

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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

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.
NMNM118722

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

HOBBS OCD
MAY 08 2018
RECEIVED

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 14 T26S R32E SESE 215FSL 698FEL

8. Well Name and No.
SD WE 14 FEDERAL P7 3H

9. API Well No.
30-025-43086

10. Field and Pool or Exploratory Area
BONE SPRING

11. County or Parish, State
LEA COUNTY, NM

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
	<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 recomplate 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 NOTICE OF NON COMPLIANCE @ 18JLS74. THE SUNDRIES ON THE ABOVE WELLS WERE SUBMITTED TO BLM THROUGH WIS ON 09/20/2018. PLEASE SEE ATTACHED SUNDRIES SUBMITTED ALONG WITH A SIGNED COPY OF THE NOTICE OF NONCOMPLIANCE. EC # 389108 and EC#389087

ACCEPTED FOR RECORD
APR 25 2018
McKinney *UE*
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #411840 verified by the BLM Well Information System For CHEVRON USA INC, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/23/2018 ()

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

Signature (Electronic Submission) Date 04/17/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

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 _____

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.

Keed 4-16-18
V180402

OPERATOR COPY

Form 3160-9
(December 1989)

Number 18JLS74
Page of

Certified Mail - Return Receipt Requested
70160340000019468438

Hand Delivered Received by

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

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification
IID
Lease <u>NMNM118722</u>
CA
Unit
PA

Bureau of Land Management Office HOBBS INSPECTION OFFICE	Operator CHEVRON USA INC
Address 414 WEST TAYLOR HOBBS NM 88240	Address 1616 W. BENDER BLVD HOBBS NM 88240
Telephone 575.393.3612	Attention CINDY H MURILLO
Inspector STATON	Attn Addr 1616 W. BENDER BLVD HOBBS NM 88240

Site Name CARLSBAD FMT SALADO DRAW	Well/Facility/FMP CTB A	1/4 1/4 Section	Township 26S	Range 32E	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
04/09/2018	09:51	43 CFR 3162.5-1(b)	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
05/07/2018			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 H Murillo* Date 04/16/2018

Company Comments The sundries have been submitted to BLM on 09/20/2017. Please see attached sundries.

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(D)(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 \$35,000 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 22202 (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 20180409 Time 9:51

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 24 CTB	B				26S	32E	NMP		NM	LEA
SD WE 14 FEDERAL P7	3H	SESE	14		26S	32E	NMP	NMNM118722	NM	LEA
SD WE 14 FEDERAL P7	4H	SESE	14		26S	32E	NMP	NMNM118722	NM	LEA
SD WE 24 FED P23	1H	SWSW	24		26S	32E	NMP	NMNM118722	NM	LEA
SD WE 24 FED P23	2H	SWSW	24		26S	32E	NMP	NMNM118722	NM	LEA
SD WE 24 FED P23	3H	SESW	24		26S	32E	NMP	NMNM118722	NM	LEA
SD WE 24 FED P23	4H	SESW	24		26S	32E	NMP	NMNM118722	NM	LEA

Rec'd 4-16-18
V180402

OPERATOR COPY

Form 3160-9
(December 1989)

Number 18JLS74

Page of

Certified Mail - Return Receipt Requested
70160340000019468438

Hand Delivered Received by:

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

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
ID	
Lease	NMNM118722
CA	
Unit	
PA	

Bureau of Land Management Office HOBBS INSPECTION OFFICE	Operator CHEVRON USA INC
Address 414 WEST TAYLOR HOBBS NM 88240	Address 1616 W. BENDER BLVD HOBBS NM 88240
Telephone 575.393.3612	Attention CINDY H MURILLO
Inspector STATON	Attn Addr 1616 W. BENDER BLVD HOBBS NM 88240

Site Name CARLSBAD FMT SALADO DRAW	Well/Facility/FMP CTB A	1/4 1/4 Section	Township 26S	Range 32E	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
04/09/2018	09:51	43 CFR 3162.5-1(b)	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
05/07/2018			43 CFR 3163.1()

Remarks

This office does not have an 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 H Murillo* Date 04/16/2018

Company Comments The sundries have been submitted to BLM on 09/20/2017. Please see attached sundries.

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 *[Signature]* Date 20180409 Time 9:51

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 24 CTB	B			26S	32E	NMP		NM	LEA
SD WE 14 FEDERAL P7	3H	SESE 14		26S	32E	NMP	NMNM118722	NM	LEA
SD WE 14 FEDERAL P7	4H	SESE 14		26S	32E	NMP	NMNM118722	NM	LEA
SD WE 24 FED P23	1H	SWSW 24		26S	32E	NMP	NMNM118722	NM	LEA
SD WE 24 FED P23	2H	SWSW 24		26S	32E	NMP	NMNM118722	NM	LEA
SD WE 24 FED P23	3H	SESW 24		26S	32E	NMP	NMNM118722	NM	LEA
SD WE 24 FED P23	4H	SESW 24		26S	32E	NMP	NMNM118722	NM	LEA