

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

OCD Artesia

5. Lease Serial No.
NMNM025503

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM88499X

8. Well Name and No.
BENSON SHUGART 1

9. API Well No.
30-015-20589-00-S1

10. Field and Pool or Exploratory Area
SHUGART

11. County or Parish, State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
CHEVRON USA INCORPORATED

Contact: CINDY H MURILLO
E-Mail: CHERRERAMURILLO@CHEVRON.COM

3a. Address
6301 DEAUVILLE BLVD
MIDLAND, TX 79706

3b. Phone No. (include area code)
Ph: 575.263.0431
Fx: 575.263.0445

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 26 T18S R30E NWNE 660FNL 1650FEL

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input 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 checked="" 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 type="checkbox"/> Other |
| | <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 checked="" 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 recomplete 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 recompletion 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 INC IS SUBMITTING WATER DISPOSAL ONSHORE ORDER #7 ON THE FOLLOWING WELLS:

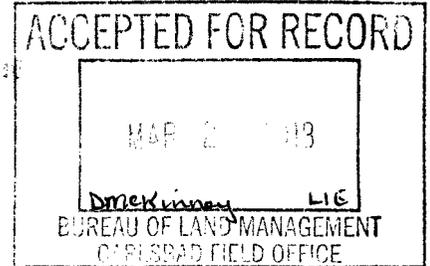
- BENSON SHUGART WFU #1 30-015-20589 ✓
- BENSON SHUGART WFU #2 30-015-20572 ✓
- BENSON SHUGART WFU #3 30-015-20560 ✓
- BENSON SHUGART WFU #4 30-015-20567 ✓
- BENSON SHUGART WFU #5 30-015-23697 ✓
- BENSON SHUGART WFU #6 30-015-27644 ✓
- BENSON SHUGART WFU #7 30-015-27546 ✓
- BENSON SHUGART WFU #10 30-015-20513 ✓
- BENSON SHUGART WFU #12 30-015-20529 ✓
- BENSON SHUGART WFU #13 30-015-20542 ✓
- BENSON SHUGART WFU #14 30-015-20543 ✓

NM OIL CONSERVATION
ARTESIA DISTRICT

MAR 28 2018

BC 3-29-18
Accepted for record - MOCO

RECEIVED



14. I hereby certify that the foregoing is true and correct.

Electronic Submission #380621 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/13/2017 (17PP0638SE)

Name (Printed/Typed) CINDY H MURILLO Title PERMITTING SPECIALIST

Signature (Electronic Submission) Date 07/06/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

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 _____

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 #380621 that would not fit on the form

32. Additional remarks, continued

BENSON SHUGART WFU #15 30-015-27712 ✓
BENSON SHUGART WFU #16 30-015-20774 ✓
BENSON SHUGART WFU #18 30-015-04546 ✓
BENSON SHUGART WFU #21 30-015-20213 ✓
BENSON SHUGART WFU #25 30-015-04542 ✓
BENSON SHUGART WFU #29 30-015-05649 ✓
BENSON SHUGART WFU #37 30-015-32790 ✓

PLEASE FIND THE WATER DISPOSAL FORM ATTACHED.

Benson Shugart
 Waterflood Unit #1-7; #10,
 #12-16; #18, #21, #25, #29
 and #37
 API# Listed Below
 Lease # NMNM025503

WATER DISPOSAL ONSHORE ORDER #7

The following information is needed before your method of water disposal can be considered for approval.

1. Name(s) of formation (s) producing water on the lease.
Shugart, Yates-7Rvs-Qn- Grayburg

2. Amount of water produced from each formation in barrels per day.
Approximately 68 bbls per day

3. How water is stored on the lease.
5 (500 Barrel Oil Tanks) 3 (500 Barrel Water Tanks)

4. How water is moved to disposal facility.
Truck Hauled to Basic Energy Services- Shugart State 2 SWD

5. Operators of disposal facility
 - a. Lease name or well name and number: Shugart State 2 SWD 30-015-32438

 - b. Location by ¼ ¼ Section, Township and Range of the disposal system : SWD is located in Section 16 T18S R 31E

 - c. The appropriate NMOCD permit number: SWD -1340

| | | |
|-----------------------|------------------------|-------------------------|
| BSWFO #1 30-015-20589 | BSWFO#7 30-015-27546 | BSWFO #16 30-015-20774 |
| BSWFO #2 30-015-20572 | BSWFO #10 30-015-20513 | BSWFO #18 30-015- 04546 |
| BSWFO #3 30-015-20560 | BSWFO #12 30-015-20529 | BSWFO# 21 30-015-20213 |
| BSWFO #4 30-015-20567 | BSWFO #13 30-015-20542 | BSWFO #25 30-015-04542 |
| BSWFO #5 30-015-23697 | BSWFO #14 30-015-20543 | BSWFO # 29 30-015-05649 |
| BSWFO #6 30-015-27644 | BSWFO #15 30-015-27712 | BSWFO# 37 30-015-32790 |

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

Disposal of Produced Water From Federal Wells
Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
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.
5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

4/4/2017