Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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

5. Lease Serial No.
NMNM105548

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
GARDNER 34 FEDERAL 1

2. Name of Operator
CHEVRON USA INCORPORATED
Contact: HOWIE LUCAS
E-Mail: howie.lucas@chevron.com

9. API Well No.
30-015-21656-00-S1

3a. Address
6301 DEAUVILLE BLVD
MIDLAND, TX 79706

3b. Phone No. (include area code)
Ph: 832-588-4044

10. Field and Pool or Exploratory Area
UNDESIGNATED

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 34 T23S R25E NESW 2328FSL 1644FWL

11. County 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
☒ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ 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 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.

16" 65# H-40 casing @ 290', 9-5/8" casing @ 2,300', 7" 26# HCL-80 @ 9,475', and 4-1/2" 13.5# P-110 @ 11,700'

Please see attachment as it was too large for this space.

RECLAMATION PROCEDURE ATTACHED

RECEIVED

SEP 06 2018

DISTRICT II-ARTESIA O.C.D.

9-7-18 Accepted for record - NMOCD GC

RECLAMATION DUE 1-19-19

ENTERED

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #432875 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by DEBORAH MCKINNEY on 08/28/2018 (18JA0087S)

Name *(Printed/Typed)* HOWIE LUCAS — Title ENGINEER

Signature (Electronic Submission) — Date 08/27/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD
AUG 29 2018
DMcKinney
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved By _____ Title _____ 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 those 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.

(Instructions on page 2)

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

10/4/18

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.*

5. Lease Serial No.
NMNM-105548

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
Gardner 34 Federal 1

2. Name of Operator
CHEVRON USA INC

9. API Well No.
30-015-21656

3a. Address
6301 DEAUVILLE BLVD. RM. N4705
MIDLAND, TX 79706

3b. Phone No. *(include area code)*
832-588-4044

10. Field and Pool or Exploratory Area
Und Horseshoe Bend; MOR (Gas)

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
Sec 34, T23S, R35E, 2,328' FSL & 1,644' FWL

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.)

16" 65# H-40 casing @ 290', 9-5/8" casing @ 2,300', 7" 26# HCL-80 @ 9,475', and 4-1/2" 13.5# P-110 @ 11,700'

Please see attachment as it was too large for this space.

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
Howie Lucas

Title Well Abandonment Engineer, Attorney-in-fact

Signature

Date 07/30/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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 those 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.

(Instructions on page 2)

10/4/18

Chevron has successfully abandoned this well as per the following timeline:

1/4/18-1/9/18: R/U CTU, drill out cement f/ surface t/ 1,217', f/ 2,566' t/ 2,570', tagged third plug @ 4,870', circulated hole clean, RDMO CTU.

1/11/18: R/U wireline and run CBL to find void spaces between previously pumped cement plugs.

1/28/18-2/2/18: MIRU pulling unit, cold tap casing valves (cemented up) to allow pressure to bleed off.

2/3/18: N/U & test BOP, R/U wireline and RIH t/ shoot 2' 4 SPF DP gun @ 2,560', attempt injection rate, pressured up to 2,000 psi, no rate established, RIH w/ 2-3/8" tbg t/ 2,800', M&P 25 sx, yld 1.32, 14.8 ppg Class C cmt t/ 2,400'.

2/4/18: Tag TOC @ 2,402', R/U wireline and RIH t/ shoot 2' 4 SPF DP guns @ 2,390', @ 2,389', and 2,388'. Attempt injection w/o success (pressured up to 2,300 psi).

2/5/18: RIH w/ 2-3/8" tbg t/ 2,391' and pump 3 bbl of 15% HCL across perforations, pulled tubing above perforations and began squeezing acid until solid pressure of 800 psi. bleed pressure, RIH w/ tbg t/ 2,394' and circulate well clean. Attempt injection into perforations w/o success. R/U wireline and t/ shoot (2) 2' 6 SPF DP guns @ 2,389'. Attempt injection w/o success.

2/6/18: R/U wireline and RIH t/ shoot cavity shoot @ 2,390', attempt injection w/o success, RIH w/ 2-3/8" tbg t/ 2,436' and M&P 20 sx, 1.24 yld, 11.5 ppg resin coated cmt t/ 2,329', pull tbg above cmt, reverse circ, TOH w/ tbg, apply 2,000 psi and SI well.

2/7/18: Sustained csg pressure still noted, R/U wireline, tag TOC @ 2,337', shoot 1' 4 SPF gun @ 2,336', unable to inject, TIH w/ 2-3/8" tbg t/ 2,336', M&P 23 sx, 1.24 yld, 11.5 ppg resin coated cmt t/ 2,000'.

2/8/18: Sustained csg pressure still noted, TIH w/ 2-3/8" tbg t/ tag TOC @ 2,026', R/U wireline and perforate csg @ 2,014' and 1,910. TIH w/ squeeze packer t/ set at 1,977'. Establish communication between perforation sets.

2/9/18: TIH w/ 2-3/8" tbg t/ 2,012', M&P 3 sx, 1.32 yld, 14.8 ppg Class C cmt w/ gas blocker t/ 1,962', TOH and M/U squeeze packer, TIH t/ set @ 1,947', continually apply 1,500 psi through tbg string.

2/10/18: R/U wireline, RIH t/ tag TOC @ 1,960', perforate csg @ 1,960' and 1,860', TIH w/ 2-3/8" tbg t/ tag @ 1,962', M&P 3 sx, 1.32 yld, 14.8 ppg Class C cmt w/ gas blocker t/ 1,912', TOH w/ tbg, M/U packer and TIH t/ set @ 1,880' and maintain 1,500 psi.

2/11/18: Sustained csg pressure still observed, R/U wireline and TIH t/ tag TOC @ 1,882', perforate csg @ 1,865' and 1,765', RIH w/ tbg t/ 1,882', M&P 3 sx, 1.32 yld, 14.8 ppg Class C cmt w/ gas blocker t/ 1,827', TOH w/ tbg, M/U packer and TIH t/ set @ 1,780', apply and maintain 1,500 psi.

2/12/18: Sustained csg pressure still observed, TIH w/ tbg t/ tag @ 1,865', M&P 10.5 sx, 1.32 yld, 14.8 ppg Class C cmt t/ 1,700', RDMO pulling unit.

2/13/18: MIRU wireline unit, M/U Uzi perforating gun 3' 36 SPF, RIH t/ tag TOC @ 1,509', perforate csg @ 1,501'.

5/29/18: Placed (6) 5 gal buckets of Zonite into well, allow to hydrate until gas migration is eliminated.

6/5/18-6/6/18: Mobilize CTU, observed sustained csg pressure, demob CTU.

7/19/18: Observed no gas migration, bubble test passed in all casing strings, MIRU CTU, N/U BOP, RIH w/ 1.5" CT t/ tag top of Zonite @ 1,423', M&P 120 sx, 1.32 yld, 14.8 ppg Class C cmt t/ surface while TOH w/ CT, verify cmt t/ surface, wash up CTU, RDMO. Well P&A'd.

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

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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:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909, 575-361-2648 (Cell)

Arthur Arias
Environmental Protection Specialist
575-234-6230

Henryetta Price
Environmental Protection Specialist
575-234-5951

Shelly Tucker
Environmental Protection Specialist
575-234-5979

Trishia Bad Bear, Hobbs Field Station
Natural Resource Specialist
575-393-3612