKE BRINNINSTOOL TRIPLE X
Well/Facility:	BRININSTOOL 1H Sec 23 T23S R33E Mer NMP 149FNL 1568FEL	BRININSTOOL 23 23 33 USA 1H Sec 23 T23S R33E NWNE 149FNL 1568FEL 32.297005 N Lat, 103.539687 W Lon BRININSTOOL 23 23 33 USA 2H Sec 23 T23S R33E SESE 150FSL 400FEL 32.283309 N Lat, 103.535903 W Lon LIMESTONE 11 23 33 FED 1H Sec 11 T23S R33E NWNW 150FNL 650FWL 32.325962 N Lat, 103.549580 W Lon BRININSTOOL 25 23 33 USA 2H Sec 25 T23S R33E NENW 150FNL 1980FWL 32.282621 N Lat, 103.527722 W Lon



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 121
Hobbs FMT, Hobbs, NM 88241
Tel 575-263-0431
Cherreramurillo@chevron.com

March 24, 2014

Bureau of Land Management
New Mexico State Office
P.O. Box 27115
Santa Fe, NM 87502-0115

Application for surface commingling, Bone Spring Pool, Lea County, NM (T23S-R33E, Sec 11, 23 & 25)

Dear Sirs,

Chevron North America respectfully requests administrative approval to surface commingle oil, gas, and water production from the Bone Spring Pool through Chevron's Brininstool Battery. Chevron request the approval to minimize surface disturbance and future traffic by concentrating activities at one battery. Wells producing to this battery include the Chevron Brininstool 23 23 33 #1H; Brininstool 23 23 33 #2H, Brininstool 25 23 33 #2H and the Limestone 11 23 33 Federal #1. All wells will be completed within the Second Bone Spring sand Formation, per attached map. These wells are located in section 11, 23 & 25, T23S-R33E, Lea County, New Mexico. APDs for each well, which includes surface plats, are included with this notification.

The working interest and royalties are the same for all three leases involved in this request (100% CVXI). These wells will be horizontally drilled in spring of 2014. As such, the wells will be allocated by monthly Well test with coriolis on oil and EFM on gas. A schematic showing this configuration is attached.

Sincerely,

A handwritten signature in cursive script 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 Limestone 11-23-33 Federal #1H, Brininstool 23-23-33 Federal #1H, Brininstool 23-23-33 Federal #2H, and Brininstool 25-23-33 #2H:

Chevron USA Inc is requesting approval for the Central Tank Battery, Commingling, and Off lease sales of gas and oil:

Federal Lease NMNM1114985

Well Name	Location	API #	Pool 7320	Oil BOPD	Gravities	MCFPD	BTU
Limestone 11 Fed #1H	Sec11, W2W2 T23SR33E	3002541360	Brininstool; Bone Spring	480	40.1	541	1294

Federal Lease NMNM112940

Well Name	Location	API #	Pool 59900	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 25 Fed #2H	Sec25, E/2W/2 T23SR33E	3002541627	Triple-X; Bone Spring	480	40.1	541	1294

Federal Lease NMNM114986

Well Name	Location	API #	Pool 5150	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 23 Fed #1H	Sec23, W/2E/2 T23SR33E	3002541330	Bell Lake; Bone Spring	480	40.1	541	1294

Federal Lease NMNM114986

Well Name	Location	API#	Pool 5150	Oil BOPD	Gravities	MCFPD	BTU
Brininstool 23 Fed #2H	Sec 23 W/2E/2 T23R33E	30-025-41331	Bell Lake; Bone Spring	480	40.1	541	1294

Map shows the federal leases and well locations in Section 11,23 & 25-T23S-R33E.

The BLM's interest in these leases is the same. Lease NMNM114985 royalty rate is 12.5%, Lease NMNM112940 royalty rate is 12.5%, and Lease NMNM114986 royalty rate is 12.5 %.

Oil & Gas metering:

The central tank battery will be located at the Brininstool 23-23-33 Federal 1H. There are three oil tanks at the Central tank battery that the wells will utilize and oil will be sold through the central delivery point (CDP) Lease Automated Custody Transfer unit (S/N 11263551-A), which is located in the NWNE, Sec. 23 T23S, R33E. For gas they will have a common central delivery point (CDP) gas sales meter (Targa Gas #76880-00-444) which is located in the SWSE, Sec. 23 T23S, R33E. The produced water will go to a common water tank on location.

Each well will be tested monthly through a three -phase test separator located at the nearest facility to each well's wellhead. The Limestone 23 23 33 #1H will be tested at a dedicated production satellite. The Brininstool wells will be tested at the central battery. Each three phase test will measure oil through a coriolis meter on the oil outlet line and gas through an orifice meter run with a Total Flow computer.

Production will be allocated to each by monthly well test. A 24 hour test will be performed monthly on each well. Each well's 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 the

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Corporation
Limestone 11 23 33 #1H, Brininstool 23 23 33 #1H, Brininstool 23 23 33 #2H, Brininstool 25 23 33 #2H

Lease Automated Custody Transfer (LACT) meter located at the Brininstool central tank battery. The production will also be applied to the total gas production metered by the Targa Resources Corp sales meter. As purchasers contract all production will be paid on a flat API 40 sweet quality in Bone Spring value with no deducts for gravity.

Limestone 11 23 33 #1H oil allocation meter on the Limestone Production Satellite three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14385561).

Brininstool 23 23 33 #1H oil allocation meter on the Brininstool central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14385211).

Brininstool 23 23 33 #2H oil allocation meter on the Brininstool central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14385211).

Brininstool 25 23 33 #2H oil allocation meter on the Brininstool central tank battery three-phase test separator consists of a Micro Motion Coriolis meter (S/N 14385211).

These meters will be proven as per API, NMOCD, and BLM specifications when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter. The factor obtained will be used to allocate the production volumes.

Gas production will be allocated on a daily basis based on the results of a monthly well test of each well.

Limestone 11 23 33 Federal #1H gas allocation meter on the Limestone Production Satellite three-phase test separator consists of a Tele Flow EFM (S/N T134246234).

Brininstool 23 23 33 Federal #1H gas allocation meter on the Brininstool central tank battery three-phase test separator consists of a Total Flow EFM (S/N T132022714).

Brininstool 23 23 33 Federal #2H gas allocation meter on the Brininstool central tank battery three-phase test separator consists of a Total Flow EFM (S/N T132022714).

Brininstool 25 23 33 Federal #2H gas allocation meter on the Brininstool central tank battery three-phase test separator consists of a Total Flow EFM (S/N T132022714).

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 facility diagram and map which shows the lease boundaries, location of wells, location of flow lines, facility, 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 operating expenses as well as reduce the surface facility footprint and overall emissions.

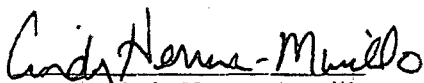
Chevron USA Inc understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

A central tank battery is located on the Brininstool Federal #1H located in Sec. 23 W/2E/2, T23S-R33E, on federal lease NMNM114986 in Lea County, New Mexico. The production from the four wells will be routed to the Brininstool Federal tank battery. After separation and allocation measurement, the oil, gas, and water will go to common oil tanks, water tank, and gas CDP located in Section 23.

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY Chevron Corporation
Limestone 11 23 33 #1H, Brininstool 23 23 33 #1H, Brininstool 23 23 33 #2H, Brininstool 25 23 33 #2H

Limestone 11 23 33 #1H and Brininstool 25 23 33 #2H will require off lease measurement, storage and sales of oil and gas.

