

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OC-D-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Chevron

3a. Address
15 Smith Road, Midland, TX 79705

3b. Phone No. (include area code)
(432) 687-7112

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Section 22, Township 17 South, Range 31 East

7. If Unit of CA/Agreement, Name and/or No.
NM 71030C

8. Well Name and No.
Skelly #940

9. API Well No.
30-015-32599

10. Field and Pool or Exploratory Area
Fren

11. Country or Parish, State
Eddy 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"/> 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 <u>Flowlines</u>
	<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 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.)

This sundry discusses two Skelly Unit expansion routes. These routes will be trenched from the 940 Battery (centralized water injection) to wells 952 and 902. The 952 route was surveyed at 4619 feet. The 902 route was surveyed at 6457 feet.

The trench to the 952 will contain only a SWD line. It will be a 3.5" 2500 psi rated fiberspar pipe.

The trench to the 902 (northern part of field) will contain a SWD line and a production transport line. The SWD line will be a 3.5" 2500 psi rated fiberpar line and the gas gathering line will be a 4" 300 psi rated flexpipe.

Both fiberspar and flexpipe are multi-layer (composite) poly lines utilizing glass fibers or nylon, respectively, for achieving increased pressure ratings.

All construction will be supervised by Chevron personell and performed to corporate safety standards (excavation, embankment, confined space, stop work authority). If any archeological or biological indicators are discovered, work will stop and the BLM will be notified. Estimate for total time to completion after construction initiation is approximately 60 days. Existing batteries and pads will be used to hold setting equipment. The proposed lines have been staked and surveyed by "John West Surveying Company" from Hobbs, NM. Known archeological sites have been avoided per June 2010 MOA data. Please see attached.

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

Name (Printed/Typed)

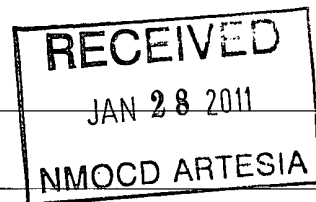
Luke Salmans

Title Facilities Engineer

Signature

Luke Salmans

Date 12/15/10



THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Don Peterson

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.

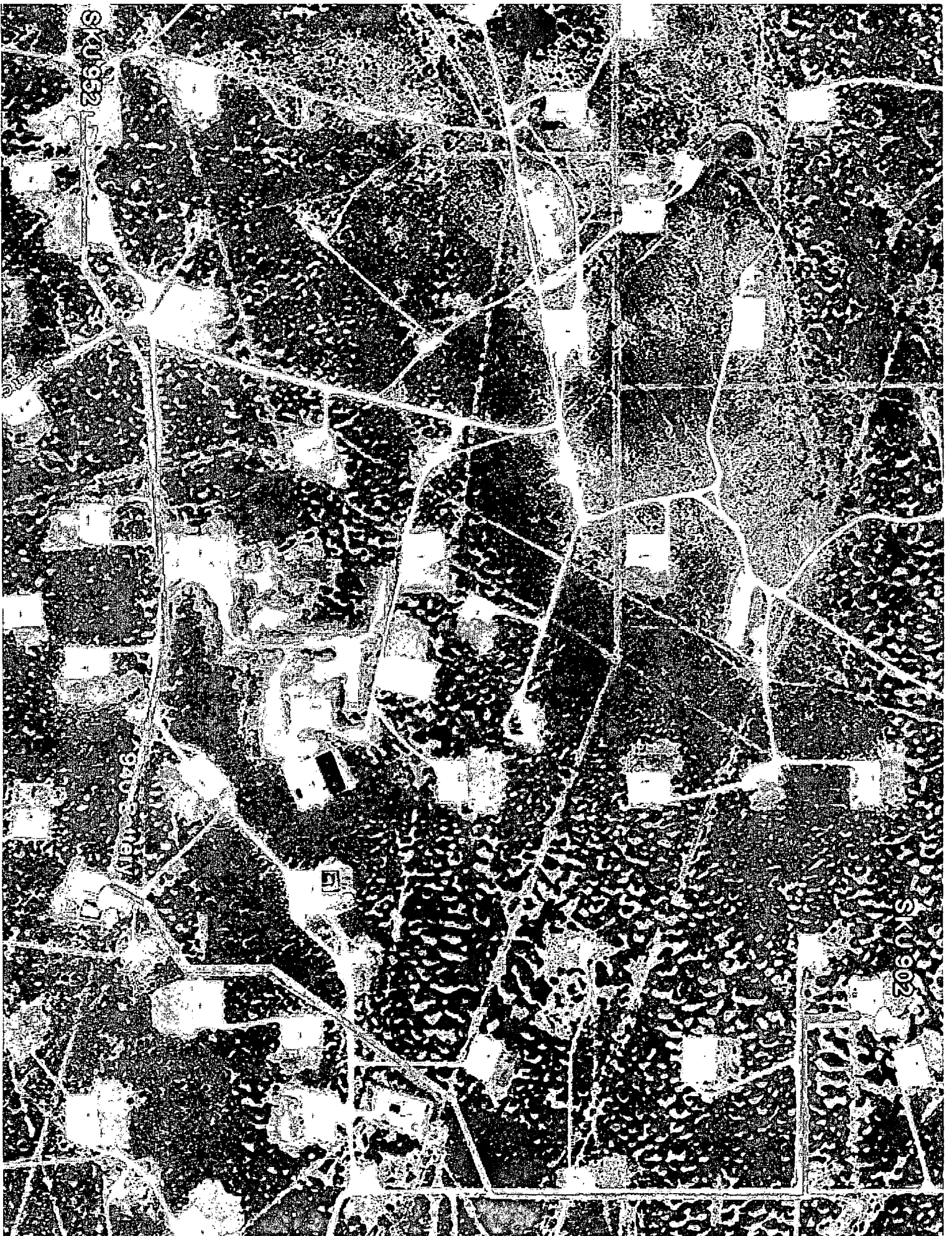
Office

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.

(Instructions on page 2)

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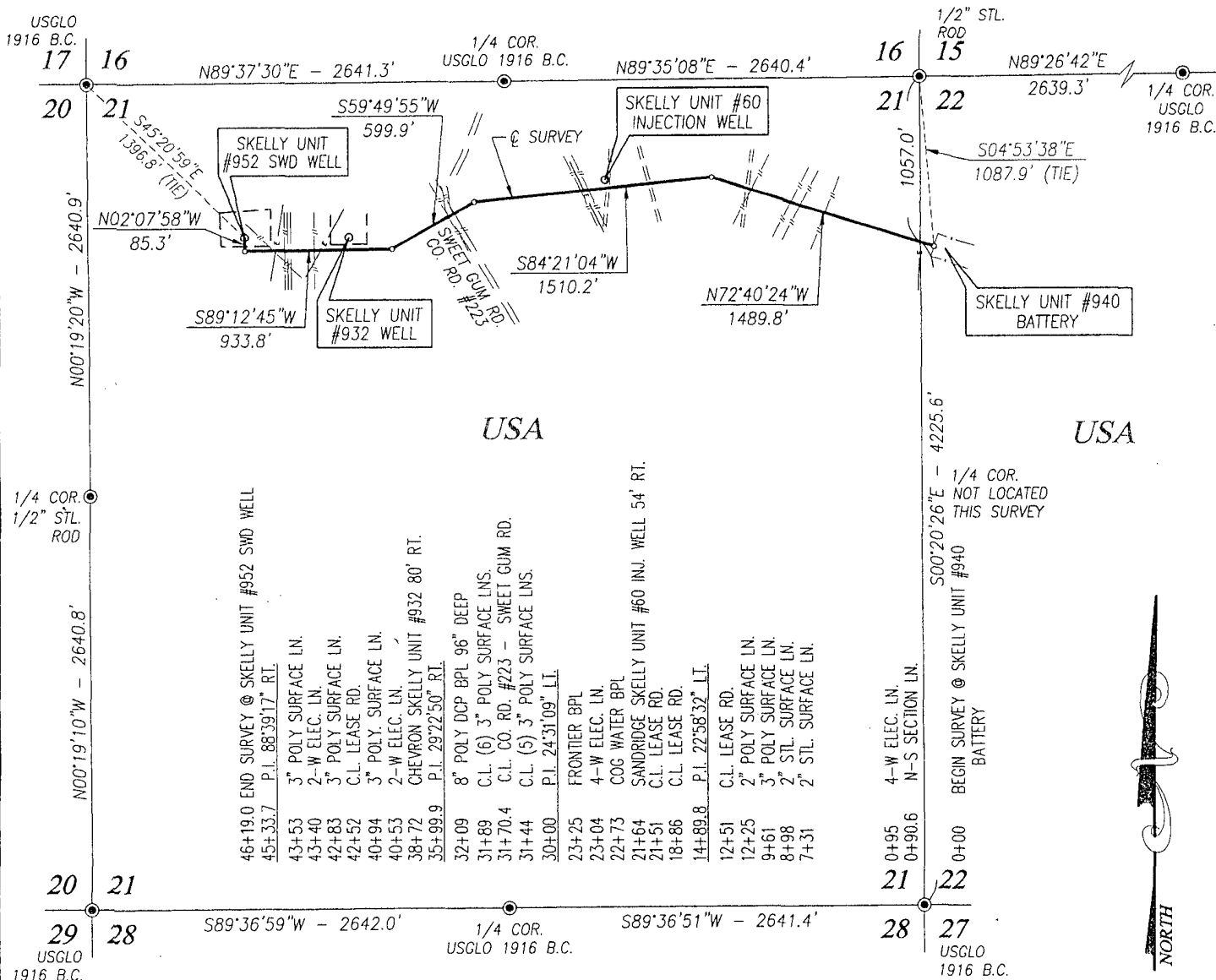


