

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.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC029420A
2. Name of Operator CHEVRON U.S.A. INC.		6. If Indian, Allottee or Tribe Name
Contact: DENISE PINKERTON E-Mail: leakejd@chevron.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 15 SMITH ROAD MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 432-687-7375	8. Well Name and No. SKELLY UNIT 965
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 15 T17S R31E Mer NMP 990FSL 990FWL		9. API Well No. 30-015-34647
		10. Field and Pool, or Exploratory FREN
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

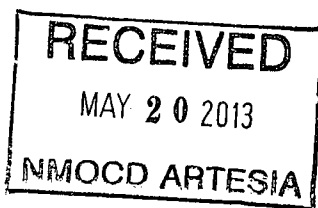
TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input checked="" type="checkbox"/> Fracture Treat <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 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

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 recompletable 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 U.S.A. INC. INTENDS TO FRACTURE STIMULATE THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, THE WELLBORE DIAGRAM, AND THE C-144 CLOSED LOOP INFORMATION FOR THE NMOCD.

CRBode 5/24/13
Accepted for record
NMOCD



**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.		Electronic Submission #204826 verified by the BLM Well Information System For CHEVRON U.S.A. INC., sent to the Carlsbad Committed to AFMSS for processing by JOHNNY DICKERSON on 04/23/2013 ()	
Name(Printed/Typed) DENISE PINKERTON		Title REGULATORY SPECIALIST	
Signature (Electronic Submission)		Date 04/19/2013	<div style="border: 2px solid black; padding: 5px; text-align: center;"> APPROVED MAY 16 2013 <i>Jenny...</i> BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE </div>
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved By _____		Title _____	
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.

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

Skelly Unit 965

Paddock Frac Procedure

1. POH w/ rods, pump and tubing.
2. Set CBP at 5220'.
3. Perforate the Paddock formation from 5020-5198.5'.
4. Frac stimulate the Paddock formation w/ 102,000 gallons gelled water and 129,600# 16-30 sand.
5. Flow back load.
6. Drill out CBP.
7. RIH w/ tubing, pump and rods.
8. Return well to production.

Skelly Unit #965 Wellbore Diagram

Created: 02/27/09 By: B. Scott
 Updated: 01/15/13 By: TPQJ
 Lease: Skelly Unit
 Field: Fren - Paddock
 Surf. Loc.: 990' FSL & 990' FWL
 Bot. Loc.:
 County: Eddy St.: NM
 Status: Active Oil Well

Well #: 965 Fd./St. #:
 API 30-015-34647
 Surface Tshp/Rng: S-17 & E-31
 Unit Ltr.: M Section: 15
 Bottom hole Tshp/Rng:
 Unit Ltr.: Section:
 Directions: Carlsbad, NM
 Chevno: JC7203

Surface Casing

Size: 13 3/8"
 Wt., Grd.: 48# H-40
 Depth: 425
 Sxs Cmt: 448
 Circulate: Yes, 165
 TOC: Surface
 Hole Size: 17 1/2"

Intermediate Casing

Size: 8 5/8"
 Wt., Grd.: 32# J-55
 Depth: 1,809
 Sxs Cmt: 800
 Circulate: Yes, 180
 TOC: Surface
 Hole Size: 12 1/4"

Production Casing

Size: 5 1/2"
 Wt., Grd.: 17# J-55
 Depth: 5,364
 Sxs Cmt: 1,075
 Circulate: Yes*, 252
 TOC: Surface
 Hole Size: 7 7/8"

*DV Tool @ 4726', Circ 1st & 2nd stg

Production Casing

Size: 4"
 Wt., Grd.: 11.6# L-80
 Depth: 6,619
 Sxs Cmt:
 Circulate:
 TOC: 5,239'
 Hole Size: 4-3/4"

*DV Tool @ 5241

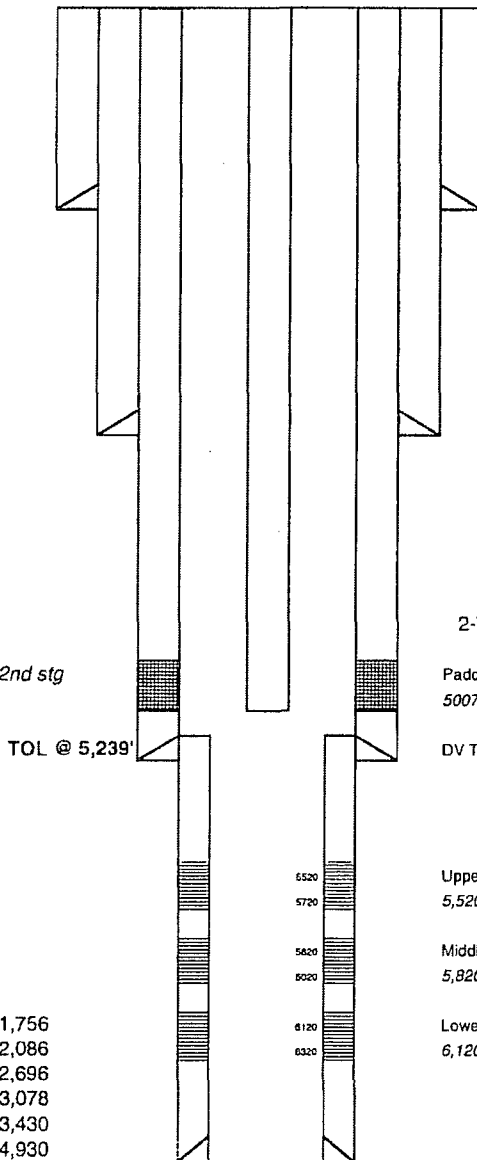
Geology - Tops

Yates 1,756
 Seven Rivers 2,086
 Queen 2,696
 Grayburg 3,078
 San Andres 3,430
 Glorietta 4,930
 Paddock 5,007

Perforations

5007-5216.5' (Squeezed)
 5,520 - 5,720'
 5,820 - 6,020'
 6,120 - 6,320'

PBTD: 6,550'
 TD: 6,619'



KB: 3,863

DF:

GL: 3,849

Ini. Spud: 05/16/06

Ini. Comp.: 06/06/06

History

6/6/06 Ini Comp: Perf 5007-5216.5 (63 holes), PPI acid 2800 gal 15% HCl, Set pkr @ 4906', acid 32000 gal 20% HCl 54000 gal 40# linear gel, 5000 gal 15% HCl, 2 7/8 tbg, SN 5222. IP 500 300w 100g

2/21/12: Deepen well to Blinbry. Squeeze existing Paddock perms. Deepened to 6,619' & cement in 4\"

Perf Lower Blinbry (6,120 - 6,320' w/ 1 SPF (24 holes) Acidize w/ 2,500 G 15%. Frac w/ 116,952 G D200 R15 + 147,027# 16/30 sand; flush w/ 750 G 15% + 56 bbls gel.

Perf Middle Blinbry (5,820 - 6,020' w/ 1 SPF (24 holes) Acidize w/ 1,500 G 15%. Frac w/ 110,964 G D200 R15 + 137,713# 16/30 sand; flush w/ 750 G 15% + 52 bbls gel.

Perf Upper Blinbry (5,520 - 5,720' w/ 1 SPF (26 holes) Acidize w/ 1,500 G 15%. Frac w/ 119,144 G D200 R15 + 114,847# 16/30 sand; flush w/ 63 bbls gel.

Drill out plugs, CO hole. Back off 4\"

2-7/8\"

Paddock Perfs (Squeezed)

5007 - 5217'

DV Tool @ 5,239' - top of 4\"

Tubing Detail

2-7/8\"

TAC

SN

Upper Blinbry

5,520 - 5,720'

Middle Blinbry

5,820 - 6,020'

Lower Blinbry

6,120 - 6,320'

Skelly Unit 965
30-015-34647
Chevron U.S.A. Inc.
May 16, 2013
Conditions of Approval

Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.

Work to be completed by August 16, 2013.

- 1. Must conduct a casing integrity test before any work can be done. Submit results to BLM. The CIT is to be performed on the 5-1/2" production casing per Onshore Oil and Gas Order 2.III.B.1.h.** Make arrangements 24 hours before the test for BLM to witness. E-mail Paul R. Swartz pswartz@blm.gov or phone 575-200-7902, if there is no response, 575-361-2822. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
- 2. If CIT does not fail work is approved as proposed by operator.**
3. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
4. Surface disturbance beyond the originally approved pad must have prior approval.
5. Closed loop system required.
6. All waste (i.e. drilling fluids, 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.
7. Operator to have H2S monitoring equipment on location.

8. A minimum of a 2000 (2M) BOP 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. **Subsequent sundry required detailing work done and completion report. Operator to include well bore schematic of current well condition when work is complete.**

JAM 051613