

CHEVRON
SD WE 14 FEDERAL P5 #1H
NMNM118722,
SECTION 14, T26S, R32E
SHL 10' FSL & 623' FWL,

SECTION 14, T26S, R32E
BHL 180' FNL & 330' FWL

HOBBS OOD

APD Surface Use Plan of Operations

SEP 21 2015

RECEIVED

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 4 miles to the well.

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

- There will be 4,868' to well pad, entering at southwest, and 320' to facility, entering at southwest, of new road construction for this proposal. 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 be spaced every 1,000 ft.
- Ditch Design: Ditching will be constructed on both sides of road.
- Cattle guards: A cattle guard will be required at fence line near section between sections 23 and 24.
- 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

What is going to be done with ditch mentioned in plat Exhibit 2

Location of Existing Wells (Exhibit 3)

- 1-Mile radius map is attached

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

- Facilities: Production facilities will be placed in the center of sec. 14, T26S, R32E along the south section line where oil and gas sales will take place.
 - The facility is on the sec. 14 lease; off-lease measurement will not be required.

SEP 23 2015

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- Gas purchaser has not decided where sales line will be, ROW will be filed and approved prior to surface disturbing activities.
- 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) (All infrastructure will utilize same 50' ROW-Exhibit 5)

- Pipelines: A 4" surface flex line with less than 125 psi working pressure will be laid along existing disturbances from well to production facility (2,140'). A ROW will be required. *Will apply For ROW through BLM*
 - All construction activity will be confined to the approved 25' width.
 - Pipeline will run parallel to road and will stay within 10' of road.
- Pipelines: A 4" buried flex line with greater than 125 psi working pressure will be laid along existing disturbances from gas lift compression facility to well (2,319'). A ROW will be required. *Will apply For ROW through BLM*
 - All construction activity will be confined to the approved 50' width.
 - Pipeline will run parallel to road and will stay within 50' ROW. *should be 30'*
- Pipelines: A 10" buried poly line with less than 125 psi working pressure will be laid along existing disturbances from facility to SWD (3,990'). A ROW will be required.
 - All construction activity will be confined to the approved 50' width. *> 30'*
 - Pipeline will run parallel to road and will stay within 50' ROW. *> 30'*
- Power lines: The permanent electrical supply route is shown in Exhibit 5. The length of power line is 4,733 feet from well pad running south from well pad, then running east along the proposed lease road to existing power line. A generator will be utilized until permanent power is connected. *Will apply For ROW through BLM*
 - Construction activity will not commence until Power line access is approved or ROW is approved.

Location and Types of Water Supply (Exhibit 5)

- Water supply will be obtained from a private water source.

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- Chevron will utilize an existing frac pond in section 19-T26S-R33E for fresh water.
- A temporary 10" expanding pipe transfer line will run approx. 3 plus miles from Section 19-T26S-R33E to Section 14-T26S-R32E. Transfer lines will be laid along existing lease roads. A ROW will not be required. Will apply for ROW through BLM

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 370' X 330'

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- Interior well pad dimensions from point of entry (well head) are N-125', S-205', E-125', W-245'. The length to the west includes 25' spacing between four proposed drills on this multi-well pad.
 - Total disturbance area needed for construction activities will be 3.09 acres.
 - Topsoil placement is on the north.
 - 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.

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

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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 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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Chevron Representative

Primary point of contact:

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Jennifer.VanCuren@arcadis-us.com

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Chevron Functional Contacts

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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 8TH day of April, 2015

Name: 

