

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

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

8. Well Name and No.
SD WE 14 FED P7 3HAPI Well No.
30-025-4308610. Field and Pool or Exploratory Area
JENNINGS; BONE SPRING11. County or Parish, State
LEA COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
CHEVRON U.S.A.Contact: LAURA BECERRA
E-Mail: LBECERRA@CHEVRON.COM3a. Address
6301 DEAUVILLE BLVD.
MIDLAND, TX 797063b. Phone No. (include area code)
Ph: 432-687-7665

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

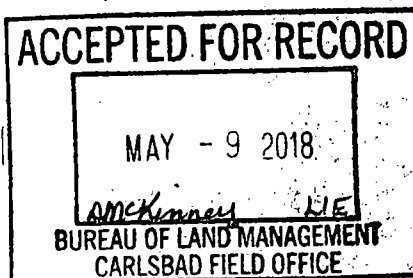
Sec. 14 T26S R32E Mer NMP SESE 215FSL 698FEL

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 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 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.

The attached document is in response to the Notice of Incidents of Noncompliance # 18JLS76 dated 4/9/2018.



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

Electronic Submission #413322 verified by the BLM Well Information System
For CHEVRON U.S.A., sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 05/04/2018 ()

Name (Printed/Typed) LAURA BECERRA

Title PERMITTING SPECIALIST

Signature (Electronic Submission)

Date 05/03/2018

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.

(Instructions on page 2)

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

Accepted for Record Only

MSB/ocd 5/31/2018

OPERATOR COPY

Rec'd 4-16-18

V180403

Number 18JLS76

Page of

<input checked="" type="checkbox"/>	Certified Mail - Return Receipt Requested 70160140000019468438
<input type="checkbox"/>	Hand Delivered Received by

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

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
ID	
Lease	NMNM118723
CA	
Unit	
FA	

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 CTB	Well/Facility/FMP CTB	1/4 1/4 Section 26S	Range 32E
		Township 26S	Meridian NMP
		County LEA	State NM
(SEE ATTACHED)			

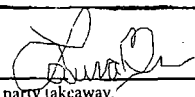
THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
04/09/2018	09:58	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 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 	Date 5/3/2018
Company Comments Chevron USA Inc does not dispose this water, it is either recycled or sent to 3rd party takeaway.		
See attached details and correct list of wells for 24 CTB and 23 CTB		

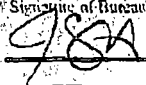
WARNING

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 20180409	Time 9:58
FOR OFFICE USE ONLY			
Number 33	Date	Assessment	Penalty
Type of Inspection PI			Termination

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 15 FED P12	1H	SESW 15		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 15 FED P12	2H	SESW 15		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 15 FED P12	3H	SESW 15		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 15 FED P12	4H	SESW 15		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 15 FED P9	5H	SWSE 15		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 15 FED P9	6H	SWSE 15		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 15 FED P9	7H	SWSE 15		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 15 FED P9	8H	SESE 15		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 23 FED P25	4H	SWSE 23		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 23 FED P25	5H	SESW 23		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 23 FED P25	6H	SESW 23		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 23 FED P25	7H	SWSE 23		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 23 FEDERAL P7	3H	SESE 14		26S	32E	NMP	NMNM118723	NM	LEA
SD WE 23 FEDERAL P7	4H	SESE 14		26S	32E	NMP	NMNM118723	NM	LEA

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.

Bone Spring

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

23 CTB: 7,700 BBLS

24 CTB: 5,500 BBLS

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.

Transfer pumps, recycle facility or 3rd party takeaway

- ## 5. Operators of disposal facility

- a. Lease name or well name and number: Chevron does not dispose this water – it either recycles or sends to third party takeaway.

- b. Location by ¼ ¼ Section, Township and Range of the disposal system

- c. The appropriate NMOC permit number:

Salado Draw (23 GIB) - Sec. 23, T26S-R32E NMP, Lea Co., NM				
WELL	API	LEASE	¼ Sec	
SD WE 15 FED P12 1H	30-025-43613	NMNM118723	SESW	Sec 15, T26S-R32E
SD WE 15 FED P12 2H	30-025-43594	NMNM118723	SESW	Sec 15, T26S-R32E
SD WE 15 FED P12 3H	30-025-43595	NMNM118723	SESW	Sec 15, T26S-R32E
SD WE 15 FED P12 4H	30-025-43596	NMNM118723		This well was not drilled
SD WE 15 FED P9 5H	30-025-43640	NMNM118723	SWSE	Sec 15, T26S-R32E
SD WE 15 FED P9 6H	30-025-43641	NMNM118723	SWSE	Sec 15, T26S-R32E
SD WE 15 FED P9 7H	30-025-43642	NMNM118723	SWSE	Sec 15, T26S-R32E
SD WE 15 FED P9 8H	30-025-43648	NMNM118723		This well was not drilled
SD WE 23 FED P25 4H	30-025-43463	NMNM118723		This well was not drilled
SD WE 23 FED P25 5H	30-025-43460	NMNM118723	SESW	Sec 23, T26S-R32E
SD WE 23 FED P25 6H	30-025-43461	NMNM118723	SESW	Sec 23, T26S-R32E
SD WE 23 FED P25 7H	30-025-43462	NMNM118723	SWSE	Sec 23, T26S-R32E
SD WE 14 FED P7 3H	30-025-43086	NMNM118723	SESE	Sec 14, T26S-R32E
SD WE 14 FED P7 4H	30-025-43087	NMNM118723	SESE	Sec 14, T26S-R32E

Salado Draw 24 (CTB) - Sec. 24, T26S-R32E NMP, Lea Co., NM				
WELL	API	LEASE	¼ Sec	
SD WE 24 FED P23 1H	30-025-43318	NMNM118722	SWSW	Sec 24, T26S-R32E
SD WE 24 FED P23 2H	30-025-43296	NMNM118722	SWSW	Sec 24, T26S-R32E
SD WE 24 FED P23 3H	30-025-43297	NMNM118722	SWSW	Sec 24, T26S-R32E
SD WE 24 FED P23 4H	30-025-43298	NMNM118722	SESW	Sec 24, T26S-R32E
SD WE 24 FED P24 5H	30-025-43674	NMNM118722	SESE	Sec 24, T26S-R32E
SD WE 24 FED P24 6H	30-025-43673	NMNM118722	SESE	Sec 24, T26S-R32E
SD WE 24 FED P24 7H	30-025-43675	NMNM118722	SESE	Sec 24, T26S-R32E