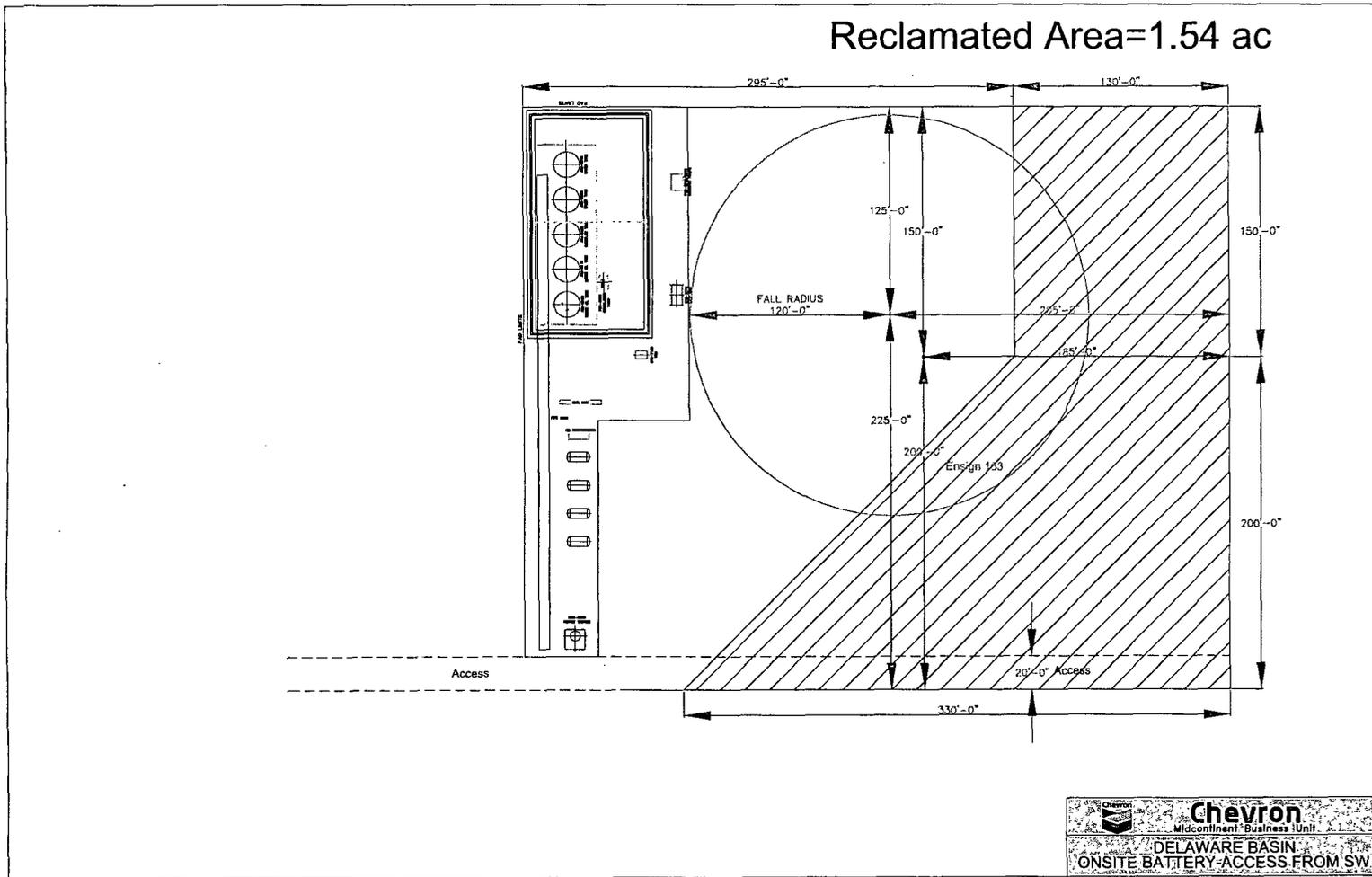


HOBBS OCD

MAY 05 2015

RECEIVED

Exhibit E



MAY 06 2015

SURFACE USE PLAN

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

Talco 9-26-35 #2H

235' FSL and 1,980" FEL
Section 9, Township 26S, Range 35E
Lea County, New Mexico

A. EXISTING ROADS/LEASE ROADS (Surface Land)

Driving directions are from Jal, New Mexico. Proceed south on Third Street to Frying Pan Road then approximately 7.75 miles, turn right or west on Beckham Road and go approximately 9 miles on the main existing dirt road to the location. The location is approximately 17 miles from the nearest town, which is Jal, New Mexico.

The proposed access to the location is approximately 1 mile in length off of the existing caliche road and 14' in travel way width with a maximum disturbance area of 20' will be used, and in accordance with guidelines set forth in the BLM Onshore Orders. No turnouts are expected.

Existing ranch and lease roads will be used to enter proposed access road.

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

Location, access, and vicinity plats attached hereto. **See Exhibits A-1 to A-4.**

Note: Exhibit A-1 (C102) Chevron only plans to construct compressor station when low pressure gas takeaway is not available.

Plans for improvement and/or maintenance of existing roads planned to access the well site:

Chevron will improve or maintain existing roads in a condition the same as or better than before operations begin. Chevron will repair pot holes, clear ditches, repair the crown, etc. All existing structures on the entire access route such as cattle guards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use. We will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or wind events. BLM written approval will be acquired before application of surfactants, binding agents, or other dust suppression chemicals on roadways.)

B. NEW OR RECONSTRUCTED ACCESS ROADS (Surface Land)

There will be approximately 2 miles of new access to be constructed.

The new access road will be upgraded to a crowned and ditched road and will be graveled as needed for drilling. If requested by the surface owner, upgrading of this portion of the road will be kept to a minimum.

All existing roads (previously improved) will be used “as is” with the exception of minor blading as needed.

Surface disturbance and vehicular travel will be limited to the approved access route. Any additional area will be approved in advance.

Road Width: 14 – 20 feet traveling surface.

Maximum Grade: Road gradient less than 8%

Crown Design: 2%

Turnouts will be installed along the access route as needed.

Ditch design: Drainage, interception and outlet.

Erosion Control: 6” rock under road.

Re-vegetation of Disturbed Area: All disturbed areas will be seeded by Broadcast or Drill and Crimp. Ground conditions will determine the method used.

Cattle guard(s) will be installed as needed.

Major Cuts and Fills: 2:1 Slope.

Surfacing material (road base derived from caliche or river rock) will be placed on the access road during construction. All surface disturbing activities will be discussed with and agreed to with the surface owner.

C. LOCATION OF EXISTING WELLS (Geology)

All wells located within a 1-mile radius of the (Surface & Bottom Hole Location). See Exhibit B.

D. LOCATION OF PRODUCTION FACILITIES (Surface Land/Facilities)

It is anticipated that production facilities will be located on the west side of the well pad and oil to be sold at that tank battery.

The production line will be surface-laid 2-7/8” steel pipe with a working pressure less than 125 psig ran along existing disturbances.

Oil and gas measurement will be installed on this well location. **See Exhibit C.**

The permanent water disposal system will be determined prior to construction of any water transfer pipeline. Until permanent water takeaway is available, produced water will be hauled off location in trucks.

The permanent electrical supply route will be determined prior to construction of permanent distribution lines. A generator will be utilized until permanent power is connected.

E. LOCATION AND TYPES OF WATER SUPPLY (Surface Land)

Water will be obtained from a private water source.

Chevron will utilize the fresh water holding pond in Section 9-T26S-R35E for fresh water.

Water to be hauled into or piped by a private provider into Section 9-T26S-R35E.

A 4" poly pipe transfer line will run approx. 4 miles from Section 22-T26-R35E to Section 9-T26S-R35E. All transfer lines will be laid on a ("pre-disturbed") area along the road

F. CONSTRUCTION MATERIALS (Facilities)

All construction materials will be used from the nearest Private, BLM, or State pit. All material (i.e. shale) will be acquired from private or commercial sources.

No construction material will be needed for well pad construction; subsurface spoil material will be utilized.

Surfacing material (caliche) will be purchased from a supplier having a permitted source of materials.

The entire location will be fenced.

G. METHODS FOR HANDLING WASTE DISPOSAL

A closed system will be utilized consisting of above ground steel tanks.

All wastes accumulated during drilling operations will be contained in a portable trash cage and removed from location and deposited in a state approved facility.

Disposal of cuttings: **Tervita, LLC**

Sewage and gray water before and after treatment are not allowed to be discharged to the ground. They are collected from storage tank(s) and portable potty at drilling and completions locations and transported by an approved transporter to be disposed of at a Chevron's select-for-use disposal facility.

H. ANCILLARY FACILITIES (Facilities)

None are anticipated.

I. WELLSITE LAYOUT

The proposed site layout plat is attached showing the Ensign 153 orientation and equipment location. **See Exhibit D.**

In order to level the location, cut and fill will be required. Please see attached Well Location and Acreage Dedication Plat – Exhibits A-1 to A-4.

A locking gate will be installed at the site entrance.

Any fences cut will be repaired. Cattle guards will be installed, if needed.

