

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.

HOBBS OCD
RECEIVED
JAN 24 2020

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator CHEVRON USA INCORPORATED		6. If Indian, Allottee or Tribe Name
Contact: CINDY H MURILLO E-Mail: CERRERAMURILLO@CHEVRON.COM		7. If Unit or CA/Agreement, Name and/or No. Multiple--See Attached
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0445	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool or Exploratory Area Multiple--See Attached
		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 checked="" 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 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 Venting and/or Flaring
	<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 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 recomplete 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 REQUESTING TO FLARE AT THE ABOVE LOCATION. SALADO DRAW 19 CTB PRODUCES APPROXIMATELY 250 MCF. THAT IS NOT FEASIBLE TO SWEETEN AND SELL THROUGH AN APPROVED FLARE STACK. THIS FLARING WILL CONTINUE TO REDUCE OVER TIME AND WILL BE NECESSARY THROUGH THE REMAINING ECONOMIC LIFE OF THE SALADO DRAW 19 UNIT. THE ASSOCIATED OIL PRODUCTION FROM THE EXISTING 19 BONE SPRING OIL PRODUCERS IS BETWEEN 400 -6000 BOPD. PRODUCED GAS IS FLARED AND THE TOTAL DAILY VOLUME IS MEASURED ON A THREE PHASE SEPARATOR. EACH THREE PHASE SEPARATOR WILL MEASURE THROUGH A CORILOIS METER ON THE OIL OUTLET LINE, GAS THROUGH AN ORFICE METER RUN WITH A TOTAL FLOW COMPUTER. WELL AFFECTED AT THE CTB ARE ATTACHED WITH API#S

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

Electronic Submission #498532 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 01/16/2020 (20PP0979SE)

Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 01/09/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JONATHON SHEPARD</u>	Title <u>PETROELUM ENGINEER</u>	Date <u>01/21/2020</u>
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 <u>Hobbs</u>

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

FOR RECORD ONLY

XJ NM OCD 3-27-20

Additional data for EC transaction #498532 that would not fit on the form

5. Lease Serial No., continued

NMNM132070
NMNM27506

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

NMNM135806
NMNM135966

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM27506	NMNM27506	SALADO DRAW 18 26 33 FED 3H	30-025-42278-00-S1	Sec 18 T26S R33E NENW 200FNL 1943FWL 32.035590 N Lat, 103.613078 W Lon
NMNM27506	NMNM27506	PORTER BROWN 1H	30-025-40802-00-S1	Sec 19 T26S R33E SESE 340FSL 340FEL
NMNM27506	NMNM27506	SALADO DRAW 18 26 33 FED 4H	30-025-42279-00-S1	Sec 19 T26S R33E NENW 200FNL 1993FWL 32.035590 N Lat, 103.612917 W Lon
NMNM27506	NMNM27506	SALADO DRAW 19 26 33 FED 3H	30-025-42280-00-S1	Sec 19 T26S R33E NENW 200FNL 1968FWL 32.035590 N Lat, 103.612998 W Lon
NMNM27506	NMNM27506	SALADO DRAW 19 26 33 FED 4H	30-025-42281-00-S1	Sec 19 T26S R33E NENW 200FNL 2018FWL 32.035590 N Lat, 103.612836 W Lon
NMNM27506	NMNM27506	SD EA 18 19 FED COM P15 16H	30-025-44088-00-S1	Sec 18 T26S R33E NENE 455FNL 980FEL 32.049538 N Lat, 103.605003 W Lon
NMNM27506	NMNM27506	SD EA 18 FEDERAL P6 5H	30-025-42795-00-S1	Sec 19 T26S R33E NWNE 266FNL 1778FEL
NMNM27506	NMNM27506	SD EA 18 FEDERAL P6 6H	30-025-42796-00-S1	Sec 19 T26S R33E NWNE 247FNL 1763FEL
NMNM27506	NMNM27506	SD EA 19 FEDERAL P6 5H	30-025-42797-00-S1	Sec 19 T26S R33E NWNE 227FNL 1747FEL
NMNM27506	NMNM27506	SD EA 19 FEDERAL P6 6H	30-025-42798-00-S1	Sec 19 T26S R33E NWNE 207FNL 1732FEL
NMNM27506	NMNM27506	SD EA 19 FEDERAL P6 7H	30-025-42799-00-S1	Sec 19 T26S R33E NWNE 188FNL 1716FEL
NMNM135806	NMNM27506	SALADO DRAW 18 26 33 FED COM P15 17H	30-025-42659-00-S1	Sec 19 T26S R33E NWNW 200FNL 879FVWL
NMNM135806	NMNM27506	SALADO DRAW 18 26 33 FED COM P15 17H	30-025-42660-00-S1	Sec 19 T26S R33E Lot 1 200FNL 923FWL
NMNM132070	NMNM132070	SD EA 18 19 FED COM P15 17H	30-025-44089-00-X1	Sec 18 T26S R33E NENE 455FNL 955FEL 32.049538 N Lat, 103.605919 W Lon
NMNM132070	NMNM132070	SD EA 18 19 FED COM P15 18H	30-025-44090-00-S1	Sec 18 T26S R33E NENE 455FNL 930FEL 32.049538 N Lat, 103.605858 W Lon
NMNM132070	NMNM132070	SD EA 18 19 FED COM P15 19H	30-025-44167-00-S1	Sec 18 T26S R33E NENE 455FNL 905FEL 32.049538 N Lat, 103.605759 W Lon
NMNM132070	NMNM132070	SD EA 18 19 FED COM P15 20H	30-025-44091-00-S1	Sec 18 T26S R33E NENE 455FNL 880FEL 32.049412 N Lat, 103.605209 W Lon
NMNM135996	NMLC065880A	SALADO DRAW 19 26 33 FED COM P15 17H	30-025-42661-00-S1	Sec 19 T26S R33E Lot 1 200FNL 898FWL
NMNM135996	NMLC065880A	SALADO DRAW 19 26 33 FED COM P15 17H	30-025-42662-00-S1	Sec 19 T26S R33E Lot 1 200FNL 948FWL

