

# OCD-ARTESIA

Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No 1004-0137  
Expires July 31, 2010

**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.**

5 Lease Serial No  
NM-045272

6 If Indian, Allottee or Tribe Name

**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.

4323

3a. Address  
15 SMITH ROAD  
MIDLAND, TEXAS 79705

3b Phone No (include area code)  
432-687-7375

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

8 Well Name and No  
BOGLE FLATS FEDERAL #23

9 API Well No  
30-015-32041

10 Field and Pool or Exploratory Area

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1650' FNL, & 1725' FEL, SECTION 8, T-22S, R-23E, UL G

11 Country or Parish, State  
EDDY COUNTY, NEW MEXICO

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"/> Fracture Treat	<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 <b>RENAME WELL</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>NMNM68296X</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<b>3180 (P0220) ATTCHD</b>

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 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.)

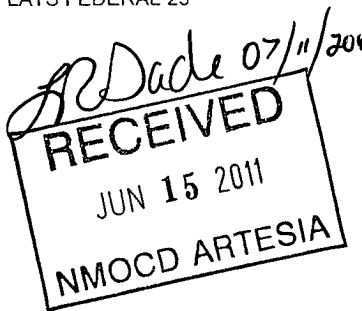
AS A RESULT OF COM AGREEMENT (CA NM-71151/QLS-700267) TERMINATION, THE BOGLE FLATS UNIT A COM #23 IS NOW A LEASE WELL EFFECTIVE FROM FIRST PRODUCTION FROM THE STRAWN FORMATION BEING 06-06-2004.

OUR INTENT IS TO RENAME THE SUBJECT WELL: BOGLE FLATS FEDERAL 23

PREVIOUS NAME BOGLE FLATS UNIT A COM #23

**SUBJECT TO LIKE  
APPROVAL BY STATE**

\*New Property Code  
38707



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

Title REGULATORY SPECIALIST

Signature

*Denise Pinkerton*

Date 06/07/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

**FIELD MANAGER**

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

Date

Office

**CARLSBAD FIELD 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)



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

[www.blm.gov/nm](http://www.blm.gov/nm)



NMNM68296X  
3180 (P0220)

Your Reference:

Commercial Well Determination

Bogle Flats Unit NM-68296X

Bogle Flats Unit A Com #23

Section 8, Township 22 South, Range 23 East

Eddy County, New Mexico

MAY 23 2011

CERTIFIED—RETURN RECEIPT REQUESTED

7008 3230 0002 0987 4564

Chevron U.S.A. Inc.  
MCA Business Unit  
1400 Smith Street  
Houston, Texas 77002

Gentlemen:

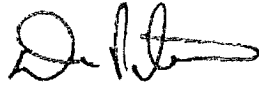
Pursuant to your letter of May 4, 2011, this office concurs with your determination that the Bogle Flats Unit A Com #23 Strawn completion is not capable of producing unitized substances in paying quantities as defined in Section 9 of the Bogle Flats Unit Agreement.

This wells Strawn completion is therefore not entitled to be part of a Participating Area and production from this formation should be reported on a lease basis. Well #23 shall be reported under Federal lease NM-645272 and a Sundry shall be submitted to drop "Unit A Com" from the well name. We recommend using "Bogle Flats Federal 23" as the well name. Our concurrence is subject to like concurrence by the State Commissioner of Public Lands.

Under provisions of 43 CFR 3165.3, you may request a State Director Review of the decision described above. Such a request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order unless the reviewing official so determines. Procedures governing appeals from instructions, orders, or decisions are contained in 43 CFR 2175.4 and 43 CFR Part 4.

If you have any questions, please contact Edward G. Fernandez at 575-234-2220.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Peterson", with a long horizontal flourish extending to the right.

Don Peterson  
Assistant Field Manager,  
Lands and Minerals

Enclosure

cc:

Commissioner of Public Lands

NM P0220, File Room

ONRR, Denver (w/o enclosure)

New Mexico Taxation and Revenue Department, Revenue Processing Division, (w/o enclosure)

NM 9200 (w/o enclosure)



**MCA Business Unit**  
Chevron U.S.A. Inc.  
1400 Smith Street  
Houston, Texas 77002

United States Department of Interior  
Attn: Mr. Edward Fernandez  
Bureau of Land Management  
620 East Greene Street  
Carlsbad, New Mexico 88220

**May 4, 2011**

RE: **Bogle Flats Unit A Com #23 – Revision 1** *VAL-682.96X*  
**API # 3001532041**  
**Commercial Well Determination**  
**Eddy County, New Mexico**

Per our conversation of April 21<sup>st</sup>, 2011 Chevron, as both well and Unit Operator, has updated the information herein to reflect full life economics for the purpose of enabling the BLM to find for or against the subject well receiving Commercial Well Determination. A production graph (8/8ths volumes) as well as certain economic inputs are included as attachments for your consideration. Economics supplied are on an 8/8ths basis with applicable royalties applied. Please be advised that Chevron is a 93.25% WI owner. Partners are noted in attachment.

The economic results suggest that, had the well been drilled from scratch in June 2004, it would be considered uneconomic based on the capital investment of \$1.3 MM.

Well #23 is an Upper Penn Strawn producer completed in June, 2004 for a 30 day IP of ~600 MCFD. It has since remained on production. December 2010 production was 78 MCFD and operating cash flow is positive.

We respectfully request that the **data on Attachment II be kept confidential.**

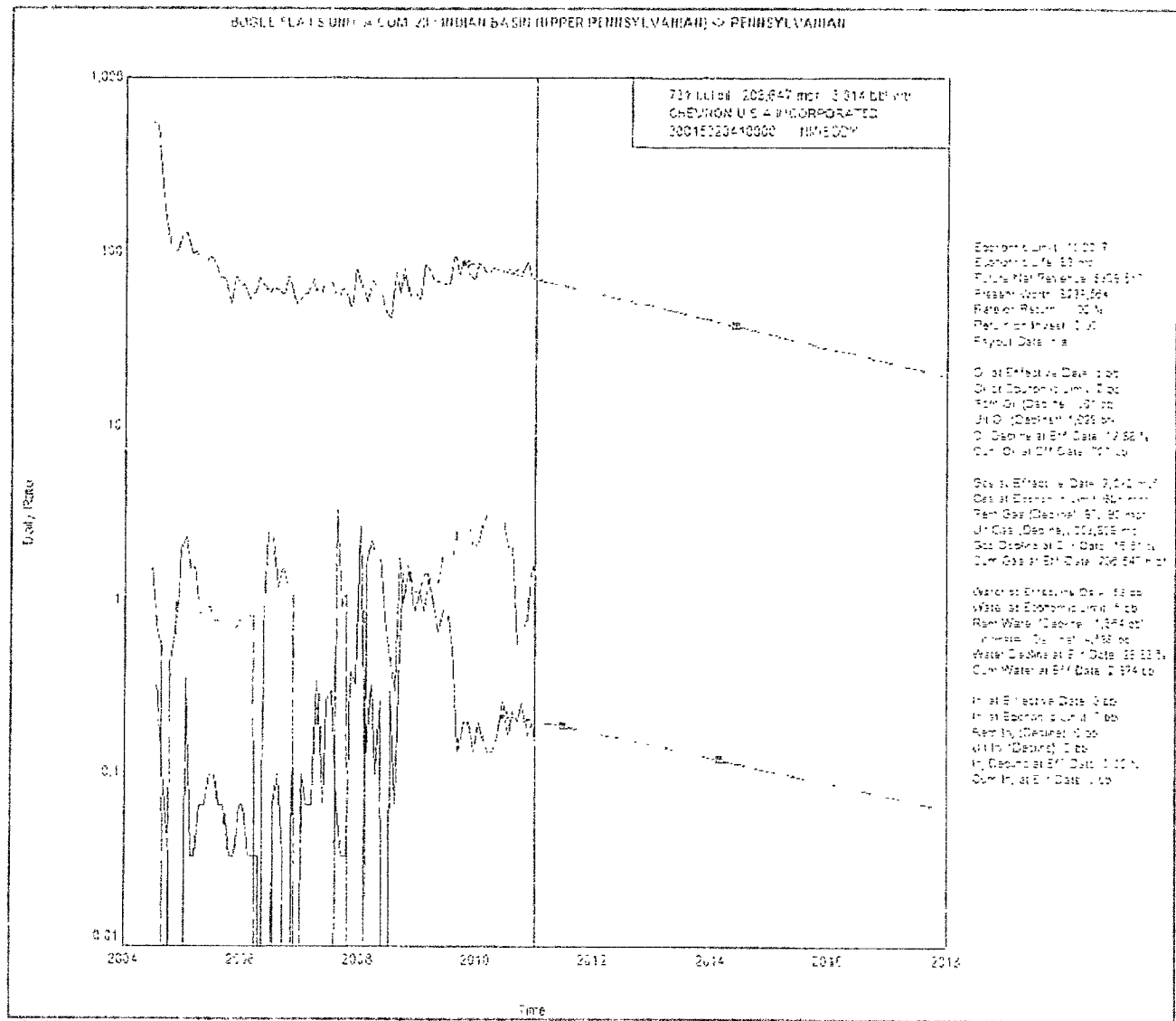
Should you have any questions or require additional data for economic determination purposes, please contact John Temple: [JWTE@chevron.com](mailto:JWTE@chevron.com) or 713-372-1400.

Sincerely,

*Original signed by John Temple*  
John W. Temple  
Reservoir Engineer  
MCA Optimization Team

**Bogle Flats Unit A Com #23**  
**Eddy County, New Mexico**  
**Chevron U.S.A. Inc., Operator**  
**March 22, 2011**

Below is a Powertools Production plot for Bogle Flats Unit A Com #23



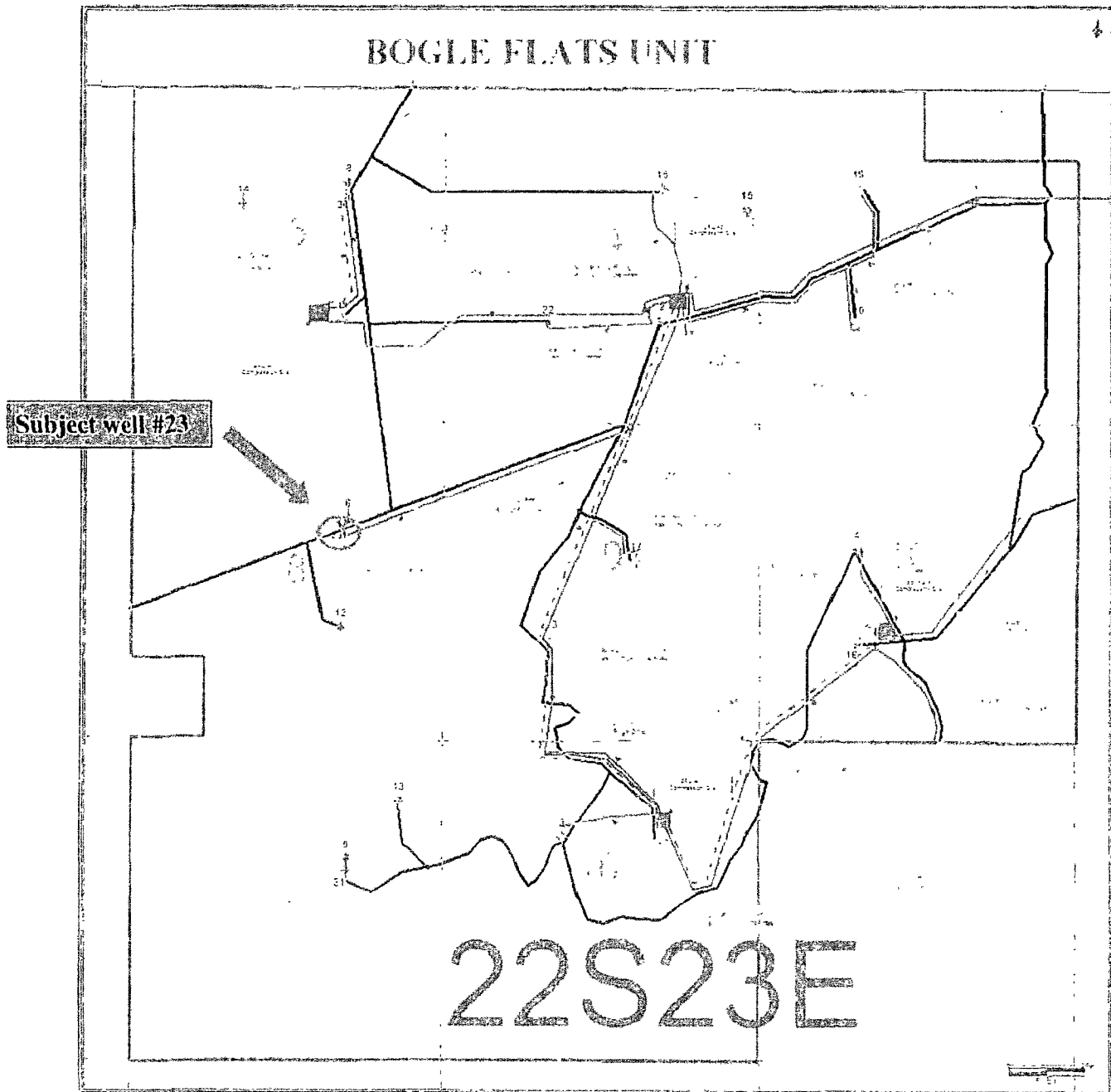
Most recent 3 months (Nov – Jan 2011) is Chevron data, all prior production data is Enerdeg sourced.

Attachment III

Bogle Flats Unit  
Eddy County, New Mexico

May 4, 2011

Bogle Flats Unit



Bogle Flats Unit with associated gas wells (red), flowlines (green), facilities (labeled) and roads (black).

**Attachment IV**

**Bogle Flats Unit  
Eddy County, New Mexico**

**May 4, 2011**

**Informational:**

ENCORE OPERATING LP  
777 MAIN STREET, SUITE 1400  
FORT WORTH, TX 76102

OXY USA WTP Limited Partnership  
5 Greenway Plaza, Suite 110  
HOUSTON, TX 77046

PERMIAN BASIN JOINT VENTURE LLC  
C/O APACHE CORPORATION  
TWO WARREN PLACE  
6120 S YALE AVE., STE 1500  
TULSA, OK 74136



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

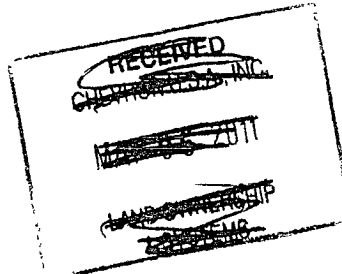
Carlsbad Field Office  
620 E. Greene  
Carlsbad, New Mexico 88220-6292  
www.nm.blm.gov



NM-71151  
3105.2 (P0220)

APR 29 2011

Chevron U.S.A. Inc.  
MCA Business Unit  
1400 Smith Street  
Houston, Texas 77002



Gentlemen:

Communitization Agreement (CA) NM-71151 was approved September 28, 1965, effective as of August 30, 1965. This agreement communitized all of sec. 8, T. 22 S., R. 23 E., NMPM, Eddy County, New Mexico involving 480 acres of land in Federal lease NM-045272, 120 acres in Federal lease in NM-04881, and 40 acres in Federal lease NM-056561, comprising a 640 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Cisco-Canyon formation.

The term of the agreement is for two years and so long thereafter as communitized substances are or can be produced from the communitized area in paying quantities.

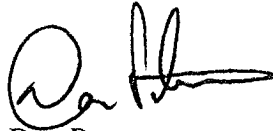
Our records show that the last well in the above-described communitized spacing unit, Bogle Flats Unit A Com #23 (3001532041), located on Federal land in the SWNE of sec. 8, last produced from the communitized formation (Cisco-Canyon) during April 2003. The Cisco-Canyon perforations have been plugged and the well was deepened and recompleted in the Strawn formation, as a stand up 320 acre spacing. A subsequent report of well work was accepted for record on June 28, 2004.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM-71151 is considered to have expired by its own terms as of April 30, 2003, the last day of the month during which the Cisco-Canyon formation was abandoned. Leases NM-056561, NM-04881 and NM-045272 are eligible for a two year extension ending April 30, 2005, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. However, lease NM-04881 and NM-045272 are committed to Bogle Flats Unit NM-68296X and are held by production and therefore do not require an extension, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement.



If you have any questions regarding this termination, please contact Edward G. Fernandez,  
Petroleum Engineer at (575) 234-2220.

Sincerely,

A handwritten signature in black ink, appearing to read 'Don Peterson', with a long horizontal stroke extending to the right.

Don Peterson  
Assistant Field Manager,  
Lands and Minerals

cc:

ONRR, Denver  
New Mexico Taxation and Revenue Department, Revenue Processing Division,  
NM 9200  
NM P0220, File Room