

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

6.4.2020

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.
NMLC065457

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
JM GATES NCT 1 2

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

9. API Well No.
30-015-33387

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
WHITE CITY PENN (GAS)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 30 T24S R26E SWNE 1060FSL 1025FEL

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			
<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"/> Hydraulic Fracturing	<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 checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

Carlsbad Field Office
Operator Copy

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.

Cement calculations utilize 1.32 yld for Class C and 1.18 yld for Class H. If using different yields please recalculate as necessary.

1. Notify BLM 24 hrs. prior to starting work.
2. Rig-less: Utilize A Plus Well Service all-in rate to set CIP above sliding sleeve at 10,095?, pressure test and cut tubing above sliding sleeve at 10,090?, and spot 50 bbl (30 ppb) Jet Seal, displacing to cut depth.
 - a. Contact engineer if well is standing full/not on a vacuum prior to pumping LGM.
3. MIRU pulling unit.
4. Kill well as necessary. Check pressures on all strings and bubble test. If sustained casing pressure is noted, Chevron intends to utilize another means of eliminating the pressure (Zonite, Nano-

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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

**Electronic Submission #509689 verified by the BLM Well Information System
For CHEVRON USA, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 04/06/2020 ()**

Name (Printed/Typed) HOWIE LUCAS	Title P&A ENGINEER ATTORNEY IN FACT
Signature (Electronic Submission)	Date 04/06/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>Long Vo</u>	Title <u>Petroleum Engineer</u>	Date <u>4/10/20</u>
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 <u>LFC</u>

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)

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

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Additional data for EC transaction #509689 that would not fit on the form

32. Additional remarks, continued

- Seal, Cut and pull casing, etc) as agreed upon by the BLM.
- 5. N/U BOP and pressure test as per SOP's.
- 6. Spot 60 sx CL "H" cement f/ 10,095? t/ 9,468? WOC & tag. (Perfs, Strawn). *705x*
 - a. TOC must be at ~~9,902?~~ or shallower. *9552'*
 - b. Contact engineer to discuss using retarder or other additives dependent upon well conditions.
- 7. Pressure test casing t/ 1,000 psi f/ 15 minutes or maximum anticipated pressure for the job.
- 8. Spot MLF between cement plugs in accordance w/ BLM regulations. Wait to spot MLF if casing pressure test failed due to potentially wasting fluid.
- 9. Spot 25 sx CL "H" Cement f/ 8,370? t/ 8,109? (Wolfcamp). *TALC*
 - a. TOC must be at ~~8,270?~~ or shallower. *8170'*
- 10. Spot ~~25~~ sx CL "C" Cement f/ 7,250? t/ 6,957? (DV Tool). *20 SX TALC*
 - a. TOC must be at ~~7,150?~~ or shallower. *6900'*
- 11. Spot 25 sx CL "C" Cement f/ 5,352? t/ 5,061? (Bone Spring). *TALC*
 - a. TOC must be at ~~5,252?~~ or shallower. *5191'*
- 12. Spot 25 sx CL "C" Cement f/ 3,685? t/ 3,394? (Brushy Canyon). *TALC*
 - a. TOC must be at ~~3,585?~~ or shallower. *3549'*
- 13. Perforate casing at 2,524? and squeeze 165 sx CL "C" Cement f/ 1,928? t/ 2,524? (Cherry Canyon). *TALC*
 - a. TOC must be at 1,974? or shallower for the Chevron Barrier Standard.
- 14. Perforate casing at 1,625? and squeeze 465 sx CL "C" Cement f/ Surface t/ 1,625? (Salt, FW, Shoe).
 - a. Deepest freshwater in the area is ~150?.
- 15. Cut off wellhead 3' below grade, Verify Cement to Surface, install required dry hole marker as per COA's, turn over to reclamation.

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JM Gates NCT 1-2 Procedure

Cement calculations utilize 1.32 yld for Class C and 1.18 yld for Class H. If using different yields please re-calculate as necessary.

