

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<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other                    |   | 5. Lease Serial No.<br>NMNM117116                           |
| 2. Name of Operator<br>CHEVRON USA INCORPORATED   |   | 6. If Indian, Allottee or Tribe Name                        |
| Contact: CINDY H MURILLO<br>E-Mail: CHERRERAMURILLO@CHEVRON.COM   |   | 7. If Unit or CA/Agreement, Name and/or No.<br>NMNM133048   |
| 3a. Address<br>15 SMITH ROAD<br>MIDLAND, TX 79705   | 3b. Phone No. (include area code)<br>Ph: 575-263-0431<br>Fx: 575-263-0445 | 8. Well Name and No.<br>COTTON HILLS 23 26 27 FED COM 1H    |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Sec 23 T26S R27E NWNE 152FNL 1979FEL<br>32.034440 N Lat, 104.158190 W Lon |   | 9. API Well No.<br>30-015-41535-00-S1                       |
|   |   | 10. Field and Pool, or Exploratory<br>HAY HOLLOW<br>UNKNOWN |
|   |   | 11. County or Parish, and State<br>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       | Onshore Order Variance                    |
|  | <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.)

CHEVRON USA INC IS REQUESTING TO HAVE THE ABOVE WELL THAT FLOWS LESS THAN 100 MCF. BRANDON HYER HAS SPOKE TO JIM AMOS @ BLM REGARDING CALIBRATING THIS WELL SEMI-ANNUALLY. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT BRANDON HYER/GAS MEASUREMENT SPECIALIST AT 432-294-3853. PLEASE FIND METER TYPE, OPERATOR, METER NAME, API# AND METER WITH FLOW RATE.

| METER TYPE | OPERATOR | METER NAME         | API#         | METER# | FLOW RATE |
|------------|----------|--------------------|--------------|--------|-----------|
| CUSTODY    | SOUTHERN | RED HILLS 23 26 27 | 30-015-41535 | 12452  | 40        |
| TRANSFER   | UNION    | FEDERAL COM #1H    |              |        |           |
| CUSTODY    | SOUTHERN | RED HILLS 23 26 27 | 30-015-41536 | 12452  | 40        |
| TRANSFER   | UNION    | FEDERAL COM #3H    |              |        |           |

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

MAY 03 2016

RECEIVED

|  |                             |                              |
|--|-----------------------------|------------------------------|
| 14. I hereby certify that the foregoing is true and correct.<br>Electronic Submission #335084 verified by the BLM Well Information System<br>For CHEVRON USA INCORPORATED, sent to the Carlsbad<br>Committed to AFMSS for processing by PRISCILLA PEREZ on 04/12/2016 (16PP0903SE) |                             | Accepted for record<br>NMDCD |
| Name (Printed/Typed) CINDY H MURILLO   | Title PERMITTING SPECIALIST |                              |
| Signature (Electronic Submission)  | Date 03/30/2016             |                              |

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

|   |                                    |                                     |
|---|------------------------------------|-------------------------------------|
| Approved By <i>[Signature]</i>  | Title <i>Permitting Specialist</i> | Date <i>4/25/2016</i>               |
| 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 <i>Carlsbad Field Office</i> |

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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

## **Bureau of Land Management**

Carlsbad Field Office and Hobbs Field Station  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972

### **Conditions of Approval**

**Chevron USA Inc.**

**Cotton Hills 23 26 27 Fed Com 1H**

**NM 133048**

**3001541535**

1. This variance is for Chevron USA Inc. low volume gas producing wells.
  - a. Low volume as per this approval will be 100 MCF/D or less on a monthly basis.
2. As per NTL 92-5 you are approve to do semi-annually meter calibrations.
3. If any other well is added to the battery the variance will have to be resubmitted and be reevaluated at that time.
4. If at any time the operator produces more than 100 MCF/D on a monthly basis this approval is withdrawn at that time.
5. All other requirements of Onshore Order #5 Measurement of Gas still applies to this approval.