

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**

5. Lease Serial No. NMLC065880A
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. SALADO DRAW 19 26 33 FED COM 1H
9. API Well No. 30-025-42661
10. Field and Pool or Exploratory Area WILDCAT BONE SPRING
11. County or Parish, State LEA COUNTY, NM

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator CHEVRON USA INC Contact: CINDY H MURILLO E-Mail: CHERRAMURILLO@CHEVRON.COM	
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0445
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T26S R33E Mer NMP NWNW 200FSL 898FWL	

**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 type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Site Facility Diagram/Security Plan
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 REPONDING TO WRITTEN ORDER # 17JLS25 FOR THE SITE SECURITY DIAGRAM FOR THE SALADO DRAW 19 26 33 FEDERAL COM #1H. PLEASE FIND ATTACHED A SIGNED WRITTEN ORDER AND SITE SECURITY DIAGRAM. PLEASE FORWARD TO JON STATTON/BLM

ENTERED 2/14/17  
INTO AFMSS

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

Accepted for Record Purposes.  
Approval Subject to Onsite Inspection.  
Date: 2/14/17

Accepted for record - NMOCD  
BC 4-18-17

APR 17 2017

RECEIVED

14. I hereby certify that the foregoing is true and correct. Electronic Submission #358541 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 11/21/2016

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>Shelly Tucker</u>	Title <u>EPS/WE</u>	Date <u>2/14/17</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>CFD</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 \*\***

K3



Kec'd 11-2-16

161053

Form 3160-9  
(December 1989)

Number 17JLS25

Page of

☒ Certified Mail - Return  
Receipt Requested  
7009082000144004199

☐ Hand Delivered  
by

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**NOTICE OF INCIDENTS OF NONCOMPLIANCE**

Identification	
IID	NMNM135986
Lease	NMLC065880A
CA	NMNM135986
Unit	
PA	

Bureau of Land Management Office <b>HOBBS INSPECTION OFFICE</b>				Operator <b>CHEVRON USA INCORPORATED</b>			
Address <b>414 WEST TAYLOR HOBBS NM 88240</b>				Address <b>15 SMITH ROAD MIDLAND TX 79705</b>			
Telephone <b>575.393.3612</b>				Attention <b>CHEVRON USA INCORPORATED</b>			
Inspector <b>STATION</b>				Attn Addr <b>15 SMITH ROAD MIDLAND TX 79705</b>			
Site Name <b>SALADO DRAW 19 26 33 FED</b>	Well/Facility FMP <b>A</b>	1/4 1/4 Section <b>26S</b>	Township <b>33E</b>	Range <b>NMP</b>	Meridian <b>LEA</b>	County <b>NM</b>	State
Site Name <b>(SEE ATTACHED)</b>	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
10/27/2016	11:07	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
11/24/2016			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 Andy Herrera-Munilla Date 11/21/2016

Company Comments Please find attached a current site security diagram for the above facility.

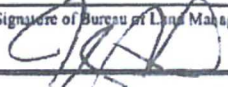
**WARNING**

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.

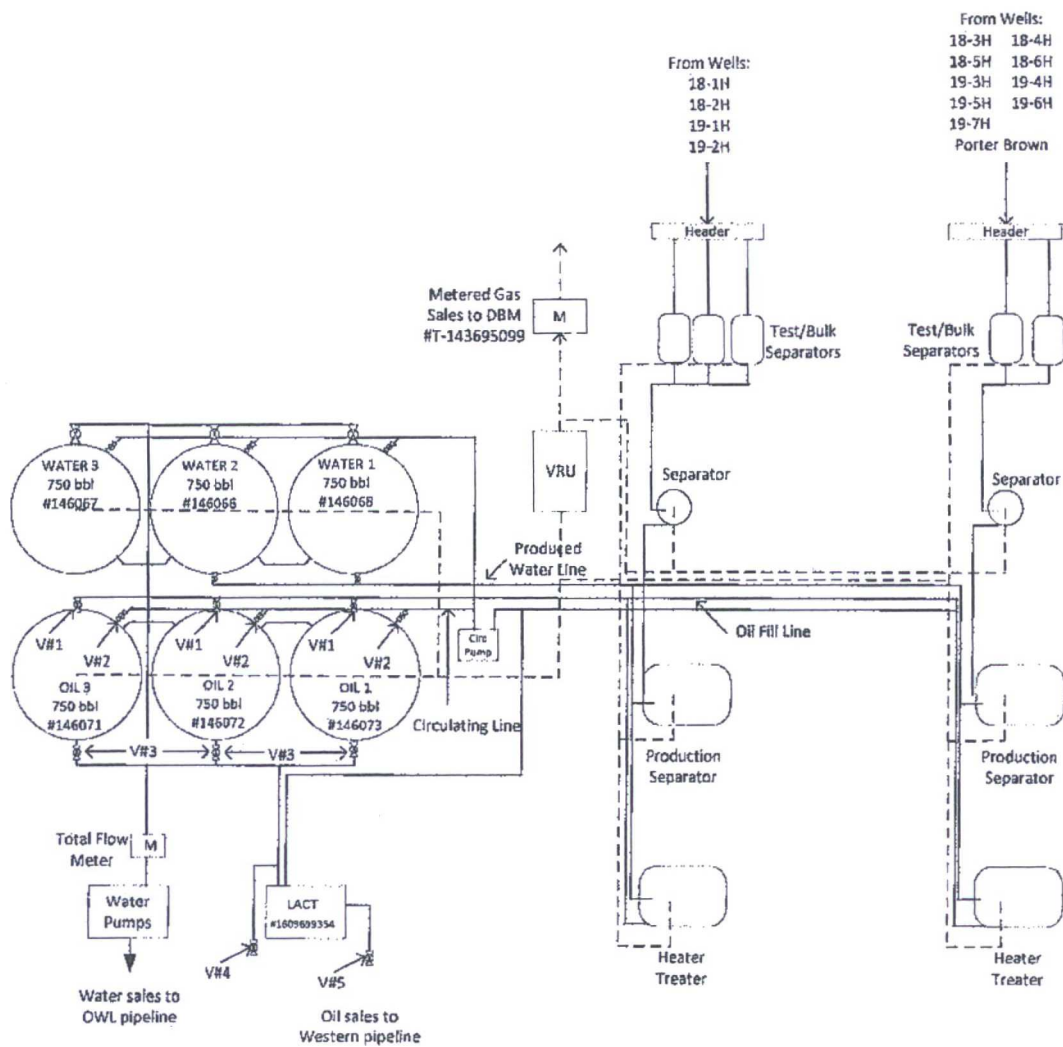
**REVIEW AND APPEAL RIGHTS**

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 <u>10/27/16</u>	Time <u>11:07</u>
FOR OFFICE USE ONLY			
Number <u>15</u>	Date	Assessment	Penalty
Type of Inspection <u>PI</u>	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 19 26 33 FED COM	1H	L1	19	26S	33E	NMP	NMP	NMLC065880A	NM	LEA
SALADO DRAW 19 26 33 FED COM	2H	L1	19	26S	33E	NMP	NMP	NMLC065880A	NM	LEA



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

Location of Site Security Plan  
Carlsbad Office  
3150 E Green Street  
Carlsbad, NM 88220  
Prepared by: SKOU 11/14/2016

Production System  
Oil Sales Description:  
By LACT to Pipeline

Seal Requirements:

I. Production & Sales Phase

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