

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT ARTESIA DISTRICT

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

HOBBS OCD
MAY 05 2017
RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS 17 2017
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.
NMLC065880

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
SALADO DRAW 19 26 33 FED COM 19

9. API Well No.
30-025-42661

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: CERRERAMURILLO@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 19 T26S R33E Mer NMP NWNW 200FNL 898FWL /

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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Plug and Abandon
	<input checked="" type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back

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 recompletable 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 recompletable 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 19 26 33 FED COM #1H API# 30-025-42661
SALADO DRAW 19 26 33 FED COM #2H API# 30-025-42662

PLEASE FORWARD TO JIM STATON REGARDING WRITTEN ORDER # 17JLS24. PLEASE FIND ATTACHED SIGNED NOTICE OF INCIDENT OF NON-COMPLIANCE.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



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

Electronic Submission #357156 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

Signature (Electronic Submission) Date 11/07/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By *[Signature]* Title EPs Date 3/29/17

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 CFD

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 19 26 33 Fed
Com #1H & #2H
API#30-025-42661 &
30-025-42662
Lease # NMLC065880A

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 200 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 11-2-16

161054

Form 3160-9
(December 1989)

Number 17JLS24
Page _____ of _____

OPERATOR COPY

Copy of Receipt Requested
70690820000144004199

Hand Delivered Received by

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Identification
IID NMNM135986
Lease NMLC065880A
CA NMNM135986
Unit
PA

NOTICE OF INCIDENTS OF NONCOMPLIANCE

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 SALADO DRAW 19 26 33 FED	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
10/27/2016	10:54	Onshore Order #7, 43 CFR 3162.5-1(b)	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
11/24/2016			43 CFR 3163.1(i)

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 Honera-Munillo* Date 11/07/2016

Company Comments Please find attached BLM sundry and attached Water Disposal Onshore Order #7 for Salado Draw 19 26 33 Fed Com #1H and #2H.

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 *[Signature]* Date 20161027 Time 10:54

FOR OFFICE USE ONLY

Number	Date	Assessment	Penalty	Termination
33				
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 19 26 33 FED COM	1H	L1	19	26S	33E	NMP	NMLC065880A	NM	LEA	
SALADO DRAW 19 26 33 FED COM	2H	L1	19	26S	33E	NMP	NMLC065880A	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