

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs  
HOBBS 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.*

MAY 19 2014

RECEIVED

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

5. Lease Serial No. NMNM96244
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. LIVESTOCK FEDERAL 9 02
9. API Well No. 30-025-36583-00-S2
10. Field and Pool, or Exploratory RED TANK
11. County or Parish, and State LEA COUNTY, NM

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator CHEESAPEAKE OPERATING INC Contact: CINDY H MURILLO E-Mail: CHERRERAMURILLO@CHEVRON.COM	
3a. Address OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0431
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 9 T22S R33E SWNE 1450FNL 1950FEL 32.409450 N Lat, 103.574700 W Lon	

*Chevron USA*

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 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Site Facility Diagram/Security Plan
	<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 USA SUBMITS A FACILITY DIAGRAM TO BE IN COMPLIANCE TO ASSESSEMENT REFERENCE # 43 CPR 3163 1.

PLEASE FIND ATTACHED A COPY OF THE FACILITY DIAGRAM FOR THE ABOVE WELL. IN REGARDS TO THE TRUCKING COMPANY, THREE RIVERS TRUCKING IS THE COMPANY THAT HAS BEEN BEEN PROVIDING HAULING SERVICES FROM THE ABOVE WELL. IF YOU HAVE ANY QUESTIONS REGARDING THIS NON COMPLIANCE ISSUE, PLEASE CONTACT MANUEL ESPINOSA AT 575-263-0412 OR 575-631-5729.

Accepted for Record Purposes.  
Approval Subject to Onsite Inspection.

Date: 5-10-14

*J. Amos*

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #244091 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Hobbs Committed to AFMSS for processing by LINDA DENNISTON on 05/06/2014 (14LD0034SE)</b>	
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 05/01/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <b>ACCEPTED</b>	JAMES A AMOS Title SUPERVISORY EPS	Date 05/10/2014
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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 Hobbs

*KZ*

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 \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

MAY 22 2014

OFFICIAL FILE COPY

Certified Mail - Return Receipt Requested  
70081140000130987118

Hand Delivered Received by \_\_\_\_\_

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification

IID: \_\_\_\_\_

Lease: NMMN96244

CA: \_\_\_\_\_

Unit: \_\_\_\_\_

PA: \_\_\_\_\_

Bureau of Land Management Office: <b>HOBBS INSPECTION OFFICE</b>		Operator: <b>CHEVRON USA INCORPORATED</b>					
Address: <b>414 WEST TAYLOR HOBBS NM 88240</b>		Address: <b>15 SMITH ROAD MIDLAND TX 79705</b>					
Telephone: <b>575.393.3612</b>		Attention: <b>DANNY LOVELL</b>					
Inspector: <b>FLOWERS</b>		Attn Addr: <b>PO BOX 1949 EUNICE NM 88231</b>					
Site Name: <b>LIVESTOCK FED. 2-9</b>	Well/Facility/FMP: <b>A</b>	1/4 1/4 Section: <b>SWNE 9</b>	Township: <b>22S</b>	Range: <b>33E</b>	Meridian: <b>NMP</b>	County: <b>LEA</b>	State: <b>NM</b>
Site Name: <b>LIVESTOCK FEDERAL 9</b>	Well/Facility/FMP: <b>02</b>	1/4 1/4 Section: <b>SWNE 9</b>	Township: <b>22S</b>	Range: <b>33E</b>	Meridian: <b>NMP</b>	County: <b>LEA</b>	State: <b>NM</b>

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
04/25/2014	15:00	3162.7-5(d)-1-3	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
06/06/2014			43 CFR 3163.1(i)

Remarks:

Facility diagram on file does not meet the minimum standards of this regulation. Submit to this office a complete and accurate facility diagram that meets all requirements of the above cited regulation.

When violation is corrected, sign this notice and return to above address.

Company Representative Title: Permitting Specialist Signature: Cindy Herrera-Munoz Date: 5-1-14

Company Comments: \_\_\_\_\_

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance, with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer: Paul Flowers Date: 4/25/14 Time: 1300

FOR OFFICE USE ONLY

Number	Date	Assessment	Penalty	Termination
15				
Type of Inspection:				
PI				

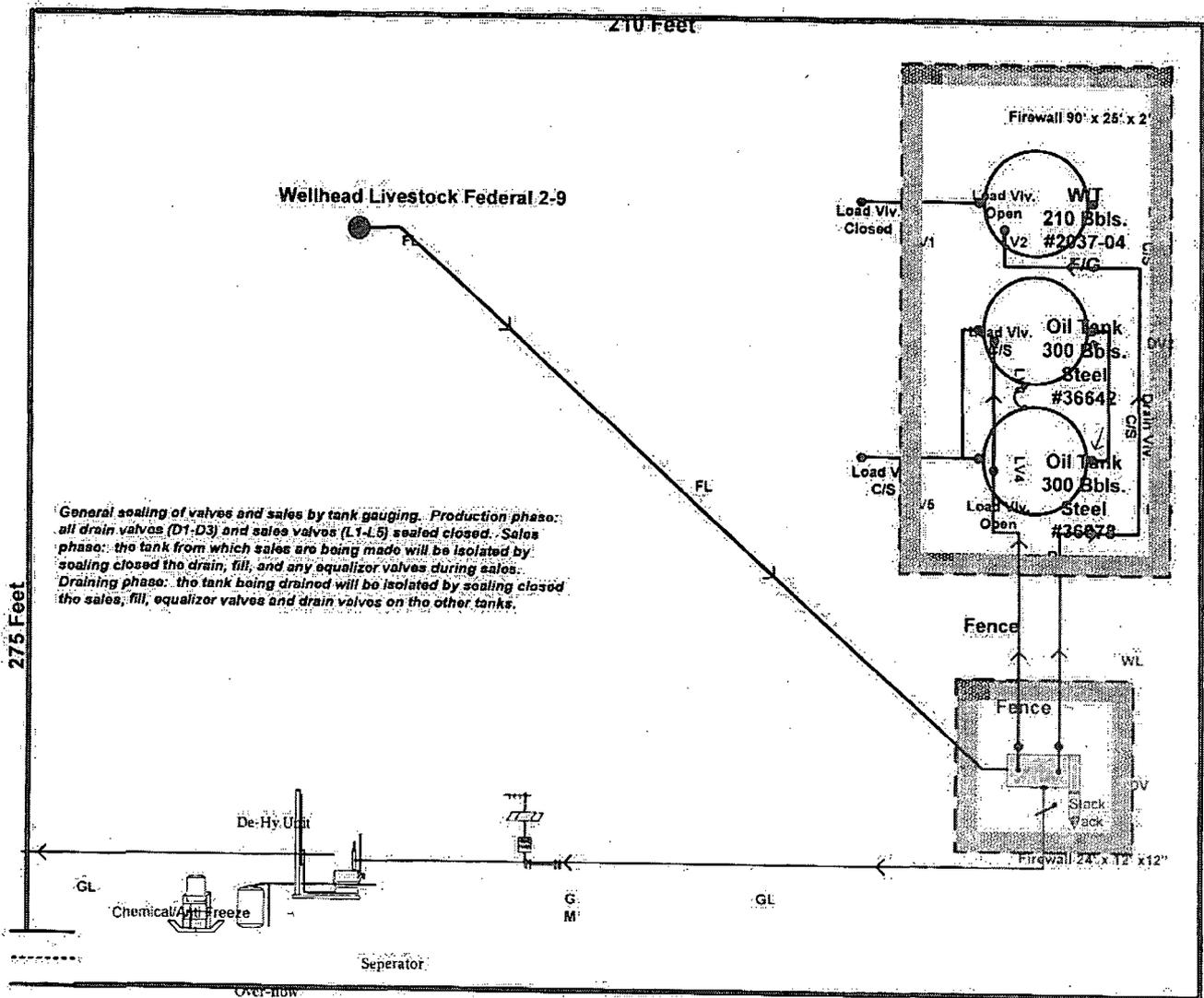
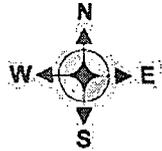
# Livestock Federal 2-9

Property # 819494 Pad Site Number 950361

Section: 9-22S-33E

Lat.: 32.40945 Long.: -103.5747

NE-SW-NE 1450 FNL & 1950 FEL of Section  
Lea County, New Mexico USA



*General sealing of valves and sales by tank gauging. Production phase: all drain valves (D1-D3) and sales valves (L1-L5) sealed closed. Sales phase: the tank from which sales are being made will be isolated by sealing closed the drain, fill, and any equalizer valves during sales. Draining phase: the tank being drained will be isolated by sealing closed the sales, fill, equalizer valves and drain valves on the other tanks.*

Lease Road

Direction of Flow off Site: Southwest