Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.
NMNM70895

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.
LOTOS B FEDERAL 1

2. Name of Operator
CHEVRON USA INC
Contact: CINDY H MURILLO
E-Mail: Cherreramurillo@chevron.com

9. API Well No.
30-015-26395

3a. Address
15 SMITH RD
MIDLAND, TX 79705

3b. Phone No. (include area code)
Ph: 575-263-0431
Fx: 575-391-6679

10. Field and Pool, or Exploratory
SAND DUNES SOUTH

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 10 T24S R31E Mer NMP 1980FSL 1980FWL

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
	☐ 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 intends to repair casing and add perfs to the above mentioned well.

Please find attached the intented procedure.

During the procedure we plan to use the closed loop system with a steel tank and haul to the required disposal, per OCD Rule 19.15.17

Accepted for record
NMOCD 9/3/2013

RECEIVED
SEP 03 2013
NMOCD ARTESIA

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

Electronic Submission #217400 verified by the BLM Well Information System
For CHEVRON USA INC, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 08/19/2013 ()

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

Signature (Electronic Submission) — Date 08/19/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By James A. Amos — Title SEPS — Date 8-29-13

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 HOBBS

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.

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

6/3/2013
Lotos B Federal #1
Casing Repair & Add Perf

1 Verify that well does not have pressure or flow. If 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 MIRU pulling unit and related equipment.

3 Unseat pump and POOH w/ rods & LD pump (examin rods for wear/pitting/parraffin, do not hot water unless necessary)

4 ND WH. NU 11" 5,000 psi BOP with 2-7/8" pipe rams over blind rams.

5 Release TAC and POOH w/ 1 stand. PU 9-5/8" tension pkr on one Jt 2-7/8" tbg and set @ ~25'. Test BOP rams to 250/500 psi

6 POOH while scanning w/ 2-7/8" 6.5# J-55 production tbg & LD production equipment + test pkr (strap pipe out of the hole to verify depths and note them on Wellview report). Replace any bad jts.

7 RU wireline. Test lubricator on rack to 500 psi. NU Lubricator

8 PU/RIH w/ GR + 9-5/8" CBP. Correlate to GR on Neutron-Density log. Set CBP @ 8,160'. POOH

9 Load hole and pressure test to 500 psi. If test fails discuss plan forward on csg leak with RE

10 If test is good, PU/RIH w/ CBL logging tools. Log from 8,100' up to inside of 1st intermediate csg @ 4,316'

11 POOH/LD logging tools. Review CBL log with RE to determine cmt design and volumes. PU/RIH w/ perforating guns and punch holes for cmt job. POOH/LD guns (check to make sure all shots fired). ND lubricator. RD wireline

12 PU 9-5/8" pkr for cmt job & TIH on 2-7/8" production tbg. Set pkr 100' above perforations

13 MIRU service company to pump cement. Pump as per agreed design (surface valves shall remain open during cmt job). Leave 500-1000 psi on wellbore & close well in @ surface. WOC overnight. POOH/LD tbg & pkr.

14 Change rams from 2-7/8" to 3-1/2". PU 1 jt. w/ 9-5/8" pkr, TIH & test rams to 250/500 psi. PU/TIH w/ 3-1/2" L-80 WS + 8-3/4" MT bit + 4-3/4" DC's & cleanout to just above CBP @ 8,160'. Circ well clean

15 POOH w/ 3-1/2" WS & LD bit + DC's

16 RU wireline. NU Lubricator. Test lubricator on rack to 750 psi

17 PU/RIH w/ GR + perforating guns. Correlate to GR on Neutron-Density log. Perforate csg @ (7,597'-7,605') (7,746-50') (8,070-83') (8,088'-8,106') w/ 2 spf and 90 degree phasing. POOH/LD guns (check to make sure all shots fired). ND Lubricator. RD wireline

18 PU 9-5/8" pkr & TIH on 3-1/2" WS. Set pkr @ 7,500'.

19 NU frac valve and frac pack on 5k BOP. Load & Pressure csg 500 - 1000 psi. RDMO PU

20 Prep for sand frac job.

21 MIRU HAL - Hold JSA. Test iron to 6000 psi

22 Pump sand frac w/ 2,000 gal 15% HCL + 132,000 lb 20/40 + 28,000 lb 20/40 CRC sand @ 30 bpm, **max psi = 5500**.

23 Record ISIP, 5, 10, & 15 min. pressures. RDMO HAL

24 RU flowback equipemnt. Stake lines w/ steel hobbles. Flow back well until it dies.

25 MIRU. RD frac pack. Release pkr & POOH w/ 3-1/2" L-80 WD & LD pkr

27 PU 8-3/4" MT bit + 4-3/4" DC's on 3-1/2" WS & cleanout to 8,310' (discuss with RE if cement from squeeze punch holes @ 8,327' is seen). Circ well clean

28 POOH/LD 3-1/2" WS + bit + DC's

29 Change rams from 3-1/2" to 2-7/8". PU 1 jt. w/ 9-5/8" pkr, TIH & test rams to 250/500 psi. (Discuss production equipment setting with ALCR prior to running) PU/TIH w/ 2-7/8" 6.5# J-55 production tubing & production equipment down to 8,215. Set TAC @ 7,550'. ND BOP. NU WH. TIH w/ rods and pump per ALCR. Hang well on. RDMO

30 Turn well over to operations