Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

HOBBS OCD

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

JUL 19 2016

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

5. Lease Serial No.
NMNM118722

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
SD WE 24 FEDERAL P23 2H

2. Name of Operator
CHEVRON USA INC

Contact: CINDY H MURILLO
E-Mail: CHERRERAMURILLO@CHEVRON.COM

9. API Well No.
30-025-43296

3a. Address
1616 W. BENDER BLVD
HOBBS, NM 88240

3b. Phone No. (include area code)
Ph: 575-263-0431
Fx: 575-263-0445

10. Field and Pool, or Exploratory
WILDCAT;BONE SPRING

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 24 T26S R32E Mer NMP SWSW 260FSL 1308FWL

11. County or Parish, and State
LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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 INC IS REQUESTING FOR A DUST ABATEMENT PROJECT ON THE ABOVE WELL PAD 23 FOR SALADO DRAW.PLEASE SEE ATTACHED DETAILED DIAGRAM PLAN AND PROCEDURE FOR THE DUST ABATEMENT PROJECT. CHEVRON HAS DISCUSSED WITH PAUL MURPHY AND WE PLAN ON STARTING THE WORK THE WEEK OF JULY 5TH. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACE KEVIN DICKERSON AT 432-687-7104.

PCM
OK! 7-11-16

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #343687 verified by the BLM Well Information System
For CHEVRON USA INC, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH HAM on 07/08/2016 ()

Name *(Printed/Typed)* CINDY H MURILLO — Title PERMITTING SPECIALIST

Signature (Electronic Submission) — Date 06/30/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Lesly A. Snyder — Title for FIELD MANAGER — Date 07/11/16

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 CARLSBAD FIELD OFFICE

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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Accepted for Record Only
MLB/OCD 7/19/2016

1. We will place an 8 inch thick layer of Caliche on the road at the proper width within the ROW.
2. We then place cement along the road at 3-5% by weight of the caliche. If the caliche maximum dry density is 115 lbs/cubic feet, we will add about 3-5 lbs of cement to the caliche per cubic foot.
3. As the cement is being placed on top of the caliche, a reclaimer will follow behind the cement truck and till/mix the cement and caliche for a uniform 8 inch thick mix. The depth on the reclaimer will be set to proper uniform thickness.
4. The reclaimer also has nozzles that allow water and polymer to be injected into cement/caliche mix to gain optimum water content. The water/polymer mix is 7 gallons of water to 1 gallon of polymer (7:1).
5. We will then blade, crown the road at 2%, and compact the road to achieve 95% or greater compaction.
6. In the past, I have sprayed a top coat of the polymer on the finished surface to bind the fine material on top of the road and it also provides an "all weather" water resistant surface. This is done with a water truck where the water/polymer mix is 7 gallons of water to 1 gallon of polymer. We ensure that the spray coming off the truck is the width of the road.

Reclamation plan for the roads, this is because of the Portland cement and the binding agent.

1. In the past, we have buried caliche and cement/concrete onsite.
2. We then place 2-3 feet of topsoil over the area, reslope to natural grade, and reseed with appropriate BLM mix. We do the same with roads.
3. The Envirotac SC is an environmentally safe product which works on principles of nano technology. The acrylic co-polymer creates nano composites within the soil fabrics and modifies the soils micro-structures. This increases the interconnection between the soil particles producing a homogenous and isotropic material.
4. Soils treated with Cement and Envirotac SC can be broken and removed or buried with a bull dozer, excavator, or the same reclaimer that is being used to mix the cement/caliche/polymer. The unconfined compressive strength of soil cement is only 300 psi where concrete is 4,000 + psi.

After 10+ years of vehicular use, the road will be similar to a caliche road due to the abuse. The addition of cement and polymer to the caliche is more of a short term benefit to hold up to the heavy vehicle traffic (drilling and completions traffic) in the area, provide dust control, and mitigate erosion (roads continually getting wider). Come winter with the rain/sleet/snow, these roads will outperform the caliche roads and mitigate additional maintenance costs and additional use of heavy equipment in the area.

