CHEVRON U.S.A. Inc
SD WE 15 Fed P9 #6H
NMNM 119723
SECTION 15, T26S-R32E
SHL 12' FSL & 1446' FEL

SECTION 15, T26S, R32E
BHL 180' FNL & 1662' FEL

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 follow lease road to the well location.

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

- There will be 62' of new road construction for the well pad, facilities, and frac pond.
- Road Width: The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed 14'. The maximum width of surface disturbance shall not exceed 25'.
- Maximum Grade: 3%
- Crown Design: Crowning shall be done 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: None Required
- Ditch Design: Ditching will be constructed on both sides of road.

- Cattle guards: None Required
- Major Cuts and Fills: 2:1 during drilling and completions. Cuts and fills taken back to 3:1 at interim.
- Type of Surfacing Material: Caliche

Location of Existing Wells (Exhibit 3)

- 1-Mile radius map is attached

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

- Facilities: Production will be transported via buried flowline to existing facilities in the SE4 of Sec. 14, T26S-R32E where oil and gas sales will take place.
    - Gas purchaser pipeline will be brought to 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 tank battery will be connected to the existing water gathering system in the field for permanent water disposal. The system design will be determined and approved prior to construction of any water transfer pipeline. Until permanent water takeaway is available, produced water will be hauled off location in trucks.
- Pipelines: Four 4" buried flowlines will be routed in the same ditch, approximately 4,669', will be laid from well running west along ROW to the facility in Section 14.
    - Pipeline will run parallel to existing disturbances and will stay within approved ROW.
- Power lines: No new powerlines are needed; Future Powerlines will be included in proposed ROW.

Location and Types of Water Supply (Exhibit 5)

- Primary Pond in Section 23, T26S-R32E will be utilized for fresh water.
- Secondary pond to be situated in Sections 13 &14, T26S-R32E (700'x700' or 11.25 acres).
- Fresh water will be obtained from a private water source, stored in existing ponds in Sections 19 & 29 T26S-R33E.

- For pond, a temporary 10" expanding pipe transfer line will run from pond(s) along fenceline, road, or existing disturbance then along proposed access road approx. 8,076'.
    - Fresh water line will run parallel to existing disturbance and will stay within 10' of access road.
    - A BLM ROW will be applied for through the BLM for any future pipelines.

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

No ancillary Facilities are proposed.

Well Site Layout (Exhibit 6)

- Surveyor Plat (Exhibit 6a)
    - Exterior well pad dimensions are 360' x 495'.

- Interior well pad dimensions from point of entry (well head) of the easternmost well are N-100', S-260', E-260', W-235'. The length to the west includes 25' spacing for next well on multi-well pad (four wells). Total disturbance area needed for construction of well pad will be 4 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, 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 include reducing the pad size to approximately 2.5 acres from the proposed size of 4 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 (BLM #2), 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 (BLM #2), 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:** Jal Post Office; 50 Miles East

Other Information

- On-site performed by BLM NRS: Paul Murphy 4/16/2016

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- Cultural report attached: **No** Participating Agreement attached: Yes
- 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: Medium 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 Representatives

Primary point of contact:
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Chevron Functional Contacts

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Geologist Name: Jeff Fabre Address: 1400 Smith Street Houston, TX 77002 Phone: (713) 372-0523 Email: JeffreyFabre@chevron.com	**Regulatory Specialist** Name: Denise Pinkerton Address: 15 Smith Road, Midland, TX 79705 Office: (432) 687-7375 Email: leakejd@chevron.com

Chevron U.S.A. Inc.

Location: Lea County, NM
Field: Jennings; Upper Bone Spring (Lea County, NM)
Facility: SD WE 15 Fed P9

Slot: SD WE 15 Fed P9 No. 6H
Well: SD WE 15 Fed P9 No. 6H
Wellbore: SD WE 15 Fed P9 No. 6H (PWB)

Well Profile Data

Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	32.60	0.000	291.531	32.60	0.00	0.00	0.00	0.00
Start Nudge	1000.00	0.000	291.531	1000.00	0.00	0.00	0.00	0.00
EOB/SOH	1900.00	9.000	291.531	1896.30	25.89	-65.62	1.00	26.07
EOH/SOD	2487.86	9.000	291.531	2476.93	59.64	-151.16	0.00	60.06
Drop to Zero	3387.86	0.000	359.839	3373.23	85.53	-216.78	1.00	86.14
KOP: 100' FSL, 1662' FEL	8602.57	0.000	359.839	8587.94	85.53	-216.78	0.00	86.14
LP: 577' FSL, 1662' FEL	9352.82	90.030	359.839	9065.40	563.24	-218.12	12.00	563.85
BHL: 180' FNL, 1662' FEL	13943.82	90.030	359.839	9063.00	5154.22	-231.01	0.00	5154.85

Wellpath Comments

MD (ft)	X (ft)	Y (ft)	TVD (ft)	Inclination (°)	Azimuth (°)	VS (ft)	Comment
9093.00	-217.43	316.02	8996.57	58.852	359.839	316.63	FTP: 9093' MD 330' FSL, 1662' FEL, 316' VS
13793.00	-230.59	5003.40	9063.08	90.030	359.839	5004.03	LTP: 13793' MD 330' FNL, 1662' FEL, 5004' VS

Location Information

Facility Name			Grid East (US ft)	Grid North (US ft)	Latitude	Longitude
SD WE 15 Fed P9			709124.000	377296.000	32°02'07.819"N	103°39'30.510"W
Slot	**Local N (ft)**	**Local E (ft)**	**Grid East (US ft)**	**Grid North (US ft)**	**Latitude**	**Longitude**
SD WE 15 Fed P9 No. 6H	0.00	25.00	709149.000	377296.000	32°02'07.818"N	103°39'30.219"W
Nabors X-30 (KB) to Mud line (At Slot: SD WE 15 Fed P9 No. 6H)					32.6ft	
Mean Sea Level to Mud line (At Slot: SD WE 15 Fed P9 No. 6H)					-3157ft	
Nabors X-30 (KB) to Mean Sea Level					3189.6ft	

Bottom Hole Location

MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	Grid East (US ft)	Grid North (US ft)	Latitude	Longitude
13943.82	90.030	359.839	9063.00	5154.22	-231.01	708918.00	382450.00	32°02'58.836"N	103°39'32.529"W

Plot reference wellpath is SD WE 15 Fed P9 No. 6H (PWP) Prelim 2	Grid System: NAD27 / TM New Mexico SP, Eastern Zone (3001), US feet
True vertical depths are referenced to Nabors X-30 (KB)	* = Wellpath was transformed from a different geodetic datum
Measured depths are referenced to Nabors X-30 (KB)	North Reference: Grid north
Nabors X-30 (KB) to Mean Sea Level: 3189.6 feet	Scale: True distance
Mean Sea Level to Mud line (At Slot: SD WE 15 Fed P9 No. 6H): -3157 feet	Depths are in feet
Coordinates are in feet referenced to Slot	Created by: fontante on 2016-08-02
	Database: WA_HOU_Midland_Defn