

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

HOEBS OCD

FORM 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.

5. Lease Serial No. NMNM96855
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED For CA/Agreement, Name and/or No.

1. Type of Well [X] Oil Well [ ] Gas Well [ ] Other
2. Name of Operator CHEVRON USA INCORPORATED Contact: DENISE PINKERTON
3a. Address 15 SMITH ROAD MIDLAND, TX 79705
3b. Phone No. (include area code) Ph: 432-687-7375
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T18S R32E NWSW 1980FSL 990FWL
8. Well Name and No. CROSS BONES 1-29 2H
9. API Well No. 30-025-40711-00-X1
10. Field and Pool, or Exploratory LUSK
11. County or Parish, and State LEA COUNTY, NM

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

Table with 2 columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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.)

A natural gas gathering pipeline has not been constructed to date to allow Chevron to convey the casinghead gas via pipeline and is, therefore, flaring the gas at the wellhead. The flaring commenced February 22, 2013. It is Chevron's understanding that Enterprise Products Company (Enterprise) is awaiting permit approval to construct the gas gathering pipeline from the respective regulatory agencies. Initial expectations from Enterprise were that the pipeline would be in place and operational by March 15, 2013. Because of the extenuating circumstances associated with the gas gathering pipeline, Chevron is hereby requesting that it be allowed to flare the casinghead gas from this well for an additional 60 days beyond the initial 30 days of flaring, or until May 23, 2013.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

In the event that the Enterprise gas gathering pipeline is not operational by then, Chevron will fill a subsequent Sundry Notice. In the event that Enterprise is able to construct the gas

14. I hereby certify that the foregoing is true and correct. Electronic Submission #202116 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by KURT SIMMONS on 03/28/2013 (13KMS2009SE) Name (Printed/Typed) DENISE PINKERTON Title REGULATORY SPECIALIST Signature (Electronic Submission) Date 03/21/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JERRY BLAKLEY Title LEAD PET Date 04/06/2013 Office Hobbs



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.

\*\* BLM REVISED \*\*

APR 18 2013

SUBJECT TO LIKE APPROVAL BY STATE

## **Additional data for EC transaction #202116 that would not fit on the form**

### **32. Additional remarks, continued**

gathering pipeline and bring it on-line prior to May 23, 2013, Chevron will expedite connection of the well to the gas gathering line and terminate gas flaring at the wellhead. The BLM will be notified by sundry notice of the date that gas flaring at this wellhead is terminated.

Chevron will continue to measure flared gas volumes and report accordingly to the BLM for royalty payments. Any questions should be directed to Mr. Nick Moschetti, Operations Supervisor, Vacuum FMT at 575-396-4414 EXT #201.

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

Chevron USA INC.  
CROSS BONES 1-29 2H NMNM96855  
April 6, 2013

### **Condition of Approval to Flare Gas**

1. A completion report must be filed on this well.
2. Report all volumes on OGOR reports.
3. Comply with NTL-4A requirements
4. Subject to like approval from NMOCD
5. **Flared volumes will still require payment of royalties**
6. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
7. This approval does not authorize any additional surface disturbance.
8. Submit updated facility diagram as per Onshore Order #3.
9. Approval not to exceed 90 days for date of approval.
10. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared.