

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

HOBBS OCD
RECEIVED

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.

5. Lease Serial No.
NMNM125653

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
SALADO DRAW 29 26 33 FED COM 5H

9. API Well No.
30-025-42440

10. Field and Pool or Exploratory Area
WC-025 G06 S263319P;BS

11. County or Parish, State
LEA COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
CHEVRON USA INC / Contact: **CINDY H MURILLO**
E-Mail: **CHERRERAMURILLO@CHEVRON.COM**

3a. Address
**6301 DEAUVILLE BLVD
MIDLAND, TX 79706**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 29 T26S R33E Mer NMP NWNE 136FNL 1457FEL /

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Site Facility Diagram/Security Plan
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 RESPONDING TO THE NOTICE OF INCIDENT # 17JLS19 FOR THE SITE FACILITY DIAGRAM ON THE SALADO DRAW CTB AND MOOSE'S TOOTH. PLEASE FIND ATTACHED THE CURRENT SITE FACILITY DIAGRAM FOR THE ABOVE SUBJECT FACILITY.

ENTERED 02/14/17
INTO AFMSS

Accepted for record - NMOCD
BC 4-18-17

NM OIL CONSERVATION
ARTESIA DISTRICT
APR 17 2017

Accepted for Record Purposes.
Approval Subject to Onsite Inspection.
Date: 02/14/17

RECEIVED

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #358489 verified by the BLM Well Information System For CHEVRON USA INC, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 01/10/2017 ()

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

Signature (Electronic Submission) Date **11/18/2016**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Stuchey Title EPSP/UE Date 02/14/17

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 CFO

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.

(Instructions on page 2)

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

KZ

161037

OPERATOR COPY

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Certified Mail - Return Receipt Requested
70096870000144004205

Hand Delivered Received by

Identification	
IID	
Lease	NMNM125653
CA	NMNM135620
Unit	
PA	

Bureau of Land Management Office HOBBS INSPECTION OFFICE				Operator CHEVRON USA INCORPORATED			
Address 414 WEST TAYLOR HOBBS NM 88240				Address 15 SMITH ROAD MIDLAND TX 79705			
Telephone 575.393.3612				Attention CHEVRON USA INCORPORATED			
Inspector STATON				Attn Addr 15 SMITH ROAD MIDLAND TX 79705			
Site Name MOOSE TOOTH	Well/Facility FMP A	1/4 1/4 Section	Township 26S	Range 33E	Meridian NMP	County LEA	State NM
Site Name (SEE ATTACHED)	Well/Facility FMP	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 hour clock)	Violation	Gravity of Violation
10/25/2016	12:00	Onshore Order #2 (l), 43 CFR 3162.7-5(d) 1-3	MINOR
Corrective Action To be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
11/22/2016			43 CFR 3163.1()

Remarks

This office does not have a current site facility diagram on file. Submit to this office a current site facility diagram which accurately reflects production equipment, piping and metering systems at site. Failure to comply will result in monetary assessments.

When violation is corrected, sign this notice and return to above address

Company Representative Title Permitting Specialist Signature Cindy Herrera-Munoz Date 11/18/2016

Company Comments Please find attached current site facility diagram for the above wells located in the Moose's Tooth / Salado Draw 29 CTB.

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance") If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

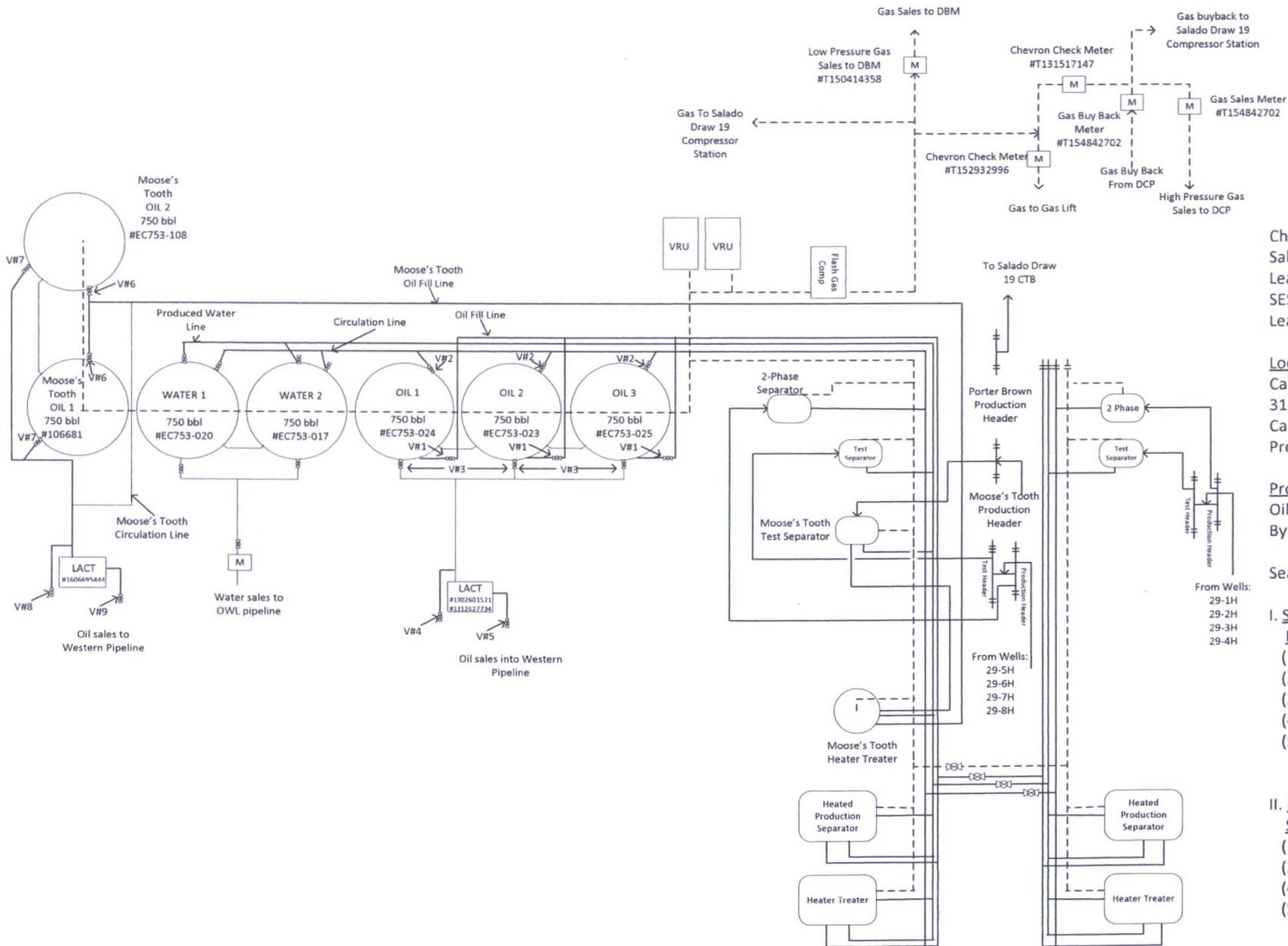
Signature of Bureau of Land Management Authorized Officer	Date	Time
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FOR OFFICE USE ONLY

Number 15	Date	Assessment	Penalty	Termination
Type of Inspection PI				

Wells and/or Facilities and/or FMPs, continued

Site Name	Well/Facility/FMP	1/4	1/4	Sec	Twn	Range	Mer	Lease	State	County
SALADO DRAW	29 26 33 FED COM	5H	NWNE 29	26S	33E	NMP	NMNM125653	NM	LEA	
SALADO DRAW	29 26 33 FED COM	6H	NWNE 29	26S	33E	NMP	NMNM125653	NM	LEA	
SALADO DRAW	29 26 33 FED COM	7H	NWNE 29	26S	33E	NMP	NMNM125653	NM	LEA	
SALADO DRAW	29 26 33 FED COM	8H	NWNE 29	26S	33E	NMP	NMNM125653	NM	LEA	



Chevron USA Inc.
 Salado Draw 29 CTB
 Lease SN: NMNM27506
 SESE S 19 T26S R33E
 Lea County, NM

Location of Site Security Plan
 Carlsbad Office
 3150 E Green Street
 Carlsbad, NM 88220
 Prepared by: SKOU 11/17/2016

Production System
 Oil Sales Description:
 By LACT to Pipeline

Seal Requirements:

I. Salado Draw Production & Sales Phase

- (1) Valve 1 Open
- (2) Valve 2 Locked Closed
- (3) Valve 3 Open
- (4) Valve 4 Locked Closed
- (5) Valve 5 Locked Closed (Open during loading only)

II. Moose's Tooth Production & Sales Phase

- (1) Valve 6 Open
- (2) Valve 7 Open
- (4) Valve 8 Locked Closed
- (5) Valve 9 Locked Closed (Open during loading only)