

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

Salado Draw SWD 13 #1

290' FSL and 10' FWL

Surface: Section 13, Township 26 South, Range 32 East
Lea County, New Mexico

1. EXISTING ROADS/LEASE ROADS

Driving directions are from Jal, New Mexico. Proceed west from Jal, New Mexico on highway 128 approximately 30 miles, turn south on Hwy 1 (County Road 1) and proceed 14.2 miles and turn east or left on Battle Axe Road and go approximately 6.7 miles and turn north or left and go approximately 3 miles (north & northwest) to the location.

This lease road is approximately 14' in travel way width and approximately 3 miles in length with a maximum disturbance area of 30' has been used, and in accordance with guidelines set forth in the BLM Onshore Orders. No turnouts are expected.

Existing state highway and county and lease roads will be used to enter proposed access road.

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

Location, access, and vicinity plats attached hereto. **See Exhibits A-1 to A-4.**

2. NEW OR RECONSTRUCTED ACCESS ROADS

The access road has not been constructed.

All existing roads (previously improved) will be used "as is" with the exception of minor blading as needed.

Surface disturbance and vehicular travel will be limited to the approved access route. Any additional area will be approved in advance.

Road Width: 14 – 20 feet traveling surface.

Maximum Grade: Road gradient less than 8%

Crown Design: 2%

Turnouts will be installed along the access route as needed.

Ditch design: Drainage, interception and outlet.

Erosion Control: 6" rock under road.

Re-vegetation of Disturbed Area: All disturbed areas will be seeded by Broadcast or Drill and Crimp. Ground conditions will determine the method used.

Cattle guard(s) will be installed as needed.

Major Cuts and Fills: 2:1 Slope.

Surfacing material (road base derived from caliche or river rock) has been placed on the access road during construction. All surface disturbing activities will be discussed with and agreed to with the surface owner.

3. LOCATION OF EXISTING WELLS

All wells located within a 1-mile radius of the proposed location. **See Exhibit B.**

4. LOCATION OF PRODUCTION FACILITIES

The permanent water disposal system will consist of a buried water transfer pipeline from the Salado Draw Tank Battery in Section 19 to the SWD station located directly adjacent to the SWD well pad. The permanent electrical supply will be determined prior to construction of permanent distribution lines, but will follow the access road in its own 15' ROW. A generator will be utilized until permanent power is connected.

5. CONSTRUCTION MATERIALS

All construction materials will be used from the nearest Private, BLM, or State pit. All material (i.e. shale) will be acquired from private or commercial sources.

No construction material will be needed for well pad construction; subsurface spoil material will be utilized.

Surfacing material (caliche) will be purchased from a supplier having a permitted source of materials.

The entire location will be fenced with barb/woven wire and bermed with spoil dirt or gravel.

6. METHODS FOR HANDLING WASTE DISPOSAL

A closed system will be utilized consisting of above ground steel tanks.

All wastes accumulated during drilling operations will be contained in a portable trash cage and removed from location and deposited in a state approved facility.

Disposal of cuttings:

7. ANCILLARY FACILITIES

None

8. WELLSITE LAYOUT

The proposed site layout plat is attached showing the Ensign Rig #153 orientation and equipment location. **See Exhibit D.**

In order to level the location, cut and fill will be required. Please see attached Well Location and Acreage Dedication Plat – Exhibits A-1 to A-4.

A locking gate will be installed at the site entrance.

Any fences cut will be repaired. Cattle guards will be installed, if needed.

9. PLANS FOR RECLAMATION OF THE SURFACE

Within 6 months, Chevron will contact BLM Surface Management Specialists to devise the best strategies to reduce the size of the location. Current plans for interim reclamation will consist of reclaiming the East side of the pad 100 ft from the well (as SWD Facilities are located on West side). **See Exhibit E.**

In addition, the following procedures shall be followed:

- i. Caliche will be removed from reclaimed areas to increase the success of revegetation. Removed caliche that is free of contaminants may be reused for future projects.
- ii. The portions of the cleared well site not needed for operational and safety purposes will be re-contoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Sufficient level area remains for setup of a workover rig and to park vehicles/equipment.
- iii. All surface soil materials (topsoil) are to be removed from the entire cut and fill area and temporarily stockpiled for reuse during interim reclamation. Topsoil will be respread over areas not needed for all-weather operations to

- ensure successful revegetation. Any topsoil pile set aside should be revegetated to prevent it from eroding and to help maintain its biological viability.
- iv. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture advised by the BLM. The seed mix will be evenly and uniformly distributed over the disturbed area. Seeding will be accomplished by using a drilling or, when drilling is not available, by broadcasting the seed. When broadcasting the seed, the amount of seed shall be doubled.
 - v. Weed control will be used on disturbed land, including the roads, pads, associated pipeline corridor, and adjacent land affected by the operations. There shall be no primary or secondary noxious weeds in the seed mixture used for reseeding.

