

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** **OCD Hobbs**
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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM118108
2. Name of Operator CHEVRON U.S.A.		6. If Indian, Allottee or Tribe Name
3a. Address 6301 DEAUVILLE BLVD. MIDLAND, TX 79706		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 432-687-7665		8. Well Name and No. HH SO 8 P2 5H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T26S R27E Mer NMP NWNW 255FNL 960FWL 32.049075 N Lat, 104.217789 W Lon		9. API Well No. 30-015-43935
		10. Field and Pool or Exploratory Area SAGE DRAW;WOLFCAMP,EAST
		11. County 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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Hydraulic Fracturing
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Convert to Injection

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.

LEAK DETECTION PLAN

Chevron U.S.A Inc. submits the attached Hayhurst NM Pad 2 Leak Detection Plan as required under the Conditions of Approval, Section V for Cave/Karst Surface Mitigations for the following wells:

- HH SO 8 P2 5H - 30-015-43935 ✓
- HH SO 8 P2 6H - 30-015-43934 ✓
- HH SO 8 P2 13H - 30-015-43933 ✓
- HH SO 8 P2 14H - 30-015-43931 ✓
- HH SO 8 P2 21H - 30-015-43927 ✓

GC 5-17-18
Accepted for record - NMOC



14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #406225 verified by the BLM Well Information System For CHEVRON U.S.A. sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/23/2018 ()	
Name (Printed/Typed) LAURA BECERRA	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 03/01/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>James A. Amos</u>	Title <u>Supr. PET</u>	Date <u>APR 23 2018</u>
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 <u>CFO</u>

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 ****

Additional data for EC transaction #406225 that would not fit on the form

32: Additional remarks, continued

- HH SO 8 P2 22H - 30-015-43928



Chevron North America
Exploration and Production Company
(A Chevron U.S.A. Inc. Division)
6301 Deauville Blvd
Midland, TX 79706

Hayhurst NM Pad 2 Leak Detection Plan

(Includes wells: HH SO 8 P2 5H, 6H, 13H, 14H, 21H & 22H)

Chevron Midcontinent Business Unit (MCBU) has incorporated the following methods, design features, and practices to systematically monitor, detect, and address any leaks for the Hayhurst NM Pad 2 wells and associated Hayhurst NM 9 Central Tank Battery (CTB), which receives and processes produced fluids from the referenced wells.

Central Tank Battery Secondary Containment

The CTB incorporates a secondary containment around all storage tanks constructed of a synthetic liner and engineered walls. The containment is designed to be at least one foot above the tank bases and sized to contain the cumulative volume of all storage tanks. Also, all vessels and piping within the CTB are situated aboveground to allow for ready identification of any type of leak or loss of primary containment.

Level and Pressure Alarms

All storage tanks are equipped with multiple level and pressure alarms to detect abnormal conditions and immediately initiate appropriate actions as described below:

- Low level alarm that notifies field personnel of this alarm condition allowing prompt investigation and initiation of any response actions.
- Low-low level alarm that is electronically interlocked with well control systems to immediately secure all well production and CTB operations.
- High pressure alarm that is interlocked with distributive control systems to immediately secure all well production and CTB operations.
- High level alarm that is interlocked with distributive control systems to immediately secure all well production and CTB operations

All oil discharge lines are equipped with low pressure sensors to detect abnormal system pressure and immediately secure production operations and isolate vessels within the CTB.

Inspection Practices

Standard practice requires a visual inspection of all well pads and CTBs at least once per day to include identification of any seeps, drips, or other larger sources of leaks. Current practice within the Salado Draw area is for these inspections to occur once per twelve-hour shift.