

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico **NM OIL CONSERVATION**
Energy Minerals and Natural Resources
ARTESIA DISTRICT
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011

OCT 4 2018

Submit one copy to appropriate
District Office

**** (amended by AB)**

NFO Permit **RECEIVED**

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

A. Applicant Chevron USA INC.,

whose address is 6301 Deauville Blvd, Midland, TX 79706

hereby requests an exception to Rule 19.15.18.12 for 90 days or until

 , Yr 2018, for the following described tank battery (or LACT):

Name of Lease Old Indian Draw Name of Pool Indian Draw; Delaware

Location of Battery: Unit Letter I Section 18 Township 22S Range 28 E

Number of wells producing into battery 8 - See attached list**

B. Based upon oil production of 80 - 105 barrels per day, the estimated * volume

of gas to be flared is 7 - 14 MCF; Value \$ \$21 - \$52 (if H2S removed) per day.

C. Name and location of nearest gas gathering facility: Big Eddy Unit #218 (30-015-36297) **Federal**

D. Distance 5000' Estimated cost of connection \$102,000 plus \$15,000 /Month to treat

E. This exception is requested for the following reasons: Old Indian Draw Unit produces and flares a

very low volume of sour gas (~40,000 PPM H2S content, that is not feasible to sweeten and sell)

through an approved Flare Stack. This low volume flaring will continue to reduce over time, and

be necessary through the remaining economic life of the Old Indian Draw Unit. **Chevron has attached
their approved BLM form 3160-5 that is valid until March 18, 2019 and will continue to be renewed in
190 day increments**

**Please look over your attached 3160-5 Sundry to BLM.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Cindy Herrera-Murillo

Printed Name Cindy Herrera-Murillo

& Title Permitting Specialist

E-mail Address eeof@chevron.com

Date 10/04/2018 Telephone No. 575-263-0431

OIL CONSERVATION DIVISION

Approval to flare, ****30-015-21901 & 30-015-22079 ONLY**

Approved Until JAN. 18, 2019

By [Signature]

Title Business Operations Spec. - O

Date 10/18/2018

* Gas-Oil ratio test may be required to verify estimated gas volume.



C-129 for Old Indian Draw CTB

Old Indian Draw Wells

Name	API#
Old Indian Draw #3	30-015-21504 FEDERAL
Old Indian Draw #7	30-015-21765 FEDERAL
Old Indian Draw #8	30-015-21766 FEDERAL
Old Indian Draw #9	30-015-21767 FEDERAL
Old Indian Draw #13	30-015-21957 FEDERAL
Old Indian Draw #14	30-015-21901*PRIVATE WELL
Old Indian Draw #19	30-015-22079* PRIVATE WELL
Old Indian Draw #22	30-015-22102 FEDERAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION

ARTESIA DISTRICT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

OCT 4 2018

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.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM0415461
2. Name of Operator CHEVRON USA INCORPORATED		6. If Indian, Allottee or Tribe Name
Contact: CINDY H MURILLO E-Mail: CERRERAMURILLO@CHEVRON.COM		7. If Unit or CA/Agreement, Name and/or No. 8910124050
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706	3b. Phone No. (include area code) Ph: 575.263.0431 Fx: 575.263.0445	8. Well Name and No. OLD INDIAN DRAW 3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T22S R28E NWNE 660FNL 1980FEL		9. API Well No. 30-015-21504-00-S1
		10. Field and Pool or Exploratory Area INDIAN DRAW
		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 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"/> Hydraulic Fracturing	<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	Venting and/or Flaring
	<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 recomple 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 recomple 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.

CHEVRON USA INC REQUESTS TO FLARE AT THE ABOVE LOCATION. OLD INDIAN DRAW UNIT PRODUCES AND FLARES A VERY LOW VOLUME OF SOUR GAS (-40,000 PPM H₂S CONTENT, THAT IS NOT FEASIBLE TO SWEETEN AND SELL) THROUGH AN APPROVED FLARE STACK. THIS LOW VOLUME FLARING WILL CONTINUE TO REDUCE OVER TIME, AND WILL BE NECESSARY THROUGH THE REMAINING ECONOMIC LIFE OF THE OLD INDIAN DRAW UNIT.

REPORTED FLARE VOLUMES FOR APRIL THROUGH AUGUST 2018 ARE AS FOLLOWS FOR A TOTAL OF 1619 MCF THAT AVERAGED 10.6 MCFPD.

APRIL 265 MCF
MAY 312 MCF
JUNE 342 MCF
JULY 358 MCF
AUGUST 342 MCF

**I see you signed this form to BLM 9/18/18. The underlined above has, "April through August 2018" as "Reported flare volumes"? Where on this form does it show approval to flare up to March 2019? If this is the case, If I had this approval Sundry TO flare, I wouldn't need the C-129 for the two private wells listed into the Unit which is a Federal Battery.

AB

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #435695 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 09/19/2018 (18DLM0718SE)	
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 09/18/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JONATHON SHEPARD	Title PETROLEUM ENGINEER	Date 09/19/2018
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 Carlsbad		

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #435695 that would not fit on the form

32. Additional remarks, continued

THE ASSOCIATED OIL PRODUCTION FROM THE EXISTING 8 DELAWARE OIL PRODUCERS IS BETWEEN 70 - 90 BOPD, RESULTING IN AN AVERAGE GOR AROUND 130 SCF/STB. ALL PRODUCED GAS IS FLARED AND THE TOTAL DAILY VOLUME IS MEASURED BY THE USE OF CAMERON MC-III (ELECTRONIC DIGITAL) TURBINE FLOW ANALYZERS LOCATED ON THE GAS OUTLET OF THE PRODUCTION SEPARATORS.

CHEVRON USA INC HAS ATTACHED THEIR APPROVED NMOCD C-129 (APPLICATION FOR EXCEPTION TO NO-FLARE RUEL) THAT IS VALID UNTIL OCTOBER 15, 2018 AND WILL CONTINUE TO BE RENEWED IN 90 DAY INCREMENTS **

AB

WELLS INCLUDED AT THE CTB ARE AS FOLLOWS:

OLD INDIAN DRAW #3	30-015-21504
OLD INDIAN DRAW #7	30-015-21765
OLD INDIAN DRAW #8	30-015-21766
OLD INDIAN DRAW #9	30-015-21767
OLD INDIAN DRAW #13	30-015-21957
OLD INDIAN DRAW #14	30-015-21901**PRIVATE
OLD INDIAN DRAW #19	30-015-22079**PRIVATE
OLD INDIAN DRAW #20	30-015-22102

Revisions to Operator-Submitted EC Data for Sundry Notice #435695

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	FLARE SR	FLARE NOI
Lease:	NMNM0415461	NMNM0415461
Agreement:		8910124060 (NMNM71004A)
Operator:	CHEVRON USA NC 6301 DEAUVILLE BLVD MIDLAND, TX 79706 Ph: 575-263-0431	CHEVRON USA INCORPORATED 6301 DEAUVILLE BLVD MIDLAND, TX 79706 Ph: 432.687.7100
Admin Contact:	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-263-0445	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM Ph: 575.263.0431 Fx: 575.263.0445
Tech Contact:	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-263-0445	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM Ph: 575.263.0431 Fx: 575.263.0445
Location:		
State:	NM	NM
County:	EDDY	EDDY
Field/Pool:	INDIAN DRAW	INDIAN DRAW
Well/Facility:	OLD INDIAN DRAW 3 Sec 19 T22S R28E NWNE 660FNL 1980FEL	OLD INDIAN DRAW 3 Sec 19 T22S R28E NWNE 660FNL 1980FEL