

APD Surface Use Plan of Operations

Existing Roads (Exhibit 1)

- The operator will improve or maintain existing roads in a condition the same as or better than before operations begin. The operator 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.
- Driving Directions – From Jal, New Mexico. The location is approximately 33 miles from the nearest town, which is Jal, New Mexico. From Jal, proceed west on Highway 128 approximately 14 miles and turn left (South) onto CR2 and go approximately 13 miles on CR2 until the road reaches the intersection with Dinwiddie Rd (stop sign with “private road” signage). Turn right (west) onto Dinwiddie Rd (Chevron has an agreement and easement for use of this road) and travel west approximately .3 miles, then bear left (south) onto Battle Axe Road (a continuation of CR2). Travel 5 miles on Battle Axe Road, following its bends, until you reach the Chevron lease road into Salado. Turn right (North) and travel .5 miles, then right again (East) for another .5 miles to the well location.

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

- There will no new road construction for this proposal.

Location of Existing Wells (Exhibit 3)

- 1-Mile radius map is attached

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

- Facilities: Existing production facilities located in the SE corner of Sec. 19, T26S-R33E where oil and gas sales will take place.
 - The facility is in Sec. 19, T26S-R33E; NMNM 27506 lease; off-lease measurement will be required for Sec. 29, T26S, R33E lease NMNM 125653 & State Lease VB-1838 production.

CHEVRON U.S.A. Inc

SD EA 29 Fed Com P8 #10H

NMNM 27506 (SHL), NMNM 12653, State Lease VB-1838

SECTION 29, T26S-R33E

SECTION 32, T26S, R33E

SHL 136' FNL & 1657' FEL

BHL 180' FSL & 1651' FEL

- Gas purchaser pipeline is in place at the tank battery.
- 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 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.
- Pipelines: One 4" buried pipeline will be laid approximately 5692' from well south to lease road then west to production facility at Chevron's 'Porter Brown' 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 the road and will stay within approved ROW.
- Power lines: No new powerlines will be needed.

Location and Types of Water Supply (Exhibit 5)

- Existing pond in Section 29, T26S-R33E will be utilized for fresh water.
- Fresh water will be obtained from a private water source.
- A temporary 10" expanding pipe transfer line will run east along lease road then northeasterly direction along proposed access road approx. 2,932' from frac pond to well location in same section.
 - Fresh water line will run parallel to road and will stay within 10' of access road.
 - A BLM ROW will not be required for the water transfer line.

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.

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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 (Exhibit 6)

- Surveyor Plat (Exhibit 6a)
 - Exterior well pad dimensions are 370' x 330'
 - Interior well pad dimensions from point of entry (well head) of the westernmost well are N-125', S-205', E-225', W-170'. The length to the east includes 25' spacing for next well on multi-well pad (five wells). Total disturbance area needed for construction of well pad will be 2.80 acres
 - Topsoil placement is on the west where interim reclamation is planned to be completed upon completion of well and evaluation of best management practices.
 - Cut and fill: will be minimal.
- Rig Layout (Exhibit 6b)

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,

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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 the combined reclamation of this pad along with the Salado Draw 29 5-8H Pad (Pad 2), which overlaps this well pad, to approximately 2.5 acres from the proposed size of 4.5 acres (2.8 acres of existing disturbance from Pad 2 plus 1.7 acres of new disturbance for this well pad).
- 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

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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

- BLM Surface
 - Surface Tenant – Oliver Kiehne
- **Nearest Post Office:** Malaga Post Office; 15.4 Miles north

Other Information

- On-site performed by BLM NRS: Trishia Bad Bear 11/4/2014
- Cultural report attached: **Yes** Participating Agreement attached: N/A
- 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.

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- Watershed Protection: The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants 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 Representatives

Chevron Functional Contacts

| | |
|--|--|
| <p>Project Manager Name: James Ward Address: 1400 Smith Street Houston, TX 77002 Phone: (713) 372-1748 Email: JWBG@chevron.com</p> | <p>Drilling Engineer Name: Vicente Ruiz Address: 1400 Smith Street Houston, TX 77002 Phone: (713) 372-6181 Email: Vruiz@chevron.com</p> |
| <p>Surface Land Representative Name: India Isbell Address: 1400 Smith Street Houston TX 77002 Phone: (713) 382-1288 Email: Indialsbell@chevron.com</p> | <p>Facility Lead Name: Nick Wann Address: 15 Smith Road Midland, Texas 79705 Phone: (432) 687-7852 Email: NWann@chevron.com</p> |
| <p>Geologist Name: Patrick Taha Address: 1400 Smith Street Houston, TX 77002 Phone: (713) 372-1543 Email: Patrick.Taha@chevron.com</p> | <p>Regulatory Specialist Name: Cindy Herrera-Murillo Address: 1616 W. Bender Blvd, Hobbs, NM 88240 Office: (575) 263-0431 Email: Cherreramurillo@chevron.com</p> |

