

DCO Artesia

Form 3160-5  
(August 2007)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No 1004-0137  
Expires July 31, 2010**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.**5 Lease Serial No  
LC-09419A6 If Indian, Allottee or Tribe Name  
NA

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7 If Unit of CA/Agreement, Name and/or No

## 1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other Battery Expansion (Compressor addition)8. Well Name and No  
Skelly Unit 940 Battery2. Name of Operator  
Chevron U.S.A. Inc9 API Well No  
3001532599003a. Address  
15 Smith Road, Midland, TX 797053b. Phone No (include area code)  
432-687-740710 Field and Pool or Exploratory Area  
Blinbry4 Location of Well (Footage, Sec., T., R., M., or Survey Description)  
990 FNL, 330 FWL, Sec 22, T-17-S, R-31-E, N M P M SURVEY ATTACHED11 Country or Parish, State  
Eddy County, New Mexico

## 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

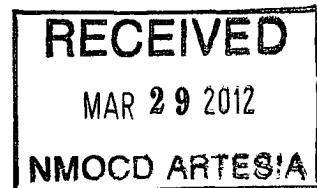
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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 Hook Gas
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Compressor
	<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.)

Please see attached survey plat. Proposed battery expansion will involve building a new 50' x 35' caliche pad and setting a new compressor on it. The scope of this project also includes both a temporary and permanent access road (to minimize permanent footprint and at the request of Tanner Nygren, BLM Rep.). Above-ground lines on a pipe rack will cross an existing 4" buried Holly Energy pipeline and transport gas and residual liquids to and from the compressor.

Operations will commence upon approval of this Notice

Accepted for record  
NMOCB



14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)

TODD MEADE

Title LAND TEAM LEAD

Signature

Date 3/13/2012

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

James L. Davis

Title SEPS

Date 3-26-12

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 CFO

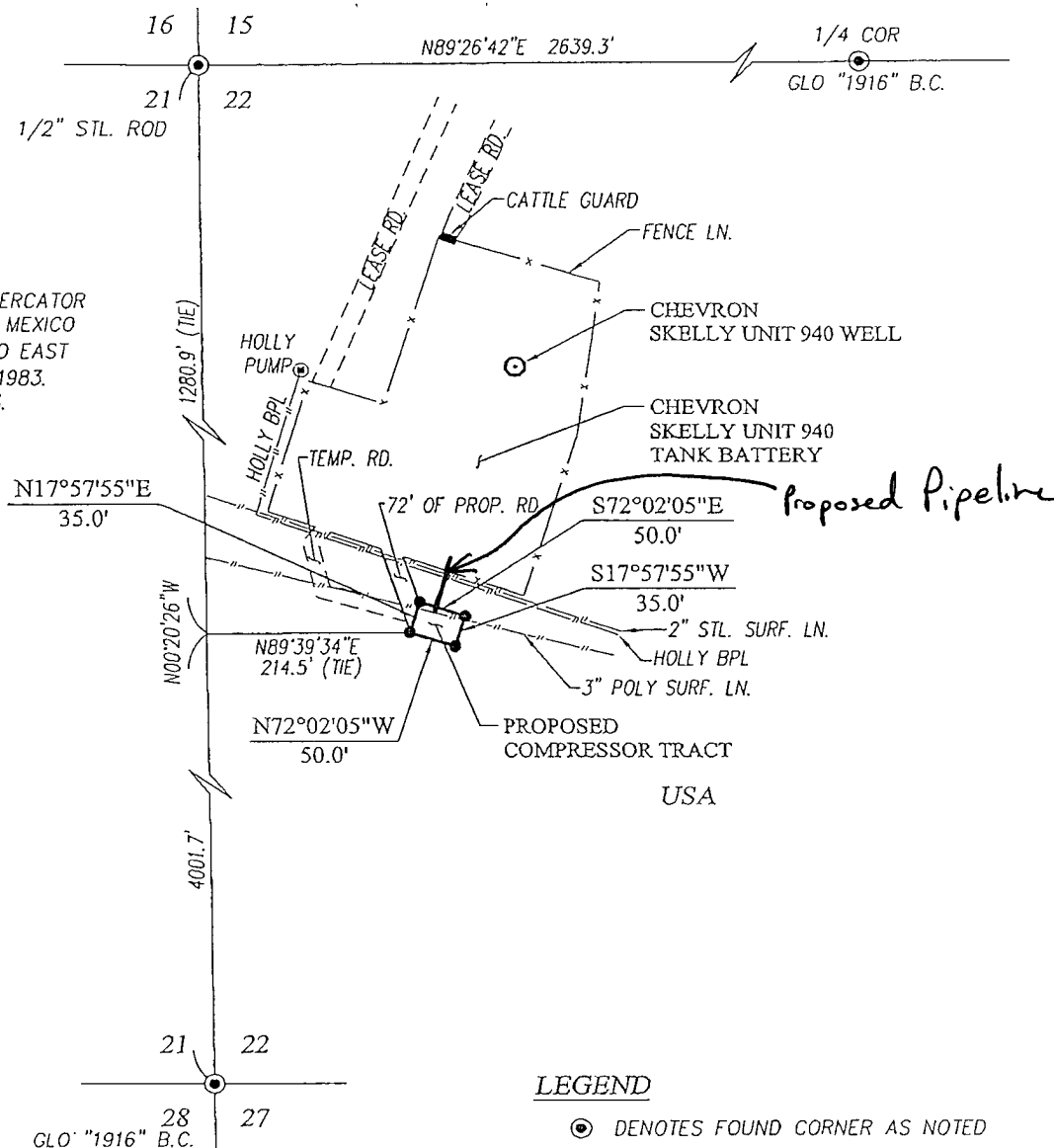
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