No working, royalty, and overriding interest owners will have to be notified. Chevron is the only working interest owner

Signed: 
Printed Name: Cindy Herrera-Murillo
Title: Regulatory Compliance Associate
Date: 03/24/2014

Federal Lease NMNM #	Royalty Rate	Well Name	BOPD	Royalty Rate 16/23 Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
114985	12.5%	Limestone 11 23 33 1H	480	40.1	\$87.97	541	1294	\$2.46
112940	12.5%	Brininstool 25-23-33 2H	480	40.1	\$87.97	541	1294	\$2.46
114986	12.5%	Brininstool 23 23 33 1H	480	40.1	\$87.97	541	1294	\$2.46
114986	12.5%	Brininstool 23 23 33 2H	480	40.1	\$87.97	541	1294	\$2.46

Federal Lease NMNM	Economic combined production	Well Name	BOPD	Oil Gravity (@60 deg)	Value/bbl	MCFPD	DRY BTU	Value/mcf
114986		Brininstool Battery	1920	40.1	\$87.97	2164	1294	\$2.46

Chevron has a master sales agreement in place for all the Bone Springs wells in the area. All Bone Springs oil production in the area is sweet. Part of this agreement is that all oil is deemed as sweet and sold at a flat rate of 40 API gravity. Therefore, regardless of the API values of the individual wells, the common stream will be sold as if it was sweet and 40 API gravity

Printed Name: Christina Davis
Title: Reservoir Engineer
Date: 03/24/2014

Serial register page form LR2000 is attached on the following pages.

Federal Lease	Lease description	WI / NRI	Lease	Royalty Interest
NMNM114985	Limestone #1H	100% / 87.5%	Federal	12.5%
NMNM112940	Brininstool #2H	100% / 87.5%	Federal	12.5%
NMNM114986	Brininstool #1H	100% / 87.5%	Federal	12.5%
NMNM114986	Brininstool #2H	100% / 87.5%	Federal	12.5%

Chevron is 100% Lessee for each lease.

Interest owner address is below:

Chevron USA Inc P.O. Box 4791 Houston, TX 77210-4791	Bureau of Land Management New Mexico State Office PO Box 27115 Santa Fe, NM 87502-0115
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Limestone 11-23-33 Fed 1H
 Sec 11, T-23S, R33E
 150 FNL, 650 FWL
 API: 30-025-41360

Lease Line: 11-23-33
 NM3760021-000

Lease Line: 23-23-33
 NM376022-000

Brininstool 23-23-33 Fed 1H
 Sec 23, T-23S, R33E
 149 FNL, 1568 FEL
 API: 30-025-41330

Brininstool 23-23-33 Fed 2H
 Sec 23, T-23S, R33E
 150 FNL, 400 FEL
 API: 30-025-41331

Lease Line: 23-23-33
 NM376022-000

Lease Line: 25-23-33
 NM3760010-000

Brininstool 25-23-33 USA #2H
 Sec 25, T-23S, R33E
 50 FNL & 1980 FSL
 API: 30-025-41627

