

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia  
NEW OIL CONSERVATION  
ARTESIA DISTRICT

FORM APPROVED  
OMB No 1004-0137  
Expires January 31, 2018

MAY 11 2017

5 Lease Serial No NMLC029419A

6 If Indian, Allottee or Tribe Name

**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.**

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

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2 Name of Operator

Chevron U.S.A. Inc.

3a Address 6301 Deauville Blvd. Rm #N3002  
Midland, TX 79706

3b Phone No (include area code)  
(432) 687-7279

7 If Unit of CA Agreement, Name and/or No  
NMNM71030C

8 Well Name and No SKELLY UNIT #754

9 API Well No 30-015-38283

10 Field and Pool or Exploratory Area  
FREN; GLORIETA-YESO

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

1650' FSL & 1650' FEL, Sec 22, T 17S, R31E

11 Country or Parish, State  
EDDY CO., NM

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Hydraulic Fracturing

☐ New Construction

☒ Plug and Abandon

☐ Plug Back

TYPE OF ACTION

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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.)

1. NOTIFY BLM 24 HRS BEFORE OPERATIONS.

2. SET CIBP@5050' AND SPOT 25SX THRU TUBING ON TOP OR DUMPBAIL 35' OF CEMENT ON TOP

3. CIRCULATE WELLBORE WITH MLF.

4. SPOT 25SX OF CLASS "C" CEMENT FROM 3600'-3400' (SAN ANDRES)

4. SPOT 25SX OF CLASS "C" CEMENT FROM 1890'-1690' WOC&TAG. (B.SALT/SHOE)

5. SPOT 80SX OF CLASS "C" CEMENT FROM 690'-SURFACE. (T.SALT/SHOE/FW/SURFACE)

6. CLEAN LOCATION, CUT-OFF WELLHEAD, INSTALL DRY OLE MARKER AND TURNOVER FOR REMEDIATION

ALL FLUIDS WILL BE IN CLOSED SYSTEM.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

*Below ground Abandonment marker required*

14 I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

M LEE ROARK lroark@chevron.com

PROJECT MANAGER

Title

Signature

*M. Lee Roark*

Date

04/26/2017

Accepted for record  
MMOCD  
R.L.B.

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

*MS Wells*

Title

*Eng*

Date

*5/4/17*

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

*CFO*

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)

## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13* - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

