Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

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.
NM-91078

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 SWD

8 Well Name and No.
LENTINI 1 FEDERAL #15

2. Name of Operator
CHEVRON U.S.A. INC.

9. API Well No.
30-015-28230

3a. Address
15 smith road
Midland, Texas 79705

3b. Phone No. *(include area code)*
432-687-7375

10 Field and Pool or Exploratory Area
HERRADURA BEND; DELAWARE, EAST

4. Location of Well *(Footage, Sec., T ,R ,M., or Survey Description)*
1000' FNL, & 1125' FWL, UL. D, SECTION 1, T-23S, R-28E

11. County or Parish, State
EDDY COUNTY, NEW MEXICO

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 INJECTION STEP RATE TEST
	☐ 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)

CHEVRON U.S.A. INC. INTENDS TO RUN AN INJECTION STEP RATE TEST IN THE SUBJECT WELL.
WE WILL NOT PUT THIS WELL ON INJECTION UNTIL WE HAVE RECEIVED A DISPOSAL PERMIT.

Please find attached, the wellbore diagram & C-144 information.

REQUESTED ZONES ARE OUTSIDE EXISTING PERMIT. OPERATOR MUST APPLY FOR NEW SWD PERMIT.
RI 10/18/12

THE PROCEDURE IS AS FOLLOWS:
1) MIRU.
2) TOH w/tbg & pkr. see COA
3) TIH & set CIBP @ 5850'. ~~Dump bail 35' of cmt on CIBP~~. TOH.
4) Perforate csg @ 2862-92, 2918-68, 3004-16, 3288-3316, 3430-54.
5) TIH w/pkr to 2700'.
6) Acidize perfs w/5000 gals 15 HCL.
7) Perform step rate test & profile survey.
8) TOH w/pkr.
9) TIH w/RBP & set @ 2800'. TOH.
10) RDMO.

RECEIVED
OCT 12 2012
NMOCD ARTESIA

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct Name *(Printed/Typed)*
Denise Pinkerton

Title Regulatory Specialist

Signature Denise Pinkerton

Date 04/11/2012

APPROVED
OCT 10 2012
Date
WESLEY W. INGRAM
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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

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)

Lentini 1 Federal 15 Wellbore Diagram

Created:	11/15/11	By:	JWPF	Well #:	15	Fd./St. #:	
Updated:		By:		API	30-015-28230		
Lease:	Lentini			Surface	Tshp/Rng:	S-23 & E-28	
Field:	Herradura Bend			Labor:	D	Section:	1
Surf. Loc.:	1000' FNL & 1125' FWL			Bottom hole	Tshp/Rng:		
Bot. Loc.:				Labor:		League:	
County:	Eddy	St.:	NM	Cost Code:	??		
Status:	Active Water Injector			Chevno:	??		

Surface Casing

Size:	8 5/8
Wt., Grd.:	24# WC-50
Depth:	270'
Sxs Cmt:	200
Circulate:	Yes
TOC:	Surface
Hole Size:	12 1/4

