Form 3160-5 (August 2007)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

| FORM A    | PPRO   | VED  |
|-----------|--------|------|
| OMB No    | 1004-  | 0137 |
| Expires I | ulv 31 | 2010 |

5 Lease Serial No NM LC 029418A

| 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. |   | ĺ   | 6 If Indian, Allottee or Tribe Name                                       |   |
|--|---|---|---|---|
| SUBMIT IN TRIPLICATE – Other instructions on page 2  |   | 7 If Unit of CA/Agre                                    | 7 If Unit of CA/Agreement. Name and/or No                                 |   |
| l Type of Well  ☑ Oil Well ☐ Gas Well ☐ Other  |   |   | 8 Well Name and No<br>SKELLY UNIT #782                                    |   |
| 2 Name of Operator<br>CHEVRON U.S A. INC.  |   | 9 API Well No<br>30-015-38015                           | 9 API Well No<br>30-015-38015   |   |
| 3a. Address       3b. Phone No. (include area code)         15 SMITH ROAD       432-687-7375   |   | 10 Field and Pool or<br>FREN                            | 10 Field and Pool or Exploratory Area FREN                                |   |
| 4 Location of Well (Footage, Sec., T., R., M. or Survey Description) 1250 FNL, & 897 FEL, SEC 23, UL. A. T-17S, R-31E  |   | 1   | 11 Country or Parish, State<br>EDDY COUNTY, NEW MEXICO                    |   |
| 12 CHI   | ECK THE APPROPRIATE BO                          | DX(ES) TO INDICATE NATURE                               | OF NOTICE, REPORT OR OTH  | ER DATA   |
| TYPE OF SUBMISSION   |   | TYP   | E OF ACTION   |   |
| Notice of Intent  Subsequent Report  | Acidize Alter Casing Casing Repair Change Plans | Deepen Fracture Treat New Construction Plug and Abandon | Production (Start/Resume) Reclaination Recomplete Temporarily Abandon     | Water Shut-Off  Well Integrity  Other CHANGE OF  OPERATOR |
| Final Abandonment Notice   | Convert to Injection                            | Plug Back   | Water Disposal  |   |
| CHEVRON U.S A. INC. ACCEPT EFFECTIVE 11-01-2010.  PREVIOUS OPERATOR WAS CONTROL OF OPERATOR WAS EXAMPLE OF OPERATOR WAS EXAMPLE.                             | S ALL RESPONSIBILITY FO                         |   | MIT #1222de   |   |
| SEE ATTACHED FOR CONDITIONS OF APPROVAL  |   | AP SI /s/ J BUREAU 0                                    | PROVED  . EP 2 9 2011 D Whitlock Jr  OF LAND MANAGEMENT BBAD FIELD OFFICE |   |
| DENISE PINKERTON   | s true and correct Name (Printe                 |   | TORY SPECIALIST   | no de 10/4/11   |
| Signature AMSE   | In Her for                                      | Date 09/14/201  | 11  | RECEIVED<br>OCT 03 2011<br>ONMOCD ARTESIA                 |
|  | THIS SPACE                                      | FOR FEDERAL OR STA                                      | TE OFFICE USE   | 0CT 03 20.  |
| Approved by  |   |   |   | ACCO ARTES  |
| Conditions of approval. If any, are attact that the applicant holds legal or equitable entitle the applicant to conduct operation                            | e title to those rights in the subjets thereon  | ect lease which would Office                            |   |   |
| Time 19 0 2 C. Section 1001 and Title  | +3 U S C Section 1212, make it                  | a crime for any person knowingly and                    | a williully to make to any departme                                       | nt or agency of the United States any false.              |

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

## **Conditions of Approval**

## Chevron U.S.A. Inc.

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
- 3. Submit for approval of water disposal method.
- 4. Submit updated facility diagrams as per Onshore Order #3
- 5. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
- 7. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
- 8. Subject to like approval by NMOCD.