

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007SUNDRY 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  
NMLC-029418A

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

RECEIVED

SEP 16 2010

NMOCD ARTESIA

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

Nm 71030C

8 Well Name and No  
Satellite #9619 API Well No  
30-015-3432410 Field and Pool or Exploratory Area  
Fren11 Country or Parish, State  
Eddy County, NM

1 Type of Well

☒ Oil Well☐ Gas Well☐ Other2 Name of Operator  
Chevron3a Address  
15 Smith Road, Midland, TX 79705

3b Phone No (include area code)

(432) 687-7112, (432) 210-4361

4 Location of Well (Footage, Sec, T, R, M, or Survey Description)  
Sections 14, 15 & 22, Township 17 South, Range 31 East

## 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"/> Fracture Treat	<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 Satellite/Trunk Line
	<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 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 )

This project will include a header and well test equipment located at the 961 well pad sight (990' FSL & 1825 FWL Section 14, T17S R31E) Three 6" HDPE lines will be trenched and buried (7885 ft with 36" of cover) to the existing 940 battery (990' FNL & 330' FWL, Section 22, T17S, R31E) where hydrocarbons will be processed for sale This satellite is desired to service a field expansion that includes 8 new drills on the eastern side of the field and in the facinity of the existing 961 pad Three 6" HDPE lines were selected to flow fluids and gas separately, consistent with current production methods of casing gas gathering system

Construction of this satellite and trunk line will be sent for contractor bid and subsequent construction initiation post BLM approval All construction will be supervised by Chevron personell and performed to corporate safety standards (excavation, embankment, confined space, stop work authority) If any archeological or biological indicators are discovered, work will stop and the BLM will be notified Estimate for total time to completion after BLM approval is approximately 60 days Existing batteries and pads will be used to hold equipment The proposed line has been staked and surveyed by "John West Surveying Company" from Hobbs, NM Known archeological sites have been avoided per June 2010 MOA data Please see attached

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Alejandro Rodriguez

Title Facilities Engineer Chevron USA

Signature

Date

7-06-10

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Don Peterson

FIELD MANAGER

SEP 13 2010

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

Title

Date

Office

CARLSBAD FIELD OFFICE

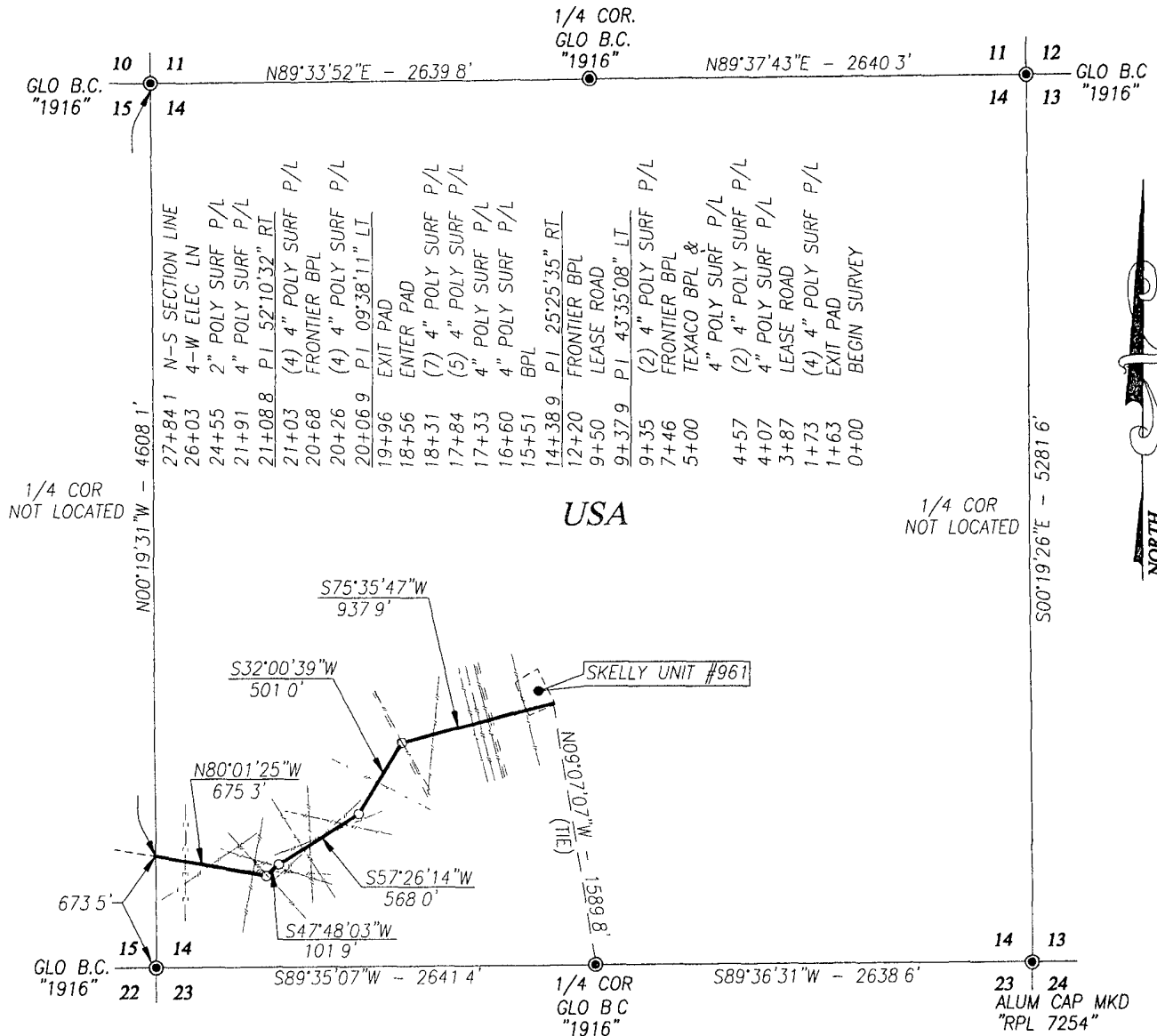
Title 18 U S C Section 1001 and Title 43 U S C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

