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Form 3160-5 UNITED STATES (April 2004) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT			FORM APPROVED OM B No. 1004-0137 Expires March 31, 2007 5, Lease Serial No. Services Serial No.				
	Y NOTICES AND REP			6 If Indian, Allor			
DO NOT USE abandoned	this form for proposals t well. Use Form 3160-3 (API CONTRACTOR	WED.	ev if plants may			
SUBMIT IN T	RIPLICATE- Other instr	ructions on revers	e side.	7. If Unit or CAM	Agreement, Name and/or No.		
1. Type of Well Oil Well O	Gas Welling Other	JUL 07	2011	8. Well Name and	1 No		
2. Name of Operator Charges Middentisent I. P. Farmington Field Office		eld Office	Rincon Unit #39 9. API Well No.				
3a, Address		Bureau of Land I 3b. Phone No. (include a	nea code)	30-039-0690			
·	15 Smith Rd., Midland, TX 79705 432-561-8600			10. Field and Prol, or Exploratory Area Blanco (Pictured Cliffs)			
· •	4 Location of Well (Footoge, Sec., T., R., M., or Survey Description)			11. County or Parish, State			
1647' FNL & 1516' FWL	UL F, Sec. 26-T27N-R7W 1647' FNL & 1516' FWL			Rio Arriba, NM			
12. CHECK	APPROPRIATE BOX(E5) TO	INDICATE NATURI	OF NOTICE,. R	EPORT, OR OT	HER DATA		
TYPE OF SUBMISSION		TYP	E OF ACTION				
Notice of Intent	Acidize Alter Casing Casing Repair	Deepen Fracture Treat New Construction	Production (Statemention Recomplete	rt/Rcsumc)	Water Shut-Off Well Integrity Other		
Subsequent Report	Change Plans	Plug and Abandon	Temperarily At	mandon			
Final Ahundonment Notice	Convert to Injection	Plug Back	Mater Disposal				
If the proposal is to deepen of Attach the Bond under which to lowing completion of the testing has been completed, determined that the site is recommend. 1. Notify BLM. 2. Spot 40sx co. 3. Displace ho. 4. Perfected sq. 5. Perfected sq.	I/OCD 24 hrs. prior to ement plug from 3159 le w/MLF. ueeze 70sx cement plu ueeze 100sx cement p	ly, give subsurface location ride the Bond No. on file we results in a multiple completion of MI and RU. O'-2959'. (P.C./s 2553-1-2 Slug from 253-1-2 Slug from 1445-1	s and measured and on ith BLMBIA. Require etion or recompletion increts, including reclamate, including reclamate the etion of the etio	ne vertical depths of the subsequent report in a new interval, a Flaction, have been core TAG. TAG. nd). nd/Ojo Alar	all pertinent markers and zones. s shall be filed within 30 days orm 31 f0-4 shall be filed once inplemed, and the operator has		
6. Perf and sq 7. Install dryh	ueeze 100sx cement p ole marker	_		'surface) W	OC&TAG.		
	C	SEE ATTAC ONDITIONS O	HED FOR F APPROV	AL .			
14. Thereby certify that the for Name (Printed/Typed)	oregoing is true and correct	ı			-		
M. Lee Roark		Titte	Agent for Chevron	USA, Inc.	,		
Signature U. L	Kinek	Date		07/06/2011			
	THIS SPACE FOR	FEDERAL OR S	TATE OFFICE	USE			
Amounth 2	1 m		itle RS	Date	JUL 0 8 2011		

Approved by

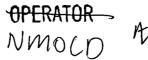
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any files, fictilious or freudulent statements or representations as to any matter within its jurisdiction.

Title

Office

F-00

(Instructions on page 2)



Battom

1248

1345

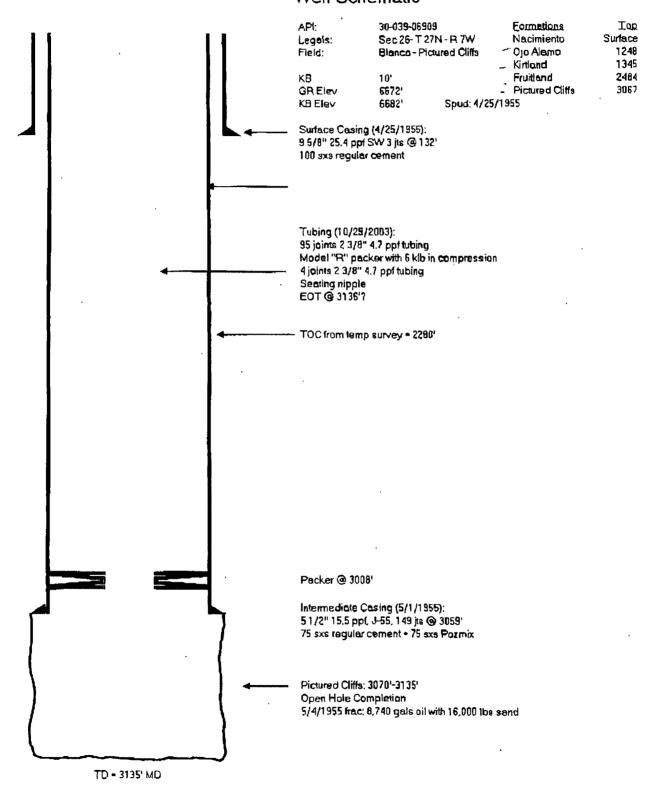
2484

3067

3150



Rincon 39 Rio Arriba County, New Mexico Well Schematic



Prepared by: Date Olie Lorehn 8/6/2010 Revised by: Date:

07/08/2011 11:42 5055998998		BLM F	FO				PAGE
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PLUGGING & ABANDON	MENT WO	RKSH	EET	•.	(2 STRIN	ig CSI	(B)
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MLE	LINER 2						
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5/2"	CLUTILES (MALLES)]•	nuo	TYPE	BACKS	DEPTH
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TOC 2280'	O.Est			THE CO			****
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BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work can be submitted with a Sundry Notice.

- 1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location.
- 2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils may be remediated on-site according to these guidelines or disposed of in an approved disposal facility.
- 3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped to a minimum of 12" before seeding.
- 4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to detour vehicular travel. Access will be ripped to a minimum of 12" in depth and waterbarred prior to seeding. All erosion problems created by the development must be corrected prior to acceptance of release. Waterbars should be spaced as shown below:

% Slopes	Spacing Interval				
Less than 20%	200'				
2 to 5%	150'				
6 to 9%	100'				
10 to 15%	50'				
Greater than 15%	30'				

All water bars should divert to the downhill side of the road.

- 5. All disturbed areas will be seeded with the prescribed certified seed mix (resceding may be required).
- 6. Notify Surfacing Managing Agency seven (7) days prior to seeding so that they may be present for that option.
- 7. The period of liability under the bond of record will not be terminated until the lease is inspected and the surface rehabilitation approved.

Other SMA's may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us.

On private land, we should be provided with a letter from the fee owner stating that the surface restoration is satisfactory.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT FARMINGTON DISTRICT OFFICE

1235 LA PLATA HIGHWAY FARMINGTON, NEW MEXICO 87401

Attachment	to	notice	φĺ
Intention to	Ab	andon	:

Re: Permanent Abandonment

Well: 39 Rincon Unit

CONDITIONS OF APPROVAL

- 1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
- 2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
- 3. The following modifications to your plugging program are to be made:
- a) Place the Fruitland plug from 2858' 2758'.
- b) Place the Kirtland/Ojo Alamo plug from 2494' 2139'.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.

GENERAL REQUIREMENTS FOR PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES FARMINGTON FIELD OFFICE

- 1.0 The approved plugging plans may contain variances from the following minimum general requirements.
 - 1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.
 - 1.2 Requirements may be added to address specific well conditions.
- 2.0 Materials used must be accurately measured. (densimeter/scales)
- 3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.
 - 3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.
- 4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.
 - 4.1 The cement shall be as specified in the approved plugging plan.
 - 4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
 - 4.3 Surface plugs may be no less than 50' in length.
 - 4.4 All coment plugs placed to fill annular void(s) between easing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
 - 4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.
 - 4.6 A cement bond log or other accepted cement evaluation tool is required to be run if one had not been previously run or cement circulated to surface during the original casing cementing job or subsequent cementing jobs.

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- 5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.
 - 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.
 - 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.
 - 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
- 6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.
 - 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
 - 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.
- 7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zonc(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H₂S.
- 8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 1235 La Plata Highway, Suite A, Farmington, NM 87401. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.
- 9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.
- 10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.