In the Event of a Dry Hole/Final Reclamation

Upon final abandonment of the well, a new reclamation plan will be submitted with the Notice of Intent to Abandon (NIA) or Subsequent Report Plug and Abandon (SRA) using the Sundry Notices and Reports on Wells Form 3160-5. The location will be restored to as near as original condition as possible. Reclamation of the surface shall be done in strict compliance with the existing New Mexico Oil Conservation Division regulations and BLM regulations.

In addition, the following procedures shall be followed:

- i. Caliche material from the well pad and access road will be removed and utilized to re-contour to a final contour that blends with the surrounding topography as much as possible. Any caliche material not used will be utilized to repair roads within the lease.
- ii. On sloped ground, the topsoil and interim vegetation will be restripped from portions of the site that are not at the original contour, the well pad recontoured, and the topsoil will be respread over the entire disturbed.
- iii. Topsoil will be distributed over the reclamation area and cross ripped to control erosion
- iv. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture advised by the BLM. The seed mix will be evenly and uniformly distributed over the disturbed area. Seeding will be accomplished by using a drilling or, when drilling is not available, by broadcasting the seed. When broadcasting the seed, the amount of seed shall be doubled.
Weed control will be used on disturbed land, including the roads, pads, associated pipeline corridor, and adjacent land affected by the operations. There shall be no primary or secondary noxious weeds in the seed mixture used for reseeding.

10. SURFACE TENANT

Kiehne Ranch
P.O. Box 135
Orla, Texas 79770

ROAD OWNERSHIP

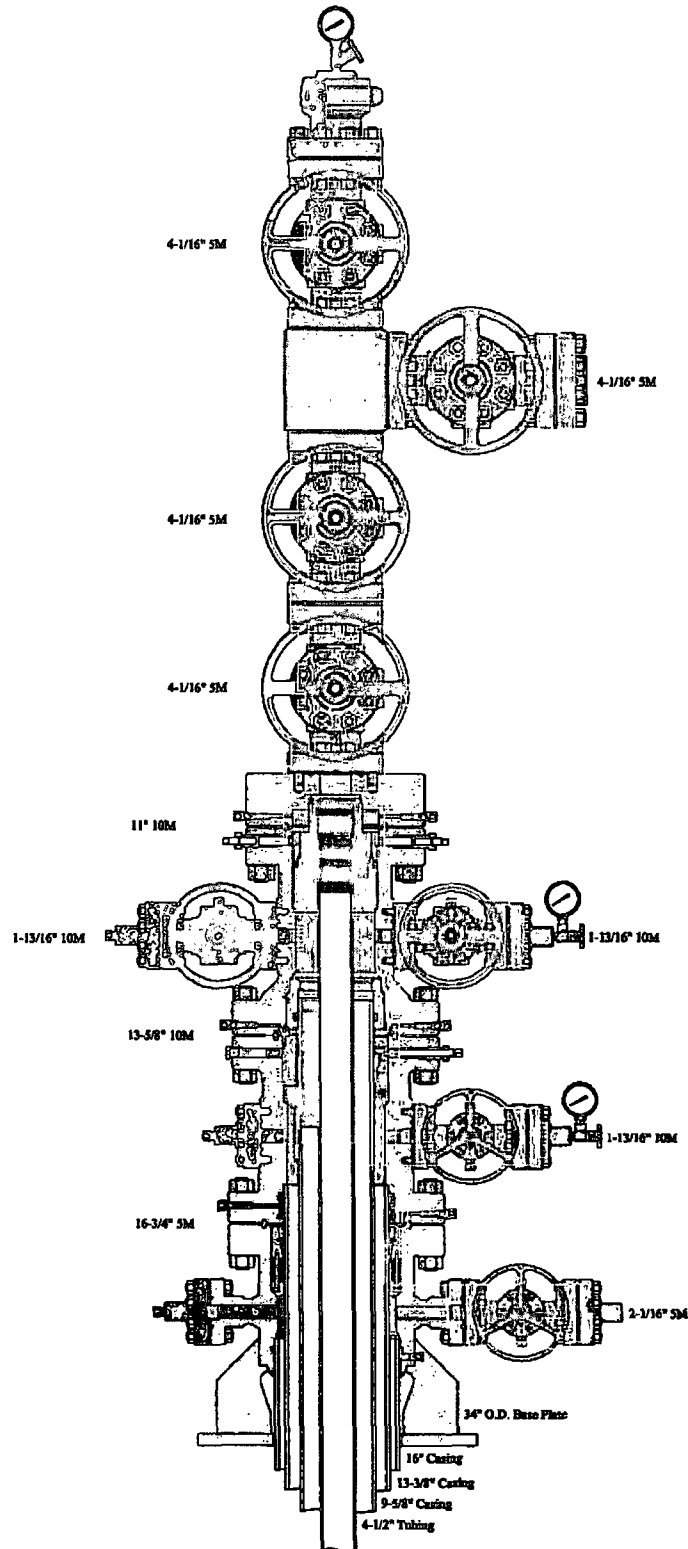
All access roads are located on Private, County & Federal lands.

