

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMLC029418A |
| 2. Name of Operator CHEVRON USA INCORPORATED | | 6. If Indian, Allottee or Tribe Name |
| Contact: CINDY H MURILLO E-Mail: Cherreramurillo@chevron.com | | 7. If Unit or CA/Agreement, Name and/or No. 892000276B |
| 3a. Address 15 SMITH ROAD MIDLAND, TX 79705 | 3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-391-6679 | 8. Well Name and No. SKELLY UNIT 961 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T17S R31E SESW 1650FSL 2310FWL | | 9. API Well No. 30-015-34324-00-S1 |
| | | 10. Field and Pool, or Exploratory FREN |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

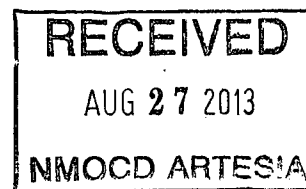
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|--|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input checked="" 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 type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <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 has just complete the Fracturing for the above well.

Please find attached the Hyrdraulic Fracturing procedure for the above subject well.

File online w/ OCS
Accepted for record
*NMBCD**RDade 8/27/2013*

| | |
|--|-----------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #217870 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by JOHNNY DICKERSON on 08/22/2013 (13JLD0606SE) | |
| Name (Printed/Typed) CINDY H MURILLO | Title PERMITTING SPECIALIST |
| Signature (Electronic Submission) | Date 08/22/2013 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------------------------|-----------------|
| Approved By ACCEPTED | JAMES A AMOS Title SUPERVISOR EPS | Date 08/24/2013 |
| 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.

Hydraulic Fracturing Fluid Product Component Information Disclosure

| | |
|--------------------------------|--------------------|
| Job Start Date: | 8/2/2013 |
| Job End Date: | 8/2/2013 |
| State: | New Mexico |
| County: | Eddy |
| API Number: | 30-015-34324-00-00 |
| Operator Name: | Chevron USA Inc. |
| Well Name and Number: | Skelly Unit 961 |
| Longitude: | -103.84020000 |
| Latitude: | 32.83116000 |
| Datum: | NAD27 |
| Federal/Tribal Well: | NO |
| True Vertical Depth: | 5,327 |
| Total Base Water Volume (gal): | 105,630 |
| Total Base Non Water Volume: | 0 |



Hydraulic Fracturing Fluid Composition:

| Trade Name | Supplier | Purpose | Ingredients | Chemical Abstract Service Number (CAS #) | Maximum Ingredient Concentration in Additive (% by mass)** | Maximum Ingredient Concentration in HF Fluid (% by mass)** | Comments |
|-------------------------|--------------|---------------|--------------------------------|--|--|--|-------------------|
| Water | Operator | Carrier | Water | 7732-18-5 | 100.00000 | 84.15580 | |
| Sand, White, 16/30 | Baker Hughes | Proppant | Crystalline Silica (Quartz) | 14808-60-7 | 100.00000 | 11.22750 | |
| HCl, 10.1 - 15% | Baker Hughes | Acidizing | Water | 7732-18-5 | 85.00000 | 2.35558 | SmartCare Product |
| | | | Hydrochloric Acid | 7647-01-0 | 15.00000 | 0.41569 | SmartCare Product |
| GW-4LDF | Baker Hughes | Gelling Agent | Petroleum Distillate Blend (2) | 64742-55-8 | 70.00000 | 0.26821 | SmartCare Product |
| | | | Petroleum Distillate Blend (3) | 8042-47-5 | 70.00000 | 0.26821 | SmartCare Product |
| | | | Petroleum Distillate Blend (1) | 64742-47-8 | 70.00000 | 0.26821 | SmartCare Product |
| | | | Guar Gum | 9000-30-0 | 60.00000 | 0.22989 | SmartCare Product |
| SiberProp, 16/30 | Baker Hughes | Proppant | Quartz (SiO2) | 14808-60-7 | 100.00000 | 0.29239 | |
| XLW-10A | Baker Hughes | Crosslinker | Ethylene Glycol | 107-21-1 | 30.00000 | 0.04545 | |
| | | | Sodium Tetraborate Decahydrate | 1303-96-4 | 30.00000 | 0.04545 | |
| | | | Sodium Hydroxide | 1310-73-2 | 10.00000 | 0.01515 | |
| InFlo 250G, 330 gl tote | Baker Hughes | Surfactant | | | | | |