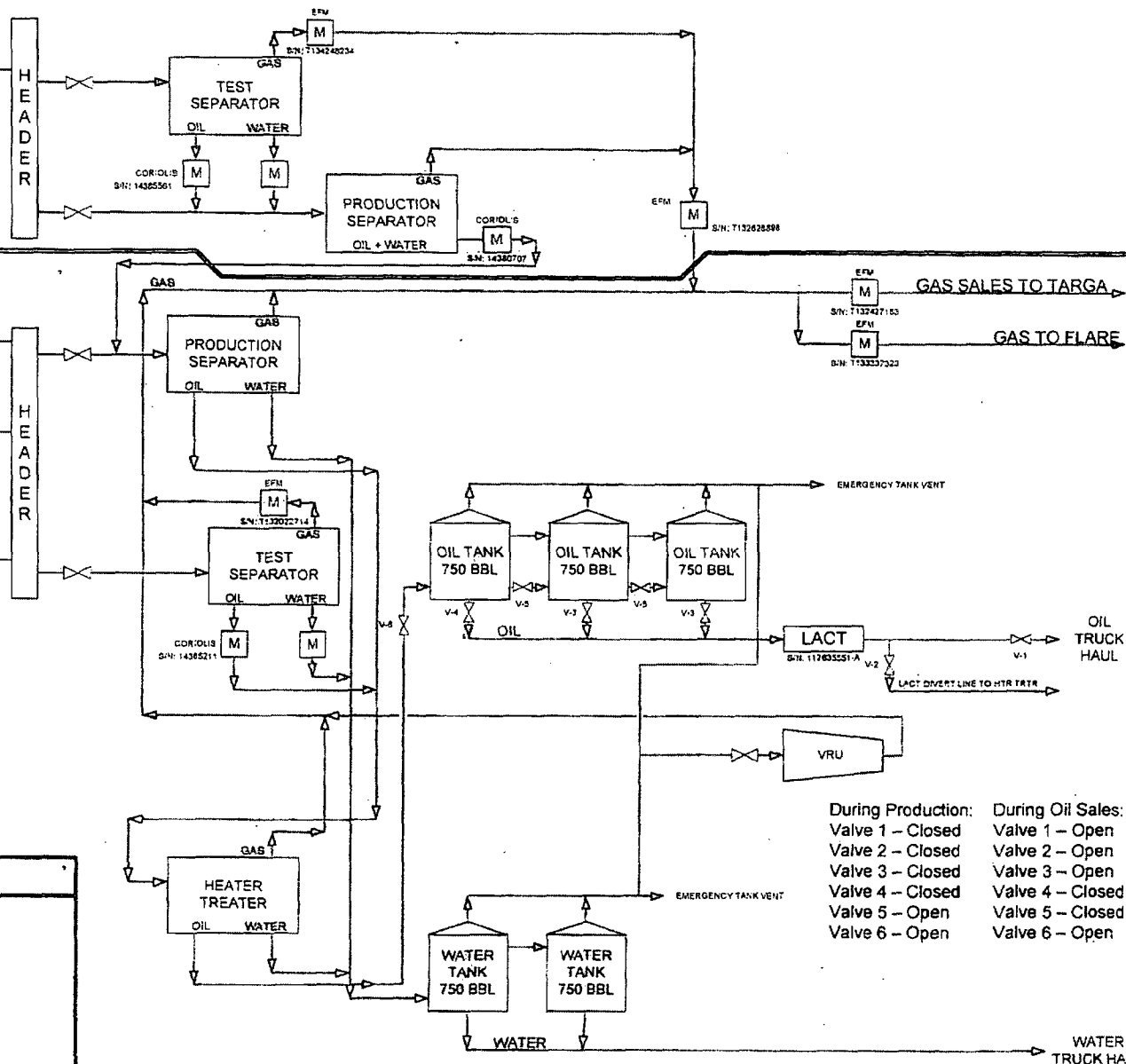
Lease Line: 25-23-33
 NM3760010-000

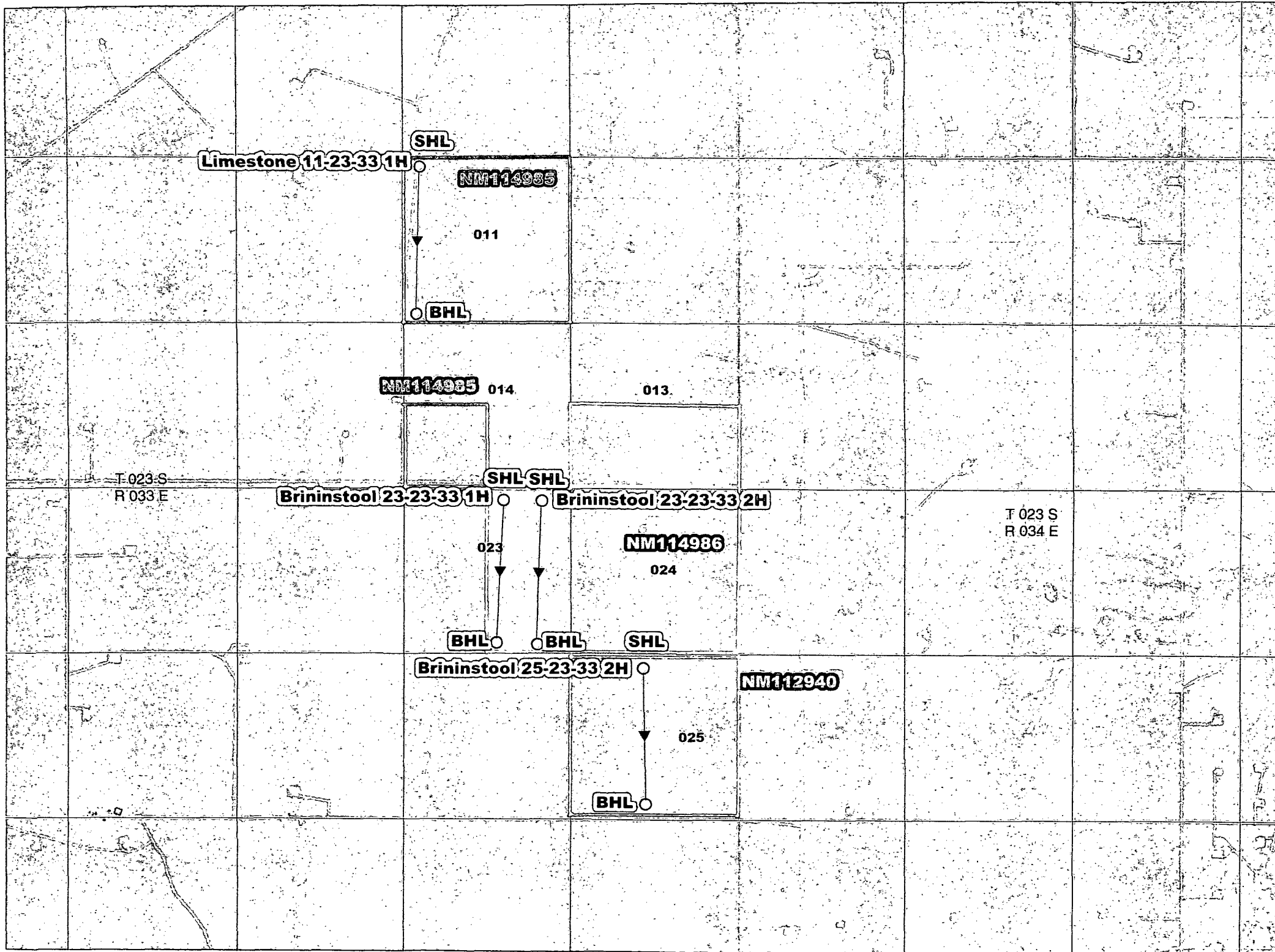
Lease Line: 23-23-33
 NM376022-000

CHEVRON USA

Brininstool Battery and Limestone Satellite
 PROCESS FLOW DIAGRAM

Sec 023, T23S, R33E
 Sec 025, T23S, R33E
 Sec 011, T23S, R33E
 Lea County, New Mexico
 March 24, 2014