James Ward, Project Manager

Address: 7400 Smith Street

Houston, TX 77002

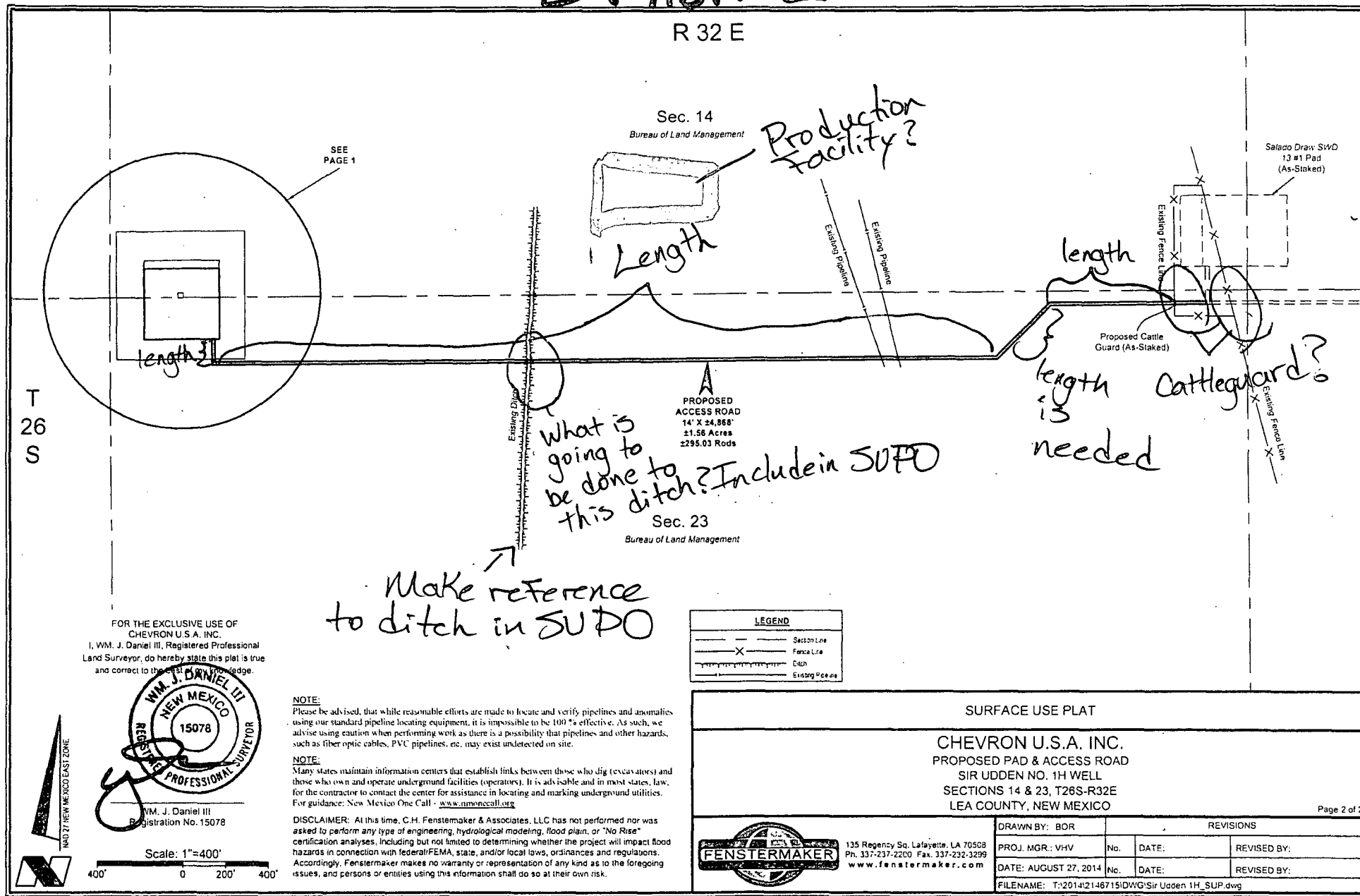
Room 40055

Office: 713-372-1748

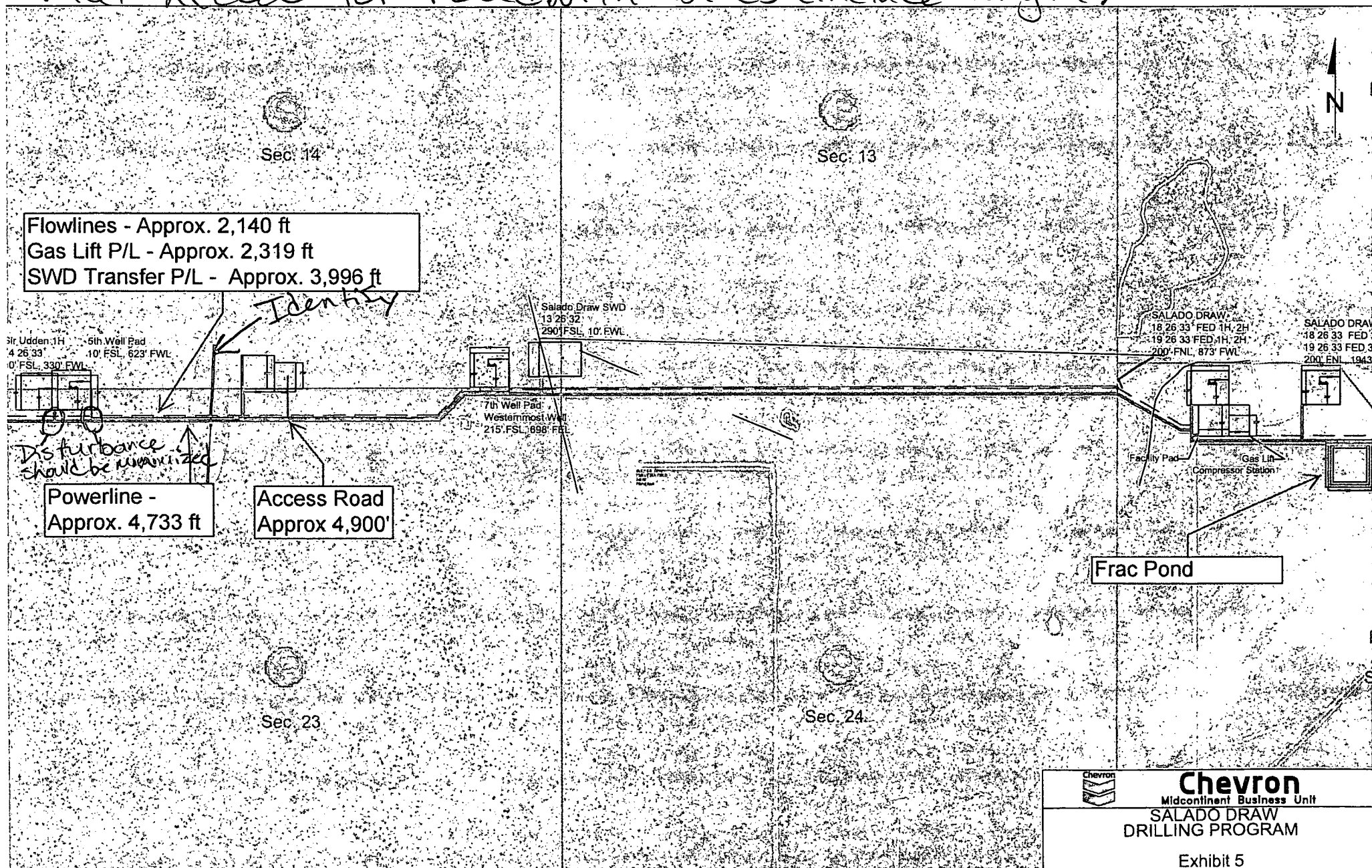
Email: JWGB@CHEVRON.COM

Include length for portions of road marked

Exhibit 2



Power lines and flowlines are stated in SUPD that they will go on either side of road. Please differentiate which one is which. There are two disturbances exiting the well pad towards proposed access road. Plot needed for road with bends (include length).