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EXHIBITS:

Exhibit 1 -- Existing Roads

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)

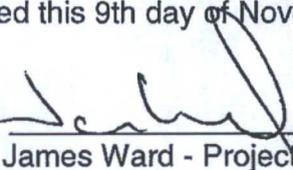
Exhibit 5 -- Survey Plat: Infrastructure: roads, pipelines, power lines, frac pond

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

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 9th day of November, 2015

Name: 

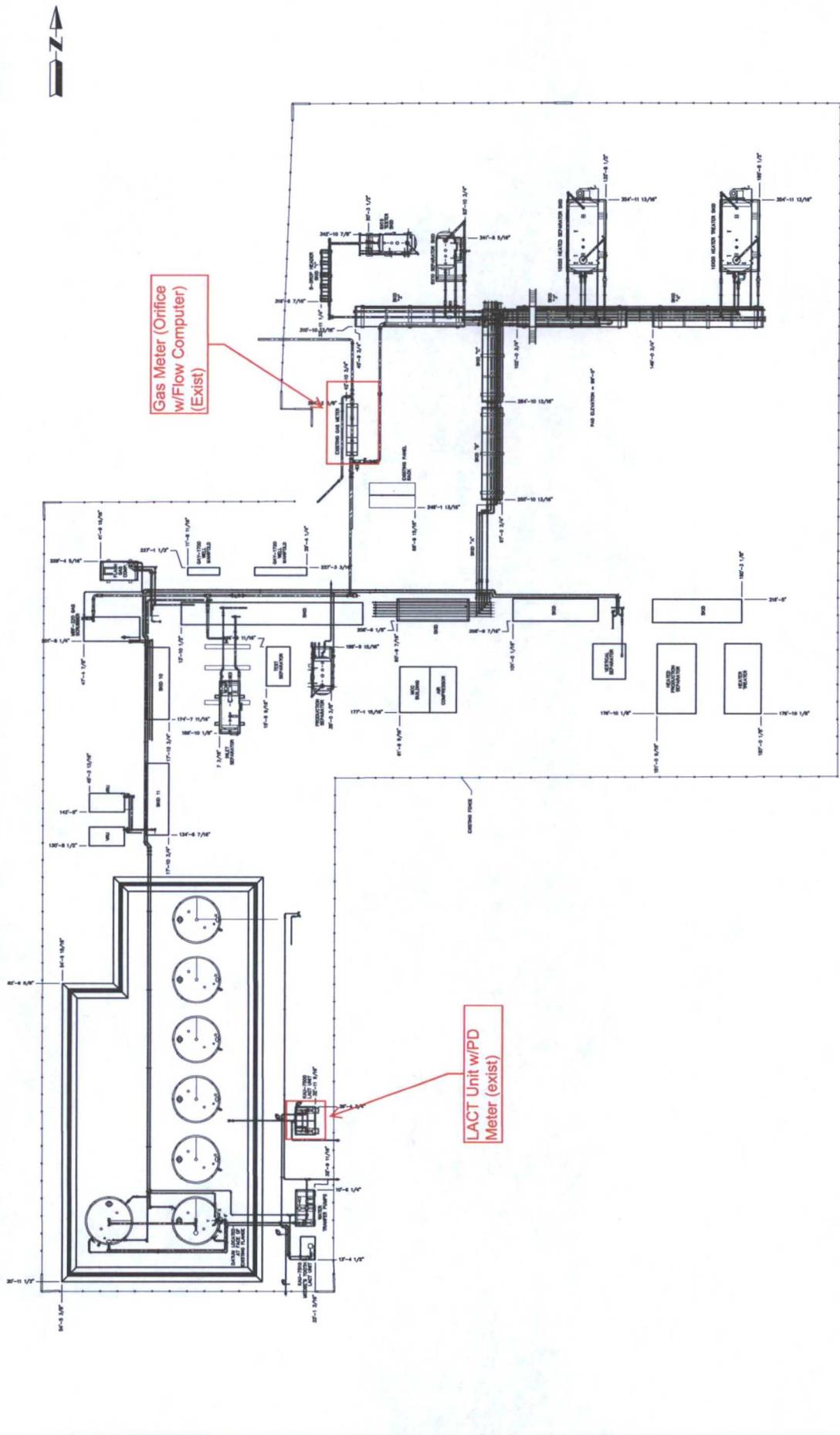
James Ward - Project Manager

Address: 1400 Smith Street, 40050
Houston, TX 77002

Office 713-372-1748

E-mail: jwgb@chevron.com

Exhibit 4



PORTER BROWN - PLOT PLAN
 SCALE: 1/16" = 1'-0"