11. ADDITIONAL INFORMATION

Class III cultural resource inventory report was prepared by Boone Archaeological Services, Carlsbad, New Mexico for the proposed location. A copy of the report has been sent to the BLM office under separate cover and is also attached for reference.

12. Chevron REPRESENTATIVES

Project Manager James Ward 1400 Smith Street, 40039 Houston, TX 77002 Office: 713-372-2371 jwgb@chevron.com	Drilling Engineer Cody Hinchman 1400 Smith Street, 43130 Houston, TX 77002 Office: 713-372-1944 Cody.Hinchman@chevron.com
Field Representative Stephen Tarr 15 Smith Road, 5103 Claydesta Plaza Midland, TX 79705 Office: 432-687-7956 Cell: 432-238-6316 starr@chevron.com	Asset Manager David McKay 1400 Smith Street, 45050 Houston, TX 77002 dvmc@chevron.com
Geologist Patrick Taha 1400 Smith Street, 40029 Houston, TX 77002 Office: 713-372-2371 patricktaha@chevron.com	Land Team Lead Pam Bikun 1400 Smith Street, 45004 Houston, TX 77002 Office: 713-372-1373 pambikun@Chevron.com
Permitting Specialist Cindy Herrera-Murillo 1616 W Bender Blvd, HOB161/121 Hobbs, NM 88240 Office: 575-263-0431 CHerreraMurillo@chevron.com	



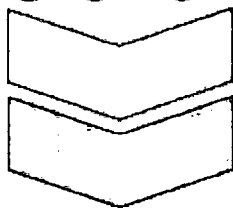
ALL DIMENSIONS ARE APPROXIMATE

This drawing is the property of GE Oil & Gas Pressure Control LP and is considered confidential. Unless otherwise approved in writing, neither it nor its contents may be used, copied, transmitted or reproduced except for the sole purpose of GE Oil & Gas Pressure Control LP.

16" x 13-3/8" x 9-5/8" x 4-1/2" 5M/10M SH2-R Wellhead Assembly, With T-EBS Tubing Head, T-M56 Tubing Hanger and Adapter Flange

**CHEVRON USA
SALADO DRAW BWD**

DRAWN	CR	08JUL 14
APPRV	KN	08JUL 14
FOR REFERENCE ONLY DRAWING NO.		HP140122

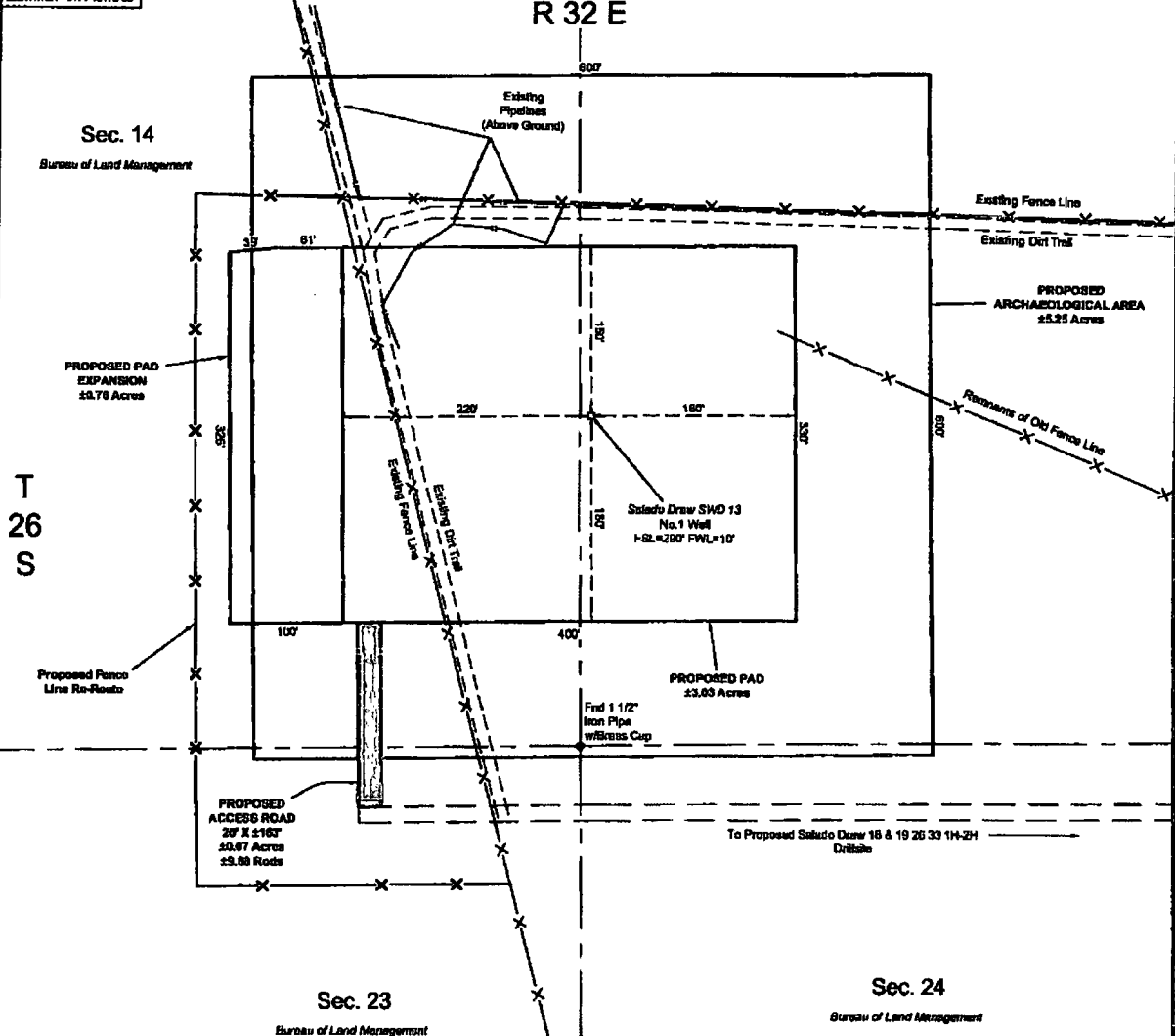
[illegible]

