

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

HOBBS OGD

MAY 05 2017

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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
WILDCAT;BONE SPRING

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

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
CHEVRON USA INC ✓ Contact: CINDY H MURILLO
E-Mail: CHERRAMURILLO@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 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"/> Fracture Treat	<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 type="checkbox"/> Other
	<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 checked="" 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 recompleat 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 recompleat 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 SUBMITTING THE WATER DISPOSAL ONSHORE ORDER #7 FORM FOR THE FOLLOWING WELLS:

SALADO DRAW 29 26 33 FED COM #5H API# 30-025-42440
 SALADO DRAW 29 26 33 FED COM #6H API# 30-025-42441
 SALADO DRAW 29 26 33 FED COM #7H API# 30-025-42442
 SALADO DRAW 29 26 33 FED COM #8H API# 30-025-42443

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED

2017

PLEASE FORWARD TO JIM STATON REGARDING WRITTEN ORDER # 17JLS20. PLEASE FIND ATTACHED SIGNED NOTICE OF INCIDENT OF NON-COMPLIANCE.

Accepted for record - NMOCD

NM OIL CONSERVATION
ARTESIA DISTRICT

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

Electronic Submission #357176 verified by the BLM Well Information System
For CHEVRON USA INC, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 11/08/2016 ()

Name (Printed/Typed) CINDY H MURILLO Title PERMITTING SPECIALIST APR 17 2017 RECEIVED

Signature (Electronic Submission) Date 11/07/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By *[Signature]* Title EPS Date 3/29/2017

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.

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

[Signature]

Salado Draw 29 26 33 Fed
Com 5H, 6H 7H & 8H
API#30-025-42440;30-025-
42441: 30-025-42442 & 30-
025-42443
Lease # NMNM125653

WATER DISPOSAL ONSHORE ORDER #7

The following information is needed before your method of water disposal can be considered for approval.

1. Name(s) of formation (s) producing water on the lease.
Wildcat; Bone Spring

2. Amount of water produced from each formation in barrels per day.
Approximately 4000 bbls per day

3. How water is stored on the lease.
3 (750 Barrel Oil Tanks) 3 (750 Barrel Water Tanks)

4. How water is moved to disposal facility.
Pipelined to Maralo Sholes B SWD #2

5. Operators of disposal facility
 - a. Lease name or well name and number: Maralo Sholes B SWD #2
API# 30-025-09806

 - b. Location by ¼ ¼ Section, Township and Range of the disposal system: SWD facility is
located in Sect 25 Township 25S-Range 36E Lea County

 - c. The appropriate NMOCD permit number: SWD 1127

Rec'd 11-1-16

Form 3160-9
(December 1989)

161038

Number 17JLS20
Page ____ of ____

OPERATOR COPY

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Certified Mail - Return Receipt Requested
70090820000144004205

Hand Delivered Received by

NOTICE OF INCIDENTS OF NONCOMPLIANCE

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	12:03	Onshore Order #7, 43 CFR 3162.5-1(b)	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 approval for water disposal on file. Submit to this office on a Sundry Notice (3160-5) a NOI for a water disposal approval. 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 Honore-Murillo* Date **11/07/2016**

Company Comments **Please find attached BLM sundry and attached Water Disposal Onshore Order #7 for Salado Draw 29 26 33 Fed Com #5H; #6H; #7H and 8H.**

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 Lands 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 33	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	

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Disposal of Produced Water From Federal Wells
Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

7/10/14