Production Casing

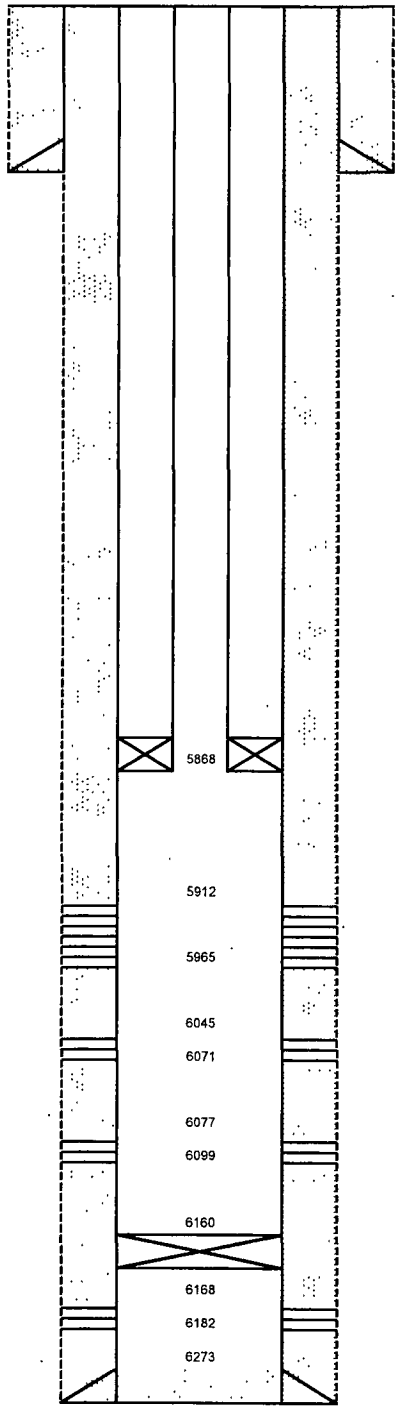
Size:	5 1/2
Wt., Grd.:	15.5# K-55
Depth:	6365'
Sxs Cmt:	1,250
Circulate:	Yes
TOC:	Surface
Hole Size:	7 7/8
DV Tool:	NA

Perforations

5912-5965, 6045-6071, 6077-6099, 6168-6182

Tubing Detail - 11/15/11 LOWIS

191 jts. 2 3/8" 4.7# IPC tbg	5860'
On-off tool (1.5" F profile)	5861'
Arrowset 1X pkr	5868'
2 3/8" Bell collar	5869'



PBTD: 6160'
TD: 6365'

KB:	3,072
DF:	3,071
GL:	3,060
Ini. Spud:	12/20/94
Ini. Comp.:	03/15/95

History

Perf 6168-6182' (29 holes).
Frac 6168-6182' w/9,100 gal linear gel & 18,500 # 16/30 SD & 3,000 # 16/30 RC SD
Perf 5912-5922' & 5945-5965' (52 holes)
Frac 5912-5965' w/29,000 gal linear gel & 74,000 # 16/30 SD & 15,000 # 16/30 RC SD
11/24/2003 Well converted from prod to inj
1/14/2011 Tag fill. No fill at 6150'. Set plug in PN. Pressure test tbg 1500 psi. Communicated with production casing Released pressure. Retrieved plug. NOTE Later determined On/Off tool had unlatched from packer.

Geology - Tops

Lamar	2746'
Cherry Canyon	3592'
Brushy Canyon	4778'
Bone Spring	6282'

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM 87505

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

Form C-144 CLEZ
Revised August 1, 2011

For closed-loop systems *that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure*, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.

Operator: CHEVRON U.S.A. INC. OGRID #:4323

Address: 15 SMITH ROAD, MIDLAND, TEXAS 79705

Facility or well name **LENTINI 1 FEDERAL #15**

API Number: **30-015-28230** OCD Permit Number: _____

U/L or Qtr/Qtr **D** Section **1** Township **23S** Range **28E** County: **EDDY**

Center of Proposed Design: Latitude _____ Longitude _____ NAD: ☐1927 ☐ 1983

Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.

☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC

Operation: ☐ Drilling a new well ☒ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A

☐ Above Ground Steel Tanks or ☐ Haul-off Bins RUN INJECTION STEP RATE TEST

3.

Signs: Subsection C of 19.15.17.11 NMAC

☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☐ Signed in compliance with 19.15.16.8 NMAC

4.

