OCD-ARTESIA

Form 3160-5 (August 2007)

(Instructions on page 2)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No 1004-0137 Expires: July 31, 2010

| SUNDRY NOTICES AND REPORTS ON WELLS |
|---|
| Do not use this form for proposals to drill or to re-enter an |
| shandanad wall. Usa Form 2160 2 (APD) for such proposals |

5 Lease Serial No NMNM-98122 6 If Indian, Allottee or Tribe Name

| | orm for proposals to drill or Jse Form 3160-3 (APD) for s | | o if main, movies of | The Name | |
|--|---|---|--|---|--|
| | IN TRIPLICATE – Other instructions | 7 If Unit of CA/Agreement, Name and/or No NMNM71030C | | | |
| 1 Type of Well ☐ Gas Well ☐ Other | | | 8. Well Name and No SKELLY UNIT #725 | | |
| 2 Name of Operator | | | 9 API Well No | | |
| CHEVRON USA INC 3a Address 3b Phone No. (include area code) | | | 30-015-38378 10 Field and Pool or Exploratory Area | | |
| 3a Address 3b Phone No. (include area code) 15 SMITH ROAD 432-687-7375 432-687-7375 | | | FREN; GLORIETA-YESO | | |
| 4. Location of Well (Footage, Sec., T.R.M., or Survey Description) SEC 21, T-178, R-31E, 2585 FSL, 1290 FEL, UNIT I | | | 11 Country or Parish, State EDDY COUNTY, NEW MEXICO | | |
| 12 CHEC | K THE APPROPRIATE BOX(ES) TO II | NDICATE NATURE OF NO | TICE, REPORT OR OTHE | ER DATA | |
| TYPE OF SUBMISSION | | TYPE OF AG | CTION | | |
| ✓ Notice of Intent Subsequent Report | Alter Casing Fi | racture Treat Ro | oduction (Start/Resume) eclamation ecomplete | Water Shut-Off Well Integrity ✓ Other CHANGE OF OPERATOR | |
| Final Abandonment Notice | ~ | | emporarily Abandon ater Disposal | OPERATOR | |
| following completion of the involve testing has been completed. Final determined that the site is ready for the complete of th | ALL RESPONSIBILITY FOR THE OF GOPERATING LLC. LED WITH THE NMOCD AND APPR HED FOR IS OF APPROVAL | a multiple completion or reconfer all requirements, including peration of the Subjective Oved Under Permit #1 | mpletion in a new interval. ng reclamation, have been CT WELL 37366 | , a Form 3160-4 must be filed once | |
| 14 Thereby certify that the foregoing is true and correct Name (Printed/Typed) DENISE PINKERTON | | Title REGULATORY | Title REGULATORY SPECIALIST | | |
| Signature Muse (| interton) | Date 11/15/2011 | | | |
| | THIS SPACE FOR FE | DERAL OR STATE C | FFICE USE | | |
| Approved by | | | | | |
| | d Approval of this notice does not warrant title to those rights in the subject lease which thereon | | | Date | |
| | USC Section 1212, make it a crime for a esentations as to any matter within its jurisd | | lly to make to any departmen | nt or agency of the United States any false, | |

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Conditions of Approval

Chevron USA Inc. Skelly Unit #707, 714, 715, 722, 725 NM71030C

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. Submit for approval of water disposal method.
- 3. Submit updated facility diagrams as per Onshore Order #3
- 4. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
- 6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
- 7. Subject to like approval by NMOCD.
- 8. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.

43 CFR 3162.3-4 (C) requires that wells incapable of production in paying quantities be promptly plugged and abandoned....
Wells are not producing in paying quantities.