SALADO DRAW 29 BATTERY SECTION 19
 PORTER BROWN TANK BATTERY
 LEA COUNTY, NEW MEXICO
 GENERAL ARRANGEMENT - PLOT PLAN
PORTER-STB-TRAIN2-PLOT-PLAN



FOR REVIEW

| NO. | DATE | BY | CHKD | REVISIONS |
|-----|----------|----|------|-----------|
| 1 | 10/09/15 | | | |
| | | | | |
| | | | | |
| | | | | |

FOR REVIEW
 A. JACKSON - 10/09/15

API LEASE

Exhibit 5

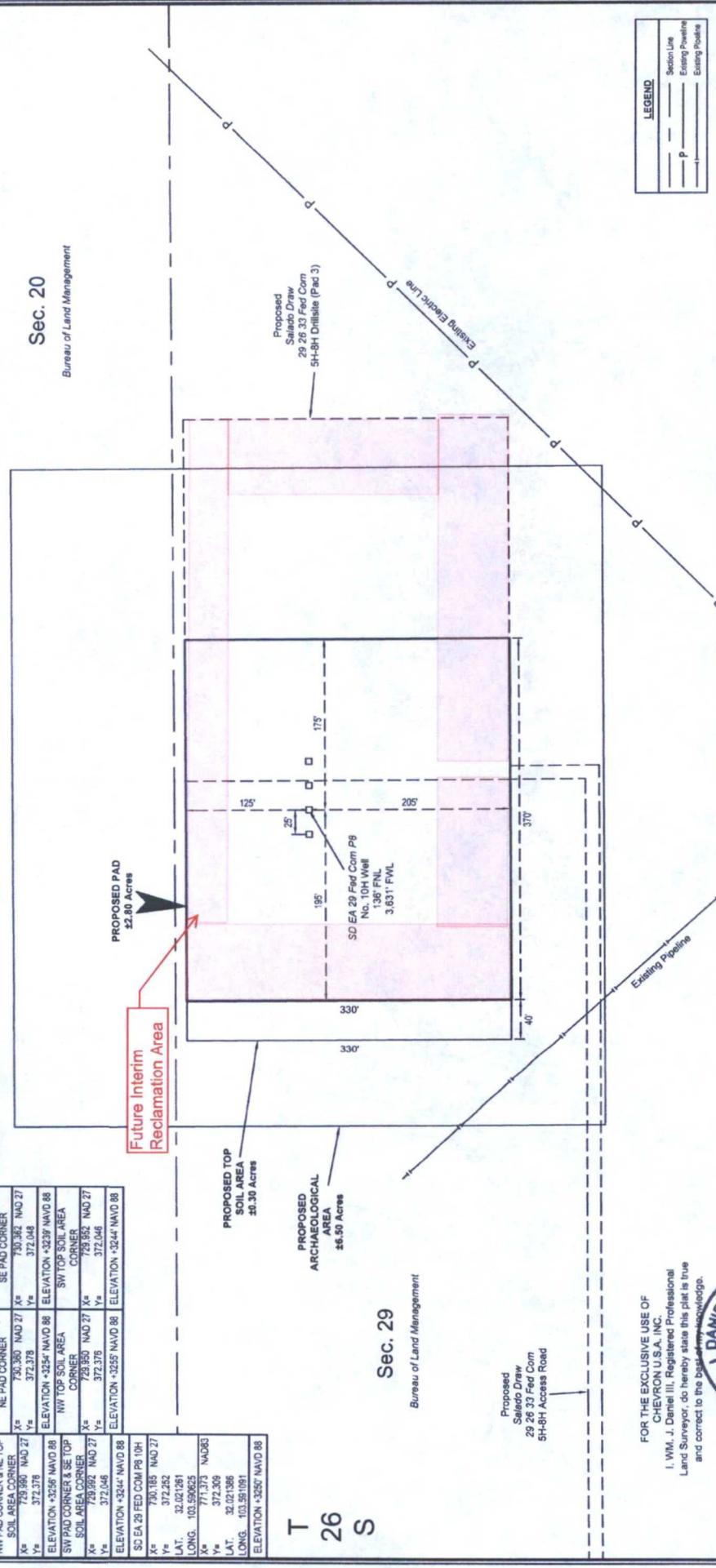
R 33 E

Sec. 20
Bureau of Land Management

| | | | |
|---|---------------------------------|---------------------------------|---------------------------------|
| NW ARCH. AREA CORNER | NE ARCH. AREA CORNER | SE ARCH. AREA CORNER | SW ARCH. AREA CORNER |
| X= 729.659 NAD 27 Y= 372.650 | X= 730.533 NAD 27 Y= 372.555 | X= 730.538 NAD 27 Y= 371.854 | X= 729.662 NAD 27 Y= 371.550 |
| ELEVATION +3260' NAD 88 | ELEVATION +3258' NAD 88 | ELEVATION +3237' NAD 88 | ELEVATION +3243' NAD 88 |
| NW PAD CORNER & NE TOP SOIL AREA CORNER | NE PAD CORNER | SE PAD CORNER | SW PAD CORNER |
| X= 729.960 NAD 27 Y= 372.378 | X= 730.360 NAD 27 Y= 372.378 | X= 730.362 NAD 27 Y= 372.048 | X= 729.962 NAD 27 Y= 372.048 |
| ELEVATION +3256' NAD 88 | ELEVATION +3254' NAD 88 | ELEVATION +3239' NAD 88 | ELEVATION +3244' NAD 88 |
| SD EA 29 FED COM P8 10H | | | |
| X= 730.185 NAD 27 Y= 372.252 | | | |
| UAT: 32.021081 | | | |
| LONG: 103.390625 | | | |
| X= 730.360 NAD 27 Y= 372.360 | | | |
| UAT: 32.021386 | | | |
| LONG: 103.351091 | | | |
| ELEVATION +3250' NAD 88 | | | |

T 26 S

Sec. 29
Bureau of Land Management



LEGEND

| | |
|-------------------|-----|
| Section Line | --- |
| Existing Pipeline | —P— |
| Existing Pipeline | —H— |
| Existing Pipeline | —O— |

SURFACE USE PLAT
CHEVRON U.S.A. INC.
PROPOSED PAD
SD EA 29 FED COM P8 NO. 10H WELL
