

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

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.

JUN 05 2020

SUBMIT IN TRIPLICATE - Other instructions on page 2 **RECEIVED**

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		6. If Indian, Allottee or Tribe Name
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79870-6		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 575-263-0431 Fx: 575-263-0445		8. Well Name and No. SD WE 23 FEDERAL P5 2H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T26S R32E SWSW 10FSL 698FWL		9. API Well No. 30-025-42803
		10. Field and Pool or Exploratory Area JENINGS-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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Venting and/or Flaring
	<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 AND FLARES 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 THROUGHOUT THE REMAINING ECONOMIC LIFE OF THE SALADO DRAW 23 CTB. THE ASSOCIATED OIL PRODUCTION FROM THE EXISTING 23 BONE SPRING OIL PRODUCERS IS BETWEEN 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 OIL THROUGH A CORILOIS METER ON THE OUTLET LINE. GAS WELLS AFFECTED AT THE CTB ARE ATTACHED WITH API#'S

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

**Electronic Submission #507964 verified by the BLM Well Information System
For CHEVRON USA INC, sent to the Hobbs**

Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 03/23/2020

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 ****

XZ NMOC

Accepted for Record Only

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.