| | | RTS ON WELSA FIELD drill of ore enter an Field b) for such proposals. | | | | |
|--|--|--|--|--|--|--|
| SUBMIT IN | 7. If Unit or CA/Agreement, Name and/or No. MultipleSee Attached | | | | | |
| 1. Type of Well Dil Well 🛛 Gas Well 🗖 Otl | 8. Well Name and No. Multiple-See Attached | | | | | |
| 2. Name of Operator Contact: LAURA BECERRA CHEVRON USA INCORPORATED E-Mail: LBECERRA@CHEVRON.COM | | | | 9. API Well No. MultipleSee Attached | | |
| 3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706 | EAUVILLE BLVD Ph: 432-687-7665 | | | | 10. Field and Pool or Exploratory Area PURPLE SAGE-WOLFCAMP (GAS) | |
| 4. Location of Well (Footage, Sec., 7 | C., R., M., or Survey Description) | | | 11. County or Parish, State | | |
| MultipleSee Attached | | | | EDDY COUNTY, NM | | |
| 12. CHECK THE A | PPROPRIATE BOX(ES) | TO INDICATE NATURE O | F NOTICE, | REPORT, OR OTH | HER DATA | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | | |
| | Acidize | Deepen | Producti | ion (Start/Resume) | Water Shut-Off | |
| Notice of Intent | Alter Casing | Hydraulic Fracturing | □ Reclamation | | U Well Integrity | |
| 🛿 Subsequent Report | Casing Repair | New Construction | Recomplete | | 🛛 Other | |
| Final Abandonment Notice | Change Plans | Plug and Abandon | Temporarily Abandon | | | |
| _ | Convert to Injection | Plug Back | U Water Disposal | | | |
| 13. Describe Proposed or Completed Op If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involvec testing has been completed. Final Al determined that the site is ready for final for the second | ally or recomplete horizontally, rk will be performed or provide d operations. If the operation res bandonment Notices must be file | give subsurface locations and measu the Bond No. on file with BLM/BIA sults in a multiple completion or reco | red and true ve Required sub mpletion in a r | rtical depths of all pertin sequent reports must be new interval, a Form 316 | nent markers and zones. e filed within 30 days 50-4 must be filed once | |

LEAK DETECTION PLAN

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Chevron U.S.A Inc. submits the attached Hayhurst, NM Pad 4 Leak Detection Plan as required under the Conditions of Approval, Section V for Cave/Karst Surface Mitigations. This notice applies to the following wells:

RECEIVED

| - HH CE 35 2 FED 000 41 - 50-015-44349 0 |
|--|
| -HH CE 35 2 FED 006 5H- 30 015 44345 |
| A water and a water of the state of the stat |

| / | 8 | | |
|---|-------|--|--|
| | A COL | | |

GC 9-7-18 Accepted for record • NMOCD

SEP 0 6 2018

| | · · · · · · · · · · · · · · · · · · · | | DISTRICT II- | ARTESIA O.C.D. | | |
|---|---|--------|---------------------------|--------------------------|------------|--|
| 14. I hereby certify t | hat the foregoing is true and correct. Electronic Submission #432631 verifie For CHEVRON USA INCORPC Committed to AFMSS for processing by DEBO | RATED |), sent to the Carlsbad | 37SE) | | |
| Name (Printed/Ty) | ped) LAURA BECERRA | Title | PERMITTING SPECIALIST | | | |
| Signature | (Electronic Submission) | Date | 08/24/2018 | | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | | |
| Approved By_DUN | | Title | ECHNICAL LEAD PET | Date | 09/04/2018 | |
| 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 | e Carlsbad | | | |
| | 1001 and Title 43 U.S.C. Section 1212, make it a crime for any pe ious or fraudulent statements or representations as to any matter w | | | artment or agency of the | United | |
| (Instructions on page 2) | ** BLM REVISED ** BLM REVISED ** BLM RE | EVISE | D ** BLM REVISED ** BLM F | REVISED ** | | |

Additional data for EC transaction #432631 that would not fit on the form

5. Lease Serial No., continued

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| Wells/Facilities, | continued |
|-------------------|-----------|
|-------------------|-----------|

| Aproment - | Lease NMNM114968 | Well/Fac Name, Number - HH CE 35 2 FED COM DOS 3H | API Number 30-015-44360-00-X1 / | Location Sec 35 T25S R27E NESE 2465FSL 475FEL |
|--------------|---------------------|--|------------------------------------|--|
| NMNM114988 | NMNM114968 | HH CE 35 2 FED 006 2H | 30-075-44348-00-21 | 32.085710 N Lat, 104.153758 W Lon Sec 35 T25S R27E NESE 2489FSL 475FEL |
| NWNM114988~2 | NMNM114968 | HH CE 25 2 FED 008 5H | 30-015-44345-00-X1 | 32.085777 N Lat, 104.153755 W Lon Sec 35 T25S R27E NESE 2414FSL 475FEL |
| NMNM114988 | NMNM114968 | HH CE 35 2 FED COM 008 4H | 30-015-44348-00-X1 | -82.085573 N Lat, 104.153763 W Lon Sec 35 T25S R27E NESE 2440FSL 475FEL |
| NMNM114988 | NMNM114968 | HH CE 36 2 FED COM 000 6H | 30-015-44948-00-X1 | 22.085642 N Lat, 104.153761 W Lon Sec 35 T25S R27E NESE 2389FSL 475FEL |
| NMNM107368 | NMNM107369 | HH CE 35 2 FED 008 1H | 30-015-44347-00-X1 | 32.085504 N Lat, 104.153764 W Lon Sec 35 T25S R27E NESE 2514FSL 475FEL 32.085846 N Lat, 104.153755 W Lon |
| | | | | · |

32. Additional remarks, continued

- HH CE 35 2 FED 006 6H - 30 015-44348

Hayhurst NM Pad 6 Leak Detection Plan / Chevron U.S.A. Inc.

(Includes HH CE 35 2 FED 006 #1H, #2H, #3H, #4H, #5H & #6H)

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 6 wells and associated Hayhurst NM 35 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 of 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 Hayhurst NM area is for these inspections to occur once per twelve-hour shift.

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