SECTION 29, T26S-R33E
LEA COUNTY, NEW MEXICO

| | |
|---|-----------|
| DRAWN BY: BOR | REVISIONS |
| PROJ. MGR.: YHV | NO. DATE: |
| DATE: 11/25/2014 | NO. DATE: |
| FILENAME: T:\2014\2149595\DWG\SD EA 29 Fed Com P8 10H_SUP.dwg | |

135 Regency Sq. Lafayette, LA 70508
Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

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:
Xinty 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 consult the center for assistance in locating and marking underground utilities.
For guidance: New Mexico One Call - 322.426.0333

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.

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.

Wm. J. Daniel III
Registration No. 15078



R 33 E

Sec. 19

Bureau of Land Management

Sec. 20

Bureau of Land Management

Existing Porter Brown 1H Pad

Proposed Salado Draw Pad 8 (SD EA 29 Fed Com P8 9H-12H Wells)

T 26 S

Sec. 30

Bureau of Land Management

Sec. 29

Bureau of Land Management

Proposed Flowlines ±5,692.42'

Proposed Temporary Water Line ±2,932'

Existing Fiac Pond

Existing Lease Road

Existing Salado Draw Pad 2 (Salado Draw 29 26 33 Fed Com 9H-6H Wells)

Existing Electric Lines

Battle Axe Road

NAD 27 NEW MEXICO EAST ZONE



C. H. Fenstermaker & Associates, L.L.C.
 135 Regency Sq. Lafayette, LA 70508
 Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

CHEVRON U.S.A. INC.

WORK AREA DETAIL FOR THE
 SD EA 29 FED COM P8 9H-12H WELLS
 SECTIONS 19, 20 & 29, T26S-R33E
 LEA COUNTY, NEW MEXICO

| DRAWN BY: VHV | | REVISIONS | |
|---|-------|-----------|-------------|
| PROJ. MGR.: VHV | No. # | DATE: | REVISED BY: |
| DATE: 10/22/2015 | No. # | DATE: | REVISED BY: |
| FILENAME: T:\2014\12149583\DWG\Salado Draw Pad 8_AerialDetail.dwg | | | |