BHL: 290' FSL & 10: FWL

SALADO DRAW SWD 13 NO. 1 WELL		NW ARCH. AREA CRN.	NE ARCH. AREA CRN.	SE ARCH. AREA CRN.	SW ARCH. AREA CRN.	SW EXPANSION CRN.
X= 715,550 NAD 27	Y= 377,529	X= 716,227 NAD 27	Y= 377,531	X= 716,233 NAD 27	X= 715,533 NAD 27	Y= 377,512 NAD 27
LONG. 103.63924		ELEVATION +3173' NAVD 88	ELEVATION +3173' NAVD 88	ELEVATION +3169' NAVD 88	ELEVATION +3164' NAVD 88	ELEVATION +3165' NAVD 88
X= 715,709 NAD 27	Y= 377,777	X= 716,189 NAD 27	Y= 377,760	X= 716,112 NAD 27	X= 715,712 NAD 27	Y= 377,773
LONG. 103.63924		ELEVATION +3171' NAVD 88	ELEVATION +3172' NAVD 88	ELEVATION +3165' NAVD 88	ELEVATION +3165' NAVD 88	ELEVATION +3172' NAVD 88

Sec. 13

Bureau of Land Management



NOTE:
Please be advised, that while reasonable efforts are made to locate and verify pipelines and annotation using our standard pipeline locating equipment, it is impossible to be 100% effective. As such, we advise using caution when performing work as there is a possibility that pipelines and other hazards, such as fiber optic cables, PVC pipelines, etc. may exist undetected on site.

NOTE:
Many states maintain information centers that establish links between those who dig (excavators) and those who own and operate underground facilities (operators). It is advisable and in most states, law, for the contractor to contact the center for assistance in locating and marking underground utilities. For guidance, NEW MEXICO ONE CALL, <http://www.nmonecall.org>.

DISCLAIMER: At this time, C.H. Fenstermaker & Associates, LLC has not performed nor was asked to perform any type of engineering, hydrological modeling, flood plain, or "No Nuisance" certification analyses, including but not limited to determining whether the project will impact flood hazards in connection with federal/FEMA, state, and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no warranty or representation of any kind as to the foregoing issues, and persons or entities using this information shall do so at their own risk.

FOR THE EXCLUSIVE USE OF
CHEVRON U.S.A. INC.
I, WM. J. DANIEL III, Registered Professional
Land Surveyor, do hereby state this plat is true
and correct to the best of my knowledge.