Limestone 11-23-33 1H

NM114985

011

NM114985 014

013

T 023 S
R 033 E

Brininstool 23-23-33 1H

**Brininstool Tank
Battery**

023

Brininstool 23-23-33 2H

NM114986

024

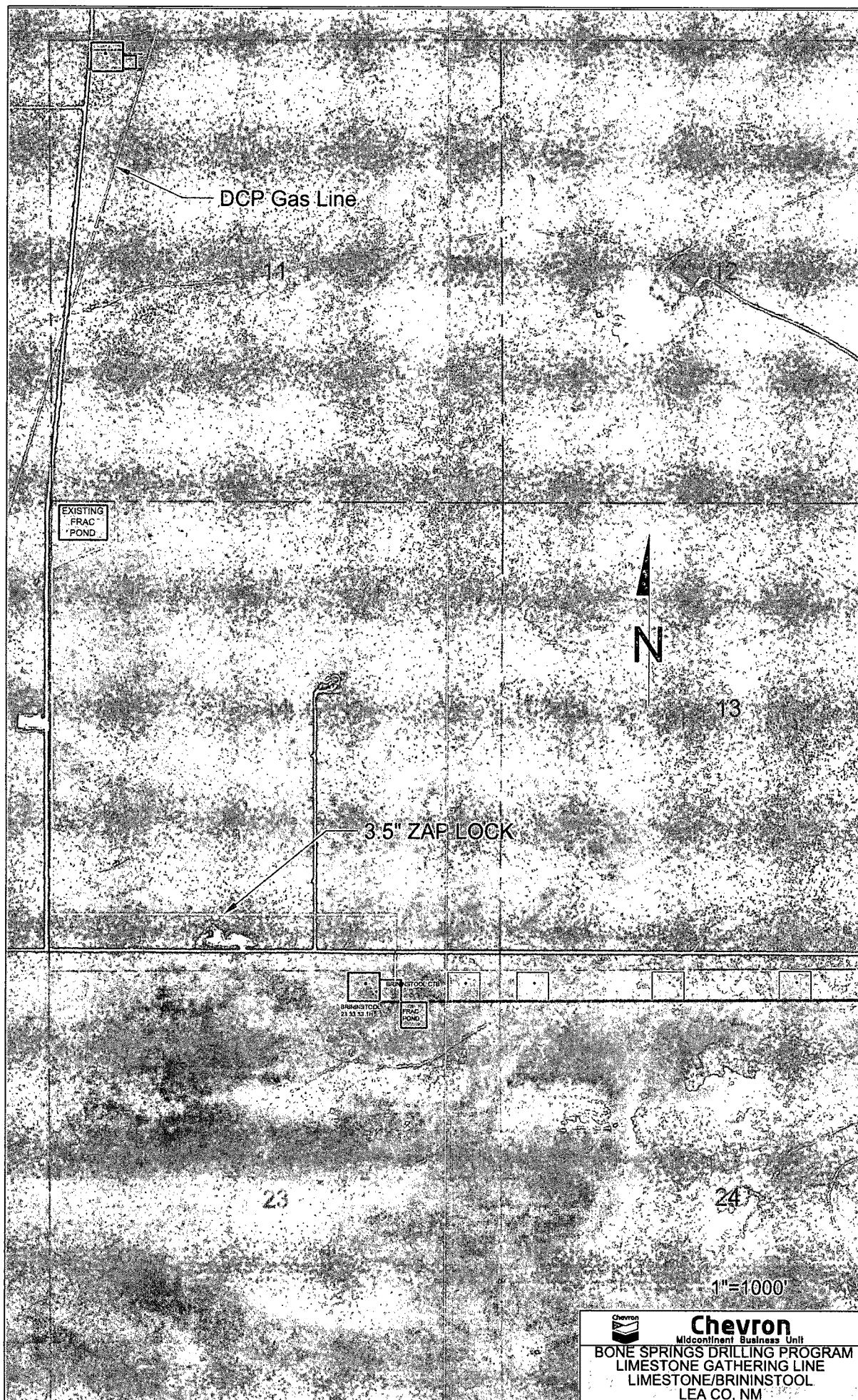
T 023 S
R 034 E

**Targa Gas CDP
#76880-00-444**

Brininstool 25-23-33 2H

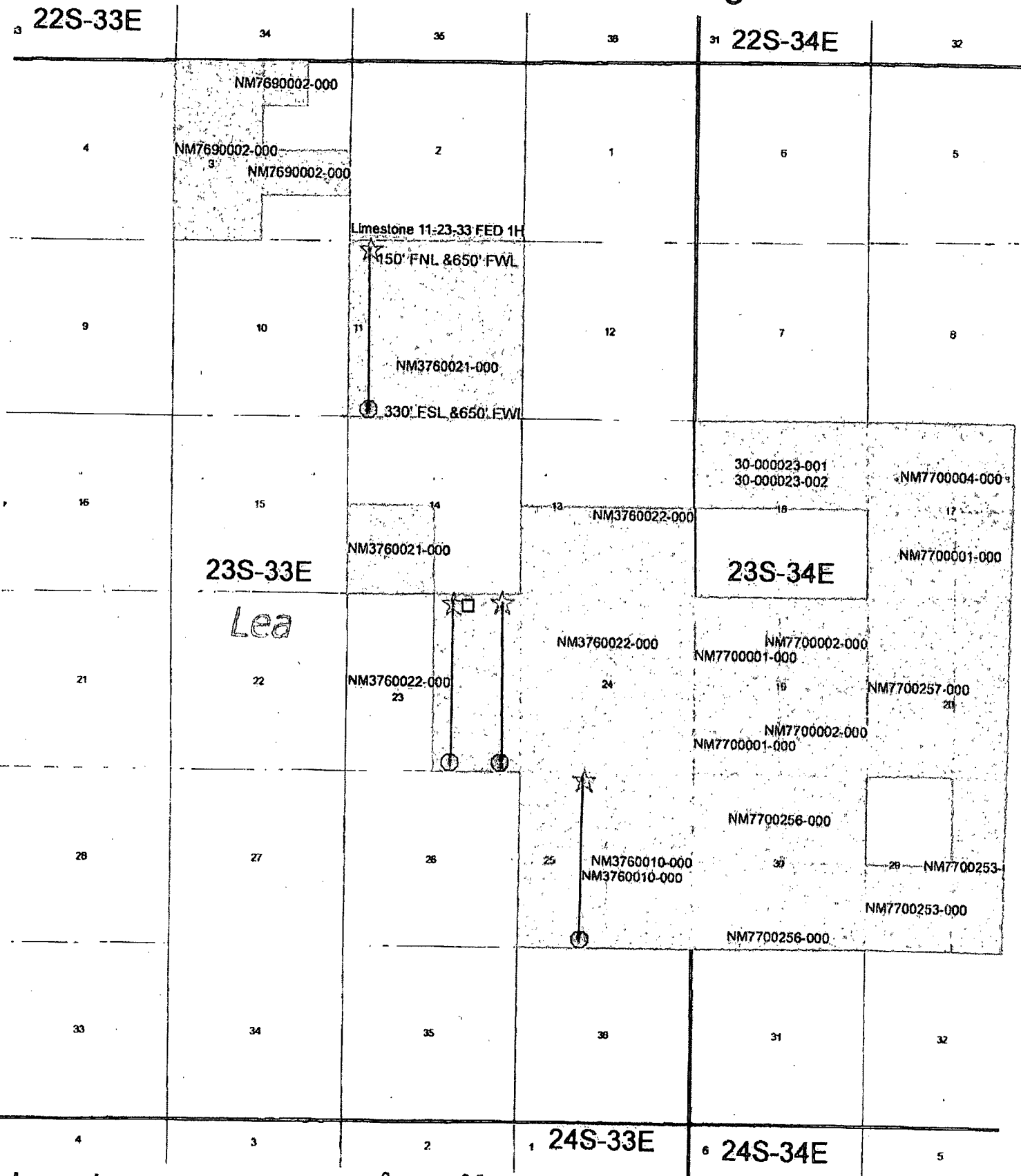
NM112940

025





Limestone Brininstool Commingle



Legend

- ☆ Brininstool Commingle SHL
- Brininstool Commingle BHL
- Central Tank Battery

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 03/25/14 09:37 AM

Page 1 of 2

01 12-22-1987;101STAT1330;30USC181 ET SEQ
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED Case File Juris:

Total Acres

1,039.890

Serial Number

NMNM-- - 114985

Serial Number: NMNM-- - 114985

Name & Address			Int Rel	%Interest
CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327	LESSEE	100.000000000

Serial Number: NMNM-- - 114985

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0230S	0330E	005	ALIQ	S2NW,W2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM
23	0230S	0330E	005	LOTS	3,4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM
23	0230S	0330E	011	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM
23	0230S	0330E	014	ALIQ	SW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM

Serial Number: NMNM-- - 114985

Act Date	Code	Action	Action Remarks	Pending Office
10/04/2005	299	PROTEST FILED	FOREST GUARDIANS	
10/18/2005	387	CASE ESTABLISHED	200510048;	
10/19/2005	143	BONUS BID PAYMENT RECD	\$2080.00;	
10/19/2005	191	SALE HELD		
10/19/2005	267	BID RECEIVED	\$1014000.00;	
10/31/2005	143	BONUS BID PAYMENT RECD	\$1011920.00;	
11/18/2005	298	PROTEST DISMISSED		
11/22/2005	237	LEASE ISSUED		
11/22/2005	974	AUTOMATED RECORD VERIF	GSB	
12/01/2005	496	FUND CODE	05;145003	
12/01/2005	530	RLTY RATE - 12 1/2%		
12/01/2005	868	EFFECTIVE DATE		
02/21/2006	963	CASE MICROFILMED		
09/14/2006	140	ASGN FILED	CHALFANT/CHESAPEAK;1	
10/19/2006	139	ASGN APPROVED	EFF 10/01/06;	
10/19/2006	974	AUTOMATED RECORD VERIF	MV	
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED		
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1	
04/09/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/09/2013	974	AUTOMATED RECORD VERIF	ANN	
11/30/2015	763	EXPIRES		

Serial Number: NMNM-- - 114985

Line Nr	Remarks
0002	STIPULATIONS ATTACHED TO LEASE:
0003	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE NOTICE

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 03/25/14 09:34 AM

Page 1 of 2

01 12-22-1987;101STAT1330;30USC181 ET SEQ
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED Case File Juris:

Total Acres
1,280.000

Serial Number
NMNM-- - 114986

Serial Number: NMNM-- - 114986

Name & Address	Int Rel	%Interest
CHEVRON USA INC 1400 SMITH ST HOUSTON TX 770027327	LESSEE	100.000000000

Serial Number: NMNM-- - 114986

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0230S	0330E	013		S2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM
23	0230S	0330E	023		E2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM
23	0230S	0330E	024		ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM

Serial Number: NMNM-- - 114986

Act Date	Code	Action	Action Remarks	Pending Office
10/04/2005	299	PROTEST FILED	Forest Guardians	
10/18/2005	387	CASE ESTABLISHED	200510049;	
10/19/2005	143	BONUS BID PAYMENT RECD	\$2560.00;	
10/19/2005	191	SALE HELD		
10/19/2005	267	BID RECEIVED	\$544000.00;	
10/31/2005	143	BONUS BID PAYMENT RECD	\$541440.00;	
11/18/2005	298	PROTEST DISMISSED		
11/22/2005	237	LEASE ISSUED		
11/22/2005	974	AUTOMATED RECORD VERIF	GSB	
12/01/2005	496	FUND CODE	05;145003	
12/01/2005	530	RLTY RATE - 12 1/2%		
12/01/2005	868	EFFECTIVE DATE		
02/21/2006	963	CASE MICROFILMED		
09/14/2006	140	ASGN FILED	CHALFANT/CHESAPEAK;1	
10/20/2006	139	ASGN APPROVED	EFF 10/01/06;	
10/20/2006	974	AUTOMATED RECORD VERIF	MV	
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED		
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1	
04/09/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/09/2013	974	AUTOMATED RECORD VERIF	ANN	
11/30/2015	763	EXPIRES		

Serial Number: NMNM-- - 114986

Line Nr	Remarks
0002	STIPULATIONS ATTACHED TO LEASE;
0003	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE NOTICE
0004	SENM-S-19 PLAYAS AND ALKALI LAKES

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Page 1 of 2

Run Date/Time: 03/25/14 09:36 AM

01 12-22-1987;101STAT1330;30USC181 ET SEQ		Total Acres	Serial Number
Case Type 312021: O&G LSE COMP PD -1987		640.000	NMNM-- - 112940
Commodity 459: OIL & GAS L			
Case Disposition: AUTHORIZED Case File Juris:			

Serial Number: NMNM-- - 112940

Name & Address	Int Rel	%Interest
CHEVRON USA INC 1400 SMITH ST HOUSTON TX 770027327	LESSEE	100.000000000

Serial Number: NMNM-- - 112940

Mer Twp Rng Sec SType Nr Suff Subdivision	District/Resource Area	County	Mgmt Agency
23 0230S 0330E 025 ALL ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM

Serial Number: NMNM-- - 112940

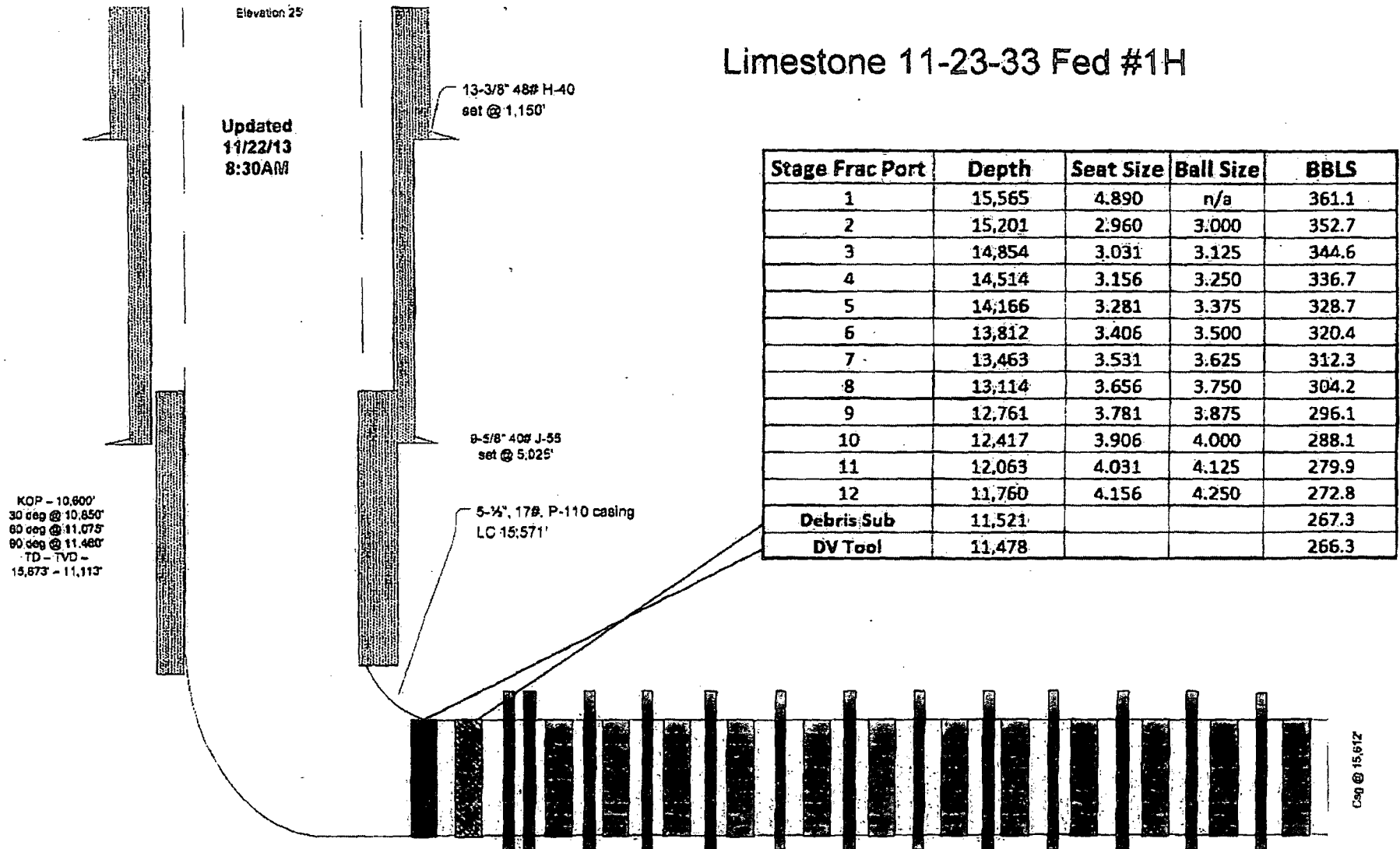
Act Date	Code	Action	Action Remarks	Pending Office
10/19/2004	299	PROTEST FILED		
10/19/2004	387	CASE ESTABLISHED	200410069;	
10/20/2004	143	BONUS BID PAYMENT RECD	\$1280.00;	
10/20/2004	191	SALE HELD		
10/20/2004	267	BID RECEIVED	\$96000.00;	
11/01/2004	143	BONUS BID PAYMENT RECD	\$94720.00;	
12/17/2004	298	PROTEST DISMISSED		
12/21/2004	237	LEASE ISSUED		
12/21/2004	974	AUTOMATED RECORD VERIF	LBO	
01/01/2005	496	FUND CODE	05;145003	
01/01/2005	530	RLTY RATE - 12 1/2%		
01/01/2005	868	EFFECTIVE DATE		
01/27/2005	963	CASE MICROFILMED		
02/28/2005	140	ASGN FILED	UPLAND/CHESAPEAKE E;1	
04/08/2005	139	ASGN APPROVED	EFF 03/01/05;	
04/08/2005	974	AUTOMATED RECORD VERIF	ANN	
05/17/2006	650	HELD BY PROD - ACTUAL	/1/	
10/11/2006	643	PRODUCTION DETERMINATION	/1/	
10/11/2006	658	MEMO OF 1ST PROD-ACTUAL	/1/	
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED		
11/27/2012	140	ASGN FILED	CHESAPEAKE/CHEVRON U;1	
04/24/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/24/2013	974	AUTOMATED RECORD VERIF	ANN	

