

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTCarlsbad Field Office
OCD ArtesiaFORM 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.
NMNM0415461

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
89101240508. Well Name and No.
OLD INDIAN DRAW 39. API Well No.
30-015-21504-00-S110. Field and Pool or Exploratory Area
INDIAN DRAW11. 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: CERRERAMURILLO@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 19 T22S R28E NWNE 660FNL 1980FEL

12. CHECK THE 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"/> 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Venting and/or Flaring
	<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 must 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 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 REQUESTS TO FLARE AT THE ABOVE LOCATION. OLD INDIAN DRAW UNIT PRODUCES AND FLARES A VERY LOW VOLUME OF SOUR GAS (-40,000 PPM H₂S CONTENT, THAT IS NOT FEASIBLE TO SWEETEN AND SELL) THROUGH AN APPROVED FLARE STACK. THIS LOW VOLUME FLARING WILL CONTINUE TO REDUCE OVER TIME, AND BE NECESSARY THROUGH THE REMAINING ECONOMIC LIFE OF THE OLD INDIAN DRAW UNIT.

CHEVRON USA INC HAS ATTACHED THEIR APPROVED NMOC FORM C-129 (APPLICATION FOR EXCEPTION TO NO FLARE RULE) THAT IS VALID UNTIL NOVEMBER 16, 2019 AND WILL CONTINUE TO BE RENEWED IN 90 DAY INCREMENTS.

WELLS INCLUDED AT THE CTB DURING THIS PERIOD ARE AS FOLLOWS:

OLD INDIAN DRAW #3 30-015-21504
OLD INDIAN DRAW #7 30-015-21765
OLD INDIAN DRAW #8 30-015-21766
OLD INDIAN DRAW #13 30-015-21957

NM OIL CONSERVATION

Accepted for record
albadab NMOC
SEP 23 2019

RECEIVED

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

Electronic Submission #481478 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad

Committed to AFMS for processing by PRISCILLA PEREZ on 09/05/2019 (19PP3215SE)

Name (Printed/Typed) CINDY H MURILLO

Title PERMITTING SPECIALIST

Signature (Electronic Submission)

Date 09/03/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

/s/ Jonathon Shepard

Title

PE

SEP 12 2019

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

CFO

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 #481478 that would not fit on the form

32. Additional remarks, continued

OLD INDIAN DRAW #22 30-015-22102

District I
1625 N. French Dr., 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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

A. Applicant Chevron USA INC.

RECEIVED

By A. Bustamante at 7:34 am, Aug. 19, 2019

whose address is 6301 Deauville Blvd, Midland, TX 79706

hereby requests an exception to Rule 19.15.18.12 for 90 days beginning 08/16 days or until

_____, Yr 2019, for the following described tank battery (or LACT):

Name of Lease Old Indian Draw Name of Pool Indian Draw; Delaware

Location of Battery: Unit Letter I Section 18 Township 22S Range 28 E

Number of wells producing into battery 6 (Wells List Attached) 1 Private -(30-015-21901)

B. Based upon oil production of 80 -105 barrels per day, the estimated * volume of gas to be flared is 7 - 14 MCF; Value \$ \$21 - \$52 (if H2S removed) per day.

C. Name and location of nearest gas gathering facility: Big Eddy Unit #218 (30-015-36297)

D. Distance 5000' Estimated cost of connection \$102,000 plus \$15,000 /Month to treat

E. This exception is requested for the following reasons: Old Indian Draw Unit produces and flares a

very low volume of sour gas through an approved Flare Stack. This low volume flaring will continue to reduce over time, and be necessary through the remaining economic life of the Old Indian Draw Unit. **Chevron has approved BLM form 3160-5 that is valid until September 24, 2019 and will continue to be renewed in 190 day increments** 6 wells total- 5 Federal wells and 1 State well (Old Indian Draw #14.)

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature _____

Cindy Herrera-Murillo

Printed Name Cindy Herrera-Murillo

& Title Permitting Specialist

E-mail Address eeof@chevron.com

Date 08/19/2019 Telephone No. 575-263-0431

OIL CONSERVATION DIVISION

Approved Until Nov. 16, 2019

By _____

A. Bustamante

Title Business Operations Spec. - O

Date 8/19/2019

Conditions of Approval Attached

* Gas-Oil ratio test may be required to verify estimated gas volume.



C-129 for Old Indian Draw CTB

Old Indian Draw Wells

Name	API#	
Old Indian Draw Unit #3	30-015-21504	FEDERAL
Old Indian Draw Unit #7	30-015-21765	FEDERAL
Old Indian Draw Unit #8	30-015-21766	FEDERAL
Old Indian Draw Unit #13	30-015-21957	FEDERAL
Old Indian Draw Unit #22	30-015-22102	FEDERAL
Old Indian Draw Unit #14	30-015-21901	PRIVATE

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval to Flare Gas

1. Approval not to exceed 180 days from date of submission.
2. All flaring under this request is considered to be "avoidably lost" per 43 CFR 3179.4(a)(2)(i – iii). Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "33".

Exceptions:

- a. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free (43 CFR 3179.103(a)). Flared volumes that are considered unavoidably lost are not to be included in Sundry Notice (Form 3160-5). These Volumes are not royalty bearing and shall be reported on OGOR "B" as either disposition code "21" or "22".
- b. If the operator believes that the flared volumes were "unavoidably lost", the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.101 - 3179.104.