J. PLANS FOR RECLAMATION OF THE SURFACE (Facilities)

Within 6 months, Chevron will contact BLM Surface Management Specialists to devise the best strategies to reduce the size of the location. Current plans for interim reclamation will consist of reclaiming the pad to +/-50 feet outside the anchors, or approximately 200 x 200 feet. **See Exhibit E.**

In addition, the following procedures shall be followed:

- i. Caliche will be removed from reclaimed areas to increase the success of revegetation. Removed caliche that is free of contaminants may be reused for future projects.
- ii. The portions of the cleared well site not needed for operational and safety purposes will be re-contoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Sufficient level area remains for setup of a workover rig and to park vehicles/equipment.
- iii. All surface soil materials (topsoil) are to be removed from the entire cut and fill area and temporarily stockpiled for reuse during interim reclamation. Topsoil will be respread over areas not needed for all-weather operations to ensure successful revegetation. Any topsoil pile set aside should be revegetated to prevent it from eroding and to help maintain its biological viability.
- iv. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture advised by the BLM. The seed mix will be evenly and uniformly distributed over the disturbed area. Seeding will be accomplished by

SURFACE USE PLAN

using a drilling or, when drilling is not available, by broadcasting the seed. When broadcasting the seed, the amount of seed shall be doubled.

- v. Weed control will be used on disturbed land, including the roads, pads, associated pipeline corridor, and adjacent land affected by the operations. There shall be no primary or secondary noxious weeds in the seed mixture used for reseeding.

In the Event of a Dry Hole/Final Reclamation

Upon final abandonment of the well, a new reclamation plan will be submitted with the Notice of Intent to Abandon (NIA) or Subsequent Report Plug and Abandon (SRA) using the Sundry Notices and Reports on Wells Form 3160-5. The location will be restored to as near as original condition as possible. Reclamation of the surface shall be done in strict compliance with the existing New Mexico Oil Conservation Division regulations and BLM regulations.

In addition, the following procedures shall be followed:

- i. Caliche material from the well pad and access road will be removed and utilized to re-contour to a final contour that blends with the surrounding topography as much as possible. Any caliche material not used will be utilized to repair roads within the lease.
- ii. On sloped ground, the topsoil and interim vegetation will be restripped from portions of the site that are not at the original contour, the well pad recontoured, and the topsoil will be respread over the entire disturbed.
- iii. Topsoil will be distributed over the reclamation area and cross ripped to control erosion
- iv. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture advised by the BLM. The seed mix will be evenly and uniformly distributed over the disturbed area. Seeding will be accomplished by using a drilling or, when drilling is not available, by broadcasting the seed. When broadcasting the seed, the amount of seed shall be doubled.
Weed control will be used on disturbed land, including the roads, pads, associated pipeline corridor, and adjacent land affected by the operations. There shall be no primary or secondary noxious weeds in the seed mixture used for reseeding.

K. SURFACE TENANT (Surface Land)

Beckham Ranch Corporation

P.O. Box 1203

Jal, New Mexico 88252

575-441-3045

ROAD OWNERSHIP

All access roads are located on Dinwiddie Cattle Company and then onto the Beckham Ranch lands.

L. ADDITIONAL INFORMATION

Class III cultural resource inventory report was prepared by Boone Arch Services of NM, Carlsbad, New Mexico for the proposed location. A copy of the report will be sent to the BLM office under separate cover.

M. CHEVRON REPRESENTATIVES

<p>Project Manager Fred Verner 1400 Smith Street, 40016 Houston, TX 77002 Office: 713-372-6149 fredverner@chevron.com</p>	<p>Drilling Engineer Kyle Johnson 1400 Smith Street, 43076 Houston, TX 77002 Office: +1 (713) 372-6514 kylejohnson@chevron.com</p>
<p>Surface Land Representative Stephen Tarr 15 Smith Road, 5103 Claydesta Plaza Midland, TX 79705 Office: +1 432-687-7956 Cell: +1 432-238-6316 STarr@chevron.com</p>	<p>Facility Engineer Larry Fuentes 15 Smith Road, 6225 Claydesta Plaza Midland, TX 79705 Office: +1 432-687-7945 LNFU@chevron.com</p>
<p>Geologist Terry Belsher 1400 Smith Street, 42196 Houston, TX 77002 Office: +1 (713) 372-3460 TBEL@chevron.com</p>	<p>Asset Manager David McKay 1400 Smith Street. 40188 Houston, TX 77002 DVMC@chevron.com</p>
<p>Regulatory Specialist Denise Pinkerton 15 Smith Road, 4229 Claydesta Plaza Midland, TX 79705 Office: +1 (432) 687-7375 leakejd@chevron.com</p>	<p>Land Team Lead Pam Bikun 1400 Smith Street. 45004 Houston, TX 77002 Office: 713-372-1373 PamBikun@Chevron.com</p>



Jalco 9 #2H

DURING THE DRILLING OF THIS WELL, CHEVRON PROPOSES TO USE A CLOSED LOOP SYSTEM WITH A STEEL TANK AND HAUL TO THE REQUIRED DISPOSAL, PER THE OCD RULE 19.15.17.

