

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

HOBBBS OCD MAR 12 2019 RECEIVED

5. Lease Serial No. NMLC065876A 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. NNMN138439

SUBMIT IN TRIPLICATE - Other instructions on page 2

8. Well Name and No. SD WE 24 FED P24 6H 9. API Well No. 30-025-43673-00-S1 10. Field and Pool or Exploratory Area JENNINGS JENNINGS-UPPER BONE SPRING SH 11. County or Parish, State LEA COUNTY, NM

1. Type of Well Oil Well Gas Well Other 2. Name of Operator CHEVRON USA INC Contact: LAURA BECERRA E-Mail: LBECCERRA@CHEVRON.COM 3a. Address 1616 W. BENDER BLVD HOBBS, NM 88240 3b. Phone No. (include area code) Ph: 432-687-7665 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24 T26S R32E SESE 200FSL 1210FEL 32.021488 N Lat, 103.623729 W Lon

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

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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 recompleat 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.

ATTACHED YOU WILL FIND THE WATER DISPOSAL ONSHORE ORDER #7 FORM SALADO DRAW 24 CTB. THE INFORMATION APPLIES TO THE FOLLOWING WELLS:

- SD WE 24 FED P24 5H - 30-025-43640 SD WE 24 FED P24 6H - 30-025-43641 SD WE 24 FED P24 7H - 30-025-43642

THIS SUNDRY IS A CORRECTIVE ACTION TO ADDRESS NOTICE OF INCIDENTS OF NONCOMPLIANCE # 19JLS29, A COPY IS ATTACHED. INFORMATION HAS BEEN EMAILED TO JON STATON @ BLM.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #450275 verified by the BLM Well Information System For CHEVRON USA INC, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 01/11/2019. Name (Printed/Typed) LAURA BECERRA Title PERMITTING SPECIALIST Date 01/11/2019 Signature (Electronic Submission) THIS SPACE FOR FEDERAL OR STATE OFFICE USE FEB 13 2019 BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 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.

Handwritten signature/initials

**OPERATOR COPY**

V181212

Certified Mail - Return Receipt Requested  
70160340000019168667

Hand Delivered Received by

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

**NOTICE OF INCIDENTS OF NONCOMPLIANCE**

Identification
ID
Lease NMLC065876A
CA NMNM138439
Unit
PA

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

Site Name <b>SD WE 24 FED P24</b>	Well/Facility/FMP <b>6H</b>	1/4 1/4 Section <b>SESE 24</b>	Township <b>26S</b>	Range <b>32E</b>	Meridian <b>NMP</b>	County <b>LEA</b>	State <b>NM</b>
Site Name <b>(SEE ATTACHED)</b>	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
12/21/2018	08:57	43 CFR 3162.5-1(b)	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
01/18/2019			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  Date 1/11/2019

Company Comments Please find attached Water Disposal Onshore Order # 7 for SD WE 24 FED P24 wells 5H, 6H and 7H. Included you will also find the rest of the wells for Salado Draw 24 CTB, SD WE 24 FED P23 wells 1H, 2H, 3H and 4H.

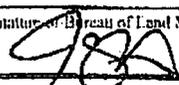
**WARNING**

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 20181221 Time 8:57

**FOR OFFICE USE ONLY**

Number <b>33</b>	Date	Assessment	Penalty	Termination
Type of Inspection <b>PI</b>				

Wells and/or Facilities and/or FMPs, continued

Site Name	Well/Facility/FMP	1/4	1/4	Sec	Twn	Range	Mer	Lease	State	County
SD WE 24 FED P24	7H			SESE 24	26S	32E	NMP	NMLC065876A	NM	LEA
SD WE 24 FED P24 CTB	SDWE24				26S	32E	NMP		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.  
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 3<sup>rd</sup> 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 NMOCD permit number:  
\_\_\_\_\_  
\_\_\_\_\_

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