

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No. NMNM113954

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No. HAYHURST 17 FEDERAL 1H

9. API Well No. 30-015-41845

10. Field and Pool, or Exploratory COTTONWOOD DRAW; BONE SPRI

11. County or Parish, and State EDDY COUNTY, NM

1. Type of Well [X] Oil Well [] Gas Well [] Other

2. Name of Operator CHEVRON USA INC Contact: CINDY H MURILLO E-Mail: CHERRERAMURILLO@CHEVRON.COM

3a. Address 15 SMITH RD MIDLAND, TX 79705 3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-391-6679

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T25S R27E 55FNL 190FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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 INTENDS TO REVISE THE SURFACE PAD LOCATION FROM THE ORIGINAL APD THAT WAS SUBMITTED. PLEASE FIND ATTACHED FACILITY PAD LEGAL DESCRIPTION AND MAP OF FACILITY PAD.

Accepted for record RECEIVED FEB 18 2014 NMOC D ARTESIA

14. I hereby certify that the foregoing is true and correct. Electronic Submission #231206 verified by the BLM Well Information System For CHEVRON USA INC, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH HAM on 01/16/2014 () Name (Printed/Typed) CINDY H MURILLO Title PERMITTING SPECIALIST Signature (Electronic Submission) Date 01/07/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By [Signature] For FIELD MANAGER Date JAN 31 2014

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 CARLSBAD FIELD OFFICE

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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

METES AND BOUNDS DESCRIPTION OF
A CALLED 1.49 ACRE FACILITY PAD
SECTIONS 8 & 17, T25S-R27E
EDDY COUNTY, NEW MEXICO

HAYHURST 17 FEDERAL 1H

SURVEY OF A PROPOSED FACILITY PAD ON BUREAU OF LAND MANAGEMENT LANDS IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8 & THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 17 OF TOWNSHIP 25 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, NEW MEXICO.

COMMENCING AT A FOUND 1 1/2" IRON PIPE WITH BRASS DISK, LOCATED AT THE NORTHWEST CORNER OF SAID SECTION 17 TOWNSHIP 25 SOUTH RANGE 27 EAST; THENCE NORTH 83 DEGREES 07 MINUTES 41 SECONDS EAST 372.99 FEET TO THE POINT OF BEGINNING, SAID POINT OF BEGINNING HAVING THE FOLLOWING COORDINATES: X=535,323.49, Y= 413,701.67 (NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, NAD 27).

THENCE EAST ^{245'} 260.00 FEET; THENCE SOUTH ^{190'} 250.00 FEET; THENCE WEST ^{245'} 260.00 FEET; THENCE NORTH ^{190'} 250.00 FEET TO THE POINT OF ENDING, SAID POINT OF ENDING HAVING THE FOLLOWING COORDINATES: X= 535,323.49, Y= 413,701.67 (NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, NAD 27). hb 1-30-2014

REFERENCE IS HEREBY MADE TO A SEPARATE PLAT OF THE SUBJECT FACILITY PAD.

THE BEARINGS RECITED HEREON ARE ORIENTED TO NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, NAD 27.

THIS DESCRIPTION REPRESENTS A SURVEY MADE ON THE GROUND FOR A SURFACE EASEMENT AND INTENDED SOLELY FOR THAT PURPOSE. TITLE INFORMATION WAS FURNISHED BY CHEVRON U.S.A. INC. AND/OR THEIR AGENT(S). THIS DESCRIPTION DOES NOT REPRESENT A BOUNDARY SURVEY.

*Not to be used for construction, bidding,
recordation, conveyance, sales, or as the
basis for the issuance of a permit.*



WM. J. Daniel III
Registered Professional Land Surveyor #15078
C. H. Fenstermaker & Associates
135 Regency Square
Lafayette, LA 70508
337-237-2200

**PECOS DISTRICT
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Chevron U.S.A. Inc.
LEASE NO.:	NMNM-113954
WELL NAME & NO.:	Hayhurst 17 Federal 1H Facility
SURFACE HOLE FOOTAGE:	0055' FNL & 0190' FWL
BOTTOM HOLE FOOTAGE	0250' FSL & 0800' FWL
LOCATION:	Section 17, T. 25 S., R 27 E., NMPM
COUNTY:	Eddy County, New Mexico

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

These Conditions of Approval pertain to the Facility pad being constructed adjacent to the Hayhurst 17 Federal 1H Well.

- Production (Post Drilling)**
Well Structures & Facilities
- Interim Reclamation**
- Final Abandonment & Reclamation**

I. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Pad Dimensions

Pad dimensions will be confined to what has been approved in the sundry notice and what was proposed by Chevron. All surface disturbance will be confined to the surveyed space that meets the new pad dimensions.

Placement of Production Facilities

Production facilities should be placed to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. *(Recommended exclosure structures on open-vent*

exhaust stacks are in the shape of a cone.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

II. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

~~All disturbed areas after they have been satisfactorily prepared need to be reseeded with~~ _____
the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Seed Mixture 1, for Loamy Sites Well Pad and Road

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains lovegrass (<i>Eragrostis intermedia</i>)	0.5
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sideoats grama (<i>Bouteloua curtipendula</i>)	5.0

Plains bristlegrass (*Setaria macrostachya*)

2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed