

OCD Artesia

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM0251 |
| 2. Name of Operator CHEVRON U.S.A. INC. Contact: DENISE PINKERTON E-Mail: leakejd@chevron.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 15 SMITH ROAD MIDLAND, TX 79705 | 3b. Phone No. (include area code) Ph: 432-687-7375 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T20S R31E Mer NMP 1650FSL 660FEL | | 8. Well Name and No. BIG EDDY UNIT 11 |
| | | 9. API Well No. 30-015-20092 |
| | | 10. Field and Pool, or Exploratory BIG EDDY DELAWARE |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

12. CHECK 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 recomplete 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 REQUESTING A 1 YR TA STATUS FOR THE SUBJECT WELL. BASED ON THE UPHOLE POTENTIAL OF THE BONE SPRING, WOLFCAMP, STRAWN, AND ATOKA FORMATIONS, CHEVRON REQUESTS THE TA STATUS TO FURTHER EVALUATE PRODUCTION AND POTENTIALLY CHANGE THE ARTIFICIAL LIFT SYSTEM IN ORDER TO EFFECTIVELY PRODUCE THIS WELL. THIS WELL IS CURRENTLY SHUT-IN. IN JUNE 2011, RODS & PUMP WAS PULLED, PARTED SWAB ROPE SOCKET IN TBG @ 4050/TBG & TAC STUCK.

INTENDED PROCEDURE:

TOH w/rods, pump & lay down. POH w/2 3/8" tbg standing back & lay down any DH eqpt. If no eqp is in wellbore, PU 2 3/8" tbg & TIH w/4 1/2" scrapper & bit to 6050 & verify csg is clean to that depth. TIH w/4 1/2" CIBP & set @ 5092 & spot cement on top of CIBP to 5057 (35'). Notify BLM 48 hrs prior to testing to witness MIT. Monitor chart & record for 30 mins. TIH w/tbg & circulate wellbore w/inh pkr fluid for future wellbore re-entry. TOH w/tbg & lay down.

Approved 5/14/2013
Approved for record
NMOC

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

| | | |
|---|-----------------------------|--|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #202438 verified by the BLM Well Information System For CHEVRON U.S.A. INC., sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 03/27/2013 () | | <div style="border: 2px solid black; padding: 5px; text-align: center;"> RECEIVED MAY 13 2013 NMOC ARTESIA </div> |
| Name (Printed/Typed) DENISE PINKERTON | Title REGULATORY SPECIALIST | |
| Signature (Electronic Submission) | Date 03/25/2013 | |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | | |
|---|--------|---|------|
| Approved By <i>[Signature]</i> | Title | <div style="border: 2px solid black; padding: 10px;"> APPROVED MAY - 8 2013 </div> | 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 these 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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

SUBJECT TO LIKE
APPROVAL BY STATE

Additional data for EC transaction #202438 that would not fit on the form

32. Additional remarks, continued

Find attached the wellbore diagram.

BIG EDDY UNIT #11:

*Sent
3-25-13*

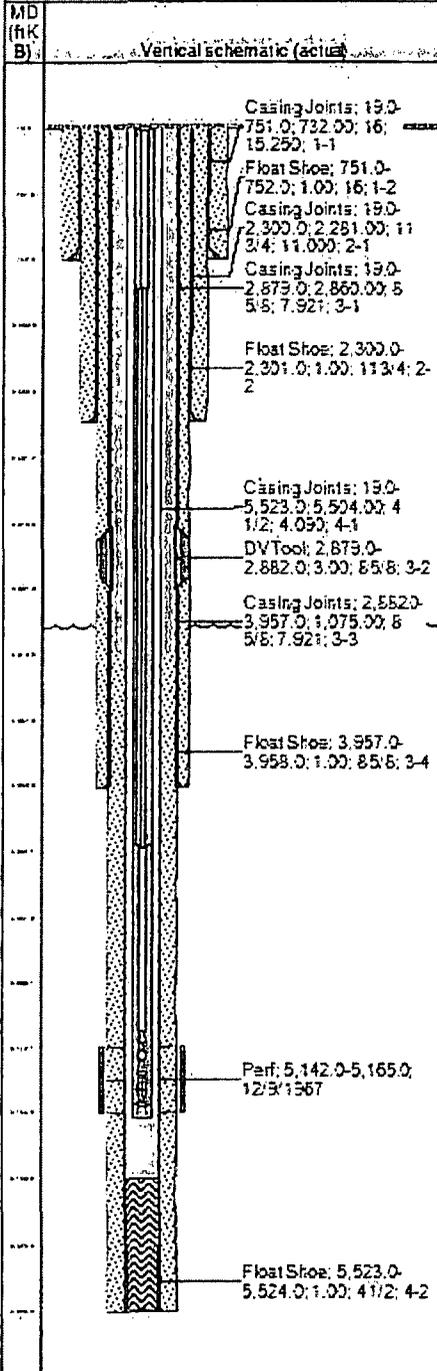
| Big Eddy Unit #11 (oil well) | | | |
|-------------------------------------|--|------------------|--------------------|
| Status | Active (last production 8/2011) | Top (ft) | Bottom (ft) |
| Current Zones | Delaware | 5142 | 5165 |
| Formation Tops (Petra) | Cherry Canyon | 4265 | - |
| | Brushy Canyon | 5225 | - |
| | Bone Spring (1-3) | 6968-9825 | - |
| | Wolfcamp | 10312 | - |
| | Strawn | 11279 | - |
| | Atoka | 11763 | - |
| | PBTD/TD | 5523 | 11890 |
| TA Status Justification | Based on the uphole potential of the Bone Spring, Wolfcamp, Strawn, and Atoka formations, Chevron requests TA status to further evaluate production and potentially change the artificial lift system in order to effectively produce this well. | | |

Current Wellbore Schematic

WELL (PN): BIG EDDY UNIT 11(CVX) (891176)
FIELD OFFICE: HOBBS
FIELD: BIG EDDY DELAWARE
STATE / COUNTY: NEW MEXICO / EDDY
LOCATION: SEC 7-20S-31E, 1650 FSL & 660 FEL
ROUTE: HOB-NM-ROUTE 13- MATTHEW LUNA
ELEVATION: GL: 3,486.0 KB: 3,505.0 KB Height: 19.0
DEPTHS: TD: 5,524.0

Chesapeake
API#: 3001520092
Serial #:
SPUD DATE: 10/13/1967
RIG RELEASE: 12/6/1967
1ST SALES GAS:
1ST SALES OIL: 12/1/1967
Current Status: SHUTIN

VERTICAL - Original Hole, 3/21/2013 3:20:24 PM



| Pumping Units | | | | | | | | | |
|--|------------------|----------------|------------|---------------|-----------------|-----------------|------------|------------|----------|
| Type | Case | Case | SP-1 | Case | Case | Case | Case | Case | Case |
| Conventional Crank | National Oilwell | F160D | | | | | 74.00 | | 1/1/2007 |
| Surface Casing, Set @ 752.0 ftKB, Original Hole | | | | | | | | | |
| Item Des | OD (in) | ID (in) | Drift (in) | Wt (lb/ft) | Grade | Thread | Top (ftKB) | Bot (ftKB) | Len (ft) |
| Casing | 16 | 15.250 | 15.062 | 65.00 | H-40 | ST&C | 19.0 | 751.0 | 732.00 |
| Float Shoe | 16 | | | | | | 751.0 | 752.0 | 1.00 |
| Intermediate 1 Casing, Set @ 2,301.0 ftKB, Original Hole | | | | | | | | | |
| Item Des | OD (in) | ID (in) | Drift (in) | Wt (lb/ft) | Grade | Thread | Top (ftKB) | Bot (ftKB) | Len (ft) |
| Casing | 11 3/4 | 11.000 | 10.844 | 47.00 | J-55 | ST&C | 19.0 | 2,300.0 | 2,281.00 |
| Float Shoe | 11 3/4 | | | | | | 2,300.0 | 2,301.0 | 1.00 |
| Intermediate 2 Casing, Set @ 3,958.0 ftKB, Original Hole | | | | | | | | | |
| Item Des | OD (in) | ID (in) | Drift (in) | Wt (lb/ft) | Grade | Thread | Top (ftKB) | Bot (ftKB) | Len (ft) |
| Casing | 8 5/8 | 7.921 | 7.756 | 32.00 | J-55 | ST&C | 19.0 | 2,879.0 | 2,860.00 |
| DV Tool | 8 5/8 | | | | | | 2,879.0 | 2,882.0 | 3.00 |
| Casing | 8 5/8 | 7.921 | 7.756 | 32.00 | J-55 | ST&C | 2,882.0 | 3,957.0 | 1,075.00 |
| Float Shoe | 8 5/8 | | | | | | 3,957.0 | 3,958.0 | 1.00 |
| Production Casing, Set @ 5,524.0 ftKB, Original Hole | | | | | | | | | |
| Item Des | OD (in) | ID (in) | Drift (in) | Wt (lb/ft) | Grade | Thread | Top (ftKB) | Bot (ftKB) | Len (ft) |
| Casing | 4 1/2 | 4.050 | 3.565 | 9.50 | J-55 | ST&C | 19.0 | 5,523.0 | 5,524.00 |
| Float Shoe | 4 1/2 | | | | | | 5,523.0 | 5,524.0 | 1.00 |
| Description: Surface Casing Cement | | | | | | | | | |
| 19.0-752.0 Top of Cement (ftKB) 19.0 Top Measurement Method: | | | | | | | | | |
| Fluid | Pump Start Date | Amount (sacks) | Class | Dens (lb/gal) | Vol Pumped (bb) | Yield (ft/sack) | | | |
| | 10/15/1967 | 800 | | | | | | | |
| Description: Intermediate Casing Cement | | | | | | | | | |
| 19.0-2,301.0 Top of Cement (ftKB) 19.0 Top Measurement Method: | | | | | | | | | |
| Fluid | Pump Start Date | Amount (sacks) | Class | Dens (lb/gal) | Vol Pumped (bb) | Yield (ft/sack) | | | |
| | 10/20/1967 | 1,050 | | | | | | | |
| Description: Intermediate Casing Cement | | | | | | | | | |
| 2,882.0-3,958.0 Top of Cement (ftKB) 2,852.0 Top Measurement Method: | | | | | | | | | |
| Fluid | Pump Start Date | Amount (sacks) | Class | Dens (lb/gal) | Vol Pumped (bb) | Yield (ft/sack) | | | |
| | 10/26/1967 | 325 | | | | | | | |
| 19.0-2,882.0 Top of Cement (ftKB) 19.0 Top Measurement Method: | | | | | | | | | |
| Fluid | Pump Start Date | Amount (sacks) | Class | Dens (lb/gal) | Vol Pumped (bb) | Yield (ft/sack) | | | |
| | 10/26/1967 | 800 | | | | | | | |
| Description: Production Casing Cement | | | | | | | | | |
| 3,943.0-5,524.0 Top of Cement (ftKB) 3,943.0 Top Measurement Method: Volume Calculations | | | | | | | | | |

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.
 - 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 with a 10% allowable leakoff.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. An MIT 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 Mechanical 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.**

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.

Big Eddy #11 well may be approved to be TA/SI for a period of 12 months until 5/7/2014 after successful MIT and subsequent report is submitted. This will be the last and only TA/SI approval. NOI to P&A or plans to use well must be submitted by 2/7/2014. If well is to be used as an Injection well, no bleed off is allowed on WIW MIT