Serial Number: NMNM-- - 112940

Line Nr	Remarks
0002	STIPULATIONS ATTACHED TO LEASE:
0003	SENM-S-22 PRAIRIE CHICKENS

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

Limestone 11-23-33 Fed #1H



Elevation 25'

Updated
01/18/14
7:30 PM

13-3/8" 48# H-40
set @ 1,404'

Production String	
Casing Size	5-1/2"
Casing Wt	17
Casing ID	4.892
Drift	4.767
Bbl / Ft	0.0232
Gal / Ft	0.9764
Ft / Bbl	43.01
Burst	10,640
80%	8,512

9-5/8" 40# J-55
set @ 5,203'

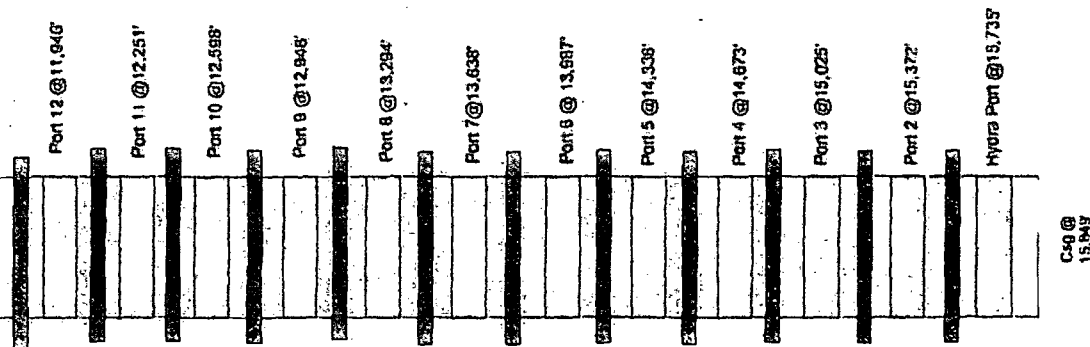
5-1/2" 17# P-110 casing
FC 15,797'

KOP - 10,760'
30 deg @ 11,090'
60 deg @ 11,300'
90 deg @ 11,650'
TD - TVD -
15,867' - 11,310'

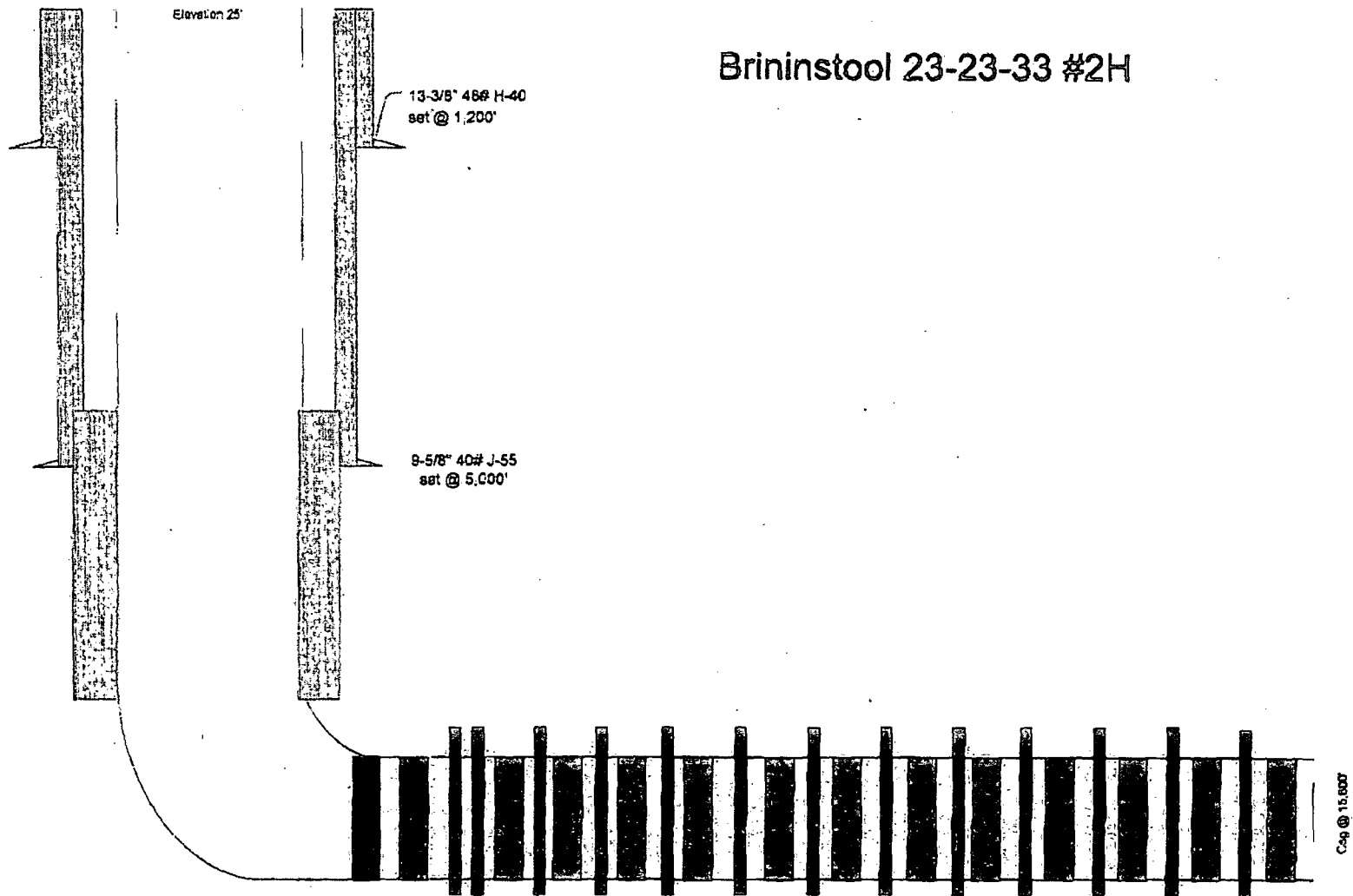
Short Jt @ 10,850 (10.25)