1. Notify BLM 24 hrs. prior to starting work.
2. Rig-less: Utilize A Plus Well Service all-in rate to set CITP above sliding sleeve at 10,095', pressure test and cut tubing above sliding sleeve at 10,090', and spot 50 bbl (30 ppb) Jet Seal, displacing to cut depth.
 - a. Contact engineer if well is standing full/not on a vacuum prior to pumping LCM.
3. MIRU pulling unit.
4. Kill well as necessary. Check pressures on all strings and bubble test. If sustained casing pressure is noted, Chevron intends to utilize another means of eliminating the pressure (Zonite, Nano-Seal, Cut and pull casing, etc) as agreed upon by the BLM.
5. N/U BOP and pressure test as per SOP's.
6. Spot ~~60~~⁷⁰ sx CL "H" cement f/ 10,095' t/ 9,468' WOC & tag. (Perfs, Strawn).
 - a. TOC must be at ~~9,902~~^{9,852}' or shallower.
 - b. Contact engineer to discuss using retarder or other additives dependent upon well conditions.
7. Pressure test casing t/ 1,000 psi f/ 15 minutes or maximum anticipated pressure for the job.
8. Spot MLF between cement plugs in accordance w/ BLM regulations. Wait to spot MLF if casing pressure test failed due to potentially wasting fluid.
9. Spot 25 sx CL "H" Cement f/ 8,370' t/ 8,109' (Wolfcamp). TAG
 - a. TOC must be at ~~8,270~~^{8,170}' or shallower.
10. Spot ~~25~~¹⁴⁰ sx CL "C" Cement f/ ~~7,250~~^{7,250} t/ 6,957' (DV Tool). TAG
 - a. TOC must be at ~~7,150~~^{6,900}' or shallower.
11. Spot 25 sx CL "C" Cement f/ 5,352' t/ 5,061' (Bone Spring). TAG
 - a. TOC must be at ~~5,252~~^{5,191}' or shallower.
12. Spot 25 sx CL "C" Cement f/ 3,685' t/ 3,394' (Brushy Canyon). TAG
 - a. TOC must be at ~~3,585~~^{3,549}' or shallower.
13. Perforate casing at 2,524' and squeeze 165 sx CL "C" Cement f/ 1,928' t/ 2,524' (Cherry Canyon).
 - a. TOC must be at 1,974' or shallower for the Chevron Barrier Standard. TAG
14. Perforate casing at 1,625' and squeeze 465 sx CL "C" Cement f/ Surface t/ 1,625' (Salt, FW, Shoe).
 - a. Deepest freshwater in the area is ~150'.
15. Cut off wellhead 3' below grade, Verify Cement to Surface, install required dry hole marker as per COA's, turn over to reclamation.

J M Gates Federal NCT-1 #2 Wellbore Diagram

Created: 10/09/07 By: C. A. Irlle
 Updated: 03/20/19 By: Yifan Li
 Lease: J M Gates Federal NCT-1
 Field: White City (Penn)
 Surf. Loc.: 1,060' FSL & 1,025' FEL
 Bot. Loc.: _____
 County: Eddy St.: NM
 Status: Active Gas Well

Well #: 2 Fd./St. #: LC-065457
 API: 30-015-33387
 Surface Tshp/Rng: S-24 & E-26
 Unit Ltr.: P Section: 30
 Bottom hole Tshp/Rng: _____
 Unit Ltr.: _____ Section: _____

Surface Hole
 Drilled _____
 To _____
350
 Without _____
 Setting _____
 Casing _____
 Hole Size: 17 1/2

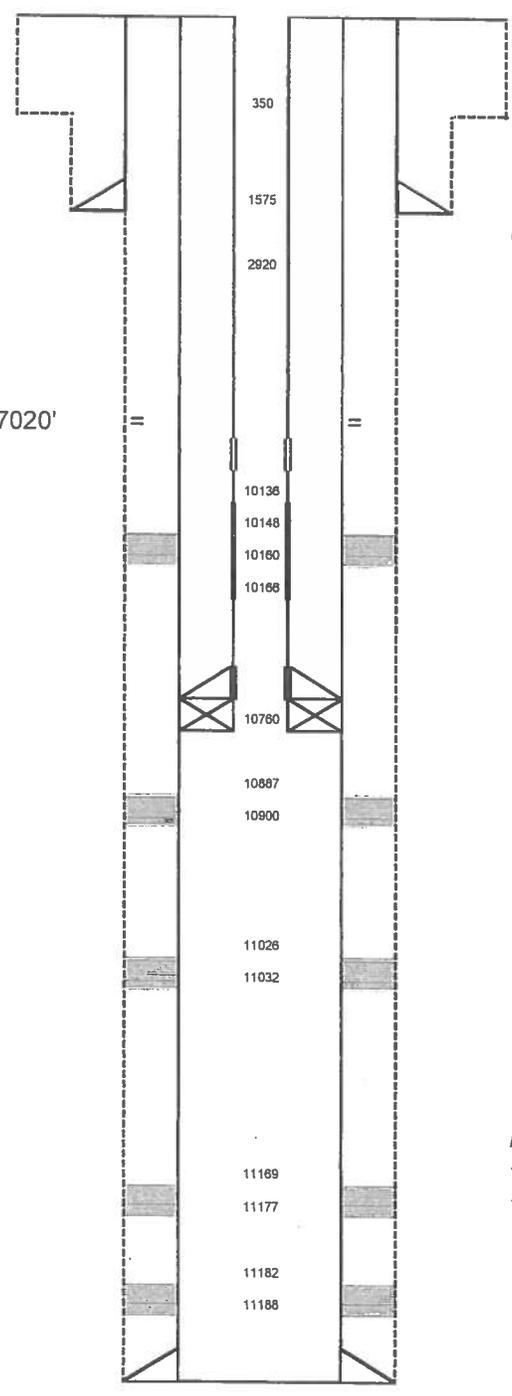
KB: Use GL
 DF: Unknown
 GL: 3,472
 Ini. Spud: 07/07/04
 Ini. Comp.: 09/17/04

Surface Casing
 Size: 9 5/8
 Wt., Grd.: 40# NS-110
 Depth: 1,575 DV Tool ~7020'
 Sxs Cmt: 938
 Circulate: Yes, 40*
 TOC: Surface
 Hole Size: 12 1/4
 *238 sx thru 1"

History
 Dri Brks: 9140-42, 9520-22, 9824-29.
 9/17/04 Ini Comp: Perf Morrow 6 spf 11169-177, 182-188, pkr 11119, swab, flow, frac 1000 gls 7.5% NEFE 68048 gls CO2 34.1k# 18/40 VSP, CBP 11090, snd 1 sx, perf Morrow 6 spf 10887-900, 11026-032, pkr 10984, BD abv & bel pkr, pkr 10826, swab, frac 1000 gls 7.5% 18850 gls CO2 31k# 18/40 VSP, flow, tag 11030, CO & DO CBP, bit 11700, WL pkr 10750, RBP 10270, perf Strawn 6 spf 10148-160, pkr w/BP 10050, run tbg, ret BP, BD, flow, acid 2500 gls 15% FE 100 BS, flow, rel pkr, tag snd, CO, rel RBP, run BHA, latch pkr, flow, ret BP.

Production Casing
 Size: 5 1/2
 Wt., Grd.: 26#
 Depth: 11,848
 Sxs Cmt: 2,275
 Circulate: DV Only
 TOC: 2,920
 Hole Size: 8 3/4
 DV Tool: Yes

Perforations
 10148-160, 887-900, 11026-32, 169-177, 182-188



PBTD: 11,810
 TD: 11,865

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J M Gates Federal NCT-1 #2 Wellbore Diagram

Created: 10/09/07 By: C. A. Irlle
 Updated: 04/02/20 By: H Lucas
 Lease: J M Gates Federal NCT-1
 Field: White City (Penn)
 Surf. Loc.: 1,060' FSL & 1,025' FEL
 Bot. Loc.: _____
 County: Eddy St.: NM
 Status: Active Gas Well

Well #: 2 Fd./St. #: LC-065457
 API: 30-015-33387
 Surface Tshp/Rng: S-24 & E-26
 Unit Ltr.: P Section: 30
 Bottom hole Tshp/Rng: _____
 Unit Ltr.: _____ Section: _____

Surface Hole

Drilled To 350
 Without Setting Casing
 Hole Size: 17 1/2

KB: Use GL
 DF: Unknown
 GL: 3,472
 Ini. Spud: 07/07/04
 Ini. Comp.: 09/17/04

Surface Casing

Size: 9 5/8
 Wt., Grd.: 40# NS-110
 Depth: 1,575 DV Tool ~7020'
 Sxs Cmt: 938
 Circulate: Yes, 40*
 TOC: Surface
 Hole Size: 12 1/4
 *238 sx thru 1"

- 7 P&S across B. Salt to surface
- 6 P&S across Cherry Canyon
- 5 Spot cement across Brushy Canyon
- 4 Spot cement across Bone Spring
- 3 Spot cement across DV Tool
- 2 Spot cement across Wolfcamp
- 1 Cut tubing above sliding sleeve, spot jet seal, spot cement, WOC & tag

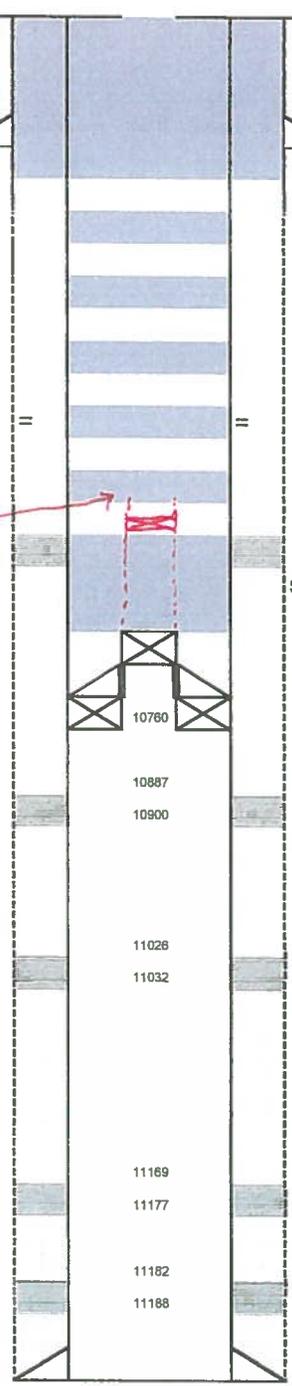
10,096'

CTIP @ 10,095' Leak Test

Production Casing

Size: 5 1/2
 Wt., Grd.: 26#
 Depth: 11,848
 Sxs Cmt: 2,275
 Circulate: DV Only
 TOC: 2,920
 Hole Size: 8 3/4
 DV Tool: Yes

Formation Name	TD, ft
	Top
T Salt	350 (est.)
B Salt	1500 (est.)
Lamar LS	1610
Bell Canyon	1652
Cherry Canyon	2474
Brushy Canyon	3635
Bone Spring	5302
1st Bone Spring	6211
2nd Bone Spring	6642
3rd Bone Spring	8030
Wolfcamp	8320
Strawn	10002
Atoka	10140
Morrow	10725
Mississippian	below TD



PBTD: 11,810
 TD: 11,865

Perforations
 10148-160, 887-900, 11026-32, 169-177, 182-188

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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.**

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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 objectives.

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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



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

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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

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District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 165924

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 165924
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
gcordero	None	12/16/2022