CHEVRON U.S.A. Inc
SD WE 23 FEDERAL P5 #2H
NMNM118723
SHL – SEC. 14, T26S, R32E
10' FSL & 698' FWL

BHL – SEC. 23, T26S, R32E
180' FSL & 990' FWL

APD Surface Use Plan of Operations

Existing Roads (Exhibit 1)

- Driving directions are from Jal, New Mexico. The location is approximately 50.5 miles from the nearest town, which is Jal, New Mexico. From Jal, NM. Proceed West on Highway 128 approximately 30 miles and turn left (South) onto CR1 and go approximately 14.2 miles to Battle Axe road (CR 2) and turn left or east, and go approximately 6.7 miles and turn left (North) and follow lease road approximately 4 miles to the well.

New or Reconstructed Access Roads – Survey plat (Exhibit 2)

- There will be 4,554 feet entering at southeast to well pad, and 302 feet entering at southwest to facility of new road construction for this proposal. The road will follow the contours of the landscape.
- Road Width: The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed 14 feet. The maximum width of surface disturbance shall not exceed 25 feet.
- Maximum Grade: less than 5%
- Crown Design: Crowning shall be constructed on the access road driving surface. The road crown shall have a grade of approximately 2%. The road shall conform to cross section and plans for typical road construction found in the BLM Gold Book.
- Turnouts: Turnouts will be spaced every 1,000 feet or be intervisible. The length will not be less than 100 feet, with additional tapers at each end.
- Ditch Design: Ditching will be constructed on both sides of road.
- Cattle guards: A cattle guard will be required at fence line in Sec. 23, T26S, R32E. H-braces will be installed prior to cutting fence to ensure integrity of fence line.
- Major Cuts and Fills: 2:1 during drilling and completions. Cuts and fills taken back to 3:1 at interim.
- Type of Surfacing Material: A minimum of 6 inches of compacted caliche will be used for surfacing well pad and road.
- Ditch: A culvert will be installed where ditch is located running north and south of Sec. 23, T26S, R32E. The culvert will be sized in accordance with accepted engineering practices and any special environmental concerns. The minimum size of any culvert will not be less than 18 inches.

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Location of Existing Wells (Exhibit 3)

- 1-Mile radius map is attached

Location of Existing and/or Proposed Production Facilities (Exhibit 4)

- Facilities: Production facilities will be placed in the SESW of sec. 14, T26S, R32E where oil and gas sales will take place.
    - The facility is in Sec. 14, T26, R32E; off-lease measurement will be required for Sec. 23, T26, R32E, Federal lease NMNM118723 production.
    - Gas purchaser has not decided where sales line will be, ROW will be filed and approved prior to surface disturbing activities.
    - Open top tanks or open containments will be netted.
    - Open vent exhaust stacks will be modified to prevent birds or bats from entering, discourage perching, roosting, and nesting.
    - Facilities will have a lined secondary containment 1.5 times the holding capacity of largest storage tank.
    - All above ground structures will be painted non-reflective shale green for blending with surrounding environment.
    - 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.

Infrastructure (see Exhibit 5)

- Pipelines: A 1,950 foot, 4 inch surface flex line with less than 125 psi working pressure will be laid along existing disturbances from well to production facility.
    - A ROW will be applied for through the BLM.
    - All construction activity will be confined to the approved ROW.
    - Pipeline will run parallel to road on north and will stay within approved ROW.
- Pipelines: A 4 inch buried flex line with greater than 125 psi working pressure, approximately 2,319 feet long will be laid along existing disturbances from gas lift compression facility to well.
    - A ROW will be applied for through the BLM.
    - All construction activity will be confined to the approved ROW.
    - Pipeline will run parallel to road on north and will stay within approved ROW.
- Pipelines: An approximately 3,990 foot, 10 inch buried poly line with less than 125 psi working pressure, transferring produced water, will be laid along existing disturbances from facility to SWD.
    - A ROW will be applied for through the BLM.
    - All construction activity will be confined to the approved ROW.

- Pipeline will run parallel to road on north and will stay within approved ROW.

- Power lines: The permanent electrical supply route is shown in Exhibit 5. The length of power line is approximately 4,733 feet from well pad running south from well pad, then running east along the south side of the proposed lease road to existing power line. A generator will be utilized until permanent power is connected.
  - A ROW will be applied for through the BLM.
  - All construction activity will be confined to the approved ROW.
  - Power line will run parallel to road on south and will stay within approved ROW.
- A temporary 10 inch expanding pipe transfer line will run approx. 3.5 miles from Sec.19-T26S-R33E to Sec.14-T26S-R32E. Transfer lines will be laid along existing lease roads.
  - Fresh water line will run parallel to road on north and will stay within 10' of access road.
  - A ROW will be applied for through the BLM.