10. Field and Pool, continued

RED HILLS-WOLFCAMP, WEST (GAS)
SANDERS TANK-UPR WOLFCAMP
UNDESIGNATED
UNKNOWN
WC025G06S263319P-BONE SPRING
WC025G09S263327G-UP WOLFCAMP
WILDCAT;WOLFCAMP

Revisions to Operator-Submitted EC Data for Sundry Notice #498532

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	FLARE NOI	FLARE NOI
Lease:	NMNM27506	NMNM132070 NMNM27506
Agreement:		NMNM135806 (NMNM135806) NMNM135966 (NMNM135996)
Operator:	CHEVRON USA INC 6301 DEAUVILLE BLVD MIDLAND, TX 79706 Ph: 575-263-0431	CHEVRON USA INCORPORATED 6301 DEAUVILLE BLVD MIDLAND, TX 79706 Ph: 432.687.7100 Fx: 432-687-7221
Admin Contact:	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-263-0445	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-263-0445
Tech Contact:	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-263-0445	CINDY H MURILLO PERMITTING SPECIALIST E-Mail: CERRERAMURILLO@CHEVRON.COM Ph: 575-263-0431 Fx: 575-263-0445
Location:		
State:	NM	NM
County:	LEA	LEA
Field/Pool:	WILDCAT BONE SPRING	BONE SPRINGS JENNINGS RED HILLS-WOLFCAMP, WEST (GAS) SANDERS TANK-UPR WOLFCAMP UNDESIGNATED UNKNOWN WC025G06S263319P-BONE SPRING WC025G09S263327G-UP WOLFCAMP WILDCAT;WOLFCAMP
Well/Facility:	SALADO DRAW 18 26 33 FEDERAL 3H Sec 18 T26S R33E NENW 200FNL 1943FWL	SALADO DRAW 18 26 33 FED 3H Sec 18 T26S R33E NENW 200FNL 1943FWL 32.035590 N Lat, 103.613078 W Lon PORTER BROWN 1H Sec 19 T26S R33E SESE 340FSL 340FEL SALADO DRAW 18 26 33 FED 4H Sec 19 T26S R33E NENW 200FNL 1993FWL 32.035590 N Lat, 103.612917 W Lon SALADO DRAW 19 26 33 FED 3H Sec 19 T26S R33E NENW 200FNL 1968FWL 32.035590 N Lat, 103.612998 W Lon SALADO DRAW 19 26 33 FED 4H Sec 19 T26S R33E NENW 200FNL 2018FWL 32.035590 N Lat, 103.612836 W Lon SD EA 18 19 FED COM P15 16H Sec 18 T26S R33E NENE 455FNL 980FEL 32.049538 N Lat, 103.606003 W Lon SD EA 18 FEDERAL P6 5H Sec 19 T26S R33E NWNE 266FNL 1778FEL SD EA 18 FEDERAL P6 6H Sec 19 T26S R33E NWNE 247FNL 1763FEL SD EA 19 FEDERAL P6 5H Sec 19 T26S R33E NWNE 227FNL 1747FEL SD EA 19 FEDERAL P6 6H Sec 19 T26S R33E NWNE 207FNL 1732FEL SD EA 19 FEDERAL P6 7H Sec 19 T26S R33E NWNE 188FNL 1716FEL SALADO DRAW 18 26 33 FED COM 1H Sec 19 T26S R33E NWNW 200FNL 879FWL SALADO DRAW 18 26 33 FED COM 2H Sec 19 T26S R33E Lot 1 200FNL 923FWL SD EA 18 19 FED COM P15 17H Sec 18 T26S R33E NENE 455FNL 955FEL 32.049538 N Lat, 103.605919 W Lon SD EA 18 19 FED COM P15 18H Sec 18 T26S R33E NENE 455FNL 930FEL 32.049538 N Lat, 103.605858 W Lon SD EA 18 19 FED COM P15 19H

Sec 18 T26S R33E NENE 455FNL 905FEL
32.049538 N Lat, 103.605759 W Lon
SD EA 18 19 FED COM P15 20H
Sec 18 T26S R33E NENE 455FNL 880FEL
32.049412 N Lat, 103.605209 W Lon
SALADO DRAW 19 26 33 FED COM 1H
Sec 19 T26S R33E Lot 1 200FNL 898FWL
SALADO DRAW 19 26 33 FED COM 2H
Sec 19 T26S R33E Lot 1 200FNL 948FWL

BUREAU OF LAND MANAGEMENT

**Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Conditions of Approval to Flare Gas

1. Approval not to exceed 180 days from date of submission.
2. All flaring under this request is considered to be "avoidably lost" per 43 CFR 3179.4(a)(2)(i - iii). Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "33".

Exceptions:

- a. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free (43 CFR 3179.103(a)). Flared volumes that are considered unavoidably lost are not to be included in Sundry Notice (Form 3160-5). These Volumes are not royalty bearing and shall be reported on OGOR "B" as either disposition code "21" or "22".
- b. If the operator believes that the flared volumes were "unavoidably lost", the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.101 - 3179.104.