Accepted for record  
NMOCD

Catt

**SECTION 14, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.**  
 EDDY COUNTY NEW MEXICO



**DESCRIPTION**

A STRIP OF LAND 50.0 FEET WIDE AND 2784.1 FEET OR 0.527 MILES IN LENGTH CROSSING USA LAND IN SECTION 14, TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY

**NOTE**

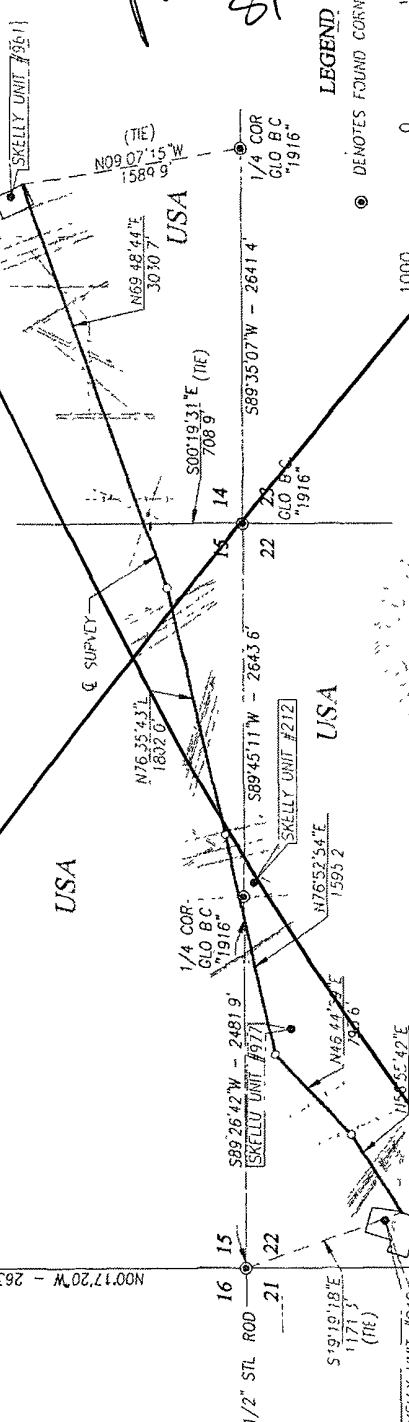
BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983 DISTANCES ARE SURFACE VALUES

**LEGEND**

● DENOTES FOUND CORNER AS NOTED

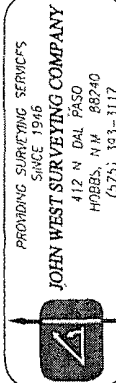
SECTIONS 14, 15 & 22, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.  
NEW MEXICO  
EDDY COUNTY

