OCD Artesia

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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.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other	5. Lease Serial No. NMNM0251
	6. If Indian, Allottee or Tribe Name
	7. If Unit of CA/Agreement, Name and/or No.
	8. Well Name and No. BIG EDDY UNIT 11
2. Name of Operator CHEVRON U.S.A. INC. Contact Bob Holden E-Mail rholden@keyenergy.com	9. API Well No. 30-015-20092
3a. Address 15 SMITH ROAD MIDLAND, TX 79705 — 3b. Phone No. *(include area code)* 432-209-7374	10. Field and Pool or Exploratory Area BIG EDDY DELAWARE
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)* Sec 7 T20S R31 E Mer NMP 1650FSL 660FEL	11. Country or Parish, State EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 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.)

T.D. 11,890' PBTD 5458'
16" 65#'& 75#, @ 752' w/ 800 sks of cmt, 20' hole size , TOC, Surface, by Circulation
11-3/4" 42# & 47#,csg, @ 2301 w/1050 sks of cmt, 15" size hole, TOC, 570', by Calculation
DV Tool @ 2832'
8-5/8" 32# csg, @ 3958' w/1125' sks of cmt, 10-5/8" size hole, TOC, @ DV Tool', by Calculation
4-1/2' L 9.5# J-55 @ 5524' w/400 sks of cmt, 7-7/8" size hole, TOL @ 3850'
Cmt-Plugs Spotted @ 7,000' & 9020', & 10,540' & 11,600', perfs 5142' - 5165'

1. MIRUWSU. NDWH. NUBOPE.,
2. Set CIBP @ 5042' w/25 sks of C cement
3. Pressure Test casing to 500 psi and record/report findings
4. Perf & Sqz w/60 sks of C cement @ ~~4058'~~ - 3858', WOC & TAG, (Shoe) 4080'–
5. Perf & Sqz w/225 sks of cement @ 2950' - ~~2200'~~, WOC & TAG, (Shoe & DV Tool
6. Perf & Sqz w/60 sks of cement @ ~~862'--652'~~, WOC & TAG, (Shoe) – 468
7. Perf & Circulate w/175 sks of C cement 300'-Surface.
8. Cut off wellhead and anchors 3' below grade. Weld on dry hole marker. Clean location
9. Closed Loop System Used

R-111-P Potash
Solid Plug 2950' – 468'
May require perf/sqz in stages. WOC tag.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

At cut-off verify cmt to Surface all annulus.

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
Robert Holden — Title Operation agent

RECLAMATION PROCEDURE ATTACHED

Signature — Date 01/31/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by — Title SEPS — Date 1-31-14

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 CFO

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)

Chevron

Robert Hall
Well P&A Engineer

Upstream Business Unit
Chevron Environmental
Management Company
15 Smith Road
Midland, TX 79705
Tel 432-312-7283
robert.hall@chevron.com

November 14, 2013

Robert Holden
Key Energy Services
100 County Road 2000
Andrews, TX 79714

RE: Authorization as Agent for Preparation and Submittal of Plugging Procedures in New Mexico and Texas
Expires June 30, 1014

Dear Mr. Holden,

You are authorized to perform as an agent on behalf of Chevron for the submittal of proposed plugging procedures of subject wells for review and approval by the U.S Department of the Interior, Bureau of Land Management.

This authorization expires on June 30, 2014.

Sincerely,

Bob Hall

Robert Hall

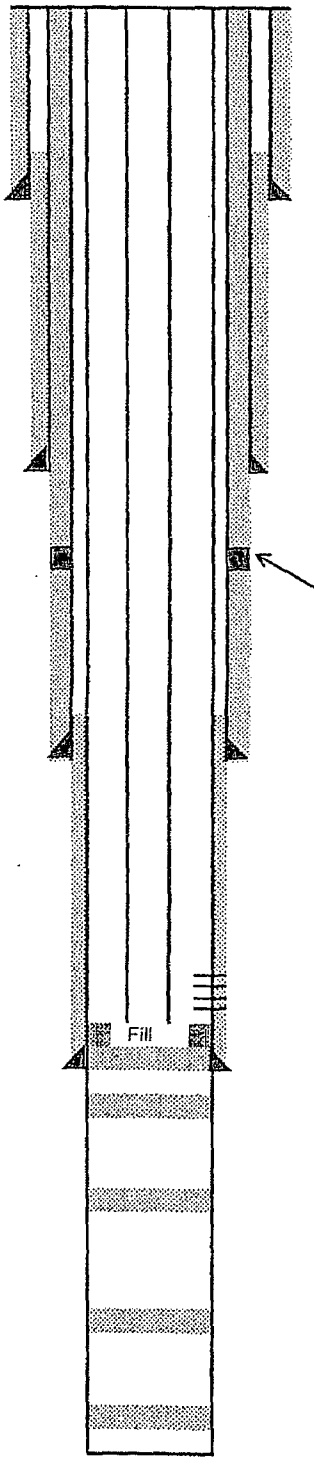
Well: **Big Eddy Unit #11** Field: **Lusk West** Reservoir:

Location:
GPS: 32.58479 -103.90159
1650' FSL & 660' FEL
Unit Letter: I
Section: 7
Township: 20S Range: 31E
County: Eddy State: NM

Elevations:
GL: 3,486'
KB: 3,505'
DF:

Wellbore Diagram

CURRENT



Well ID Info:
Chevno: FG2584
API No: 30-015-20092
Spud Date: 10/13/1967
Drill End Date: 12/6/1967

Surface Csg: 16" 65 & 75# J-55
Set: @ 752' w/ 800 sx cmt
Hole Size: 20"
Circ: Yes **TOC:** Surface
TOC By: Circulation

Intermediate Csg: 11-3/4" 42 & 47#
Set: @ 2301' w/ 1050 sx cmt
Hole Size: 15"
Circ: No **TOC:** 570'
TOC By: Calculation

Intermediate Csg: 8-5/8" 32# J-55
Set: @ 3958' w/ 1125 sx cmt
DV Tool: @ 2832'
Hole Size: 10-5/8"
1st Stage: 325 sx cmt
Circ: Yes **TOC:** @DV Tool
2nd Stage: 800 sx cmt
Circ: Yes **TOC:** Surface
TOC By: Circulation

Perfs
5142' - 5165'

Production Csg: 4-1/2" 9.5# J-55
Set: @ 5524' w/ 400 sx cmt
Hole Size: 7-7/8"
Circ: No **TOC:** 3850'
TOC By: Calculation

50 sx cmt spotted @ 7,000'
(Calculated TOC @ 6,805')

50 sx cmt spotted @ 9,020'
(Calculated TOC @ 8,825')

50 sx cmt spotted @ 10,540'
(Calculated TOC @ 10,345')

100 sx cmt spotted @ 11,600'
(Calculated TOC @ 11,210')

Tubing Detail: (8/16/2013)

#Jts:	Size:	Footage
	KB Correction	19.00
157	Jts. 2-3/8" 4.7# J-55 Tbg	5038.16
	TAC @ 5057'	3.00
3	Jts. 2-3/8" 4.7# J-55 Tbg	96.33
1	Jt. 2-3/8" 4.7#TK-99 Lined	32.46
	SN @ 5189'	1.10
	Stainless Sand Screen	23.90
	Jt. 2-3/8" 4.7# Pup Joint	4.00
2	Jts. 2-3/8" 4.7# J-55 Tbg	64.12
	Bull Plug	0.60
163	**Bottom Of String >>**	5282.67

Rod Detail: (8/17/2013)

#Rods:	Size:	Footage
	1.25 X 22' Polished Rod	22.00
	7/8" X 4' Rod Sub	4.00
102	7/8" X 25' Grade D Rods	2550.00
99	3/4" X 25' Grade D Rods	2475.00
4	1-1/4" X 25' C Sinker Bars	100.00
2	3/4" X 3' Guided Pony Rods	6.00
	20-125-RHBC-16 Rod Pump	16.00
207	**Total Length >>**	5173.00

COTD: 5,371'
PBTD: 5,458'
TD: 11,890'

Updated: 1/30/2014 By: Bob Hall

Well: Big Eddy Unit #11 Field: Lusk West Reservoir:

Location:
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1650' FSL & 660' FEL
Unit Letter: I
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Wellbore Diagram

Proposed

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Perf & Circulate w/ 175 sks of cement @ 300' TO SURFACE

pf 1 Sqz w/ 60 sks of cmt @ 852' to 652' WOC & TAG (SHOE)

Intermediate Csg: 11-3/4" 42 & 47# H
Set: @ 2301' w/ 1050 sx cmt
Hole Size: 15"
Circ: No TOC: 570'
TOC By: Calculation

pf 1 Sqz w/ 225 sks of cmt @ 2950' to 2200' WOC & TAG (SHOE @ DV TOOL)

Tubing Detail: (8/16/2013)

#Jts:	Size:	Footage
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1st Stage: 325 sx cmt
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Fill

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(Calculated TOC @ 6,805')

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COTD: 5,371'
PBTD: 5,458'
TD: 11,890'

Updated: 1/30/2014 By: Bob Hall

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

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. Notification: **Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.**

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**
The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

TAKE PRIDE IN AMERICA

In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.

2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.

3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.

4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.

6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.

7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Inspection & Enforcement

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Mike Burton
Environmental Protection Specialist
575-234-2226

Jeffery Robertson
Natural Resource Specialist
575-234-2230

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

Doug Hoag
Civil Engineering Technician
575-234-5979

Linda Denniston
Environmental Protection Specialist
575-234-5974

Solomon Hughes
Natural Resource Specialist
575-234-5951

Permitting

Cody Layton
Natural Resource Specialist
575-234-5959

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Todd Suter
Surface Protection Specialist
575-234-5987

Tanner Nygren
Natural Resource Specialist
575-234-5975

Amanda Lynch
Natural Resource Specialist
575-234-5922

Legion Brumley
Environmental Protection Specialist
575-234-5957

Realty, Compliance

Randy Pair
Environmental Protection Specialist
575-234-6240