

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM27506
2. Name of Operator CHEVRON USA INC		6. If Indian, Allottee or Tribe Name Hobbs
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0445		8. Well Name and No. SALADO DRAW 18 26 33 FEDERAL 3H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T26S R33E NENW 200FNL 1943FWL		9. API Well No. 30-025-42278
		10. Field and Pool or Exploratory Area BONE SPRING
		11. County or Parish, State LEA COUNTY, NM

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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Hydraulic Fracturing
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<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
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Venting and/or Flaring

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 REQUESTING TO FLARE DUE TO NO GAS TAKE AWAY, 3RD PARTY LINE REPAIR AT THE ABOVE LOCATION. ATTACHED IS A LIST OF ALL THE WELL THAT WILL BE AFFECTED BY THE FLARE. ALL WELLS ATTACHED GO THE THE SALADO DRAW 19 CTB. ASLO, ATTACHED IS A COPY OF FORM C129 APPROVED BY NMOCD.

** THIS SUNDRY REPLACES EC# 408036 WHICH WAS SUBMITTED ON 03/15/2018 AND RETURNED BY JENNIFER SANCHEZ**

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #410342 verified by the BLM Well Information System For CHEVRON USA INC, sent to the Hobbs Committed to AFMSS for processing by JENNIFER SANCHEZ on 04/04/2018 ()	
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 04/04/2018
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By _____	Title _____
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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

MSB/ocd
4/19/2018

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

HOSEC OGD 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

JAN 29 2018

NFO Permit No. _____
(For Division Use Only)

RECEIVED
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.
whose address is 6301 Deauville, Midland, TX 79706
hereby requests an exception to Rule 19.15.18.12 for 90 days or until
Yr 2018, for the following described tank battery (or LACT):
Name of Lease Salado Draw 19 CTB (See Attached) Name of Pool Wildcat Bone Spring
Location of Battery: Unit Letter C Section 18 & 19 Township 26S Range 33E
Number of wells producing into battery 10 - (See Attached list of wells)
- B. Based upon oil production of 4000 barrels per day, the estimated * volume
of gas to be flared is ~250 MCF; Value _____ per day.
- C. Name and location of nearest gas gathering facility: Energy Transfer
- D. Distance 0.5 mi Estimated cost of connection _____
- E. This exception is requested for the following reasons: Intermittent gas take away issues from the Ramsey Facility for long periods of time is not expected.

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 01/29/2018 Telephone No. 575-263-0431

OIL CONSERVATION DIVISION

Approved Until 4/29/2018

By Mary Brown

Title AD/IT

Date 1/29/2018

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



C-129 for Salado Draw 19 CTB

Salado Draw Wells

Name	API#
Salado Draw 18 26 33 Fed #3H	30-025-42278
Salado Draw 18 26 33 Fed #4H	30-025-42279
Salado Draw 19 26 33 Fed #3H	30-025-42280
Salado Draw 19 26 33 Fed #4H	30-025-42281
Salado Draw 29 26 33 Fed #5H	30-025-42440
Salado Draw 29 26 33 Fed #6H	30-025-42441
Salado Draw 29 26 33 Fed #7H	30-025-42442
Salado Draw 29 26 33 Fed #8H	30-025-42243
Moose's Tooth 29 26 33 Fed Com #1H	30-025-42168
Porter Brown #1H	30-025-40802



C-129 for Salado Draw 19 CTB

Salado Draw Wells

Name	API#
Salado Draw 18 26 33 Fed #3H ✓	30-025-42278
Salado Draw 18 26 33 Fed #4H ✓	30-025-42279
Salado Draw 19 26 33 Fed #3H ✓	30-025-42280
Salado Draw 19 26 33 Fed #4H ✓	30-025-42281
Salado Draw 18 26 33 Fed #1H ✓	30-025-42659
Salado Draw 18 26 33 Fed #2H ✓	30-025-42660
Salado Draw 19 26 33 Fed #1H ✓	30-025-42661
Salado Draw 19 26 33 Fed #2H ✓	30-025-42662
SD EA 18 Federal P6 #5H ✓	30-025-42795
SD EA 18 Federal P6 #6H ✓	30-025-42796
SD EA 19 Federal P6 #5H ✓	30-025-42797
SD EA 19 Federal P6 #6H ✓	30-025-42798
SD EA 19 Federal P6 #7H ✓	30-025-42799
Porter Brown #1H ✓	30-025-40802

NmNm 135806

NmNm 135996

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Pursuant to, 43 CFR 3179

Lessees or operators are hereby authorized to vent or flare gas on a short-term basis without incurring a royalty obligation in the following circumstances:

- A. 43 CFR 3179.105 **Emergencies** (a) An operator may flare or, if flaring is not feasible given the emergency, vent gas royalty-free under §3179.4 (a) (vi) of this subpart during an emergency. For purposes of this subpart, an "emergency" is a temporary, infrequent and unavoidable situation in which the loss of gas or oil is uncontrollable or necessary to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment. For purposes of royalty assessment, an "emergency" is limited to a short-term situation of 24 hours or less (unless the BLM agrees that the emergency conditions necessitating venting or flaring extend for a longer period) caused by an unanticipated event or failure that is out of the operator's control and was not due to operator negligence.
- B. 43 CFR 3179.4 **Determining when the loss of oil or gas is avoidable or unavoidable.**
(2) *Avoidably lost oil* or gas means: Lost oil or gas that is not "unavoidably lost," as defined in paragraph (a) of this section; waste oil that became waste oil through operator negligence; and, any "excess flared gas," as defined in §3179.7.
- C. 43 CFR 3179.5 **When lost production is subject to royalty.**
(a) Royalty is due on all avoidably lost oil or gas.
(b) Royalty is not due on any unavoidably lost oil or gas.

Condition of Approval to Flare Gas

- 1. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free. 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".
- 2. Flared volumes considered to be "avoidably lost":
These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5). Volumes flared beyond limits defined in 43 CFR 3179.7 are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with 43 CFR 3179. Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08".

If the operator believes that the flared volumes were "unavoidably lost" and the BLM determines them to be "avoidably lost", the operator can submit a more detailed request via Sundry Notice (Form 3160-5) for an exception in accordance with 43 CFR 3179.4, 3179.103 - 3179.105. As an alternative to producing oil and flaring gas the operator may choose to shut the well in and avoid paying royalties on otherwise avoidably lost gas.

- 3. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.

4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a Sundry Notice (Form 3160-5). Include method for volume determination and duration. Report unavoidably lost (first 24 hrs. of unexpected event) and avoidably lost (exceeding the first 24 hrs. or flared gas that has been approved as avoidably lost by the Authorized Officer) volumes and durations on the Subsequent Report.
5. In determining the volumes of gas to be reported, shall be in accordance with 43 CFR 3179.4, 43 CFR 3179.5, 43 CFR 3179.9 and 43 CFR 3179.10
6. The operator must estimate or measure all volumes of gas vented or flared gas by one of the following methods.
 - i. Measure the flare gas by a meter. The meter shall meet all requirements for a sales meter as per Federal Regulations, 43 CFR 3175 (due to volume of gas being flared). Include meter serial number on Sundry Notice (Form 3160-5).
 - ii. Calculate the volume of the flared gas based on the results of a regularly performed GOR test and measured values for the volumes of oil production and gas sales, so as to allow BLM to independently verify the volume, rate, and heating value of the gas flared.

Regulation Ref: Link to 43 CFR 3179 Waste Prevention and Resources Conservation;
<https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true&n=sp43.2.3170.3179&r=SUBPART>

If H₂S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements.