

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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. NMNM125653
2. Name of Operator CHEVRON USA INC		6. If Indian, Allottee or Tribe Name
Contact: CINDY H MURILLO E-Mail: CERRERAMURILLO@CHEVRON.COM		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0445	8. Well Name and No. SALADO DRAW 29 26 33 FED COM 5H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T26S R33E Mer NMP NWNE 136FNL 1457FEL		9. API Well No. 30-025-42440
		10. Field and Pool or Exploratory Area WC-025 G06 S263319P;BS
		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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Hydraulic Fracturing
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Site Facility Diagram/Security Plan

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 IS RESPONDING TO THE NOTICE OF INCIDENT # 17JLS19 FOR THE SITE FACILITY DIAGRAM ON THE SALADO DRAW CTB AND MOOSE'S TOOTH.
PLEASE FIND ATTACHED THE CURRENT SITE FACILITY DIAGRAM FOR THE ABOVE SUBJECT FACILITY.

ENTERED 02/14/17
INTO AFMSSAccepted for record - NMOCD
BC 4-18-17NM OIL CONSERVATION
ARTESIA DISTRICT

APR 17 2017

Accepted for Record Purposes.
Approval Subject to Onsite Inspection.
Date: 02/14/17

RECEIVED

14. I hereby certify that the foregoing is true and correct. Electronic Submission #358489 verified by the BLM Well Information System For CHEVRON USA INC, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 01/10/2017 ()	
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 11/18/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>Stucker</u>	Title <u>EPSP/UE</u>	Date <u>02/14/17</u>
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 <u>CFO</u>

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 ****

161037

Number 17JLS19

Page of

OPERATOR COPY

☒ Certified Mail - Return
Receipt Requested
70090870000144004205☐ Hand Delivered Received
byUNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
IID	
Lease	NMNM125653
CA	NMNM135620
Unit	
PA	

Bureau of Land Management Office				Operator			
HOBBS INSPECTION OFFICE				CHEVRON USA INCORPORATED			
Address 414 WEST TAYLOR HOBBS NM 88240				Address 15 SMITH ROAD MIDLAND TX 79705			
Telephone 575.393.3612				Attention CHEVRON USA INCORPORATED			
Inspector STATON				Attn Addr 15 SMITH ROAD MIDLAND TX 79705			
Site Name MOOSE TOOTH	Well/Facility FMP A	1/4 1/4 Section	Township 26S	Range 33E	Meridian NMP	County LEA	State NM
Site Name (SEE ATTACHED)	Well/Facility FMP	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 hour clock)	Violation	Gravity of Violation
10/25/2016	12:00	Onshore Order #2 (I), 43 CFR 3162.7-5(d) 1-3	MINOR
Corrective Action To be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
11/22/2016			43 CFR 3163.1()

Remarks

This office does not have a current site facility diagram on file. Submit to this office a current site facility diagram which accurately reflects production equipment, piping and metering systems at site. Failure to comply will result in monetary assessments.

When violation is corrected, sign this notice and return to above address

Company Representative Title Permitting Specialist Signature Cindy Herrera-Munido Date 11/18/2016
Company Comments Please find attached current site facility diagram for the above wells located in the Moose's Tooth / Salado Draw 29 CTB.

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

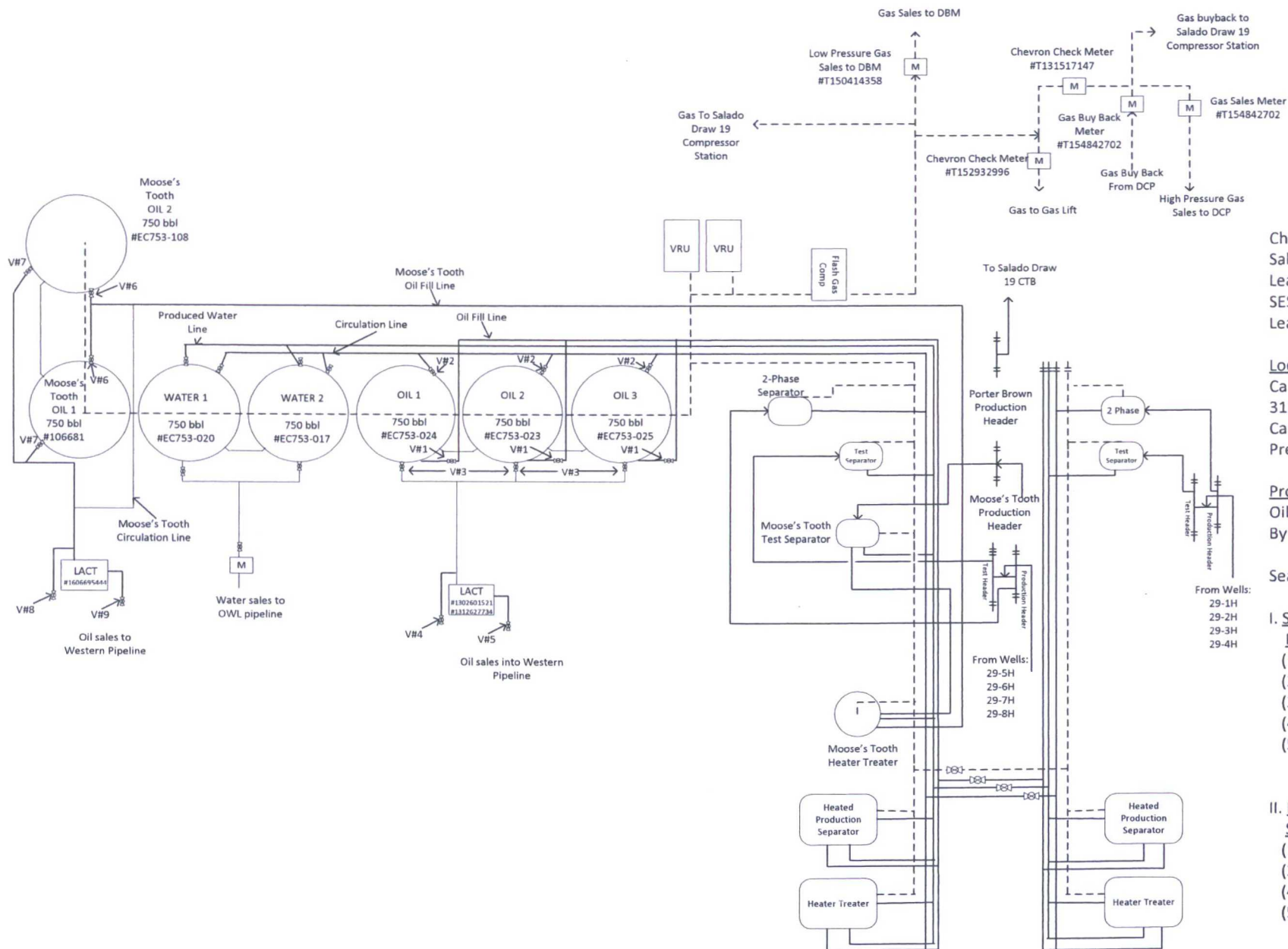
REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer		Date	Time
FOR OFFICE USE ONLY			
Number 15	Date	Assessment	Penalty
Type of Inspection PI			Termination

Wells and/or Facilities and/or FMPs, continued

Site Name	Well/Facility/FMP	1/4	1/4	Sec	Twn	Range	Mer	Lease	State	County
SALADO DRAW 29 26 33 FED COM	5H	NWNE	29	26S	33E	NMP	NMNM125653	NM	LEA	
SALADO DRAW 29 26 33 FED COM	6H	NWNE	29	26S	33E	NMP	NMNM125653	NM	LEA	
SALADO DRAW 29 26 33 FED COM	7H	NWNE	29	26S	33E	NMP	NMNM125653	NM	LEA	
SALADO DRAW 29 26 33 FED COM	8H	NWNE	29	26S	33E	NMP	NMNM125653	NM	LEA	



Chevron USA Inc.
Salado Draw 29 CTB
Lease SN: NMNM27506
SESE S 19 T26S R33E
Lea County, NM

Location of Site Security Plan
Carlsbad Office
3150 E Green Street
Carlsbad, NM 88220
Prepared by: SKOU 11/17/2016

Production System
Oil Sales Description:
By LACT to Pipeline

Seal Requirements:

I. Salado Draw Production & Sales Phase

- (1) Valve 1 Open
- (2) Valve 2 Locked Closed
- (3) Valve 3 Open
- (4) Valve 4 Locked Closed
- (5) Valve 5 Locked Closed (Open during loading only)

II. Moose's Tooth Production & Sales Phase

- (1) Valve 6 Open
- (2) Valve 7 Open
- (4) Valve 8 Locked Closed
- (5) Valve 9 Locked Closed (Open during loading only)