PROCESSING FEE INFORMATION CALLED INTO _____ AT BLM , ON _____

CHEVRON USA INC HAS AN AGREEMENT WITH CEHMM TO PROVIDE THE NEPA INFORMATION TO BLM.

PLEASE FIND THE FOLLOWING ATTACHMENTS:

APD FORM

PRIVATE SURFACE OWNER AGREEMENT (IF APPLICABLE)

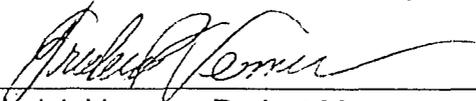
- ✓ C102 (EXHIBIT A-1)
- ✓ VICINITY MAPS (EXHIBIT A-2 through A-4)
- ✓ MILE RADIUS MAP (EXHIBIT B)
- ✓ DRILLING PLAN
- ✓ DIRECTIONAL PLAN AND PLOT
- ✓ BOP SCHEMATIC
- ✓ CHOKE MANIFOLD SCHEMATIC
- ✓ BOPE TESTING
- ✓ RIG LAYOUT/FACILITY PAD (EXHIBIT D)
- ✓ MISCELLANEOUS SCHEMATICS
- ✓ H2S PLAN
- ✓ INTERIM RECLAMATION PLAT - Exhibit E
- ✓ SURFACE USE PLAN
- ✓ COFLEX HOSE TEST CERTIFICATION AND CHART
- ✓ WELLHEAD SCHEMATIC
- ✓ OIL AND GAS MEASUREMENT SCHEMATIC (EXHIBIT C)
- ✓ MISCELLANEOUS MAPS (PROPOSED PAD AND ACCESS ROAD, EXISTING & PROPOSED ROW EASEMENT DETAIL, PROPOSED FLOWLINE)
- ✓ PRESSURE CONTROL WELLHEAD EQUIPMENT RUNNING PROCEDURE- IF REQUIRED
- ✓ OPERATOR CERTIFICATION – SIGNED

ARCH SURVEY - Will Be sent to BLM separately

CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Executed this 24th day of July, 2014

Name: 
Frederick Verner - Project Manager

Address: 1400 Smith Street, 40039
Houston, TX 77027

Office 713-372-6149

E-mail: fredverner@chevron.com



Murphy, Paul <pcmurphy@blm.gov>

TALCO 9 26 35 FED 2H

1 message

Murphy, Paul <pcmurphy@blm.gov>

Tue, Feb 10, 2015 at 3:40 PM

To: leakejd@chevron.com

Good Afternoon Denise,
I am reviewing the APD for TALCO 9 26 35 FED 2H. Could you please send me a platte of the route transfer line (water) from sec 22 to sec 9

Thank You

Paul

-

Paul C. Murphy
Natural Resource Specialist
Bureau Of Land Management
Carlsbad Field Office Carlsbad Field Office
620 E Greene St
Carlsbad NM 88220
Phone: 575-234-5975
Cell: 575-499-6869



Murphy, Paul <pcmurphy@blm.gov>

TALCO 9 26 35 FED 2H

2 messages

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Paul

-

Paul C. Murphy

Natural Resource Specialist

Bureau Of Land Management

Carlsbad Field Office Carlsbad Field Office

620 E Greene St

Carlsbad NM 88220

Phone: 575-234-5975

Cell: 575-499-6869

Van Curen, Jennifer <Jennifer.VanCuren@arcadis-us.com>

Fri, Feb 13, 2015 at 1:27 PM

To: "pcmurphy@blm.gov" <pcmurphy@blm.gov>

Paul, What line are you talking about that comes from Section 22 for the Talco 9 well. Please read below for water source.

Jennifer Van Curen

T. 432.687.5400

C. 432.270.8753

ARCADIS, Imagine the result

Please consider the environment before printing this email.

From: Sharma, Vaibhav [mailto:sharma@chevron.com]**Sent:** Friday, February 13, 2015 2:23 PM**To:** Beck, William R. [Cenergy]; Van Curen, Jennifer**Cc:** Tarr, Stephen S; Pinkerton, J. Denise (leakejd)**Subject:** RE: TALCO 9 26 35 FED 2H

¾ of a mile tells me we are not getting water from Section 22. What is this route transfer line then?