## NEW MEXICO

A PROPOSED COMPRESSOR TRACT SITUATED IN THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE PROPOSED COMPRESSOR TRACT, WHICH LIES S00°20'26"E 1280.9 FEET AND N89°39'34"E 214.5 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 22; THEN N17°57'55"E 35.0 FEET; THEN S72°02'05"E 50.0 FEET; THEN S17°57'55"W 35.0 FEET; THEN N72°02'05"W, 50.0 TO THE POINT OF BEGINNING AND CONTAINING 0.04 ACRES MORE OR LESS.




BEARINGS SHOWN HEREON ARE MERCATOR  
GRID AND CONFORM TO THE NEW MEXICO  
COORDINATE SYSTEM "NEW MEXICO EAST  
ZONE" NORTH AMERICAN DATUM 1983.  
DISTANCES ARE SURFACE VALUES.

I, RONALD J. EIDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 3239, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THE SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

RONALD J EIDSON

DATE:

 PROVIDING SURVEYING SERVICES  
SINCE 1956  
222 PROFESSIONAL SURVEYING COMPANY  
412 N DAL PASO  
HOBBS, N.M. 88240  
(575) 393-3117 [www.jwsc.biz](http://www.jwsc.biz)

### LEGEND

- ⊙ DENOTES FOUND CORNER AS NOTED  
● DENOTES SET SPIKE NAIL

200 0 200 400 Feet

Scale: 1"=200'

CHEVRON USA INC.

SURVEY FOR SKELLY UNIT 940 TANK BATTERY  
COMPRESSOR TRACT SITUATED IN NW/4 OF SECTION 22,  
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, NEW MEXICO

Survey Date: 2/27/12	CAD Date: 3/5/12	Drawn By: DSS
W.O. No.: 12110328	Rev:	Rel. W.O.
Sheet 1 of		

**BLM Lease Number: NMLC9419A**  
**Company Reference: Chevron USA, Inc.**  
**Well Name & Number: Skelly Unit 940 Compressor Site**

**CONDITIONS OF APPROVAL FOR OIL AND GAS RELATED SITES**

A copy of the Sundry Notice and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations.

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant and for all response costs, penalties, damages, claims, and other costs arising from the provisions of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Chap. 82, Section 6901 et. seq., from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Chap. 109, Section 9601 et. seq., and from other applicable environmental statutes.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et. seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et. seq.) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. If, during any phase of the construction, operation, maintenance, or termination of the site or related pipeline(s), any oil or other pollutant should be discharged from site facilities, the pipeline(s) or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such

discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting therefrom, the Authorized Officer may take such measures as deemed necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any liability or responsibility.

5. Sites shall be maintained in an orderly, sanitary condition at all times. Waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, petroleum products, brines, chemicals, oil drums, ashes, and equipment.
6. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.
7. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is **Shale Green**, Munsell Soil Color Chart Number 5Y 4/2.
8. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.
9. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. There are several options available for purchasing mineral material: contact the BLM office (575-234-5972).
10. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.
11. Once the site is no longer in service or use, the site must undergo final abandonment. At final abandonment, the site and access roads must undergo "final" reclamation so that the character and

productivity of the land are restored. Earthwork for final reclamation must be completed within six (6) months of the abandonment of the site. All pads and facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately \_\_\_6\_\_\_ inches in depth. The topsoil will be segregated from other spoil piles. The topsoil will be stockpiled along the edge of the site and used for final reclamation.

13. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- |  |  |
|--|--|
| <input type="checkbox"/> seed mixture 1            | <input type="checkbox"/> seed mixture 3          |
| <input checked="" type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4          |
| <input type="checkbox"/> seed mixture 2/LPC        | <input type="checkbox"/> Aplomado Falcon Mixture |

14. Special Stipulations:

**A. Road Construction:**

Temporary Road – The road shall be no greater than 14 feet in width. Prior to constructing the road, the top 6 inches of soil shall be pushed to the edge of where the road would be. The road shall be reclaimed after installation of the compressor is complete. Reclamation shall include removing all the caliche, pushing topsoil back over the road area and seeding. Also follow the procedures set forth in No. 11 of this document.

Permanent Road – The road shall be no greater than 12 feet in width.

**B. Lesser Prairie-Chicken:**

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.