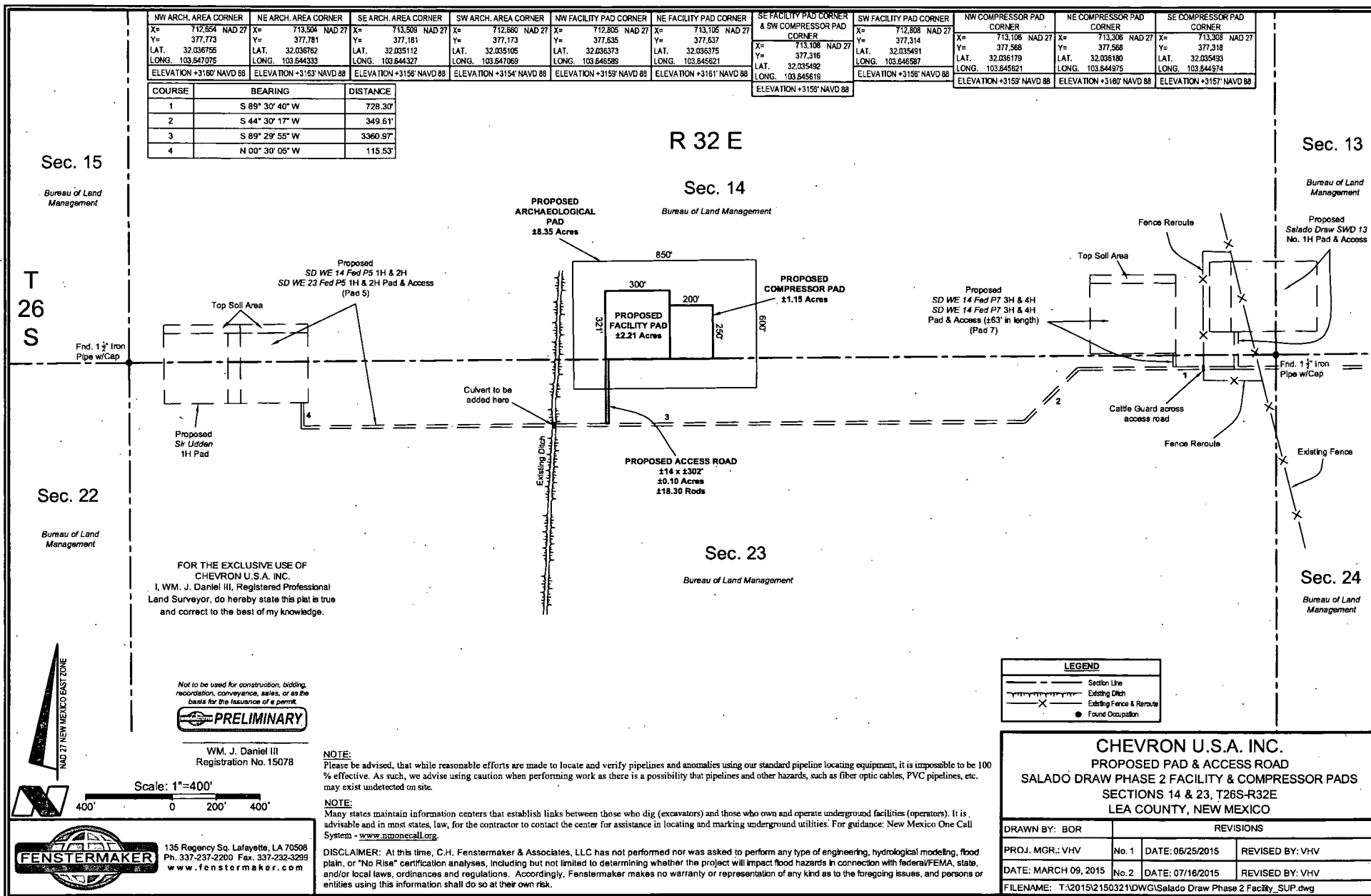