Jennifer, can you check with Paul.

Thanks,

Sharma

From: Beck, William R. [Cenergy]
Sent: Wednesday, February 11, 2015 2:49 PM
To: Sharma, Vaibhav; Pinkerton, J. Denise (leakejd)
Cc: Tarr, Stephen S; Beck, William R. [Cenergy]
Subject: RE: TALCO 9 26 35 FED 2H

When we build the FRAC Pond we will be getting the water from the Beckham Ranch, as they want to furnish it, our well is on their property. The line will be about ¾ mile long. We also have a Fresh water agreement with their surface agreement, the FRAC pond agreement is \$12,000.00 and Fresh water is \$2.30 bbl. Water rate will average 300 gal Min. or 10,285 in 24 hr.'s.

Bill & Hollis

Bill Beck

Water Coordinator (DELAWARE BASIN)

DRILLING PROGRAM

Chevron Construction Rep

Cenergy Consultant
Cell: 575-390-1412
HOME: 575-394-3477

Work: wbds@chevron.com
Personal: billbeck1947@aol.com

From: Sharma, Vaibhav
Sent: Wednesday, February 11, 2015 10:54 AM
To: Van Curen, Jennifer; Dickerson, Kevin; Beck, William R. [Cenergy]
Subject: RE: TALCO 9 26 35 FED 2H

From: Van Curen, Jennifer [mailto:Jennifer.VanCuren@arcadis-us.com]
Sent: Wednesday, February 11, 2015 12:50 PM
To: Sharma, Vaibhav; Dickerson, Kevin
Subject: RE: TALCO 9 26 35 FED 2H

Is the frac pond being supplied by a water source in section 22?

Jennifer Van Curen
T. 432.687.5400

C. 432.270.8753

ARCADIS, Imagine the result

Please consider the environment before printing this email.

From: Sharma, Vaibhav [mailto:sharma@chevron.com]
Sent: Wednesday, February 11, 2015 12:31 PM
To: Dickerson, Kevin; Van Curen, Jennifer
Subject: FW: TALCO 9 26 35 FED 2H

Any ideas? I don't see any route transfer lines in the SUP.

Thanks,

Sharma

From: Pinkerton, J. Denise (leakejd)
Sent: Wednesday, February 11, 2015 6:06 AM
To: Boone, Danny H.; Kaub, Lindsay [Xcution]
Subject: FW: TALCO 9 26 35 FED 2H

Please see request below.

Forward on to the appropriate person.

Denise Pinkerton

Regulatory Specialist for Southeast New Mexico

Telephone: 432-687-7375

Address: Chevron U.S.A. Inc.

15 Smith Road

Midland, TX 79705

leakejd@chevron.com

From: Murphy, Paul [mailto:pcmurphy@blm.gov]

Sent: Tuesday, February 10, 2015 4:40 PM

To: Pinkerton, J. Denise (leakejd)

Subject: TALCO 9 26 35 FED 2H

[Quoted text hidden]



Murphy, Paul <pcmurphy@blm.gov>

FW: Talco 9 Road & water line map

1 message

Van Curen, Jennifer <Jennifer.VanCuren@arcadis-us.com>

Tue, Feb 24, 2015 at 1:54 PM

To: "Murphy, Paul" <pcmurphy@blm.gov>, "emily.wirth@cehmm.org" <emily.wirth@cehmm.org>

Fresh water line map showing lines stays within 10 feet of lease road.

Jennifer Van Curen

T. 432.687.5400

C. 432.270.8753

ARCADIS, Imagine the result

Please consider the environment before printing this email.

From: Sharma, Vaibhav [mailto:sharma@chevron.com]**Sent:** Monday, February 23, 2015 4:00 PM**To:** Van Curen, Jennifer**Subject:** Talco 9 Road & water line map

Jennifer, will this suffice?

Thanks,

Sharma

From: Beck, William R. [Cenergy]**Sent:** Monday, February 23, 2015 3:27 PM

To: Sharma, Vaibhav
Subject: Road & water line map

The Red is the road and the blue is the water line to Talco #9. Not Plat as of yet.

Sorry it took so long.

Bill

Bill Beck

Water Coordinator (DELAWARE BASIN)

DRILLING PROGRAM

Chevron Construction Rep

Cenergy Consultant

Cell: 575-390-1412

HOME: 575-394-3477

Work: wbds@chevron.com

Personal: billbeck1947@aol.com

 **Scan0560.pdf**
499K