**PRINCIPAL PURPOSE:** The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

**ROUTINE USES:** Information from the record and or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

**EFFECT OF NOT PROVIDING THE INFORMATION:** Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

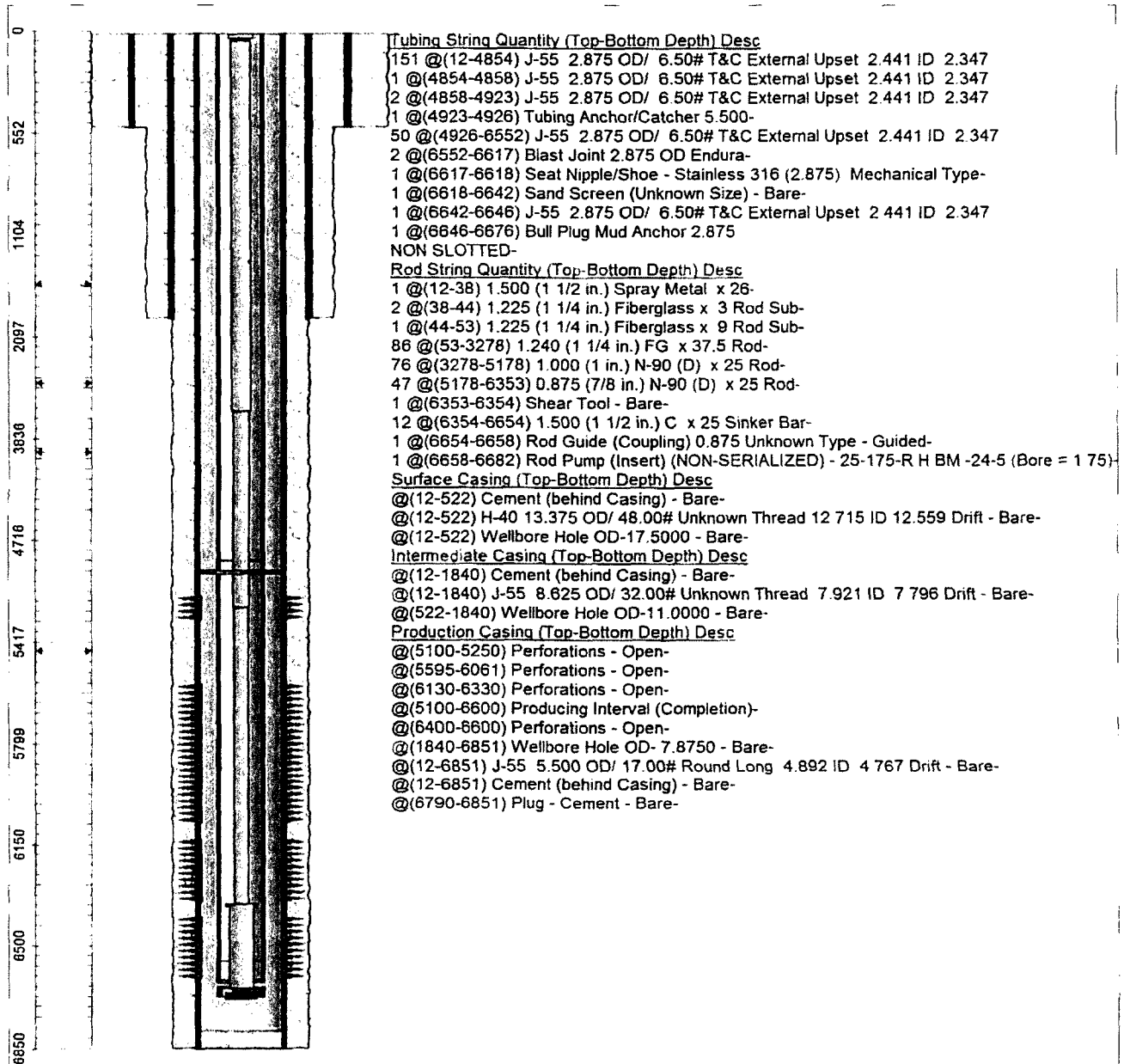
**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

# CURRENT

## Chevron U.S.A. Inc. Wellbore Diagram : SU 754



[Lease] OHO HOBBS FMT [Well No.] SKELLY UNIT 754 754 [Field] FREN (MORROW)  
 [Location] 1650FSL1650FEL [Sec.] N/A [Blk] \_\_\_\_\_ [Survey] N/A  
 [County] Eddy [St.] New Mexico [Refno] NC1754 [API] 3001538283 [Cost Center] UCPH61200  
 [Section] E031 [Township] 22 [Range] S017  
 [Current Status] ACTIVE [Dead Man Anchors Test Date] 06/15/2012  
 [Directions] \_\_\_\_\_



[Ground Elevation (MSL)] 3840.00 [Spud Date] 08/02/2011 [Compl. Date] 09/07/2011  
 [Well Depth Datum] Kelly Bushing [Elevation (MSL)] 3852.00 [Correction Factor] 12.00  
 [Last Updated by] acostide [Date] 10/01/2013  
 [null] null [null] null

**SKELLY UNIT #754**  
**PROPOSED**

Created: 04/28/17 By: lrqs  
 Updated: 04/28/17 By: LRQS  
 Lease: SKELLY UNIT  
 Field: FREN  
 Surf. Loc.: 1650' FSL & 1650' FEL  
 Bot. Loc.:  
 County: Lea St.: NM  
 Status:

Well #: 754 St. Lse:  
 API 30-015-38283  
 Unit Ltr.: Section: 22  
 TSHP/Rng: 17 S 31 E  
 Unit Ltr.: Section:  
 TSHP/Rng:  
 Directions:  
 Chevno:

