

CHEVRON
SD EA 19 FED P6 #7H
NMNM 27506,
SECTION 19, T26S, R33E
SHL 188' FNL & 1716' FEL,

SECTION 19, T26S, R33E
BHL 180' FSL & 979' FEL

HOBBS CO
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APD Surface Use Plan of Operations

Existing Roads (Exhibit 1)

- Driving directions are from Jal, New Mexico. The location is approximately 50.5 miles from the nearest town, which is Jal, New Mexico. From Jal, NM. Proceed West on Highway 128 approximately 30 miles and turn left (South) onto CR1 and go approximately 14.2 miles to Battle Axe road (CR 2) and turn left or east, and go approximately 6.7 miles and turn left (North) and follow lease road approximately 2 miles to the well.

New or Reconstructed Access Roads – Survey plat (Exhibit 2)

- There will need to be 716' of new road construction for this proposal, which will enter proposed well pad on the southwest corner and continue southwesterly until intercepting existing lease road. The road will follow the contours of the landscape.
- Road Width: The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed 14'. The maximum width of surface disturbance shall not exceed 25'.
- Maximum Grade: less than 5%
- Crown Design: Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2%. The road shall conform to cross section and plans for typical road construction found in the BLM Gold Book.
- Turnouts: Turnouts will not be needed on the new road.
- Ditch Design: Ditching will be constructed on both sides of road.
- Cattle guards: No cattle guards will be required.
- Major Cuts and Fills: 2:1 during drilling and completions. Cuts and fills taken back to 3:1 at interim.
- Type of Surfacing Material: Caliche

Location of Existing Wells (Exhibit 3)

- 1-Mile radius map is attached

Location of Existing and/or Proposed Production Facilities (Exhibit 4)

- Facilities: Existing production facilities located in the NW corner of Sec. 19, T26S, R33E where oil and gas sales will take place.
 - The facility is in Sec. 19, T26S, R33E; NMNM 27506 lease; off-lease measurement will not be required.

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- Gas purchaser pipeline is in place at the tank battery.
- Open top tanks or open containments will be netted.
- Open vent exhaust stacks will be modified to prevent birds or bats from entering, discourage perching, roosting, and nesting.
- Facilities will have a secondary containment 1.5 times the holding capacity of largest storage tank.
- All above ground structures will be painted non-reflective shale green for blending with surrounding environment.
- The permanent water disposal system will be determined prior to construction of any water transfer pipeline. Until permanent water takeaway is available, produced water will be hauled off location in trucks.

Infrastructure (see Exhibit 5)

- Pipelines: A 2,786', 4" surface flex line with less than 125 psi working pressure will be laid along existing disturbances from well to production facility. Flow lines will run southwest to lease road and then west until intercepting facility. A ROW will not be required.
 - All construction activity will be confined to the proposed 25' width.
 - Pipeline will run parallel to road and will stay within 10' of road.
- Pipelines: A 747', 4" buried flex line with greater than 125 psi working pressure will be laid along existing disturbances from existing gas lift line at lease road to well. Line will run to the southwest and intercept the existing gas line going to compressor facility. A ROW will not be required.
 - All construction activity will be confined to the proposed 25' width.
 - Pipeline will run parallel to road and will stay within the proposed 25' ROW.
- Power lines: A 764' permanent electrical line installation will be required for proposed well pad. The power line will run southwest along proposed road to existing power line. A generator will be utilized until permanent power is connected. A ROW will not be required.
 - All construction activity will be confined to the proposed 15' width.
 - Power line will run parallel to road and will stay within the proposed 25' ROW.

Location and Types of Water Supply (Exhibit 5)

- Water supply will be obtained from a private water source.
- Chevron will utilize an existing frac pond in Sec. 19-T26S-R33E for fresh water.
- A temporary 10" expanding pipe transfer line will run east along lease road then northeasterly direction along proposed access road approx. 0.25 miles from frac pond to well location in same section. A ROW will not be required.

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- Fresh water line will run parallel to road and will stay within the proposed 25' ROW for lease road.

Construction Material

- Caliche will be used to construct well pad and roads. Material will be purchased from the nearest federal, state, or private permitted pit.
- The proposed source of construction material will be located and purchased by construction contractor.
 - Payment shall be made by contractor prior to any removal of federal minerals material by contacting agent at (575) 234-5972.
 - Notification shall be given to BLM at (575) 234-5909 at least 3 working days prior to commencing construction of access road and/or well pad.

Methods for Handling Waste

- Drilling fluids and produced oil and water from the well during drilling and completion operations will be stored safely and disposed of properly in an NMOCD approved disposal facility.
- Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly at a state approved disposal facility. All trash on and around the well site will be collected for disposal.
- Human waste and grey water will be properly contained and disposed of properly at a state approved disposal facility.
- After drilling and completion operations, trash, chemicals, salts, frac sand and other waste material will be removed and disposed of properly at a state approved disposal facility.
- The well will be drilled utilizing a closed loop system. Drill cutting will be properly disposed of into steel tanks and taken to an NMOCD approved disposal facility.

Ancillary Facilities

- Ancillary Facilities will not be required for this proposed project.

Well Site Layout

- Surveyor Plat (Exhibit 6a)
 - Usable surface well pad dimensions are 395' x 330'
 - Interior well pad dimensions from point of entry (well head) of the westernmost well are N-125', S-205', E-225', W-170'. The length to the east includes 25' spacing for next well on multi-well pad (five wells).
 - Total disturbance area needed for construction activities will be 4.84 acres.

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- Topsoil placement is on the north where interim reclamation is planned to be completed upon completion of well and evaluation of best management practices.
 - Cut and fill: will be minimal.
- Rig Layout (Exhibit 6b)
 - The proposed site layout plat is attached showing the Nabors Rig orientation and equipment location. Plat will show dimensions needed for rig layout but will not include the 25' spacing to next well.

Plans for Surface Reclamation

Reclamation Objectives

- The objective of interim reclamation is to restore vegetative cover and a portion of the landform sufficient to maintain healthy, biologically active topsoil; control erosion; and minimize habitat and forage loss, visual impact, and weed infestation, during the life of the well or facilities.
- The long-term objective of final reclamation is to return the land to a condition similar to what existed prior to disturbance. This includes restoration of the landform and natural vegetative community, hydrologic systems, visual resources, and wildlife habitats. To ensure that the long-term objective will be reached through human and natural processes, actions will be taken to ensure standards are met for site stability, visual quality, hydrological functioning, and vegetative productivity.
- The BLM will be notified at least 3 days prior to commencement of any reclamation procedures.
- If circumstances allow, interim reclamation and/or final reclamation actions will be completed no later than 6 months from when the final well on the location has been completed or plugged. We will gain written permission from the BLM if more time is needed.
- Reclamation will be performed by using the following procedures:

Interim Reclamation Procedures

- 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 pad to approximately 2 acres.
- Within 30 days of well completion, the well location and surrounding areas will be cleared of, and maintained free of, all materials, trash, and equipment not required for production. A plan will be submitted showing where interim reclamation will be completed in order to allow for safe operations, protection of the environment outside of drilled well, and following best management practices found in the BLM "Gold Book".
- In areas planned for interim reclamation, all the surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.
- The areas planned for interim reclamation will then be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will

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be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.

- Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations including cuts & fills. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used.
- Proper erosion control methods will be used on the area to control erosion, runoff and siltation of the surrounding area.
- The interim reclamation will be monitored periodically to ensure that vegetation has reestablished

Final Reclamation (well pad, buried pipelines, and power lines, etc.)

- Prior to final reclamation procedures, the well pad, road, and surrounding area will be cleared of material, trash, and equipment.
- All surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.
- All disturbed areas, including roads, pipelines, pads, production facilities, and interim reclaimed areas will be recontoured to the contour existing prior to initial construction or a contour that blends in distinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation.
- After all the disturbed areas have been properly prepared; the areas will be seeded with the proper BLM seed mixture, free of noxious weeds.
- Proper erosion control methods will be used on the entire area to control erosion, runoff and siltation of the surrounding area.

Surface Ownership

- Bureau of Land Management
- All access roads are located on Federal Lands.
- Surface Tenant – Oliver Kiehne

Other Information

- On-site performed by BLM NRS: Trishia Bad Bear on November 4, 2014
- Cultural report attached: Letter attached.
- Erosion / Drainage: Drainage control system shall be constructed on the entire length of road by the use of any of the following: ditches, side hill out-sloping and in-sloping, lead-off ditches, culvert installation, or low water crossings.

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- Exclosure fencing will be installed around open cellar to prevent livestock or large wildlife from being trapped after installation. Fencing will remain in place while no activity is present and until backfilling takes place.
- Terrain: Landscape is flat
- Soil: Sandy loam
- Vegetation: Vegetation present in surrounding area includes mesquite, shrubs, and grass (needle-grass, burro grass, dropseed).
- Wildlife: No wildlife observed, but it is likely that deer, rabbits, coyotes, and rodents pass through the area.
- Surface Water: No surface water concerns.
- Cave Karst: Low Karst area with no caves or visual signs of caves found.
- Watershed Protection: The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.
- Water wells: No known water wells within the 1- mile radius.
- Residences and Buildings: No dwellings within the immediate vicinity of the proposed location.
- Well Signs: Well signs will be in compliance per federal and state requirements and specifications.

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EXHIBITS:

Exhibit 1 -- Existing Roads (APD map)

Exhibit 2 -- Survey Plat: New or Reconstructed Roads Map: if road is outside 600' x 600'.

Exhibit 3 --- 1-mile Radius Map

Exhibit 4 -- Location of Existing and/or Proposed Production Facilities (Tank Battery)

Exhibit 5 -- Survey Plat: Infrastructure: roads, pipelines, power lines, frac pond

Exhibit 6 -- Rig Layout: Well Site Layout Map / Diagram

C-102 doesn't need an exhibit number – nothing should refer back to the state form.

Need Exhibit 1, 3, 4 - need location name added to battery layout, & 5 - this will include the facility pad, production and power.

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 15th day of May, 2015

Name: 

James Ward - Project Manager

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