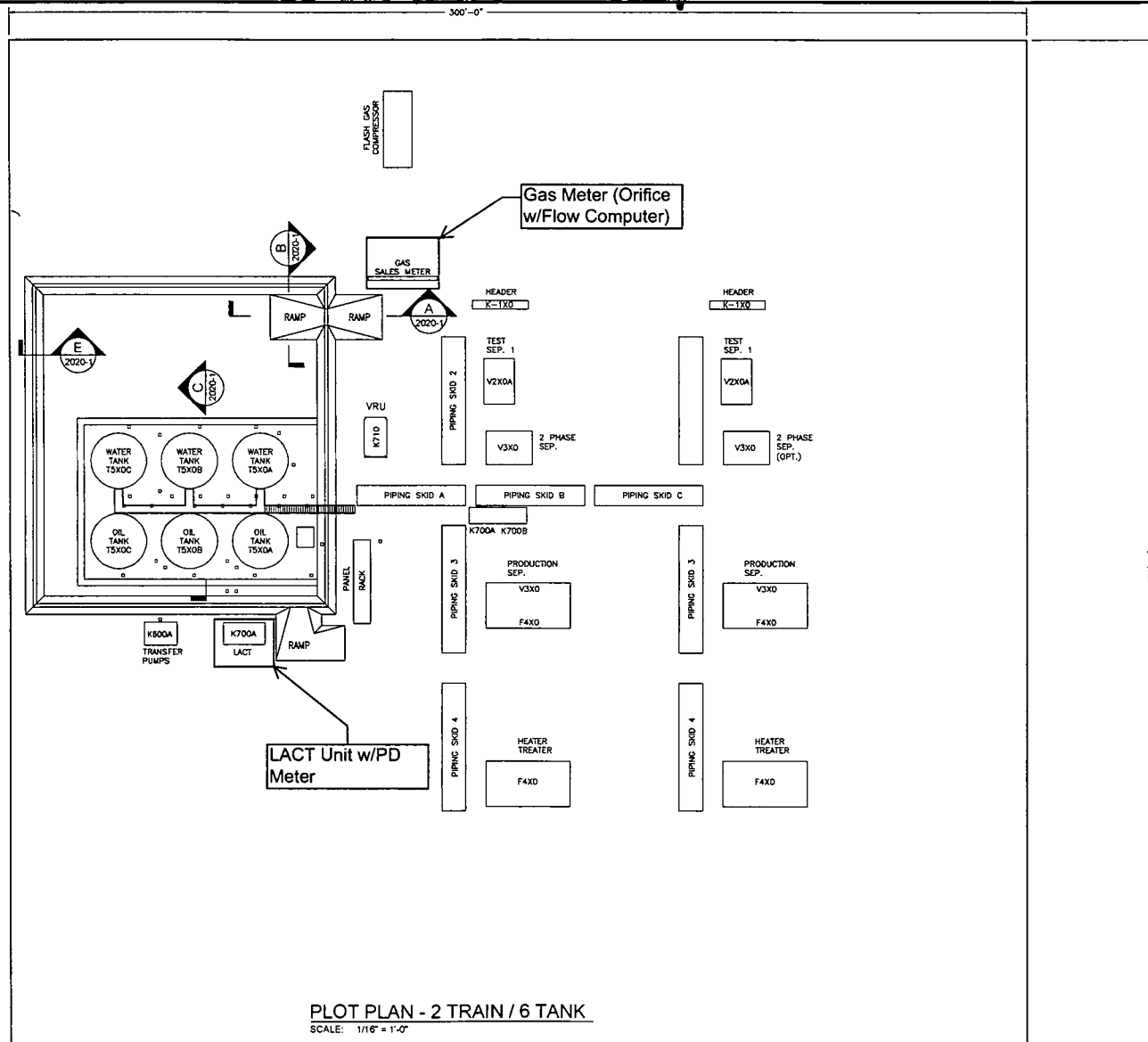