Brininstool 23-23-33 USA #1H

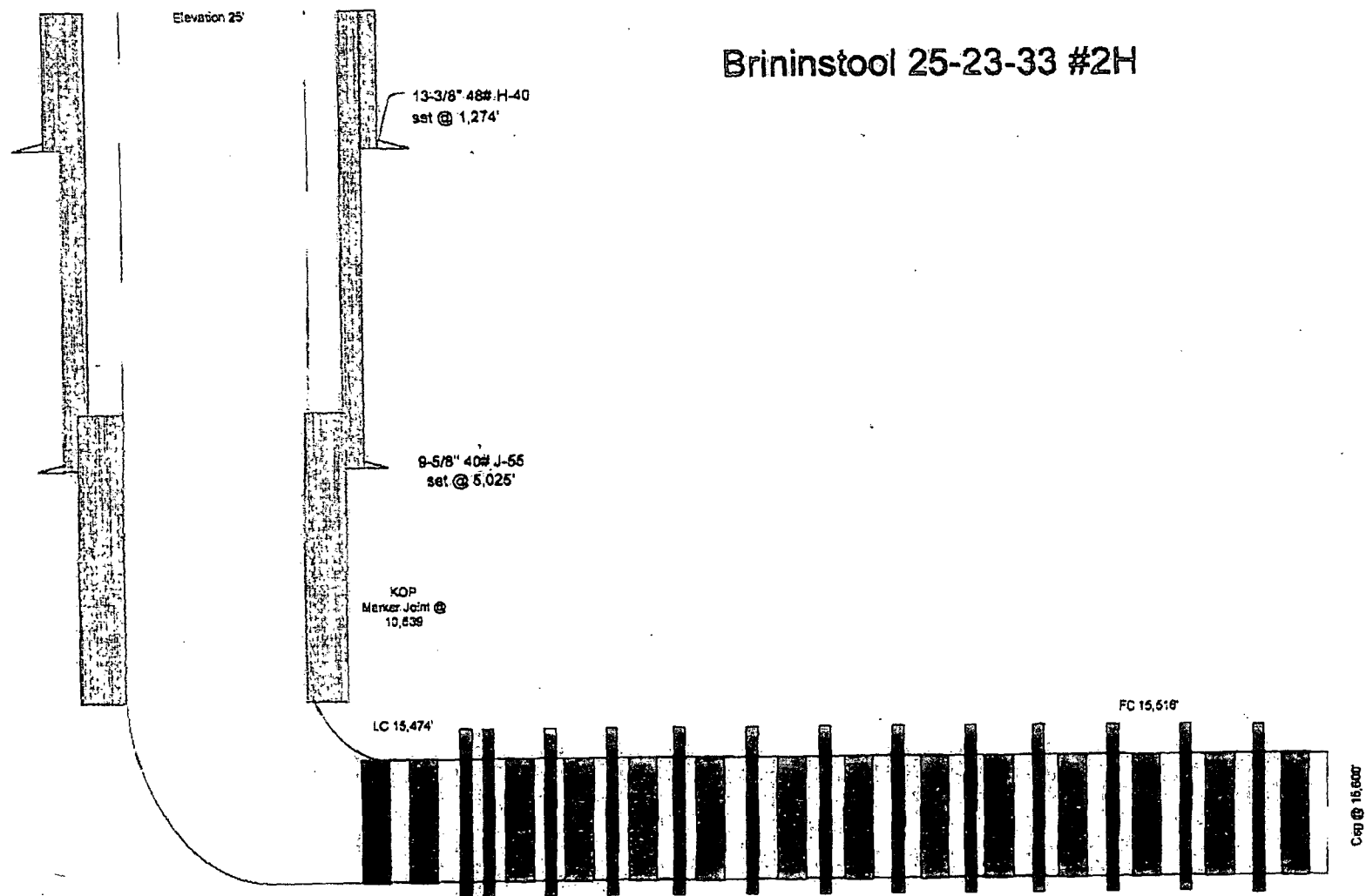
Stage Frac Port	Depth	Seal Size	Ball Size	BBLs
1	15,735	4.890	n/a	365.1
2	15,372	2.960	3.000	356.6
3	15,025	3.031	3.125	348.6
4	14,673	3.156	3.250	340.4
5	14,336	3.281	3.375	332.6
6	13,987	3.406	3.500	324.5
7	13,638	3.531	3.625	316.4
8	13,294	3.656	3.750	308.4
9	12,948	3.781	3.875	300.4
10	12,598	3.906	4.000	292.3
11	12,251	4.031	4.125	284.2
12	11,946	4.156	4.250	277.1
Debris Sub	11,716			271.8
DV Tool	11,669			270.7



Brininstool 23-23-33 #2H



Brininstool 25-23-33 #2H



Hobbs II
 1625 N. Foothill Dr., Hobbs, NM 88240
 Phone: (505) 793-6101 Fax: (505) 793-6102
 Hobbs III
 2112 N. Foothill Dr., Hobbs, NM 88240
 Phone: (505) 793-6103 Fax: (505) 793-6104
 Hobbs IV
 1000 N. Foothill Dr., Hobbs, NM 88240
 Phone: (505) 793-6105 Fax: (505) 793-6106
 Hobbs V
 1210 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-1400 Fax: (505) 476-1401

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 only copy to appropriate
 District Office

☐ AMENDED REPORT

AUG 22 2013

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

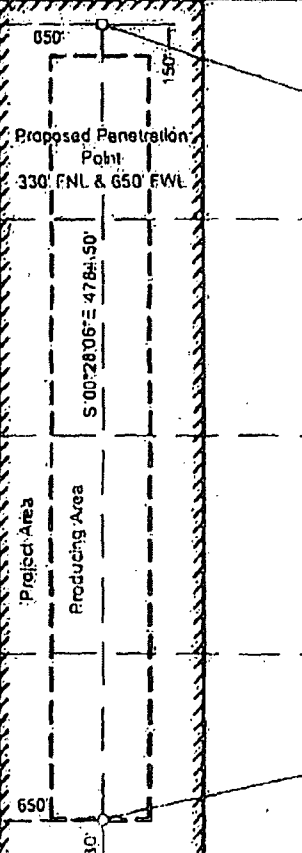
API Number 30-025-41360	Pool Code 7320	Pool Name BRINNISTOOL HONE SPRING
Property Code 40094	Property Name LIMESTONE 11 21 33 FED	Well Number 1H
Operator No. 4323	Operator Name CHEVRON U.S.A. INC.	Elevation 3560'

Surface Location									
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
D	11	23 SOUTH	33 EAST, N.M.P.M.		150'	NORTH	650'	WEST	LEA

Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
M	11	23 SOUTH	33 EAST, N.M.P.M.		330'	SOUTH	650'	WEST	LEA

Dedicated Acres 16.0	John of Title	Consolidation Code	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.

		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief, and that the signature is either mine or that of an authorized agent of mine, and that the signature is not a forgery, and that the signature is not a copy of a signature, and that the signature is not a copy of a signature, and that the signature is not a copy of a signature.</p> <p><i>[Signature]</i> 2/20/2013</p> <p>Signature Date</p> <p>Hydrus Agent (agent for Client)</p> <p>Printed Name</p> <p>Hydrus Agent (agent for Client)</p> <p>Email Address</p>	
<p>LIMESTONE 11 21 33 FED III</p> <p>X= 742,248' NAD27 Y= 483,188 LAT. 32.325852 LONG. 103.549098</p> <p>X= 783,431' NAD83 Y= 483,268 LAT. 32.326086 LONG. 103.549580</p> <p>ELEVATION = 3560' MWD 88.</p>		<p>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>Feb 24, 2013</p> <p>Date of Survey</p> <p><i>[Signature]</i></p> <p>Signature and Seal of Professional Surveyor</p> <p>WIM J. DANIEL III NEW MEXICO 15078 REGISTERED PROFESSIONAL SURVEYOR</p>	

AUG 26 2013 dm

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
 District II
 871 S. First St., Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9320
 District III
 1000 Rio Brumas Road, Aztec, NM 87419
 Phone: (505) 334-6118 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
 HOBBS OCEnergy, 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

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AUG 13 2013

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41330	² Pool Code 5150	³ Pool Name Bell Lake
⁴ Property Code 48072	⁵ Property Name BRINSTOOL 23 23 33 USA	⁶ Well Number 1H
⁷ OGRID No. 147179	⁸ Operator Name CHESAPEAKE OPERATING, INC.	⁹ Elevation 3673'

¹⁰ Surface Location

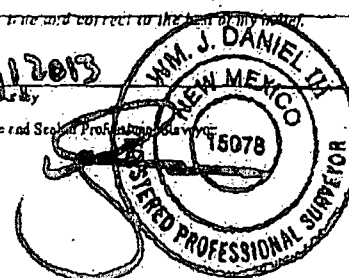
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	23	23 SOUTH	33 EAST, N.M.P.M.		149'	NORTH	1568'	EAST	LEA

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	23	23 SOUTH	33 EAST, N.M.P.M.		330'	SOUTH	1568'	EAST	LEA

¹² Dedicated Acres 160	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.