LEGEND	
—	Section Line
—	Existing Fence Line
—	Existing Pipeline
—	Existing Oil Trail
—	Proposed Well
●	Found Occurrence



CHEVRON U.S.A. INC.
PROPOSED PAD & ACCESS ROAD
SALADO DRAW SWD 13 NO. 1 WELL
SECTIONS 13, 14 & 23, T26S-R32E
LEA COUNTY, NEW MEXICO



135 Regency Sq. Lafayette, LA 70608
Ph. 337-297-2200 Fax. 337-202-3299
www.fenstermaker.com

Scale: 1"=100'
100' 0 50 100'

DRAWN BY: BMD		REVISIONS	
PROJ. MOR: VHV	No. 1	DATE: 05/11/2014	REVISED BY: VHV
DATE: 09/30/2013	No. 2	DATE: 06/27/2014	REVISED BY: VHV
FILENAME: T:\2013\1323\26NDWG\SALADO Draw SWD 13 No.1_SUP.dwg			

CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Executed this 9th day of July, 2014

Name: James Ward
James Ward - Project Manager

Address: 1400 Smith Street, 40050
Houston, TX 77002

Office 713-372-1748

E-mail: jwgb@chevron.com

NMCRIS No.: 130993

NMCRIS INVESTIGATION ABSTRACT FORM (NIAF)

1. NMCRIS Activity No.: 130993	2a. Lead Agency: US Bureau of Land Management Carlsbad Field Office	2b. Other Agency(ies):	3. Lead Agency Report No.:
4. Title of Report: A Class III Archaeological Survey for Chevron USA, Inc's Proposed Salado Draw 29 26 33 Fed #1H-#8H Frac Pond Expansion Author(s) Hill, Rebecca L. and Joshua W. Broxson			5. Type of Report <input checked="" type="checkbox"/> Negative <input type="checkbox"/> Positive
6. Investigation Type <input type="checkbox"/> Research Design <input checked="" type="checkbox"/> Archaeological Survey/Inventory <input type="checkbox"/> Architectural Survey/Inventory <input type="checkbox"/> Test Excavation <input type="checkbox"/> Excavation <input type="checkbox"/> Collections/Non-Field Study <input type="checkbox"/> Compliance Decision Based on Previous Inventory <input type="checkbox"/> Overview/Lit Review <input type="checkbox"/> Monitoring <input type="checkbox"/> Ethnographic Study <input type="checkbox"/> Site/Property Specific Visit <input type="checkbox"/> Historic Structures Report <input type="checkbox"/> Other			
7. Description of Undertaking (what does the project entail?): A pedestrian cultural resources survey was conducted on 2 July 2014 for Chevron USA, Inc's proposed Salado Draw 29 26 33 Fed #1H-#8H frac pond expansion. The proposed project lies in Lea County, NM, on federal lands managed by the Bureau of Land Management Carlsbad Field Office (BLM/CFO) in Section 29 (NW¼NW¼) of T26S R33E. The project is the southward expansion of an existing frac pond. The proposed expansion measures 317.59 ft. on the northern edge, 407.94 ft. on the eastern edge, 320.10 ft. on the southern edge, and 410.51 ft. on the western edge. The total area of potential effect measures 130,662.02 sq. ft. or 3.00 acres. The project was surveyed using 15 m (50 ft.) parallel transects across a 520 ft. by 510 ft. block, creating a 100 ft. buffer to the east, south, and west. The disturbed space to the north of the proposed frac pond expansion was not surveyed. No cultural materials were updated or recorded during the survey.			
[] Continuation			
8. Dates of Investigation: from: 02-Jul-2014 to: 02-Jul-2014		9. Report Date: 03-Jul-2014	
10. Performing Agency/Consultant: Boone Arch Services of NM, LLC Principal Investigator: Rebecca L. Hill Field Supervisor: Rebecca L. Hill Field Personnel Names: Rebecca L. Hill Hans W. Schmid, III Historian / Other:			
11. Performing Agency/Consultant Report No.: BASNM 05-14-49			
12. Applicable Cultural Resource Permit No(s): BLM Permit No.: 190-2920-12-S			

NMCRIS No.: 130993

13. Client/Customer (project proponent):

Chevron USA, Inc

Contact: Hollis Cox

Address: 15 Smith Road, Midland, TX 79705

Phone: 575-390-0000

14. Client/Customer Project No.:

15. Land Ownership Status (must be indicated on project map):

Land Owner (By Agency)

Acres Surveyed Acres in APE

US Bureau of Land Management Carlsbad Field Office	6.08	3.00
TOTALS	6.08	3.00

16. Records Search(es):

Date(s) of HPD/ARMS File Review: 9 Jun 2014	Name of Reviewer(s): M. Jones	
Date(s) of Other Agency File Review: 9 Jun 2014	Name of Reviewer(s): M. Jones	Agency: BLM/CFO

17. Survey Data:

a. Source Graphics ☐ NAD 27 ☒ NAD 83 Note: NAD 83 is the NMCRIS standard.

