

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMLC029389A |
| 2. Name of Operator CHESAPEAKE OPERATING INC Contact: RANDI N ATHERTON E-Mail: RANDIATHERTON@CHEVRON.COM | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address OKLAHOMA CITY, OK 73154-0496 | 3b. Phone No. (include area code) Ph: 432-687-7104 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached | | 8. Well Name and No. Multiple--See Attached |
| | | 9. API Well No. Multiple--See Attached |
| | | 10. Field and Pool, or Exploratory SHUGART-STRAWN |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

12. CHECK 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 |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Successor of Operato r |
| | <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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

CHANGE OF OPERATOR WAS FILED AND APPROVED BY THE NMOCD FOR THE SUBJECT WELL.

PREVIOUS OPERATOR: CHESAPEAKE (147179)
NEW OPERATOR: CHEVRON U.S.A. INC. (4323)
EFFECTIVE DATE OF CHANGE: 01/15/2013

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described above.

Bond Coverage: CA0329

**SUBJECT TO LIKE
APPROVAL BY STATE**

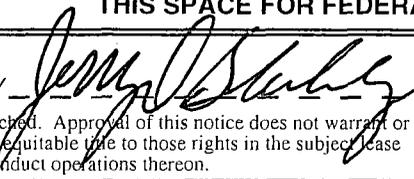
RECEIVED
JUN 18 2013
NMOCD ARTESIA
**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #205867 verified by the BLM Well Information System
For CHESAPEAKE OPERATING INC, sent to the Carlsbad
Committed to AFMSS for processing by JERRY BLAKLEY on 05/15/2013 (13JDB0015SE)**

| | |
|---------------------------------------|------------------------|
| Name (Printed/Typed) RANDI N ATHERTON | Title OFFICE ASSISTANT |
| Signature (Electronic Submission) | Date 05/01/2013 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|----------------|-----------------|
| Approved By <u>JERRY BLAKLEY</u>  | Title LEAD PET | Date 06/17/2013 |
| 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 Carlsbad |

APPROVED
JUN 17 2013
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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.

Additional data for EC transaction #205867 that would not fit on the form

Wells/Facilities, continued

| Agreement | Lease | Well/Fac Name, Number | API Number | Location |
|-------------|-------------|-----------------------|--------------------|-------------------------------------|
| NMLC029389A | NMLC029389A | BAISH FEDERAL 6 | 30-015-30902-00-S1 | Sec 9 T18S R31E SWNW 1980FNL 660FWL |
| NMLC029389A | NMLC029389A | BAISH FEDERAL 6 | 30-015-30902-00-S2 | Sec 9 T18S R31E SWNW 1980FNL 660FWL |

6/17/2013 Approved subject to Conditions of Approval. JDB

**Change of Operator
Conditions of Approval**

Chevron USA Inc.

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams as per Onshore Order #3
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.