

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.**

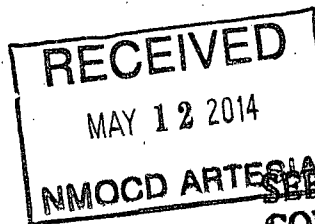
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC064637
2. Name of Operator CHEVRON USA INCORPORATED		6. If Indian, Allottee or Tribe Name
Contact: CINDY H MURILLO E-Mail: CHERRERAMURILLO@CHEVRON.COM		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: 575-263-0431 Fx: 575-391-6679	8. Well Name and No. HENSHAW 23 FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec.23 T16S R30E NWNE 660FNL 1980FEL		9. API Well No. 30-015-34448-00-S1
		10. Field and Pool, or Exploratory HENSHAW-WOLFCAMP
		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 type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input checked="" 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	

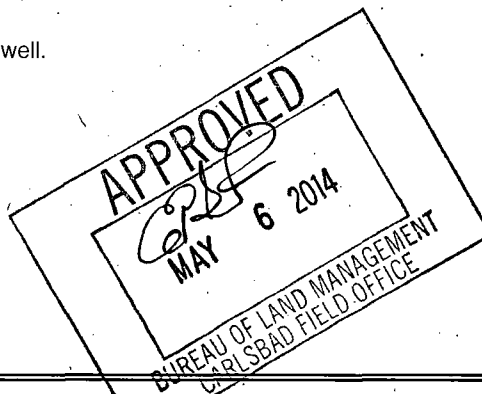
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 recompleat 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 recompleat the above mentioned well.
Please find attached intended Procedure and wellbore schematic.



Accepted for record
NMOC D *tes*
5-14-14

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #218758 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by JOHNNY DICKERSON on 09/05/2013 (13JLD1319SE)	
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 09/03/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>EDWARD FERNANDEZ</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>05/06/2014</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>Carlsbad</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.

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

7/26/2013
Henshaw 23 Federal #1
Casing Repair & Re-complete

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).

- 1 MIRU pulling unit and related equipment.
- 2 Unseat pump and POOH w/ rods & LD pump (examin rods for wear/pitting/paraffin, do not hot water unless necessary)
- 3 ND WH. NU 7-1/16" 5,000 psi BOP with 2-7/8" pipe rams over blind rams.
- 4 Release TAC and POOH w/ 1 stand. PU 5-1/2" tension pkr on one Jt 2-7/8" tbg and set @ ~25'. Test BOP rams to 250/500 psi
- 5 POOH while scanning w/ 2-7/8" 6.5# L-80 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.
- 6 RU Gray wireline. Test lubricator on rack to 500 psi. NU Lubricator. PU guage ring for 5-1/2" 20# csg. RIH to 8,700'. POOH
- 7 PU/RIH w/ GR + 5-1/2" CIBP. Correlate to GR on Neutron-Density log dated xxxx. Set CIBP @ 8,650'. Dump bail 25' of class 'H' cmt on top of CIBP. POOH
- 8 Load hole and pressure test to 500 psi. If test fails discuss plan forward on csg leak with RE
- 9 If test is good, PU/RIH w/ CBL logging tools. Log from 8,600' up to inside of 1st intermediate csg @ 3,815'
- 10 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). PU/RIH w/ 5-1/2" CBP and set 10' below punch holes. POOH. ND lubricator. RD Gray
- 11 PU 5-1/2" pkr for cmt job & TIH on 2-7/8" production tbg. Set pkr 100' above perforations
- 12 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 w/ tbg & LD pkr.
- 13 PU 4-3/4" MT bit + 3-3/4" DC's on 2-7/8" L-80 production tbg & cleanout to 8,000'. Circ well clean
- 14 POOH/LD 2-7/8" tbg + bit + DC's
- 15 RU Gray wireline. NU Lubricator. Test lubricator on rack to 1000 psi
- 16 PU/RIH w/ GR + perforating guns. Correlate to GR on Neutron-Density log. Perforate csg @ (7,810-20') (7,840-50') (7,860-70') w/ 2 spf and 90 degree phasing. POOH/LD guns (check to make sure all shots fired). ND Lubricator. RD Gray
- 18 Change rams from 2-7/8" to 3-1/2". PU 1 jt. w/ 5-1/2" pkr, TIH & test rams to 250/500 psi. PU/TIH w/ pkr + 3-1/2" L-80 workstring. Set pkr @ 7,700'.
- 19 NU frac valve and frac pack on 5k BOP. Load & Pressure csg 500 - 1000 psi. RDMO PU

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

SEE COA

See COA

- 20 Prep for sand frac job on xx.
- 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/LD 3-1/2" L-80 workstring + pkr. Change rams from 3-1/2" to 2-7/8".
PU 1 jt w/ pkr, TIH & test rams to 250/500 psi
- 27 PU 4-3/4" MT bit + 3-3/4" DC's on 2-7/8" L-80 production tbg & cleanout to 8,000'. Circ well clean
- 28 POOH w/ 2-7/8" tbg & LD bit + DC's
- 29 (Discuss production equipment setting with ALCR prior to running) PU production equipment & TIH w/ 2-7/8" 6.5# L-80 production tbg down to 7,880. 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