☒ USGS 7.5' (1:24,000) topo map ☐ Other topo map, Scale:

☒ GPS Unit Accuracy ☒ <1.0m ☐ 1-10m ☐ 10-100m ☐ >100m

☐ Aerial Photo(s)

Other Source Graphic(s):

b. USGS 7.5' Topographic Map Name

USGS Quad Code

Paduca Breaks East, NM	32103-A5
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c. County(ies): LEA

d. Nearest City or Town: Jal, NM

e. Legal Description:

Township (N/S)

Range (E/W)

Section

26S	33E	29
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Projected legal description? ☐ Yes ☒ No ☐ Unplatted

f. Other Description (e.g. well pad footages, mile markers, plats, land grant name, etc.):

[] Continuation

18. Survey Field Methods:

Intensity: ☒ 100% coverage ☐ <100% coverage

NMCRIS No.: 130993

Configuration: ☒ block survey units ☐ linear survey units (l x w):
☐ other survey units (specify):

Scope: ☒ non-selective (all sites/properties recorded) ☐ selective/thematic (selected sites/properties recorded)

Coverage Method: ☒ systematic pedestrian coverage

☐ other method (describe):

Survey Interval (m): 15 Crew Size: 2 Fieldwork Dates: from: 02-Jul-2014 to: 02-Jul-2014

Survey Person Hours: 1.50 Recording Person Hours: 0.00 Total Hours: 1.50

Additional Narrative:

The proposed project area lies within 1/4 mile of one previously recorded archaeological site: LA 89707. The project is at a distance sufficient to avoid impacting this site. For a detailed description, see Table 1 on page 5.

[] Continuation

19. Environmental Setting (NRCS soil designation; vegetative community; elevation; etc.):

According to the Natural Resources Conservation Service' online database, the project area soil consists of Pyote soils and dune land. Pyote soils are all designated as "loamy sand" and typically support black grama, dropseed, and bluestem grasslands with an even distribution of sand sage and shinnery oak. Mesquite is also common to these soils. The current vegetative community consists of soapweed yucca, broom snakeweed, shinnery oak, mesquite, winterfat, littleleaf sumac, and desert grasses. The project area is situated approximately 3.75 miles south of Paduca Breaks and 23 miles east of the Pecos River. The elevation ranges from 3,190 ft to 3,200 ft above mean sea level.

[] Continuation

20.a. Percent Ground Visibility: 90%

b. Condition of Survey Area (grazed, bladed, undistributed, etc.):

The western portion of the survey area includes an existing north/south lease road. The survey is situated just south of an existing frac pond.

[] Continuation

21. CULTURAL RESOURCE FINDINGS

☐ Yes, see next report section

☒ No, discuss why:

No cultural materials were updated or recorded during the survey. It is uncertain why aboriginal peoples did not inhabit the area.

[] Continuation

22. Attachments (check all appropriate boxes):

[x] USGS 7.5 Topographic Map with sites, isolates, and survey area clearly drawn (required)

[x] Copy of NMCRIS Map Check (required)

[] LA Site Forms - new sites (with sketch map & topographic map) if applicable

[] LA Site Forms (update) - previously recorded & un-relocated sites (first 2 pages minimum)

[] Historic Cultural Property Inventory Forms, if applicable

[] List and Description of Isolates, if applicable

[] List and Description of Collections, if applicable

23. Other Attachments:

[] Photographs and Log

[x] Other Attachments
(Describe): BLM Map

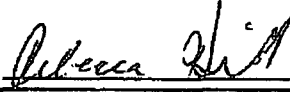
NMCRIS No.: 130993

24. I certify the information provided above is correct and accurate and meets all applicable agency standards.

Principal Investigator/Qualified Supervisor:

Printed Name: Rebecca L. Hill

Signature:



Date: 2/26/2011

Title: Principal Investigator

25. Reviewing Agency

Reviewer's Name/Date:

Accepted []

Rejected []

26. SHPO

Reviewer's Name/Date:

HPD Log #:

Date sent to ARMS:

CULTURAL RESOURCE FINDINGS

[fill in appropriate section(s)]

SURVEY RESULTS:

Archaeological Sites discovered and registered: 0

Archaeological Sites discovered and NOT registered: 0

Previously recorded archaeological sites revisited (site update form required): 0

Previously recorded archaeological sites not relocated (site update form required): 0

TOTAL ARCHAEOLOGICAL SITES (visited & recorded): 0

Total isolates recorded: 0

☒ Non-selective isolate recording?

HCPI properties discovered and registered: 0

HCPI properties discovered and NOT registered: 0

Previously recorded HCPI properties revisited: 0

Previously recorded HCPI properties not relocated: 0

TOTAL HCPI PROPERTIES (visited & recorded, including acequias): 0

MANAGEMENT SUMMARY:

No cultural materials were updated or recorded during the survey. The project is recommended for approval as staked. If cultural materials are encountered during construction work should be halted and archaeologists with BLM/CFO should be notified immediately.