Location and Types of Water Supply (Exhibit 5)

- Water supply will be obtained from a private water source.
- Chevron will utilize an existing frac pond in NENW of Sec.19-T26S-R33E for fresh water.

Construction Material

- Caliche will be used to construct well pad and roads. Material will be purchased from the nearest federal, state, or private permitted pit.
- The proposed source of construction material will be located and purchased by construction contractor.
  - Payment shall be made by contractor prior to any removal of federal minerals material by contacting agent at (575) 234-5972.
  - Notification shall be given to BLM at (575) 234-5909 at least 3 working days prior to commencing construction of access road and/or well pad.

Methods for Handling Waste

- Drilling fluids and produced oil and water from the well during drilling and completion operations will be stored safely and disposed of properly in an NMOCD approved disposal facility.
- Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly at a state approved disposal facility. All trash on and around the well site will be collected for disposal.
- Human waste and grey water will be properly contained and disposed of properly at a state approved disposal facility.

- After drilling and completion operations, trash, chemicals, salts, frac sand and other waste material will be removed and disposed of properly at a state approved disposal facility.
- The well will be drilled utilizing a closed loop system. Drill cutting will be properly disposed of into steel tanks and taken to an NMOCD approved disposal facility.

Ancillary Facilities

- Ancillary Facilities will not be required for this proposed project.

Well Site Layout

- Surveyor Plat (Exhibit 6a)
  - Usable surface well pad dimensions are 370' X 330'
  - Interior well pad dimensions from point of entry (well head) are N-125', S-205', E-125', W-245'. The length to the west includes 25' spacing between four proposed drills on this multi-well pad.
  - Total disturbance area needed for construction activities of well pad will be 2.80 acres.
  - Topsoil placement is on the north in a low profile manner.
  - Cut and fill: There will be minimal cut and fill.
- Rig Layout (Exhibit 6b)
  - The proposed site layout plat is attached showing the Nabors Rig orientation and equipment location.

Plans for Surface Reclamation

Reclamation Objectives

- The objective of interim reclamation is to restore vegetative cover and a portion of the landform sufficient to maintain healthy, biologically active topsoil; control erosion; and minimize habitat and forage loss, visual impact, and weed infestation, during the life of the well or facilities.
- The long-term objective of final reclamation is to return the land to a condition similar to what existed prior to disturbance. This includes restoration of the landform and natural vegetative community, hydrologic systems, visual resources, and wildlife habitats. To ensure that the long-term objective will be reached through human and natural processes, actions will be taken to ensure standards are met for site stability, visual quality, hydrological functioning, and vegetative productivity.
- The BLM will be notified at least 3 days prior to commencement of any reclamation procedures.
- If circumstances allow, interim reclamation and/or final reclamation actions will be completed no later than 6 months from when the final well on the location has been completed or plugged. We will gain written permission from the BLM if more time is

needed.

- Reclamation will be performed by using the following procedures:

Interim Reclamation Procedures

- 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, with four horizontal wells drilled and completed, to approximately 2 acres from the proposed size of 2.8 acres.
- Within 30 days of well completion, the well location and surrounding areas will be cleared of, and maintained free of, all materials, trash, and equipment not required for production. A plan will be submitted showing where interim reclamation will be completed in order to allow for safe operations, protection of the environment outside of drilled well, and following best management practices found in the BLM "Gold Book".
- In areas planned for interim reclamation, all the surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.
- The areas planned for interim reclamation will then be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.
- Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations including cuts & fills. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used.
- Proper erosion control methods will be used on the area to control erosion, runoff and siltation of the surrounding area.
- The interim reclamation will be monitored periodically to ensure that vegetation has reestablished

Final Reclamation (well pad, buried pipelines, and power lines, etc.)

- Prior to final reclamation procedures, the well pad, road, and surrounding area will be cleared of material, trash, and equipment.
- All surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.
- All disturbed areas, including roads, pipelines, pads, production facilities, and interim reclaimed areas will be recontoured to the contour existing prior to initial construction or a contour that blends in distinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation.
- After all the disturbed areas have been properly prepared; the areas will be seeded with the proper BLM seed mixture, free of noxious weeds.
- Proper erosion control methods will be used on the entire area to control erosion, runoff

and siltation of the surrounding area.

Surface Ownership

- Bureau of Land Management
- All access roads are located on Federal Lands.
- Surface Tenant – Oliver Kiehne

Other Information

- On-site performed by BLM NRS: Trishia Bad Bear on November 4, 2014
- Cultural report attached: Letter attached.
- Erosion / Drainage: Drainage control system shall be constructed on the entire length of road by the use of any of the following: ditches, side hill out-sloping and in-sloping, lead-off ditches, culvert installation, or low water crossings.
- Exclosure fencing will be installed around open cellar to prevent livestock or large wildlife from being trapped after installation. Fencing will remain in place while no activity is present and until backfilling takes place.
- Terrain: Landscape is flat
- Soil: Sandy loam
- Vegetation: Vegetation present in surrounding area includes mesquite, shrubs, and grass (needle-grass, burro grass, dropseed).
- Wildlife: No wildlife observed, but it is likely that deer, rabbits, coyotes, and rodents pass through the area.
- Surface Water: No surface water concerns.
- Cave Karst: Low Karst area with no caves or visual signs of caves found.
- Watershed Protection: The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminates from leaving the well pad.
- Water wells: No known water wells within the 1- mile radius.
- Residences and Buildings: No dwellings within the immediate vicinity of the proposed location.
- Well Signs: Well signs will be in compliance per federal and state requirements and specifications.

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Chevron Representative

Primary point of contact:
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Jennifer.VanCuren@arcadis-us.com
M- 432-270-8753

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EXHIBITS:

Exhibit 1 -- Existing Roads (APD map)

Exhibit 2 -- Survey Plat: New or Reconstructed Roads Map: if road is outside 600' x 600'.

Exhibit 3 -- 1-mile Radius Map

Exhibit 4 -- Location of Existing and/or Proposed Production Facilities (Tank Battery)

Exhibit 5 -- Survey Plat: Infrastructure: roads, pipelines, power lines, frac pond

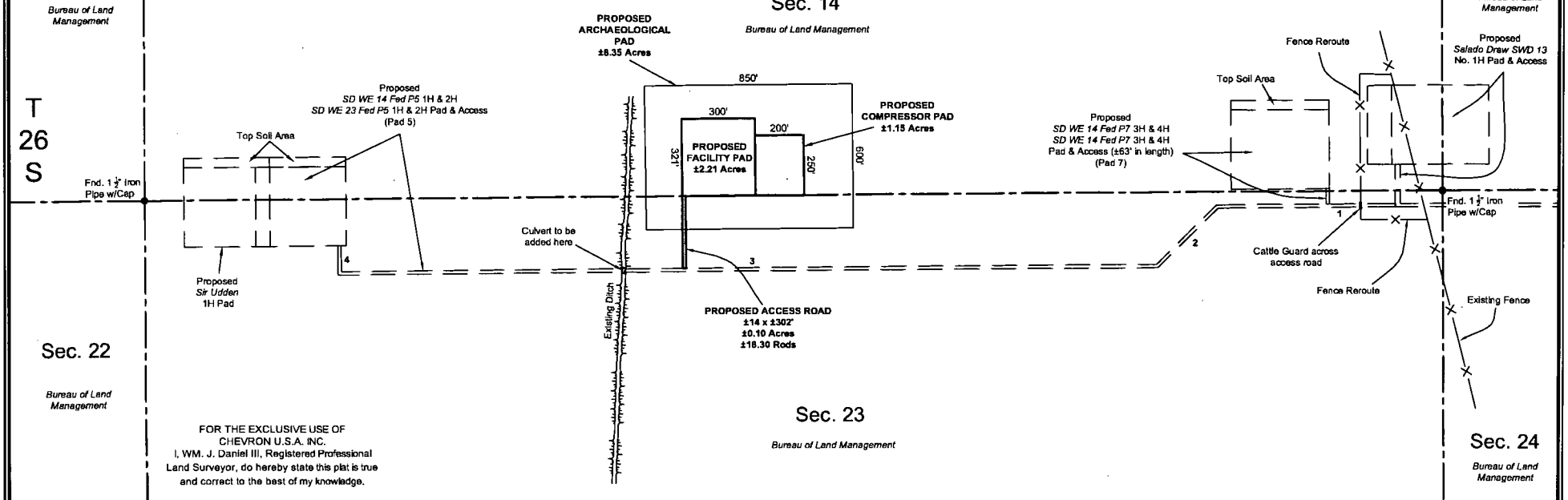
Exhibit 6 -- Rig Layout: Well Site Layout Map / Diagram

C-102 doesn't need an exhibit number – nothing should refer back to the state form.

Need Exhibit 1, 3, 4 - need location name added to battery layout, & 5 - this will include the facility pad, production and power.

NW ARCH. AREA CORNER	NE ARCH. AREA CORNER	SE ARCH. AREA CORNER	SW ARCH. AREA CORNER	NW FACILITY PAD CORNER	NE FACILITY PAD CORNER	SE FACILITY PAD CORNER & SW COMPRESSOR PAD CORNER	SW FACILITY PAD CORNER	NW COMPRESSOR PAD CORNER	NE COMPRESSOR PAD CORNER	SE COMPRESSOR PAD CORNER
X= 712,654 NAD 27	X= 713,504 NAD 27	X= 713,509 NAD 27	X= 712,660 NAD 27	X= 712,806 NAD 27	X= 713,105 NAD 27	X= 713,108 NAD 27	X= 712,808 NAD 27	X= 713,106 NAD 27	X= 713,306 NAD 27	X= 713,308 NAD 27
Y= 377,773	Y= 377,781	Y= 377,181	Y= 377,173	Y= 377,635	Y= 377,637	Y= 377,316	Y= 377,314	Y= 377,568	Y= 377,568	Y= 377,318
LAT. 32.036755	LAT. 32.036762	LAT. 32.035112	LAT. 32.035105	LAT. 32.036373	LAT. 32.036375	LAT. 32.035492	LAT. 32.035491	LAT. 32.036179	LAT. 32.036180	LAT. 32.035493
LONG. 103.647075	LONG. 103.644333	LONG. 103.644327	LONG. 103.647069	LONG. 103.646589	LONG. 103.645621	LONG. 103.645619	LONG. 103.646587	LONG. 103.645621	LONG. 103.644975	LONG. 103.644974
ELEVATION +3160' NAVD 88	ELEVATION +3163' NAVD 88	ELEVATION +3156' NAVD 88	ELEVATION +3154' NAVD 88	ELEVATION +3159' NAVD 88	ELEVATION +3161' NAVD 88	ELEVATION +3156' NAVD 88	ELEVATION +3156' NAVD 88	ELEVATION +3159' NAVD 88	ELEVATION +3160' NAVD 88	ELEVATION +3157' NAVD 88

COURSE	BEARING	DISTANCE
1	S 89° 30' 40" W	728.30'
2	S 44° 30' 17" W	349.61'
3	S 89° 29' 55" W	3360.97'
4	N 00° 30' 05" W	115.53'



FOR THE EXCLUSIVE USE OF
CHEVRON U.S.A. INC.
I, WM. J. Daniel III, Registered Professional Land Surveyor, do hereby state this plat is true and correct to the best of my knowledge.

Not to be used for construction, bidding, recordation, conveyance, sales, or as the basis for the issuance of a permit.

PRELIMINARY

WM. J. Daniel III
Registration No. 15078

NAD 27 NEW MEXICO EAST ZONE

Scale: 1"=400'
400' 0 200' 400'

LEGEND
- Section Line
- Existing Ditch
- Existing Fence & Reroute
- Found Occupation

NOTE:
Please be advised, that while reasonable efforts are made to locate and verify pipelines and anomalies using our standard pipeline locating equipment, it is impossible to be 100 % effective. As such, we advise using caution when performing work as there is a possibility that pipelines and other hazards, such as fiber optic cables, PVC pipelines, etc. may exist undetected on site.

NOTE:
Many states maintain information centers that establish links between those who dig (excavators) and those who own and operate underground facilities (operators). It is advisable and in most states, law, for the contractor to contact the center for assistance in locating and marking underground utilities. For guidance: New Mexico One Call System - www.nmonecall.org.

DISCLAIMER: At this time, C.H. Fenstermaker & Associates, LLC has not performed nor was asked to perform any type of engineering, hydrological modeling, flood plain, or "No Rise" certification analyses, including but not limited to determining whether the project will impact flood hazards in connection with federal/FEMA, state, and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no warranty or representation of any kind as to the foregoing issues, and persons or entities using this information shall do so at their own risk.

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CHEVRON U.S.A. INC.

PROPOSED PAD & ACCESS ROAD
SALADO DRAW PHASE 2 FACILITY & COMPRESSOR PADS
SECTIONS 14 & 23, T26S-R32E
LEA COUNTY, NEW MEXICO

DRAWN BY: BOR	REVISIONS		
PROJ. MGR.: VHV	No. 1	DATE: 06/25/2015	REVISED BY: VHV
DATE: MARCH 09, 2015	No. 2	DATE: 07/16/2015	REVISED BY: VHV
FILENAME: T:\2015\2150321\DWG\Salado Draw Phase 2 Facility_SUP.dwg			