

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
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. NMNM118722
2. Name of Operator CHEVRON USA INC Contact: CINDY H MURILLO E-Mail: CERRERAMURILLO@CHEVRON.COM		6. If Indian, Allottee or Tribe Name
3a. Address 1616 W. BENDER BLVD HOBBS, NM 88240	3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0445	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		8. Well Name and No. Multiple--See Attached
		9. API Well No. Multiple--See Attached
		10. Field and Pool or Exploratory Area JENNINGS JENNINGS-UPPER 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 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 23 CTB PRODUCES APPROXIMATELY 900 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 23 UNIT. THE ASSOCIATION 3000 -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 #498530 verified by the BLM Well Information System
For CHEVRON USA INC, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 01/15/2020 (20PP0978SE)**

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>JONATHAN 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 Hobbs		

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 FOR RECORD
27 NMOC 3-27-20

Additional data for EC transaction #498530 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM118722	NMNM118722	SD WE 15 FED P12 1H	30-025-43613-00-S1	Sec 15 T26S R32E SESW 52FSL 1385FWL 32.035721 N Lat, 103.666924 W Lon
NMNM118722	NMNM118722	SD WE 15 FED P12 2H	30-025-43594-00-S1	Sec 15 T26S R32E SESW 52FSL 1410FWL 32.035725 N Lat, 103.666840 W Lon
NMNM118722	NMNM118722	SD WE 23 FEDERAL P 5 2H	30-025-42803-00-S1	Sec 14 T26S R32E SWSW 10FSL 698FWL
NMNM118722	NMNM118722	SD WE 14 FEDERAL P 5 1H	30-025-42800-00-S1	Sec 14 T26S R32E SWSW 10FSL 623FWL
NMNM118722	NMNM118722	SD WE 14 FEDERAL P 5 2H	30-025-42801-00-S1	Sec 14 T26S R32E SWSW 10FSL 673FWL
NMNM118722	NMNM118722	SD WE 14 FEDERAL P7 3H	30-025-43086-00-S1	Sec 14 T26S R32E SESE 215FSL 698FEL
NMNM118722	NMNM118722	SD WE 14 FEDERAL P7 4H	30-025-43087-00-S1	Sec 14 T26S R32E SESE 215FSL 648FEL
NMNM118722	NMNM118722	SD WE 15 FED P12 3H	30-025-43595-00-S1	Sec 15 T26S R32E SESW 52FSL 1435FWL 32.035723 N Lat, 103.666763 W Lon
NMNM118722	NMNM118722	SD WE 15 FED P12 4H	30-025-43596-00-X1	Sec 15 T26S R32E SESW 52FSL 1460FWL 32.035725 N Lat, 103.666679 W Lon
NMNM118722	NMNM118722	SD WE 15 FED P9 5H	30-025-43640-00-S1	Sec 15 T26S R32E SWSE 12FSL 1471FEL 32.035507 N Lat, 103.658478 W Lon
NMNM118722	NMNM118722	SD WE 15 FED P9 6H	30-025-43641-00-S1	Sec 15 T26S R32E SWSE 12FSL 1446FEL 32.035507 N Lat, 103.658394 W Lon
NMNM118722	NMNM118722	SD WE 15 FED P9 7H	30-025-43642-00-S1	Sec 15 T26S R32E SWSE 12FSL 1421FEL 32.035507 N Lat, 103.658318 W Lon
NMNM118722	NMNM118722	SD WE 15 FED P9 8H	30-025-43648-00-X1	Sec 15 T26S R32E SESE 12FSL 1396FEL 32.035507 N Lat, 103.658234 W Lon
NMNM118722	NMNM118722	SD WE 23 FED P25 4H	30-025-43463-00-X1	Sec 23 T26S R32E SWSE 260FSL 2678FWL 32.021484 N Lat, 103.641922 W Lon
NMNM118722	NMNM118722	SD WE 23 FED P25 5H	30-025-43460-00-S1	Sec 23 T26S R32E SESW 260FSL 2603FWL 32.021484 N Lat, 103.645325 W Lon
NMNM118722	NMNM118722	SD WE 23 FED P25 6H	30-025-43461-00-S1	Sec 23 T26S R32E SESW 260FSL 2628FWL 32.021484 N Lat, 103.645241 W Lon
NMNM118722	NMNM118722	SD WE 23 FED P25 7H	30-025-43462-00-S1	Sec 23 T26S R32E SWSE 260FSL 2653FWL 32.021484 N Lat, 103.645164 W Lon
NMNM118722	NMNM118722	SD WE 23 FEDERAL P 5 1H	30-025-42802-00-S1	Sec 14 T26S R32E SWSW 10FSL 648FWL
NMNM118722	NMNM118722	SD WE 23 FEDERAL P7 3H	30-025-43088-00-S1	Sec 14 T26S R32E SESE 215FSL 673FEL
NMNM118722	NMNM118722	SD WE 23 FEDERAL P7 4H	30-025-43089-00-S1	Sec 14 T26S R32E SESE 215FSL 623FEL