Current Wellbore Schematic

WELL (PN): HENSHAW 23 FED (CVX) 611905

FIELD OFFICE: HOBBS

STATE: NEW MEXICO / COUNTY: STARR

LOCATION: SEC 23 T18N R16E PMB 8190 FFL

ROUTE: RDB NM ROUTE 21, W/181 BOUND

ELEVATION: GCS: 3,520.0' KB: 3,843.0' KB H-ONE: 20.0'

UTM: 10S 12,000.0'

API# 100153448

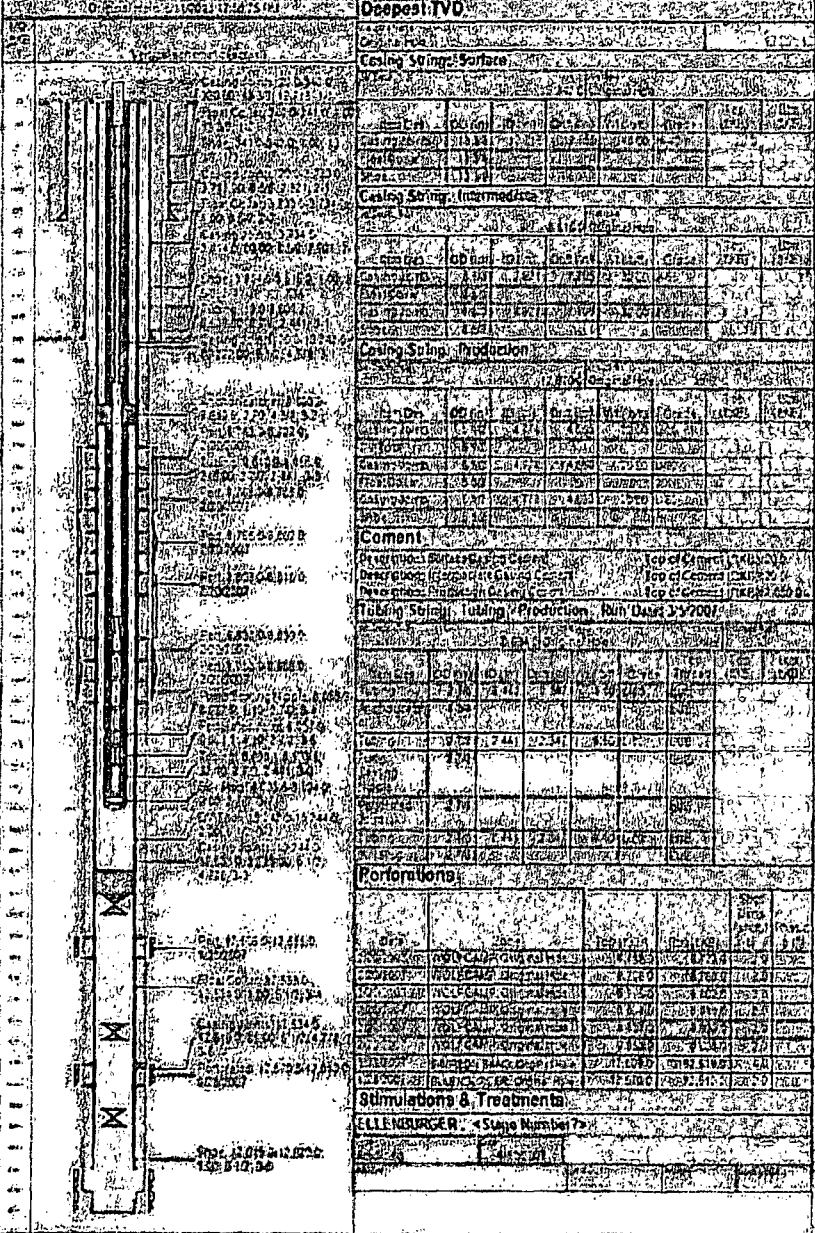
SPUD DATE: 10/8/2000

REG RELEASE: 12/7/2000

1ST SALES GAS: 30/2007

1ST SALES OIL: 3/7/2007

CURRENT STATUS: PRODUING



Well History

Process

Wellbore Schematic

WELL NAME: HENSHAW #1 (8011-VE) (81100)

FIELD OFFICE: INCOG

STATE: COUNTY: NEW LEON COUNTY

LOCATION: 11011-VE (8011-VE) (81100)

DEPT: 11011-VE (8011-VE) (81100)