SKU952

SKU902

9408 Hwy

SECTIONS 21 AND 22, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY NEW MEXICO



DESCRIPTION

CENTERLINE SURVEY OF A STRIP OF LAND 50.0 WIDE AND 4619.0 FEET OR 0.875 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 21 AND 22, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO, AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE CENTERLINE.

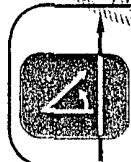
NOTE

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 HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS ACTUAL ON-THE-GROUND SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAN MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

GARY G. BIDSON, N.M. P.S.
RONALD J. BIDSON, N.M. P.S.

No. 12641
No. 3239



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

LEGEND

● DENOTES FOUND CORNER AS NOTED

1000 0 1000 2000 FEET



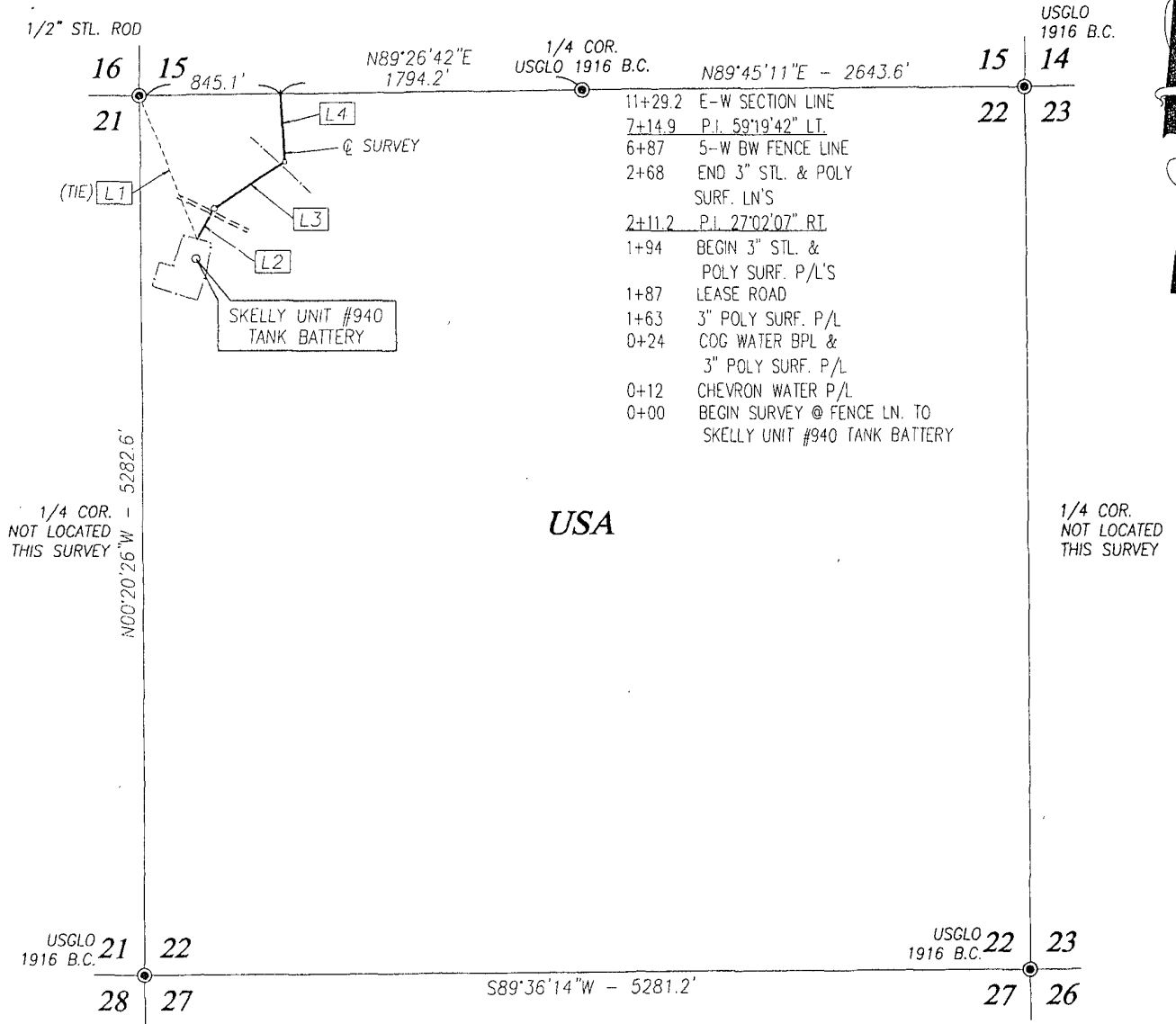
Scale: 1"=1000'

