

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

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-98122

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.

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.
SKELLY UNIT #934

9. API Well No.
30-015-31976

10. Field and Pool or Exploratory Area
FREN; PADDOCK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990 FNL, & 1650 FWL, SECTION 21, UL C, T-17S, R-31E

11. County or Parish, State
EDDY, NEW MEXICO

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

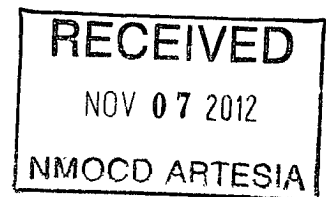
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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 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.)

CHEVRON U.S.A. INC. IS ASKING FOR A 6 MONTH TA APPROVAL WHILE WE ARE WAITING ON A DRILLING RIG TO PLUG THE SUBJECT WELL. THIS APPROVAL AND TA STATUS WILL REMOVE THE WELL FROM THE INACTIVE WELL LIST.

THE INTENDED PROCEDURE IS AS FOLLOWS:

- 1) MOVE IN & RIG UP.
- 2) TIH W/RETRIEVING HEAD ON 2 3/8" WORKSTRING & RELEASE RBP SET @ 1693', TOH W/RBP
- 3) TIH W/RETRIEVING HEAD ON 2 3/8" WORKSTRING & LATCH ONTO RBP SET @ 2209'.
- 4) RELEASE RBP. DROP DOWN TO 3000' AND SET RBP.
- 5) LOAD HOLE WITH PACKER FLUID. TOH LAYING DOWN WORKSTRING.
- 6) RIG UP CHART RECORDER & PRESSURE TEST CSG TO 550 PSI FOR 30 MINUTES.
- 7) RELEASE PRESSURE.
- 8) TA WELL FOR SIX MONTHS WHILE WAITING ON DRILLING RIG TO PLUG WELL. SEE COAS



PLEASE FIND ATTACHED, THE WELLBORE DIAGRAM AND C-144 INFORMATION FOR NMOC D.

THANK YOU FOR YOUR CONSIDERATION

Accepted for record
NMOC D

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Title REGULATORY SPECIALIST

Signature

Denise Pinkerton

Date 10/25/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

SPE7

Date

11/5/12

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

CEO

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.

**Skelly Unit #934 Wellbore Diagram
Proposed Temporary Abandonment**

Created 02/27/09 By: B. Scott
 Updated: 03/21/12 By: PTB
 Lease: Skelly Unit
 Field: Fren - Paddock
 Surf. Loc.: 990' FNL & 1650' FWL
 Bot. Loc.: _____
 County: Eddy St.: NM
 Status: Shut-in Oil Well

Well #. 934 Fd./St # 30-015-31976
 API _____
 Surface Tshp/Rng: S-17 & E-31
 Unit Ltr.: C Section: 21
 Bottom hole Tshp/Rng. _____
 Unit Ltr.: _____ Section: _____
 Directions: Carlsbad, NM
 Chevno: HG2229

Surface Casing

Size: 13 3/8"
 Wt., Grd : 48# K-55
 Depth: 476
 Sxs Cmt: 475
 Circulate: Yes, 56
 TOC: Surface
 Hole Size: 17 1/2"

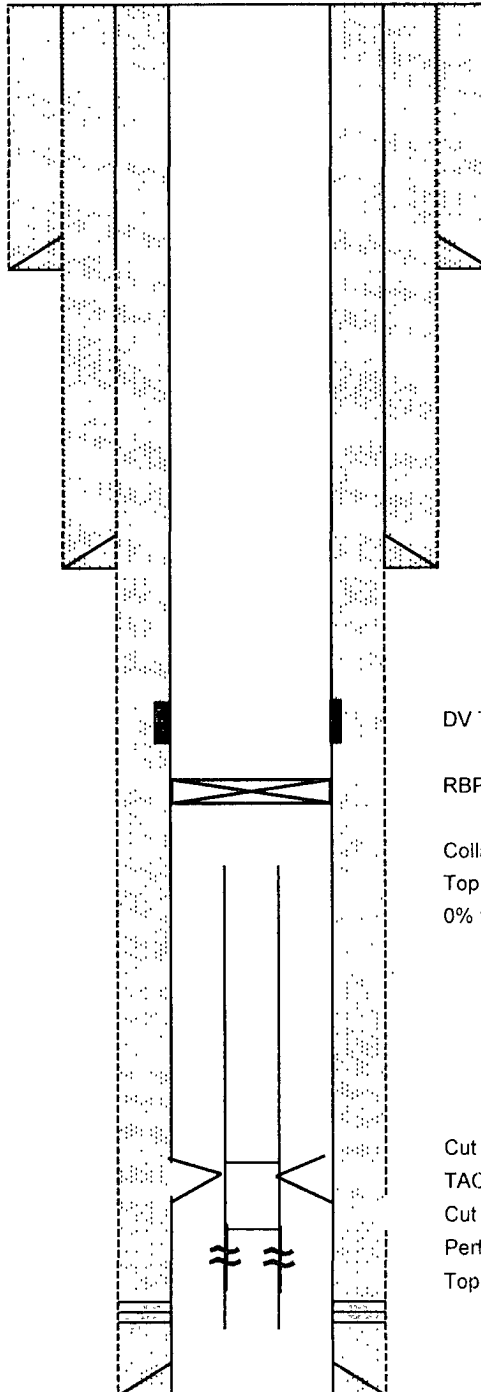
KB: 3,763
 DF _____
 GL: 3,750
 Ini. Spud: 04/03/02
 Ini. Comp.: 04/23/02

Intermediate Casing

Size: 8 5/8"
 Wt., Grd : 24# K-55
 Depth: 1,629
 Sxs Cmt: 800
 Circulate: Yes, 63
 TOC: Surface
 Hole Size: 12 1/4"

Production Casing

Size: 5 1/2"
 Wt., Grd : 17# J-55
 Depth: 5,247
 Sxs Cmt: 1600 (3 stge)
 Circulate: Yes
 TOC: Surface
 Hole Size: 7 7/8"



DV Tool @ 2650'

RBP @ 3,000'

Collapsed csg @ 3127'

Top of Fish @ 3189'

0% free @ 3200'

Cut @ 4539'

TAC @ 4580'

Cut @ 4604'

Perf @ 4875'

Top of rods @ 4877'

Perfs 4775' - 5052 5'

TD: 5255'

Reverse Unit

1. *Phragmites australis* (Cav.) Trin. ex Steud.

Reverse Unit Tank

1. This is a generic layout, exact equipment orientation will vary from location to location
2. This is a schematic representation, so drawing is not to scale
3. Frac tanks and number of pumps can vary, with daily operations and well requirements

1. All recovered fluids and solids will be discharged into reverse tank.
2. Reverse tank will be continuously monitored by designated rig crew so that tank will not be overfilled.
3. Rig crew will visually inspect fluid integrity of reverse tank and frac tanks on a daily basis
4. Documentation of visual inspection of reverse tank and frac tanks will be captured on daily completion morning report

1. All recovered fluids and solids will be removed from reverse tank and hauled off of site
2. All recovered fluids and solids will be disposed of at a suitable off location waste disposal facility
3. Any remaining frac fluids in frac tanks will be hauled off location

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

**Temporary Abandonment of Wells on Federal Lands
Conditions of Approval**

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, **placed with tubing**.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...**

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval **with well bore diagram** with all perforations and CIBP's and tops of cement on CIBP's.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

Skelly Unit #934

1. Well may be approved to be TA/SI for a period of 6 months (As per conversation with Edgar Lucero and Wesley Ingram on 7/27/12) or until 1/27/2013 after successful MIT and subsequent report is submitted.
2. This will be the last TA approval for this well.
3. Must submit NOI Sundry to reenter and drill sidetrack. Must be submitted by 12/3/2012.
4. Contact BLM 24 Hrs. prior to setting of RBP so as it may be witnessed.