

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.*

5. Lease Serial No.  
NMLC029389C

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

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

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
PATON B FEDERAL 1

2. Name of Operator  
CHEVRON USA INCORPORATED

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

9. API Well No.  
30-015-25953-00-S1

3a. Address  
6301 DEAUVILLE BLVD  
MIDLAND, TX 79706

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

10. Field and Pool or Exploratory Area  
N SHUGART

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 9 T18S R31E SESW 660FSL 1980FWL

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 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 recomplate 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 recomplate 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:

- PATON B FEDERAL #1 30-015-25953 ✓
- PATON B FEDERAL #3 30-015-30835 ✓
- PATON B FEDERAL #4 30-015-30836 ✓

PLEASE FIND THE WATER DISPOSAL FORM ATTACHED.

*SC 3-29-18*  
Accepted for record - NMCCD

NATIONAL CONSERVATION  
ARTESIA DISTRICT  
MAR 28 2018

ACCEPTED FOR RECORD  
MAR 28 2018  
D. McKinney  
BUREAU OF LAND MANAGEMENT  
PERMITTING OFFICE

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

Electronic Submission #380149 verified by the BLM Well Information System  
For CHEVRON USA INCORPORATED, sent to the Carlsbad  
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/10/2017 (17PP0606SE)

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

Signature (Electronic Submission) Date 06/29/2017

**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 \*\***

Paton B Federal #1, 3, &4  
API# 30-015-25953; ;API#  
30-015-30835; API# 30-  
015-30836  
Lease # NMLC029389C

### 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, Morrow, North (Gas) and Shugart; Yates-7Rvs-Qn-Grayburg
  
2. Amount of water produced from each formation in barrels per day.  
Approximately 11 bbls per day
  
3. How water is stored on the lease.  
2 ( 210 Barrel Oil Tanks) 1 ( 250 Barrel Water Tanks)
  
4. How water is moved to disposal facility.  
Truck Hauled by 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 R31E
  
  - c. The appropriate NMOCD permit number: SWD - 1340

**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