CHEVRON USA INC

CENTERLINE SURVEY OF A PIPELINE
CROSSING SECTIONS 21 AND 22,
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 9/28/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1446	Drawn By: DSS
Date: 10/4/10	Rev: .
CAD: 10111446	Rel. W.O.:

SECTION 22, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY NEW MEXICO



DESCRIPTION

CENTERLINE SURVEY OF A STRIP OF LAND 50.0 WIDE AND 1129.2 FEET OR 0.214 MILES IN LENGTH CROSSING USA LAND IN SECTION 22, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO, AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE CENTERLINE.

LINE TABLE

LINE	BEARING	DISTANCE
L1 (TIE)	S 21°25'14" E	930.9'
L2	N 29°33'58" E	211.2'
L3	N 56°36'05" E	503.7'
L4	N 02°43'37" W	414.3'

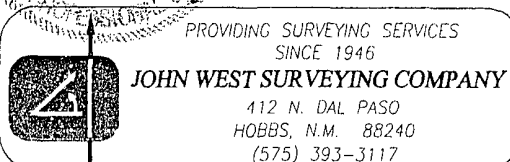
NOTE

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 HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS ACCESSION THE GROUND SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAN MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

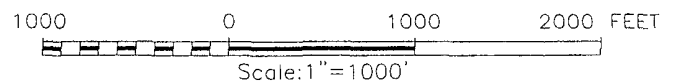
GARY C. EIDSON, N.M. P.S.
RONALD S. EIDSON, N.M. P.S.

No. 12641
No. 3239



LEGEND

● DENOTES FOUND CORNER AS NOTED



CHEVRON USA INC

CENTERLINE SURVEY OF A PIPELINE
CROSSING SECTION 22,
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 12/2/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1776	Drawn By: LA
Date: 12/13/10 Rev:	CAD: 10111776 Rel. W.O.:

NEW MEXICO



CENTERLINE SURVEY OF A STRIP OF LAND 50.0 WIDE AND 5327.5 FEET OR 1.009 MILES IN LENGTH CROSSING USA LAND IN SECTION 15, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO, AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE CENTERLINE.

LINE	BEARING	DISTANCE
L1	N 02°43'37" W	28.0'
L2	N 31°39'42" E	634.2'
L3	N 38°15'32" E	738.4'
L4	N 75°01'50" E	537.9'
L5	N 00°57'08" W	1947.1'
L6	S 89°21'14" W	1001.1'
L7	N 00°38'19" W	211.2'
L8	N 25°33'52" W	229.6'

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 HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS ACQUISITION OF THE AERIAL PHOTOGRAPH SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYS IN NEW MEXICO.

12/15/2010

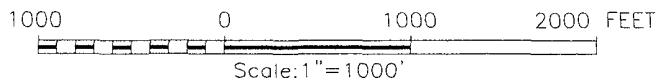
No. 12641
No. 3239

PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

● DENOTES FOUND CORNER AS NOTED



CHEVRON USA INC

CENTERLINE SURVEY OF A PIPELINE
CROSSING SECTION 15,
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 12/2/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1776	Drawn By: LA
Date: 12/13/10 Rev: .	CAD: 10111776 Rel. W.O.:.

Chevron USA, Inc.
Lease #: NMLC029419A
Skelly Unit #940 (PIPELINE)

BURIED PIPELINE STIPULATIONS

A copy of the APD and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

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.
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 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way 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), or resulting from the activity of the Right-of-Way holder 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 pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up 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 holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of **36** inches between the top of the pipe and ground level.
7. Blading of all vegetation will be allowed: maximum width of these operations will not exceed **10** feet. Blading is defined as the complete removal of brush and ground vegetation.

Clearing is allowed, maximum width of these operations, (includes bladed width in total allowance) will not exceed **20** feet. Clearing defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.

8. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

9. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in row, piles, or berms, unless otherwise approved by the Authorized Officer. A berm will be left over the ditch line to allow for settling back to grade.

10. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

11. The holder will reseed. Seeding will be done according to the attached seeding requirements, using the following seed mix:

Lesser Prairie-Chicken Seed Mix

12. 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 color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. 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 proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

16. Special Stipulations:

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken: Oil and gas activities including 3-D geophysical exploration, and drilling 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.

Limit the combination of blading and clearing operations to a total of 20'