[] Continuation

IF REPORT IS NEGATIVE, YOU ARE DONE AT THIS POINT.

SURVEY LA/HCPI NUMBER LOG

Sites/Properties Discovered:

LA/HCPI No. Field/Agency No.

Eligible? (Y/N/U, applicable criteria)

NMCRIS No.: 130993

Previously recorded revisited sites/HCPI properties:

LA/HCPI No. Field/Agency No.

Eligible? (Y/N/U, applicable criteria)

MONITORING LA NUMBER LOG (site form required)

Sites Discovered (site form required):

Previously recorded sites (site update form required):

LA No. Field/Agency No.

LA No. Field/Agency No.

Areas outside known nearby site boundaries monitored? [] Yes

[] No, Explain why:

TESTING & EXCAVATION LA NUMBER LOG (site form required)

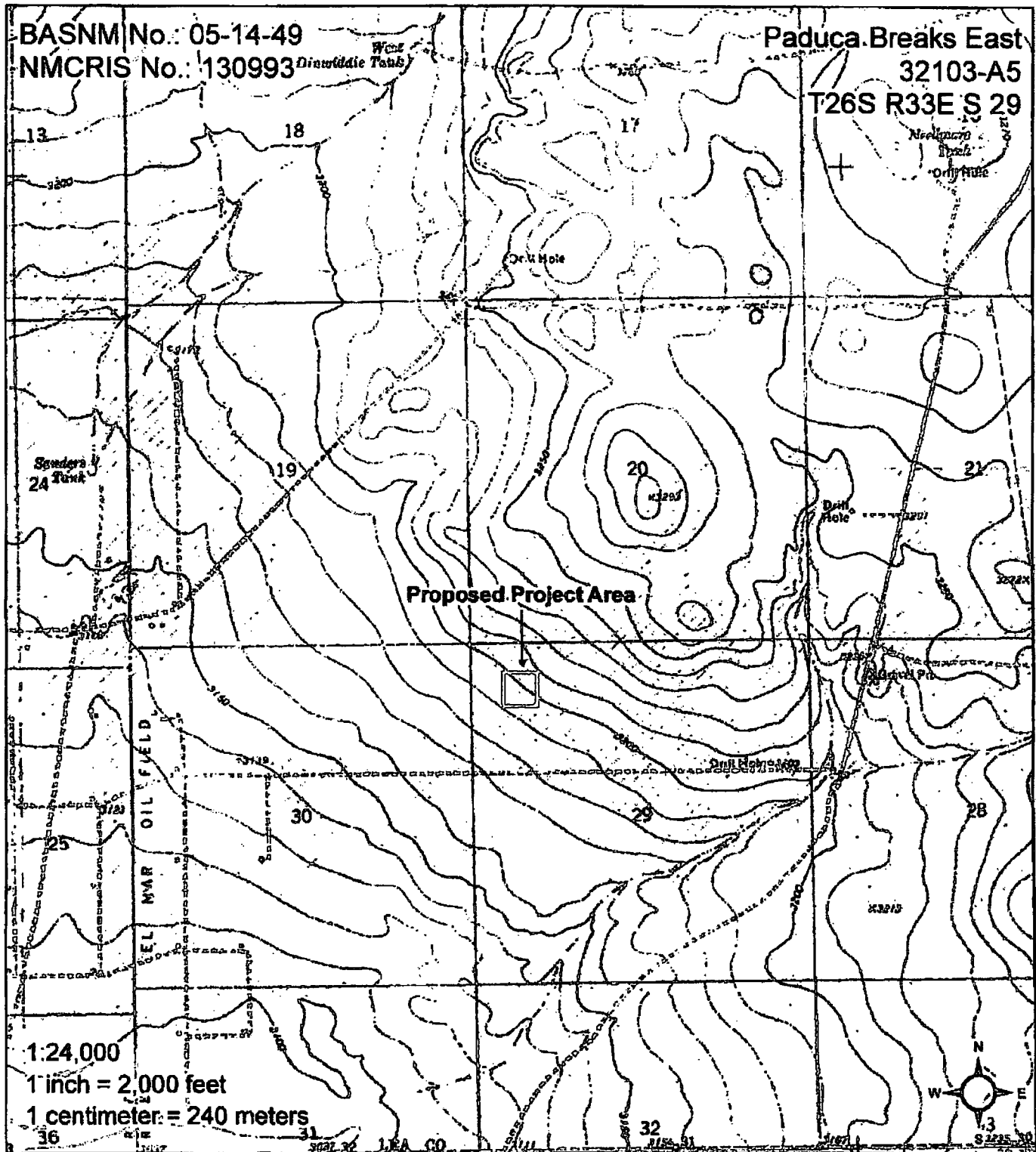
Tested LA number(s)

Excavated LA number(s)

Table 1. Previously Recorded Archaeological Sites within ¼ Mile.

