

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. NMNM86172
2. Name of Operator CHEVRON USA INC Contact: CINDY H MURILLO E-Mail: CERRERAMURILLO@CHEVRON.COM		6. If Indian, Allottee or Tribe Name
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0445	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T20S R35E Mer NMP NWSE 1830FSL 2055FEL		8. Well Name and No. APPLESEED 17 FEDERAL 4
		9. API Well No. 30-025-36382
		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"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input 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 type="checkbox"/> Other
	<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 checked="" 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 RESPONDING TO THE WRITTEN ORDER # 17JSL113. PLEASE FIND ATTACHED ONSHORE ORDER #7. PLEASE FORWARD TO JON STATON.



14. I hereby certify that the foregoing is true and correct. Electronic Submission #373953 verified by the BLM Well Information System For CHEVRON USA INC, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/27/2017 ()	
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 04/26/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
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 ****

Appleseed 17 Fed #4
API# 30-025-36382
Lease # NMNM86172

WATER DISPOSAL ONSHORE ORDER #7

The following information is needed before your method of water disposal can be considered for approval.

1. Name(s) of formation (s) producing water on the lease.

Featherstone; Bone Spring
2. Amount of water produced from each formation in barrels per day.

Approximately 1/2 bbls per day
3. How water is stored on the lease.

2 (500 Barrel Oil Tanks) 1 (500 Barrel Water Tanks)
4. How water is moved to disposal facility.

Hauled by Basic to Lea Fee #2 SWD
5. Operators of disposal facility
 - a. Lease name or well name and number: Basic – Lea #2 SWD

API# 30-025-26782

 - b. Location by ¼ ¼ Section, Township and Range of the disposal system : _____

SWD is located in Section 17 T 23S R 37 E 850 FNL 950 FEL

 - c. The appropriate NMOCD permit number: SWD -291

Rec'd 4-11-17

V170402

Number 17JLS113

Page of

OPERATOR COPY

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

NOTICE OF INCIDENTS OF NONCOMPLIANCE

☒ Certified Mail Return
Receipt Requested
701603-0600019467899☐ Hand Delivered Received
by

Identification	
IID	
Loc: c	NMNM86172
CA	
Unit	
PA	

Bureau of Land Management Office				Operator			
HOBBS INSPECTION OFFICE				CHEVRON USA INCORPORATED			
Address 414 WEST TAYLOR HOBBS NM 88240				Address 6301 DEAUVILLE BLVD MIDLAND TX 79706			
Telephone 575.393.3612				Attention CHEVRON USA INCORPORATED			
Inspector STATION				Attn Addr 6301 DEAUVILLE BLVD MIDLAND TX 79706			
Site Name APPLESEED 17 4	Well/Facility/FMP A	1/4 1/4 Section NWSE 17	Township 20S	Range 35E	Meridian NMP	County LEA	State NM
Site Name APPLESEED 17 FEDERAL	Well/Facility/FMP 04	1/4 1/4 Section NWSE 17	Township 20S	Range 35E	Meridian NMP	County LEA	State NM
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	
04/05/2017	15:33		Onshore Order #7, 43 CFR 3162.5-1(b)			MAJOR	
Corrective Action To Be Completed By	Date Corrected		Assessment for Noncompliance			Assessment Reference	
05/14/2017						43 CFR 3163.1(i)	

Remarks

This office does not have a approval for water disposal on file. Submit to this office on a Sundry Notice (3160-5) a NOI for a water disposal approval. 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 Herve Muriel

Date 04/20/2017

Company Comments

Please find attached Onshore Order #7 -Water Disposal Form for the above well.

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

[Signature]

Date

20170406

Time

13:26

FOR OFFICE USE ONLY

Number 33	Date	Assessment	Penalty	Termination
Type of Inspection PI				

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API# 30-025-36382
Lease # NMNM86172

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 - a. Lease name or well name and number: Basic - Lea #2 SWD
API# 30-025-26782
 - b. Location by $\frac{1}{4}$ $\frac{1}{4}$ Section, Township and Range of the disposal system :
SWD is located in Section 17 T 23S R 37 E 850 FNL 950 FEL
 - c. The appropriate NMOCD permit number: SWD -291