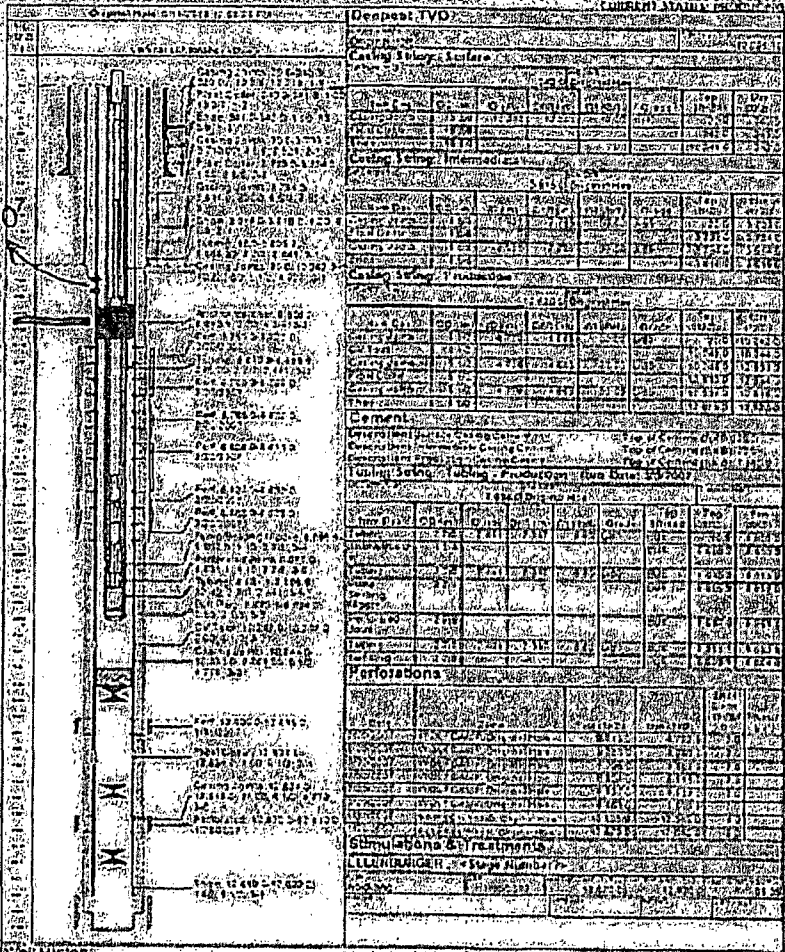
API# 320123444

WELL CATE: 11011-VE

DEPT CATE: 11011-VE

11011-VE (8011-VE) (81100)

11011-VE (8011-VE) (81100)



New Perf.
@ 7810-70

BPF @
8,650' +
25' cm

Conditions of Approval

Sundry dated September 3, 2013

Chevron USA Inc.

Henshaw 23 Federal - 01

API 3001534448, T16S-R30E, Sec 23

May 1, 2014

1. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard <bballard@blm.gov> 575.234.5973.
2. Notify BLM 575-200-7902 Eddy Co as work begins. Some procedures are to be witnessed. If there is no response, call 575-361-2822, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
3. Surface disturbance beyond the existing pad must have prior approval.
4. 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.
5. Functional H₂S monitoring equipment shall be on location.
6. 5000 (5M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
7. **Before Step 7 of the 07/26/2013 procedure: accomplish the following condition of approval requirements 8 through 15.**
8. **Place a 55sx minimum "H" cement plug on the CBP at 12,460'.**
9. **Set an intermediate 45sx minimum "H" cement plug from 10,670. Tag the plug at 10,250' or higher.**
10. **Run a CBL from 8,600' to 3,000' and provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log. The CBL may be attached to a pswartz@blm.gov email. The CFO BLM on call engineer may be reached at 575-706-2779. Determined Top of Cement.**
11. **Locate the unreported DV Tool depth. It should show up on a CBL. Should the tool be below proposed production perforations, set a cement plug from a minimum of 50' below the tool to 50' above. Tag Required**

12. After setting the (Step 7) CIBP, perform a BLM PET witnessed (charted) casing integrity test of 1,000psig. Pressure leakoff may require correction for approval. Include a copy of the chart in the subsequent sundry for this workover.
13. If top of cement is determined to be too low, operator shall provide the BLM with a procedure via email on where they plan on perforating and cement amount to attempt to place cement behind the production casing.
14. After the cement squeeze (Step 11 and 12 of the 07/26/2013 procedure) done, another CBL may need to be run to determine the success of the cement job. If a CBL is run, provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log.
15. Perform another BLM PET witnessed (charted) casing integrity test of 5,500psig.
16. Operator may proceed with step 13 of the 07/26/2013 procedure.
17. 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.
18. 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 (WOC time of 4 hours recommended) as requested by BLM PET witness.
19. Class H > 7500ft & C < 7500ft) cement plugs(s) will be necessary. The minimum pumped volume of 25 sacks of cement slurry is to exceed a 100ft cement plug across the drilled wellbore. Add 10% to the 100ft slurry volume for each 1000ft of plug depth. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is recommended. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and "H" to be mixed 15.6#/gal, 1.18ft³/sx, 5.2gal/sx water.
20. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
21. File intermediate **subsequent sundry** Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.
22. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
23. Workover approval is good for 100 days (completion to be within 100 days of approval). A legitimate request is necessary for extension of that date.

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.