<p>BRINSTOOL 23 23 33 USA 1H</p> <p>X= 745,382 NAD 27 Y= 472,831 LAT. 32.296881 LONG. 103.539206 X= 788,566 NAD83 Y= 472,890 LAT. 32.297005 LONG. 103.539687 ELEVATION +3673' NAD 88</p>	<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 745,419 NAD 27 Y= 467,831 LAT. 32.283589 LONG. 103.539202 X= 788,602 NAD83 Y= 467,891 LAT. 32.283811 LONG. 103.539682</p>	<p>Proposed Penetration Point 330' FNL & 1568' FEL</p> <p>S 00°26'21"E 4799.80'</p> <p>Project Area</p> <p>Producing Area</p>	<p>" 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 undivided 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 the 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><i>Bryan Amund</i> 7.3.2013 Signature Date Bryan Amund (agent for operator) Printed Name bryan.amund@chh.com E-mail Address</p> <p>"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>7/12/2013 Date of Survey Signature and Seal of Professional Surveyor  Certificate Number 15078 </p>
---	---	--	---

AUG 16 2013

Division
 1621 N. First St., Santa Fe, NM 87503
 Phone: (505) 243-6161 Fax: (505) 243-6120
 TDD: (505) 243-6120
 111 S. First St., Santa Fe, NM 87501
 Phone: (505) 242-1231 Fax: (505) 242-1234
 TDD: (505) 242-1234
 1601 Rio Grande Blvd., Santa Fe, NM 87505
 Phone: (505) 334-6111 Fax: (505) 334-6120
 TDD: (505) 334-6120
 1120 S. St. Francis Dr., Santa Fe, NM 87503
 Phone: (505) 476-3410 Fax: (505) 476-3416

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
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 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-41331		Pool Code 5150	Well Name B211 Lake	Pool Name BRONKHORST HOLE SPRING
Property Code 40072	Property Name BURNINGSTOOL 23 23 33 USA			Well Number 2H
GRID No. 147719	Operator Name CHESAPEAKE OPERATING, INC.			Elevation 3627'
Surface Location				
U. of lot no. A	Section 23	Township 23 SOUTH	Range 33 EAST, N.M.P.M.	County LRA
U. of lot no. P	Section 23	Township 23 SOUTH	Range 33 EAST, N.M.P.M.	County LEA
Dedicated Acres 160	Joint or Infill	Consolidation Code	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.

<p> BURNINGSTOOL 23 23 33 USA 27 X= 746,550 NAD 27 Y= 472,635 LAT. 32.256667 LONG. 103.535426 X= 787,734 NAD 83 Y= 472,694 LAT. 32.256991 LONG. 103.535901 ELEVATION 3627' (11,021) </p> <p> PROPOSED BOTTOM HOLE LOCATION X= 746,507 NAD 27 Y= 467,037 LAT. 32.283660 LONG. 103.535423 X= 787,710 NAD 83 Y= 467,097 LAT. 32.283031 LONG. 103.535823 </p>	<p> Proposed Penetration Point 330' FNL & 400' FEL S 00°25'15" E 4797.36' 400' 330' </p> <p> Project Area Producing Area </p>	<p>"OPERATOR CERTIFICATION"</p> <p>I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief and that this organization either owns or controls the well, or has a contract with the owner of such interest for the purpose of operating the well, or has a contract with the owner of such interest for the purpose of operating the well, or has a contract with the owner of such interest for the purpose of operating the well.</p> <p> <i>[Signature]</i> Date: 6-13-2013 Operator Name: CHESAPEAKE OPERATING, INC. Title: President Address: 1220 S. ST. FRANCIS DR. SANTA FE, NM 87503 </p> <p>"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: June 12, 2013 Signature and Seal of Surveyor: <i>[Signature]</i> WINN J. DANIEL III NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 15078 </p>
--	---	--

AUG 16 2013

dm

District I
 1435 N. French Dr., Albany, NM 87102-50
 Phone: (505) 339-5161 Fax: (505) 339-0920
 District II
 811 S. First St., Artesia, NM 87210
 Phone: (505) 741-3263 Fax: (505) 741-4700
 District III
 1000 Rte. 66, Santa Fe, NM 87505
 Phone: (505) 334-1414 Fax: (505) 334-1700
 District IV
 1220 S. Santa Fe Dr., Santa Fe, NM 87505
 Phone: (505) 426-3460 Fax: (505) 426-3467

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

JAN 24 2014

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number: 30-025-41627	Well Code: 59900 Triplex	Well Name: TRIPLEX BONE SPRING
Property Code: 40353	Property Name: IRKINSTOOL 25-23-33 USA	Well Number: 2H
COORDINATE: 4323	Operator Name: CHEYKON, USA, INC.	Elevation: 3642'

UT. or Loc. no.	Section	Township	Range	Top 1/4	Feet from the	North/South line	Feet from the	East/West line	County
C	23	23-SOUTH	33-EAST, N.M.P.M.		50'	NORTH	1980'	WEST	LEA

Bottom Hole Location If Different from Surface

UT. or Loc. no.	Section	Township	Range	Top 1/4	Feet from the	North/South line	Feet from the	East/West line	County
N	23	23-SOUTH	33-EAST, N.M.P.M.		110'	SOUTH	1980'	WEST	LEA

Dedicated Area: 160	Joint or Infill:	Consolidation Date:	Other 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.

	PROPOSED SURFACE WELL LOCATION GRN 151001 25 23 33 USA 21 X= 749,070 NAD 27 Y= 487,470 LAT. 32.282621 LONG. 103.527722 X= 780,193 NAD 83 Y= 487,529 LAT. 32.282748 LONG. 103.528202 ELEVATION 3642 NAVD 83	OPERATOR 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. Signature: <i>[Signature]</i> Date: 4/2/2013 By: <i>[Signature]</i> (Agent for Operator) Printed Name: _____ Email Address: _____
	PROPOSED BOTTOM HOLE LOCATION X= 749,010 NAD 27 Y= 487,587 LAT. 32.269149 LONG. 103.527711 X= 780,193 NAD 83 Y= 482,626 LAT. 32.269260 LONG. 103.528191	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: 4-1-13 Signature and Seal of: <i>[Signature]</i>

15078

JAN 28 2014

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

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 _____

[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

[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

03/25/2014
 Date

Cherreramurillo@chevron.com
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: CHEVRON USA INC

OPERATOR ADDRESS: 15 SMITH RD MIDLAND, TX 79705

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fcc ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code. Bone Spring

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Cindy Herrera-Murillo

TITLE: Permitting Specialist

DATE: 03/25/2014

TYPE OR PRINT NAME: Cindy Herrera-Murillo

TELEPHONE NO.: 575-2632-0431

E-MAIL ADDRESS: Cherreramurillo@chevron.com

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

Brininstool 23-23-33 USA 1H, Brininstool 23-23-33 USA 2H,
Brininstool 25-23-33 USA 2H & Limestone 11-23-33 Fed 1H
Chevron USA Inc.
March 26, 2014

**Condition of Approval
Commingle on and off lease**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. 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.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees 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.
6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations: This is to be done within 90 days, if you have not already done so.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. 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 NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
9. This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.

The public's interest in all these leases (NM114985, NM114986 & NM112940) has been found to be identical at 12.5%. Therefore, this commingle is being approved. This does not mean that the allocation of production to each lease will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.