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC

☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC

☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____

5.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: CONTROLLED RECOVERY INC. (CRI) Disposal Facility Permit Number: R9166-NM-01-0006

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations

☐ Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15 17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): DENISE PINKERTON Title: REGULATORY SPECIALIST

Signature: Denise Pinkerton Date: 04-11-2012

e-mail address: leakejd@chevron.com Telephone: 432-687-7375

7.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: _____ **Approval Date:** _____

Title: _____ **OCD Permit Number:** _____

8.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ **Closure Completion Date:** _____

9.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations

☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

10.
Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

Reverse Unit

Reverse Unit Tank

Notes

1. This is a generic layout, exact equipment orientation will vary from location to location
2. This is a schematic representation, so drawing is not to scale
3. Frac tanks and number of pumps can vary, with daily operations and well requirements

Operation and Maintenance Plan

1. All recovered fluids and solids will be discharged into reverse tank
2. Reverse tank will be continuously monitored by designated rig crew so that tank will not be overfilled
3. Rig crew will visually inspect fluid integrity of reverse tank and frac tanks on a daily basis.
4. Documentation of visual inspection of reverse tank and frac tanks will be captured on daily completion morning report

Closure Plan

1. All recovered fluids and solids will be removed from reverse tank and hauled off of site
2. All recovered fluids and solids will be disposed of at a suitable off location waste disposal facility
3. Any remaining frac fluids in frac tanks will be hauled off location

Conditions of Approval

Chevron U. S. A. Inc.
Lentini 1 Federal #15
API 30-015-28230
October 10, 2012

1. The Marks #1 API#30-015- 02480 was inadequately plugged Nov-1958. The Gulf #1 API# 30-015-02479 was inadequately plugged Oct-1960. The major shortcoming for these P&As is the lack of a plug covering the salt in this R-111-P area. Submit a sundry for BLM approval to reenter and properly plug these wellbores.
2. **DO NOT PERFORATE as described by STEP 4 until a NMOCD SWD permit is received. BLM will grant a temporary abandonment status for a stated time limit based on MIT results.**
3. **Operator shall perform logging or swab tests of new perforations and submit evaluation that proposed injection formation perforations are not productive in paying quantities. That evaluation is to be reviewed by BLM prior to initiating injection into the new zone.**
4. Notify BLM 575-200-7902 a minimum of 24 hours prior to commencing plug back procedures. The procedures are to be witnessed. Note the contact, time and date in your subsequent report.
5. Surface disturbance beyond the existing pad shall have prior approval.
6. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
7. Functional H_2S monitoring equipment to be on location.
8. A minimum of 2000 (2M) BOPE is to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
10. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.

11. The BLM PET witness is to run tbg tally and agree to cement placement. Sample each plug for cement curing time and tag and/or pressure test as requested by BLM PET witness.
12. **Modify Step 3 to Include:** Set a 25 sack neat Class "C" cement plug on the CIBP to be set at 5850'. Tag the CIBP prior to pumping the cement plug to verify depth.
13. **After setting the top plug load the hole w/packer fluid and perform a BLM PET witnessed casing integrity test (charted) at your proposed injection pressure or above. Pressure leakoff may require remediation prior to continuing the procedure. Include a copy of the chart in the subsequent sundry for this workover.**
14. File a **subsequent sundry** Form 3160-**5** within 30 days of the plug back and temporary abandonment. Include an updated wellbore diagram.
15. Workover approval is good for 90 days (completion to be within 90 days of approval). A detailed justification is necessary for an extension of that date.

PRS/WWI 101012

Operations for a Well with an Inj Packer

1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with 200 psig differentials between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
3) Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
4) Make arrangements 24 hours before the test for BLM to witness. In Eddy County 575-361-2822, if there is no response email Paul R. Swartz pswartz@blm.gov or phone 575-200-7902. Note the contact, time, & date in your subsequent report.
5) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
7) **Submit the original subsequent sundry with three copies to BLM Carlsbad.**
8) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization. Approved injection pressure compliance is required. If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
9) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
10) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
11) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of the annular fluid level at any time.
12) A "Best Management Practice" is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.

13) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
14) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
15) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia. Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
16) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an
in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.

Access information for **use of Form 3160-5** "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.