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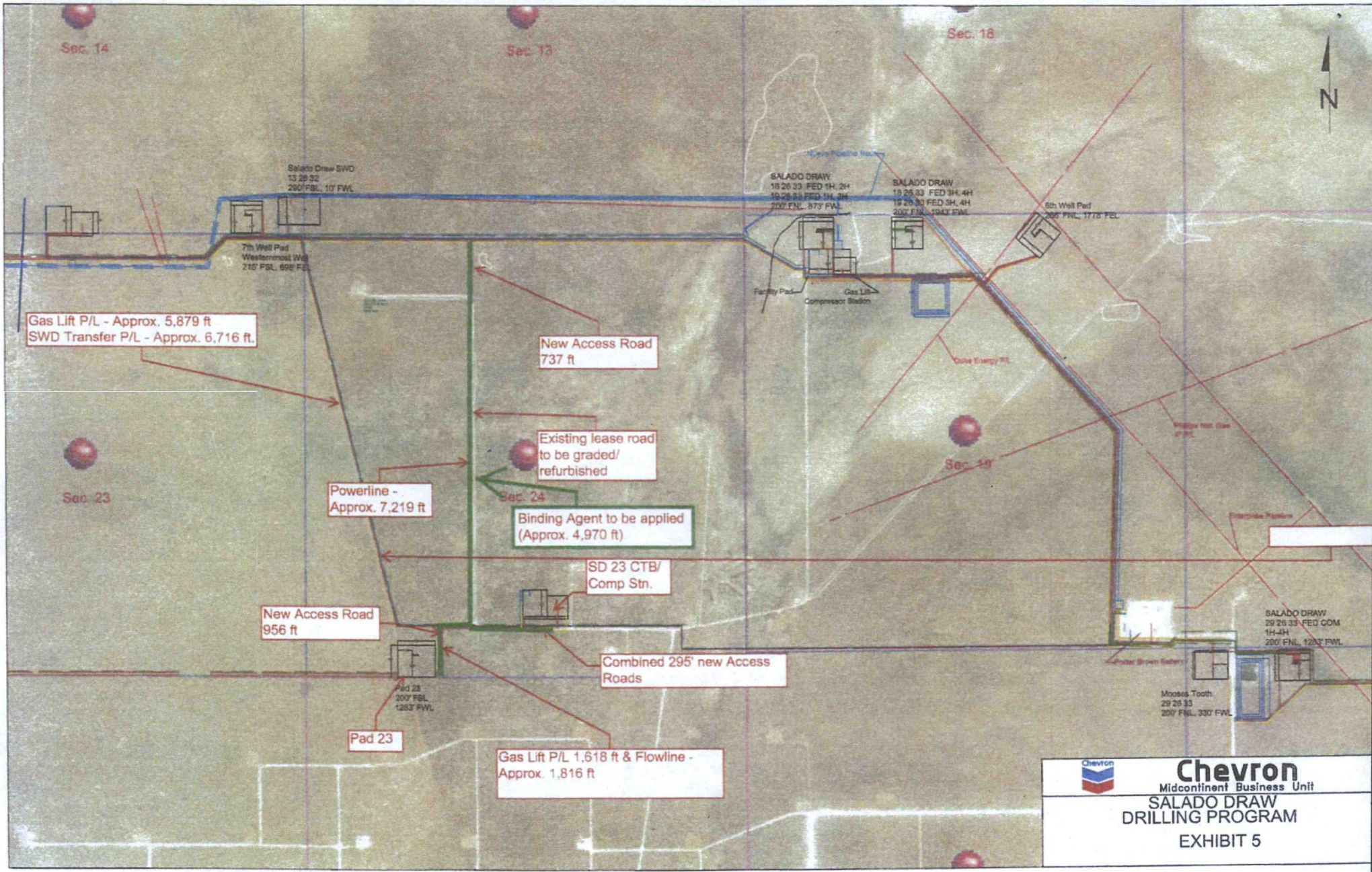
Sec. 14
Sec. 13
Sec. 18
Sec. 23
Sec. 24
Sec. 19
N
Salado Draw SWD
13 26 32
290' FSL, 10' FWL
7th Well Pad
Westernmost Well
215' FSL, 698' FEL
SALADO DRAW
18 26 33 FED 1H, 2H
19 26 33 FED 1H, 2H
200' FNL, 873' FWL
SALADO DRAW
18 26 33 FED 3H, 4H
19 26 33 FED 3H, 4H
200' FNL, 1943' FWL
6th Well Pad
200' FNL, 1775' FEL
Facility Pad
Gas Lift Compressor Station
Gas Lift P/L - Approx. 5,879 ft
SWD Transfer P/L - Approx. 6,716 ft.
New Access Road
737 ft
Existing lease road
to be graded/
refurbished
Powerline -
Approx. 7,219 ft
Binding Agent to be applied
(Approx. 4,970 ft)
SD 23 CTB/
Comp Stn.
New Access Road
956 ft
Combined 295' new Access
Roads
Pad 23
200' FSL
1283' FWL
Pad 23
Gas Lift P/L 1,618 ft & Flowline -
Approx. 1,816 ft
SALADO DRAW
29 26 33 FED COM
1H-4H
200' FNL, 1283' FWL
Moose Tooth
29 26 33
200' FNL, 330' FWL
Chevron
Midcontinent Business Unit
SALADO DRAW
DRILLING PROGRAM
EXHIBIT 5