| | | | | | | | |
|-------------------------|--------------|---------------------|---|--------------|-----------|---------|-------------------|
| | | | Mixture of Surfactants | Trade Secret | 50.00000 | 0.04302 | |
| | | | Methanol | 67-56-1 | 30.00000 | 0.02581 | |
| | | | Water | 7732-18-5 | 30.00000 | 0.02581 | |
| NE-35, 330 gal tote | Baker Hughes | Non-emulsifier | | | | | |
| | | | Mixture of Surfactants | Trade Secret | 50.00000 | 0.04303 | |
| | | | Propylene Glycol | 57-55-6 | 30.00000 | 0.02582 | |
| EnZyme G HpH I | Baker Hughes | Breaker | | | | | |
| | | | No Hazardous Ingredients | Trade Secret | 100.00000 | 0.04861 | |
| Activator, 330 gal tote | Baker Hughes | Activator | | | | | |
| | | | Alcohols, C12-14-Secondary, Ethoxylated | 84133-50-6 | 70.00000 | 0.02667 | |
| | | | Methanol | 67-56-1 | 50.00000 | 0.01905 | |
| Scaletrol 721, tote | Baker Hughes | Scale Inhibitor | | | | | |
| | | | Synthetic Polymer | Trade Secret | 15.00000 | 0.00956 | |
| | | | Ethylene Glycol | 107-21-1 | 15.00000 | 0.00956 | |
| | | | Diethylene Glycol | 111-46-6 | 1.00000 | 0.00064 | |
| Ferrotrol 280L | Baker Hughes | Iron Control | | | | | |
| | | | 2-Mercaptoethanol | 60-24-2 | 100.00000 | 0.01579 | |
| | | | Ammonium Hydroxide | 1336-21-6 | 5.00000 | 0.00079 | |
| | | | Cupric Chloride | 7447-39-4 | 5.00000 | 0.00079 | |
| BioSealers MR | Baker Hughes | Degradable Sealers | | | | | |
| | | | Non-Hazardous Ingredient | Trade Secret | 100.00000 | 0.01147 | |
| X-Cide 207 | Baker Hughes | Biocide | | | | | |
| | | | Diatomaceous Earth, Calcined | 91053-39-3 | 60.00000 | 0.00344 | |
| | | | Magnesium Nitrate | 10377-60-3 | 10.00000 | 0.00057 | |
| | | | 5-Chloro-2-Methyl-4-Isothiazolin-3-One | 26172-55-4 | 10.00000 | 0.00057 | |
| | | | 2-Methyl-4-Isothiazolin-3-One | 2682-20-4 | 5.00000 | 0.00029 | |
| | | | Magnesium Chloride | 7786-30-3 | 5.00000 | 0.00029 | |
| | | | Crystalline Silica: Quartz (SiO2) | 14808-60-7 | 1.00000 | 0.00006 | |
| | | | Crystalline Silica: Cristobalite | 14464-46-1 | 1.00000 | 0.00006 | |
| CI-27 | Baker Hughes | Corrosion Inhibitor | | | | | |
| | | | Methanol | 67-56-1 | 60.00000 | 0.00128 | SmartCare Product |
| | | | Thiourea Polymer | 68527-49-1 | 30.00000 | 0.00064 | SmartCare Product |
| | | | Fatty Acids | Trade Secret | 30.00000 | 0.00064 | SmartCare Product |
| | | | Polyoxyalkylenes | Trade Secret | 30.00000 | 0.00064 | SmartCare Product |
| | | | Propargyl Alcohol | 107-19-7 | 10.00000 | 0.00021 | SmartCare Product |
| | | | Olefin | Trade Secret | 5.00000 | 0.00011 | SmartCare Product |
| FRW-18 | Baker Hughes | Friction Reducer | | | | | |
| | | | Petroleum Distillates | 64742-47-8 | 30.00000 | 0.00203 | SmartCare Product |
| NE-23, 55 gallon drum | Baker Hughes | Non-emulsifier | | | | | |
| | | | Isopropanol | 67-63-0 | 30.00000 | 0.00073 | |
| GBW-5 | Baker Hughes | Breaker | | | | | |
| | | | Ammonium Phosphate | 7727-54-0 | 100.00000 | 0.00048 | SmartCare Product |

Ingredients shown above are subject to 29 CFR 1910.1200(i) and appear on Material Safety Data Sheets (MSDS). Ingredients shown below are Non-MSDS.

| | | | | | | |
|--|--|-----------------------------------|--------------|--|---------|--|
| | | Other Chemicals | | | | |
| | | Water | 7732-18-5 | | 0.08348 | |
| | | Yeast Extract | 8013-01-2 | | 0.00243 | |
| | | Tryptone | 73049-73-7 | | 0.00243 | |
| | | Poly (acrylamide-co-acrylic acid) | Trade Secret | | 0.00203 | |
| | | Olefin Sulfonate | Trade Secret | | 0.00146 | |
| | | Quaternary Amine Compounds | Trade Secret | | 0.00073 | |
| | | Polyester | Trade Secret | | 0.00037 | |
| | | Salt | Trade Secret | | 0.00034 | |
| | | Sorbitan Monooleate | Trade Secret | | 0.00034 | |
| | | Ethoxylated Alcohol | Trade Secret | | 0.00014 | |
| | | Ethoxylated Nonylphenol | 9016-45-9 | | 0.00012 | |
| | | Glycol Ether | Trade Secret | | 0.00012 | |
| | | Benzyl Chloride | 100-44-7 | | 0.00002 | |
| | | Sodium Chloride | 7647-14-5 | | 0.00001 | |
| | | Formaldehyde | 50-00-0 | | 0.00001 | |
| | | Sodium Carboxylate | 18016-19-8 | | | |
| | | Polyacrylate | 111560-38-4 | | | |
| | | Maleic Anhydride Terpolymer | 113221-69-5 | | | |

* Total Water Volume sources may include fresh water, produced water, and/or recycled water

** Information is based on the maximum potential for concentration and thus the total may be over 100%

Note: For Field Development Products (products that begin with FDP), MSDS level only information has been provided.

Ingredient information for chemicals subject to 29 CFR 1910.1200(i) and Appendix D are obtained from suppliers Material Safety Data Sheets (MSDS)