

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**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.*FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 20185. Lease Serial No.
NMNM118722
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.**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		8. Well Name and No. SD WE 24 FEDERAL P23 002H
2. Name of Operator CHEVRON U.S.A. INC. / Contact: DENISE PINKERTON E-Mail: leakejd@chevron.com		9. API Well No. 30-025-43296
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706	3b. Phone No. (include area code) Ph: 432-687-7375	10. Field and Pool or Exploratory Area BONE SPRING
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24 T26S R32E Mer NMP SWSW 260FSL 1308FWL		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 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 checked="" 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 Drilling Operations
	<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 recomple 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 recomple 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.

THIS REPORT IS FOR THE SPUD & DRILLING OPERATIONS OF THIS NEW WELL.

PLEASE SEE ATTACHED REPORT FOR SPUD, SURFACE CASING, INTERMEDIATE CASING, & PRODUCTION CASING, CEMENTING INFORMATION, AND RELEASE OF RIG.

ALSO FIND ATTACHED, THE DIRECTIONAL SURVEY, AND CASING AND CEMENTING INFORMATION.

THIS WELL IS CURRENTLY BEING COMPLETED AND PRODUCTION START UP WILL BE SUBMITTED UPON COMPLETION.

08/20/2016: SPUD WELL
08/21/2016: SET SURFACE CASING AT 749'
08/27/2016 THROUGH 08/31/2016: DRILLED 769 - 4620

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

**Electronic Submission #360464 verified by the BLM Well Information System
For CHEVRON U.S.A. INC., sent to the Hobbs**

Name (Printed/Typed) DENISE PINKERTON

Title PERMITTING SPECIALIST

Signature (Electronic Submission)

Date 12/09/2016

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 ****

SD WE 24 FED P23 No. 2H

Nabors X-30 began drilling the 17 ½" hole on 08/20/2016

Surface Casing

TD 17 ½" hole at 759' on 08/20/2016.

Ran 13 3/8", 54.5#, J-55, STC surface casing and set @ 749'.

Centralizer placed 10' above float shoe, 10' above the FC, and every 3rd joint to surface.

Cemented with:

Tail – 844 sx Class "C" Yield: 1.33, Fluid Mix Ratio: (gals/sack) 6.36, Density: 14.80

Install wellhead. NU BOP. Test BOPE to 250L/5000H. 08/26/2016.

Intermediate Casing

TD 12 ¼" hole at 4620' on 08/30/2016.

Ran 9 5/8", 40#, HCK-55, LTC casing and set @ 4524'.

Centralized with 14 bow spring centralizers, 3 on shoe track, 1 bow spring centralizer every 4 joints to 2000'.

Cemented with:

Lead – 1030 sx, Class "C", Yield: 2.41, 442 bbls @ 11.9ppg, Fluid Mix Ratio (gals/sk) 13.86, Density – 11.90

Tail – 460 sx Class "C", Yield: 1.33, 109 bbls @ 14.8ppg, Fluid Mix Ratio (gals/sk) 6.37, Density – 14.80

Displace w/343 bbls 9.0ppg OBM.

Bump plug w/500psi over final circ pressure @ 1100psi.

Circulated 160 bbls cmt to surface.

Full returns throughout job.

Install wellhead. NU BOP.

Test BOPE 250L/5000H. 10/17/2016. Pressure test csg to 2918psi for 30 mins. Good.

Production Casing

TD 8 ¾" hole at 19,261' on 11/01/2016

Ran 5 ½", 20#, P-110, TXP-BTC casing and set @ 19,246'.

Circulate 1.5 B/U through casing valve. Losses of 65bph @ 5.2bpm. Total losses while circulating – 228 bbls.

Cemented with:

Lead 1 – 625 sx class "H" with 7.5%D020 + 0.02 gal/sk D047 = 47 lb/sk D909 + 2lb/sk B289 + 8% D154 + 0.2% D065 + 2 lb/sk B288 + 37 lb/sk D035. Yield – 2.72, Fluid Mix Ratio (gals/sack) 15.90

Lead 2 – 2120 sx Class "H" with 0.54% D238 + 0.05% D208 + 75% D049 + 0.092 gals/sk D-047 + 0.4% D013 + 3% D020 + 0.2% D065. Yield – 1.60, Fluid Mix Ratio (gal/sk) 8.62, Density – 12.50.

Tail – 121 sx Class "H" with 0.1%D800 + 0.4% D255 + 0.02 gal/sk D047 + 94% D909 + 75% D151 + 0.1% D208 + 0.2% D065. Yield – 2.18, Fluid Mix Ratio (gal/sk) 9.56, Density – 15.00.

Displacement – 420 bbls fresh water.

Pressure Test Prod csg to 500L/3500H. Final circ press – 1800psi @ 4 BPM.

Bump plug 500psi over FCP @ 2300psi. Lost returns @ 137 bbls into displacement.

Cmt in place @ 14:43 hrs. 11/04/2016.

Release rig @ 20:00 hrs 11/04/2016.