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NM OIL CONSERVATION
ARTESIA DISTRICT
DEC 15 2014
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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.

5. Lease Serial No.
NMLC064637

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
8910064530

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
HENSHAW DEEP UNIT 5

2. Name of Operator
CHEVRON USA INCORPORATED
Contact: CINDY H MURILLO
E-Mail: CHERRERAMURILLO@CHEVRON.COM

9. API Well No.
30-015-03913-00-S1

3a. Address
15 SMITH ROAD
MIDLAND, TX 79705

3b. Phone No. (include area code)
Ph: 575-263-0431
Fx: 575-263-0445

10. Field and Pool, or Exploratory
HENSHAW

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 23 T16S R30E NENE 660FNL 660FEL

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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Workover Operations
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ 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 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 USA INC WOULD TO REQUEST AN EXTENSION OF THE COMPLETION DATE (07/01/2014) SET FORTH IN THE APPROVAL BLM SUNDRY DATE 02/07/2014. DUE TO DELAYS IN PARTNER APPROVAL, CASING ISSUES WE HAVE ENCOUNTERED AT THE SURFACE THAT REQUIRE REPAIR, AND THE INABILITY TO SECURE TIMELY FRAC DATES, WE WILL NOT BE ABLE TO COMPLETE THE WORKOVER BY JULY 1ST. THREE INTERVALS ARE PLANNED FOR COMPLETION WITH TWO SEPARATE FRAC DATES. THE EARLIEST AVAILABLE FRAC DATE IS MID JULY. WE ANTICIPATE IT MAY TAKE UNTIL SEPTEMBER 1ST TO COMPLETE THE OPERATIONS AND GET THE WELL ON PRODUCTION. DELAYS IN APPROVAL WILL EXTEND THE TIME TO COMPLETE THE WORK ACCORDINGLY.
WHEN INITIALLY PRESSURE TESTED, THE CASING DID NOT HOLD. A 40 ARM CALIPER SURVEY INDICATED POSSIBLE HOLES IN THE 4 1/2' CASING @ 3516'. CIRCULATION WAS ESTABLISHED UP THE 4 1/2 X 9 5/8' CASING AND TWO HOLES WERE FOUND ON THE WELLHEAD NEAR THE SURFACE 1' BELOW THE 9 5/8' CASING FLANGE. ATTACHED IS THE DETAILED PROCEDURE TO REPAIR THE WELLHEAD AND CASING. WE ARE COMMUNICATING WITH MR. PAUL SWARTZ ON THE CASING REPAIRS.

Rejected due to NOI to ABD Submitted. downhole issues

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

Electronic Submission #250378 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by JAMES AMOS on 10/13/2014 (15JA0006SE)

Name *(Printed/Typed)* CINDY H MURILLO — Title PERMITTING SPECIALIST

Signature (Electronic Submission) — Date 06/23/2014

Accepted for record
NMOCD
12/19/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Rejected

Approved By James A. Amos — Title SPET — Date 11-29-14

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #250378 that would not fit on the form

32. Additional remarks, continued

PLEASE FIND ATTACHED PROCEDURE FOR CASING REPAIR.

Chevron	WELL NAME: Henshaw Deep #5 API #: 30-015-03913 CHEVNO: FC4590 OPERATOR: Chevron Midcontinent, L.P. LOCATION: 660' FNL & 660' FEL Sec.23 TwnShp: 16S Range: 30E COMPLETION: 08/201962

PRE RIG OPERATION PROCEDURE:

1. Verify that well does not have pressure or flow. If the well has pressure, note tubing and casing pressures on Wellview report. Bleed down well, if necessary, kill with cut brine fluid (8.6 ppg).
2. Remove B-1 Adapter & 11 3M X 7 1/16" 3M Wellhead.
3. Install 11" 3M X 7 1/16" 5M Wellhead & Test.
4. RU pump truck, pressure test casing to **5000#, *Notify WOE if casing does not pass test.*** If casing passes, obtain 30 min chart for BLM.

SUPPLEMENTAL WH & CASING REPAIR

5. Have FE group dig out to witness leaking issue. ***Send Photo to WOE.***
6. Cut 13 3/8" surface casing to expose intermediate 9 5/8".
7. Chip away cement from 9 5/8" as necessary to expose good 9 5/8" casing.
8. Verify no LEL or H2S is present. Cut windows in 9 5/8" intermediate to expose production casing.
9. Cut 4 ½" Production casing above good intermediate casing.
10. Final cut intermediate casing and remove old WH.
11. Have Welder prep new WH and Casing Joints
12. Install slip on collar and weld 4 ½" production casing stub first.
13. Install slip on collar and weld 9 5/8" intermediate casing stub and install 11" 3M head.
14. Pull 15k tension on 4 ½" production casing stub and land in production head.
15. Install Tubing Head. (Reuse tubing head purchased in previous steps.)
16. Fill in and pack dirt around WH.
17. MIRU PU and equipment.
18. NU **Chevron Class II-A configured 7-1/16" 5M** remotely-operated hydraulically-controlled BOP, **2-3/8"** pipe rams over blind rams. NU EPA pan.
    - Keep the charted test of the BOP supplied by the vendor for the entire job.
19. RU Floor and PU/RIH w/1 Jnt. 2 3/8" tubing, PU 4 ½" PKR rated for 11.6# casing, RIH w/ PKR +/- 25' and test BOPE to 250/1000 psi. Note testing pressures in Wellview. Release and LD packer.

WELL NAME: Henshaw Deep #5

API #: 30-015-03913 CHEVNO: FC4590

OPERATOR: Chevron Midcontinent, L.P.

LOCATION: 660' FNL & 660' FEL Sec 23 TwnShp: 16S Range: 30E

COMPLETION: 08/201962

Caliper elevators and tubular EACH DAY prior to handling tubing/tools. Note in JSA when and what items are callipered within the task step that includes that work.

20. RIH w/Gauge Ring to **5925' If gauge ring tags early notify WOE.**
21. PU Composite BP and RIH to **4650'** Dump Bail 35' of cement on top of CBP.
22. PU Casing Punchers and RIH to **4550'.** Shoot circulating holes. POOH w/guns
23. PU PKR on 2 3/8" L-80 WS, RIH to **4500'** attempt to get circulation, (Make sure both Intermediate and production strings are open to see circulation.
24. Establish injection rate between 41/2" casing and 9 5/8" casing.
25. If the well circulates, POOH w/PKR, PU RIH w/CICR And set @ **4500'**
26. MIRU Cement company, circulate cement with 330 sxs class C neat mixed at 14.8 ppg (1.32 yield) + recommended additives from Cement contractor. ***Have BLM on location for witness.***
27. Displace cement to +/- **4400' (17 bbls)** fresh water.
28. Sting out of Comp. Cmt Ret. POOH to 3510' and Circulate well clean. POOH w/ Tbg. standing back.
29. PU PKR. RIH and set @ 3500'.
30. Attempt to gain circulation to surface casing with water. If circulation is successful POOH w/PKR. If not, Contact WOE.
31. PU RIH and set CICR @ **3500'**, ensure circulation.
32. MIRU Cement company, circulate cement with 1100 sxs class C neat mixed at 14.8 ppg (1.32 yield) + recommended additives from Cement contractor. ***Have BLM on location for witness.***
33. Sting out of Comp. Cmt Ret. And POOH standing back.
34. Shut well in for minimum of 12 hrs to allow cement to cure.
35. PU (2) 3.9375 String Mills per Weatherford Procedure to clean out prior to running Metal Skin casing patch.
36. C/O Hole per Weatherford Recommendations.
37. RIH and Set 20' Metal Skin casing patches @ **4600'** and **3516'** per Weatherford.
38. Once Metal Skins are in place, Pressure test casing to 5000# for Frac. ***Notify BLM to witness***
39. RDMO PU and Equipment.

Chevron	WELL NAME: Henshaw Deep #5 API #: 30-015-03913 CHEVNO: FC4590 OPERATOR: Chevron Midcontinent, L.P. LOCATION: 660' FNL & 660' FEL Sec.23 TwnShp: 16S Range: 30E COMPLETION: 08/201962

Continue with Original Procedure

40. NDBOP and NU Frac Valve with Wireline adapter goat head. Frac Valve and test to 5000#. ***Note results of test in Wellview***

41. MIRU Gray Wireline, NU Lubricator, Test lubricator to 1000#

42. PU guage ring for 4 ½" 11.6# casing. RIH to **5925'. *Notify WOE if gauge ring does not reach 5925' Note results of test in Wellview.***

43. PU/RIH w/GR + perforating guns. Correlate to GR on Neutron-Density log provided. Perforate casing @ 5788' – 5812' w/ 2 spf and 90 degree phasing (48 holes). POOH/LD guns (check to make sure all shots fired). ND Lubricator. RDMO Gray Wireline.

44. RU Petroplex, Titrate acid and verify concentration (HCl +/- 1.5%). Load Backside casing 9-5/8" X 4 ½" annulus w/BW and monitor throughout job, set pop off to 4900#. Pump 1000 gal 15% NEFE HCl do to perfs @ 5788'-5812' ***Max rate is 7 bbl/min, Max pressure is 5000#.*** Over displace to bottom perf by 2 bbls w/biocide treated fresh water. ***Record rates and pressures in Wellview.***

45. RDMO Petroplex. Prep location for Frac Job on ***XXXX.***

46. Pump stage 1 of sand frac w/1000 gal 15% HCl+50,000 lb 20/40 + 10,000 lb 20/40 CRC sand @ 30bpm, **MAX PSI = 4500.** Record ISIP, 5, 10, 15 min. shut in pressures. (Monitor 9-5/8" X 4 ½" annulus, if pressure indicates communication shut down IMMEDIATELY. Upon completion a copy of the annulus monitor will be submitted to the BLM)

47. MIRU Gray Wireline, NU Lubricator, Test lubricator to 1000#

48. PU GR & CBP for 4 ½" 11.6# casing **(Magnum 3.25" OD CBP, Contact Landon @ (432-689-8900).** RIH to **5500'.** Dump Bail 2 sxs cement on top of CBP.

49. PU/RIH w/GR + perforating guns. Correlate to GR on Neutron-Density log provided. Perforate casing @ (5,095-98'), (5,054-57'), (5,045-47'),(4,967-70'),(4,906-09'),(4,849-51'),(4,836-39'),(4,775-80'),(4,730-35') w/ 3 spf and 120 degree phasing (87 holes). POOH/LD guns (check to make sure all shots fired). ND Lubricator. RDMO Gray Wireline.

50. Pump stage 2 of sand frac w/1000 gal 15% HCl+100,000 lb 20/40 + 20,000 lb 20/40 CRC sand @ 30bpm, **MAX PSI = 4500.** Record ISIP, 5, 10,15 min. shut in pressures. (Monitor 9-5/8" X 4 ½" annulus, if pressure indicates communication shut down IMMEDIATELY. Upon completion a copy of the annulus monitor will be submitted to the BLM)

51. PU RIH w Flow Thru 4 ½" CBP, set @ **4525'** POOH

52. PU/RIH w/GR + perforating guns. Correlate to GR on Neutron-Density log provided. Perforate casing @ (4,551-53'), (4,536-39'), (4475'-85'), (4,460-66') w/ 2 spf and 90 degree phasing (42 holes). POOH/LD guns (check to make sure all shots fired). ND Lubricator. RDMO Gray Wireline

53. Pump stage 3 of sand frac w/1000 gal 15% HCl+100,000 lb 20/40 + 20,000 lb 20/40 CRC sand @ 30bpm, **MAX PSI = 4500.** Record ISIP, 5, 10,15 min. shut in pressures. (Monitor 9-5/8" X 4 ½" annulus, if

pressure indicates communication shut down IMMEDIATELY. Upon completion a copy of the annulus monitor will be submitted to the BLM)

54. Record ISIP, 5-min, 10-min, and 15-min shut in pressures in Wellview. RDMO Halliburton Frac.

55. Leave shut in overnight!

56. RU pressure gauge on well to determine pressure. If flow back is needed continue to step 56. If not continue to step 57.

57. MIRU Flowback equipment , Flowback well until well is static. ***Record volumes and pressures in Wellview.***

58. MIRU PU and all surface equipment.

59. ND Goat Head.

60. Ensure well is dead prior to ND frac valve. If needed, pump 10ppg brine and calculate kill mud weight. Kill well as necessary

61. NU **Chevron Class II-A configured 7-1/16" 5M** remotely-operated hydraulically-controlled BOP, **2-3/8"** pipe rams over blind rams. NU EPA pan.

    - Keep the charted test of the BOP supplied by the vendor for the entire job.

62. RU Floor and POOH w/1 Jnt. 2 3/8" tubing, PU 4 ½" PKR rated for 11.6# casing, RIH w/ PKR +/- 25' and test BOPE to 250/1000 psi. Note testing pressures in Wellview. Release and LD packer.

    Caliper elevators and tubular EACH DAY prior to handling tubing/tools. Note in JSA when and what items are callipered within the task step that includes that work.

63. PU 3 7/8" MT,(6) 3 1/8" DC's and 2 3/8" tubing, TIH to clean out wellbore to PBTD @ **5,925'.**

64. POOH LD DC's & Bit, standing back Tubing.

65. PU Production BHA and RIH hydrotesting production tubing to 5000 psi. ***(Space out per ALCR Recommendations)***

66. NDBOPE, NUWH.

67. RIH w/Pump and Rods ***(Per ALCR Rod design)***

    Contact appropriate Field Specialist to remove locks.

68. Check pump action with pumping unit.

69. Clean location, RDMO, Notify ALCR and production, Turn well back to Production.