Exhibit 4



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|---------------------------|----|----|
| ISSUED FOR CONSTRUCTION - | EW | FW |
| DESIGN 01/12/15 | | |
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REVISIONS

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IFC
ISSUED FOR CONSTRUCTION



Chevron U.S.A. Inc.

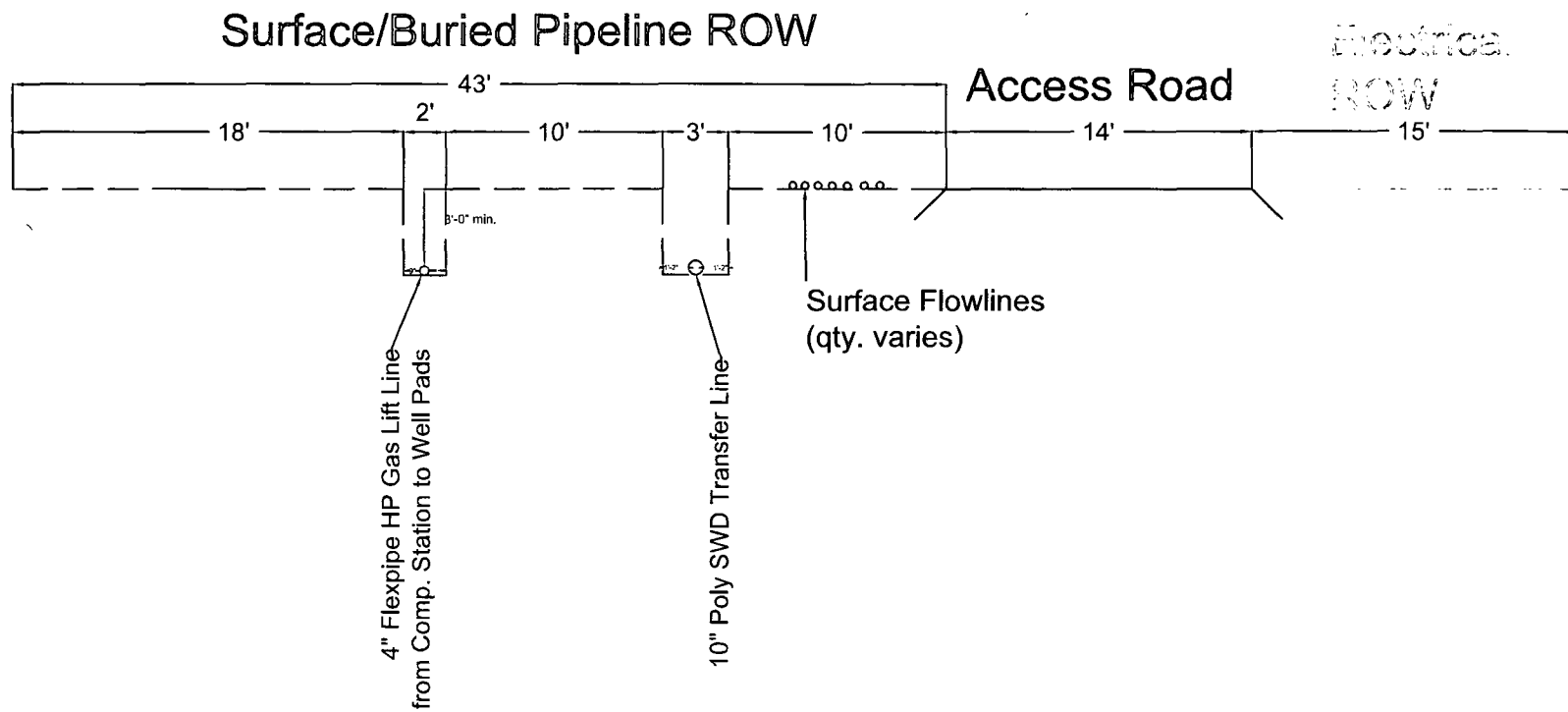
HOBBS FMT - SALADO DRAW SEC. 19 CTB
DELAWARE BASIN

PLOT PLAN

API LEASE

SLDRW-SDW-19CTB-MCB-STB-FDN-2005-1

Exhibit 5



Chevron

Midcontinent Business Unit

SALADO DRAW
DRILLING PROGRAM
FLOWLINE ROW