**Surface Casing**

Size: 13-3/8"  
 Wt., Grd.: 48#  
 Depth: 522'  
 Sxs Cmt: 500  
 Circulate: YES  
 TOC: SURFACE  
 Hole Size: 17-1/2"

**Intermediate Casing**

Size: 8-5/8"  
 Wt., Grd.: 32#  
 Depth: 1840'  
 Sxs Cmt: 600  
 Circulate: YES  
 TOC: SURFACE  
 Hole Size: 11"

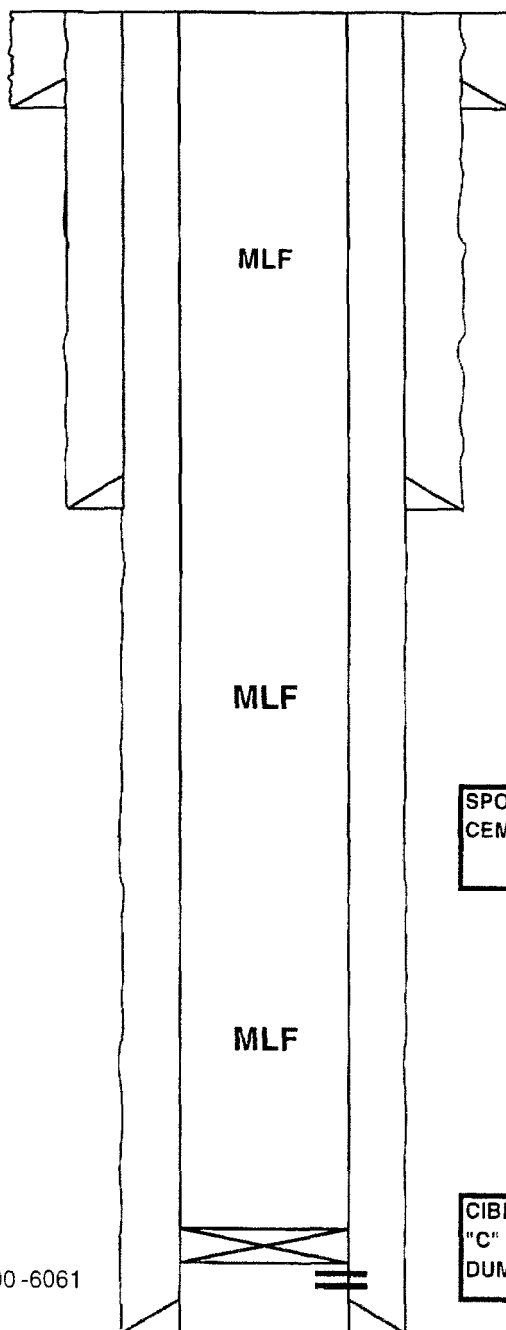
**Production Casing**

Size: 5-1/2"  
 Wt., Grd.: 17#  
 Depth: 6851'  
 Sxs Cmt: 1050'  
 Circulate: YES  
 TOC: SURFACE  
 Hole Size: 7-7/8"

**FORMATION TOPS**

T. Salt 639'  
 B. Salt 1769'  
 San Andres 3554'

PERFS: 5100-6061



SPOT 80SX OF CLASS "C" CEMENT  
FROM 690' TO SURFACE.

SPOT 25SX OF CLASS "C" CEMENT  
FROM 1890' TO 1690'. WOC&TAG.

SPOT 25SX OF CLASS "C"  
CEMENT FROM 3600' TO 3400'.

CIBP @ 5,050' + 25SX OF CLASS  
"C" CEMENT ON TOP OR  
DUMPBAIL 35'.

PBTD: 6790'  
 TD: 6860'

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

**Permanent Abandonment of Federal Wells**  
**Conditions of Approval (LPC Habitat)**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon.

**If you are unable to plug the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.**

**The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.**

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10<sup>th</sup> day, the BLM is to be contacted with justification to receive an extension for completing the cut off.** Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

**Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:**

From March 1<sup>st</sup> through June 15<sup>th</sup> annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted