Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs
HOBBS OCD
DEC 19 2016
RECEIVED

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMNM27506

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 EA 18 FEDERAL P6 005H

2. Name of Operator
CHEVRON U.S.A. INC.
Contact: DENISE PINKERTON
E-Mail: leakejd@chevron.com

9. API Well No.
30-025-42795

3a. Address
6301 DEAUVILLE BLVD
MIDLAND, TX 79706

3b. Phone No. (include area code)
Ph: 432-687-7375

10. Field and Pool, or Exploratory
BONE SPRING

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 19 T26S R33E Mer NMP 266FNL 1778FEL

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 U.S.A. INC. RESPECTFULLY REQUESTS VARIANCE FROM THE CAVE/KARST SURFACE AND SUBSURFACE MITIGATIONS FOUND IN SECTION V (SPECIAL REQUIREMENTS) AND THE MEDIUM CAVE/KARST REQUIREMENTS FOUND IN SECTION VII.B (CASING) OF THE CONDITIONS OF APPROVAL FOR THE LISTED APDS:

*SD EA 18 FEDERAL P6 #5H 30-025-42795
*SD EA 18 FEDERAL P6 #6H 30-025-42796
*SD EA 19 FEDERAL P6 #5H 30-025-42797
*SD EA 19 FEDERAL P6 #6H 30-025-42798
*SD EA 19 FEDERAL P6 #7H 30-025-42799

THE LISTED WELLS ARE LOCATED IN A LOW POTENTIAL CAVE/KARST OCCURRENCE AREA AND THESE COAS ARE NOT APPROPRIATE.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #352086 verified by the BLM Well Information System
For CHEVRON U.S.A. INC., sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 09/29/2016 ()

Name *(Printed/Typed)* DENISE PINKERTON — Title PERMITTING SPECIALIST

Signature (Electronic Submission) — Date 09/22/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Cody R. Layton — Title FIELD MANAGER — Date 12/09/16

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 ****

KZ

Salado Draw Pad 6 Leak Detection Plan / Chevron U.S.A. Inc.

(Includes SD EA 18 Federal P6 #5H & 6H, SD EA 19 Federal P6 #5H, 6H, & 7H)

Chevron MidContinent Business Unit (MCBU) has incorporated the following methods, design features, and practices to systematically monitor, detect, and address any leaks for the Salado Draw Pad 6 wells and associated Salado Draw 19 Central Tank Battery (CTB), which receives and processes produced fluids from the referenced wells.

Central Tank Battery Secondary Containment

The CTB incorporates a secondary containment around all storage tanks constructed of a synthetic liner and engineered walls. The containment is designed to be at least one foot above the tank bases and sized to contain the cumulative volume of all storage tanks. Also, all vessels and piping within the CTB are situated aboveground to allow for ready identification of any type of leak of loss of primary containment.

Level and Pressure Alarms

All storage tanks are equipped with multiple level and pressure alarms to detect abnormal conditions and immediately initiate appropriate actions as described below:

- Low level alarm that notifies field personnel of this alarm condition allowing prompt investigation and initiation of any response actions.
- Low-low level alarm that is electronically interlocked with well control systems to immediately secure all well production and CTB operations.
- High pressure alarm that is interlocked with distributive control systems to immediately secure all well production and CTB operations.
- High level alarm that is interlocked with distributive control systems to immediately secure all well production and CTB operations

All oil discharge lines are equipped with low pressure sensors to detect abnormal system pressure and immediately secure production operations and isolate vessels within the CTB.

Inspection Practices

Standard practice requires a visual inspection of all well pads and CTBs at least once per day to include identification of any seeps, drips, or other larger sources of leaks. Current practice within the Salado Draw area is for these inspections to occur once per twelve-hour shift.