Revisions to Operator-Submitted EC Data for Sundry Notice #498530

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	FLARE NOI	FLARE NOI
Lease:	NMNM118722	NMNM118722
Agreement:		
Operator:	CHEVRON USA INC 6301 DEAUVILLE BLVD MIDLAND, TX 79706 Ph: 575-263-0431	CHEVRON USA INC 1616 W. BENDER BLVD HOBBS, NM 88240 Ph: 575-263-0431
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:	JENNINGS-UPPER BONE SPRIN	JENNINGS JENNINGS-UPPER BONE SPRING SHA
Well/Facility:	SD WE 23 FEDERAL P5 2H Sec 14 T26S R32E SWSW 10FSL 698FWL	SD WE 15 FED P12 1H Sec 15 T26S R32E SESW 52FSL 1385FWL 32.035721 N Lat, 103.666924 W Lon SD WE 15 FED P12 2H Sec 15 T26S R32E SESW 52FSL 1410FWL 32.035725 N Lat, 103.666840 W Lon SD WE 23 FEDERAL P 5 2H Sec 14 T26S R32E SWSW 10FSL 698FWL SD WE 14 FEDERAL P 5 1H Sec 14 T26S R32E SWSW 10FSL 623FWL SD WE 14 FEDERAL P 5 2H Sec 14 T26S R32E SWSW 10FSL 673FWL SD WE 14 FEDERAL P7 3H Sec 14 T26S R32E SESE 215FSL 698FEL SD WE 14 FEDERAL P7 4H Sec 14 T26S R32E SESE 215FSL 648FEL SD WE 15 FED P12 3H Sec 15 T26S R32E SESW 52FSL 1435FWL 32.035723 N Lat, 103.666763 W Lon SD WE 15 FED P12 4H Sec 15 T26S R32E SESW 52FSL 1460FWL 32.035725 N Lat, 103.666679 W Lon SD WE 15 FED P9 5H Sec 15 T26S R32E SWSE 12FSL 1471FEL 32.035507 N Lat, 103.658478 W Lon SD WE 15 FED P9 6H Sec 15 T26S R32E SWSE 12FSL 1446FEL 32.035507 N Lat, 103.658394 W Lon SD WE 15 FED P9 7H Sec 15 T26S R32E SWSE 12FSL 1421FEL 32.035507 N Lat, 103.658318 W Lon SD WE 15 FED P9 8H Sec 15 T26S R32E SESE 12FSL 1396FEL 32.035507 N Lat, 103.658234 W Lon SD WE 23 FED P25 4H Sec 23 T26S R32E SWSE 260FSL 2678FWL 32.021484 N Lat, 103.641922 W Lon SD WE 23 FED P25 5H Sec 23 T26S R32E SESW 260FSL 2603FWL 32.021484 N Lat, 103.645325 W Lon SD WE 23 FED P25 6H Sec 23 T26S R32E SESW 260FSL 2628FWL 32.021484 N Lat, 103.645241 W Lon SD WE 23 FED P25 7H Sec 23 T26S R32E SWSE 260FSL 2653FWL 32.021484 N Lat, 103.645164 W Lon SD WE 23 FEDERAL P 5 1H Sec 14 T26S R32E SWSW 10FSL 648FWL

SD WE 23 FEDERAL P7 3H
Sec 14 T26S R32E SESE 215FSL 673FEL
SD WE 23 FEDERAL P7 4H
Sec 14 T26S R32E SESE 215FSL 623FEL

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.