LA No.	Cultural/Temporal Affiliation	Eligibility
89707	Unknown Aboriginal	Undetermined

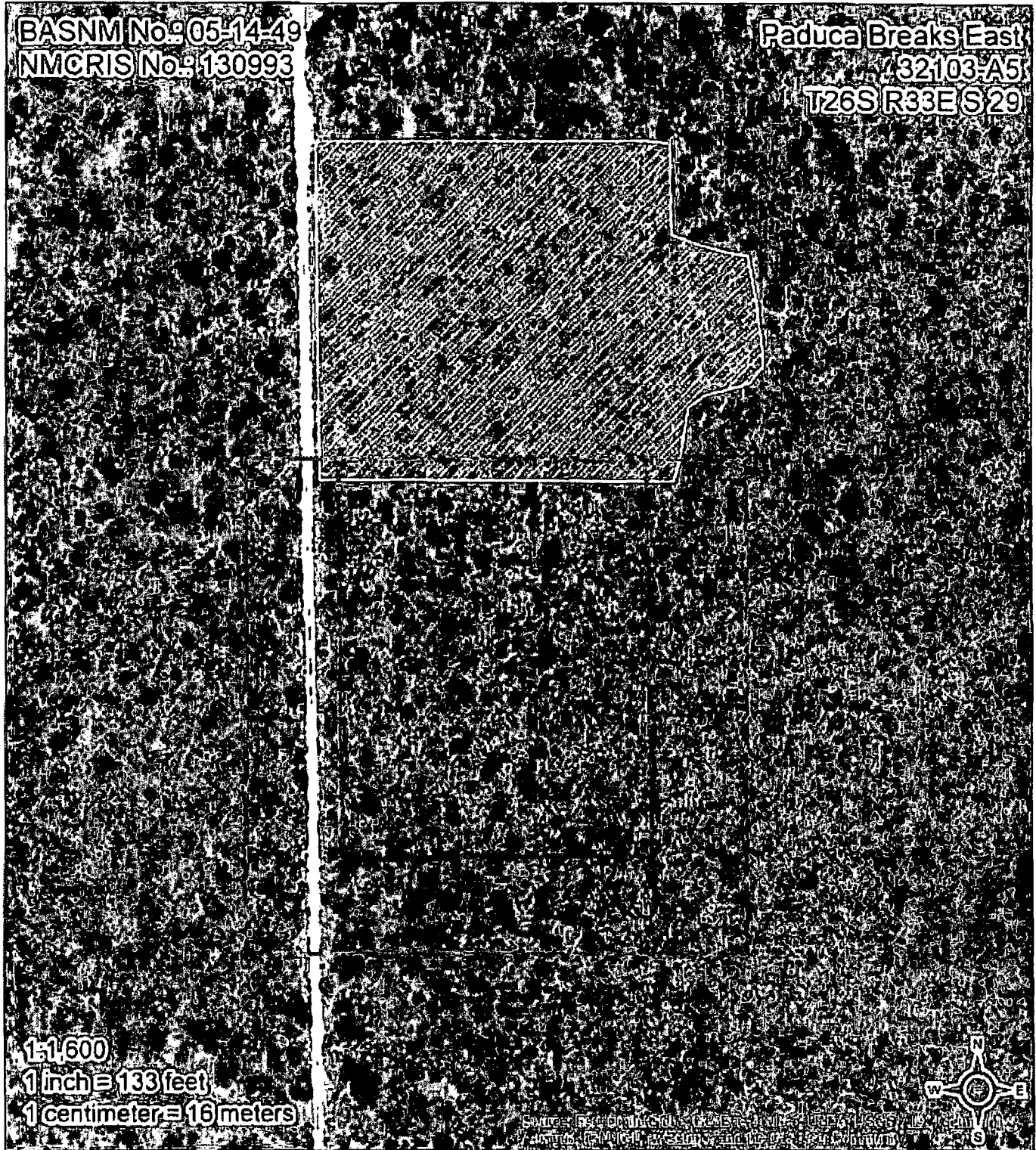
Chevron USA, Inc
Proposed Salado Draw 29 26 33
Fed #1H-#8H Frac Pond Expansion



Legend

□ Proposed Project Area	BLM	DOE	BOI	Private	□ NM State Game and Fish
□ BOR	□ Forest Service	□ NPS	NM State Trust Land	NM State Park	

Chevron USA, Inc
Proposed Salado Draw 29 26 33
Fed #1H-#8H Frac Pond Expansion



Legend

☐ Survey Area
☐ Proposed Frac Pond Expansion
☐ Existing Frac Pond Disturbance
☐ Archaeological Site

**Chevron USA, Inc
Proposed Salado Draw 29 26 33
Fed #1H-#8H Frac Pond Expansion**