0+00 BEGIN SURVEY @ EXIST BATTERY FENCE  
0+77 C/L ROAD  
1+06 2" STL FLARE LINE  
1+82 FLARE FENCE COR 20.6' RT  
2+91 4" POLY SURF P/L  
3+06 CHEVRON BPL  
3+21 COG BPL  
3+46 (4) 3" STL SURF P/L  
3+55 (8) 3" POLY SURF P/L  
3+71 BPL  
3+85 C/L LEASE ROAD  
4+00 (1) 3" STL & (14) 3" POLY SURF P/L  
6+29 5-W 10' 10" 43' LT  
6+97 5-W BW FENCE LN  
10+01 4-W ELEC LN  
14+58.4 P/L 30' 02' 55" RT  
16+07 COG SKELLY UNIT #977  
151.2' RT  
22+11 3" STL SURF P/L  
22+24 FRONTIER BPL  
22+29 FRONTIER BPL  
24+42.9 E-W SECTION LN  
25+98 4-W ELEC LN  
26+77 FOREST OIL SKELLY UNIT  
#212 127.5' RT  
28+75 (15) 3" POLY SURF P/L  
29+07 C/L LEASE ROAD  
29+57 (23) 3" POLY SURF P/L  
30+22 C/L LEAST ROAD  
30+51.7 P/L 00' 12' 11" LT  
30+71 (17) 3" POLY SURF P/L  
36+55 BPL  
37+31 CONOCO BPL  
38+21 (6) 3" POLY SURF P/L  
38+53 BURIED CHEVRON LPO P/L  
38+63 C/L LEASE ROAD  
39+10 (17) 3" POLY SURF P/L  
45+39 3" VALVE 48' LT  
45+49 (2) 3" POLY SURF P/L  
46+08 PLAINS BPL  
47+48 3" POLY SURF P/L  
47+69 C/L LEASE ROAD  
48+53.7 P/L 05' 46' 59" LT  
53+34.5 N-S SECTION LINE  
53+38 CONOCO BPL  
54+44 3-W ELEC LN  
55+16 POLE 25.8' RT  
55+26 4-W ELEC LN  
61+34 (9) 3" POLY SURF P/L  
61+53 C/L LEASE ROAD  
61+66 (2) 3" POLY SURF P/L  
64+54 3" POLY SURF P/L  
64+81 4-W ELEC LN  
66+24 (5) 3" POLY SURF P/L  
66+60 ELEC LN & FRONTIER BPL  
69+62 C/L LEASE ROAD  
69+78 (2) 3" POLY SURF P/L  
71+20 FRONTIER BPL  
71+49 (2) 3" POLY SURF P/L  
73+69 3" POLY SURF P/L  
74+20 (4) 3" POLY SURF P/L  
74+85 LEASE ROAD  
75+01 3" POLY SURF P/L  
77+06 (4) 3" POLY SURF P/L  
78+27 CHEVRON SKELLY UNIT  
78+84.4 END SURVEY @ SEC WELL P.O.  
#961 103' LT



I HEREBY CERTIFY THAT I, DIRECTED AND AM RESPONSIBLE FOR THIS ACTUAL ON THE GROUND SURVEY THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT HAVE BEEN PREPARED IN ACCORDANCE WITH THE SURVEYING STANDARDS FOR SURVEYING IN NEW MEXICO.

Ronald J. Eidsen 06/14/2010  
GARY C. EIDSON, N.M. R.S.  
RONALD J. EIDSON, N.M. R.S.  
No. 12641  
No. 3239



JOHN WEST SURVEYING COMPANY  
412 N. DAL PASO  
HOBBS, NM 88240  
(505) 383-3117

DESCRIPTION  
A STRIP OF LAND 50.0 FEET WIDE AND 7684.4 FEET OR 1.493 MILES IN LENGTH CROSSING USA LAND IN SECTION 14, 15 & 22, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY

NOTE:  
BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983 DISTANCES ARE SURFACE VALUES

CHEVRON USA INC

SURVEY OF A PIPELINE CROSSING  
SECTIONS 14, 15 & 22, TOWNSHIP 17 SOUTH,  
RANGE 31 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO

Survey Date 6/4-5/10 Sheet 1 of 1 Sheets  
W.O. Number 10110R18 EDDY CO. BY L.A.  
Date 6/14/10 CAD File 10110R18

BLM LEASE NUMBER: NM710300  
COMPANY NAME: Chevron USA, Inc.

### BURIED PIPELINE STIPULATIONS

A copy of the, Sundry Notice and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of **36** inches between the top of the pipe and ground level.
7. Blading of all vegetation in the right-of-way will not be allowed. Blading is defined as the complete removal of brush and ground vegetation. Clearing of brush species will be allowed. Clearing defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface. In areas where clearing is allowed, maximum width of these operations will not exceed **35** feet. Blading is only allowed within the width of the pipeline trench.
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix
- ☐ seed mixture 1                      ☐ seed mixture 3  
☒ seed mixture 2 LPC                      ☐ seed mixture 4
13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.
14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16 Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. Special Stipulations:

- Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period.
- The right-of-way corridor shall incorporate existing disturbance such as roads and buried pipelines. Disturbance shall not exceed 15 feet on the side of the pipeline corridor (if pipeline is the centerline) opposite the existing disturbance.
- Minimize vehicular use by placing parking and staging areas on caliche surfaced areas.

BLM Serial #: NM710300  
Company Reference: Chevron USA, Inc.  
Well Name and Number: Skelly Unit 961 (Buried Pipeline)

#### Seed Mixture for LPC Sand/Shinnery Sites

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 of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/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 Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

\*\*Four-winged Saltbush 5lbs/A

\* This can be used around well pads and other areas where caliche cannot be removed.

\*Pounds of pure live seed:

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