

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

5. Lease Serial No.
NMLC029392B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
SRM1403

8. Well Name and No.
GREENWOOD PRE-GRAYBURG FED COM

9. API Well No.
30-015-22601-00-S1

10. Field and Pool, or Exploratory
SHUGART

11. County or Parish, and State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Contact: DENISE PINKERTON
CHEVRON USA INCORPORATED E-Mail: leakejd@chevron.com

3a. Address 3b. Phone No. (include area code)
15 SMITH ROAD Ph: 432-687-7375
MIDLAND, TX 79705

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 27 T18S R31E NWSW 1980FSL 660FWL

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 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 checked="" 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 recompleate 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 recompleation 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 INTENDS TO TEMPORARILY ABANDON THE SUBJECT WELL. PLANS ARE TO RECOMPLETE THIS WELL IN THE GRAYBURG OR WOLFCAMP.

PLEASE FIND ATTACHMENTS SHOWING THE INTENDED PROCEDURE, CURRENT & PROPOSED WELLBORE DIAGRAM & THE GEO-PROPOSAL.

CONVERSATION WAS HELD BETWEEN MR. JIM AMOS, BLM, & ABDUL SULE, CHEVRON.

ND 10/6/15
Accepted for record
NMOCD

NM OIL CONSERVATION

ARTESIA DISTRICT

OCT 05 2015

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

RECEIVED
Electronic Submission #281006 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by CATHY QUEEN on 06/22/2015 (15CQ0396SE)

Name (Printed/Typed) DENISE PINKERTON

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 11/20/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By *James A. Amos*

Title *CPE*

Date *9-28-15*

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 *CFO*

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 ****



**Geological Assessment
Greenwood Pre-Grayburg Unit 1-C**

Well Name:	Greenwood Pre-Grayburg Unit 1-C	API#:	3001522601
Location:	T18S, R31E, Sec. 27	Geologist:	Walt Harston
County:	Eddy	Engineer:	Abdul Sule
State:	NM	FMT:	Eunice

EXECUTIVE SUMMARY

There is an opportunity to recomplete the Grayburg or Wolfcamp in this well. Given the risks inherent with each reservoir, I recommend completing the Wolfcamp first and then moving uphole to the Grayburg if the Wolfcamp is not productive.

WELL HISTORY

This well was originally completed in the Morrow and has produced 1.7 bcf from that zone. It has also been completed in the Atoka from which it has produced 350,000 mcf.

The Hinkle F #8 is the closest offset Grayburg producer 600 ft away. The Hinkle F #8 produced from 1966 until 1987 when it was P&A'd.

JUSTIFICATION

Grayburg:

There is significant Grayburg production in the area around this well. ¼ mile to the east and on structural trend with the subject well, the Hinkle F #6 (3001510607) has cumulative production of 239,378 BO; 70,031 MCF; and 789,576 BW from the lowermost proposed zone. Also, 600 ft to the northeast, the Hinkle F #8 (3001510760) produced from the Grayburg and cum'd 123,234 BO; 63,726 MCF; and 315,702 BW.

Wolfcamp:

The uppermost Wolfcamp was completed in several wells approximately 5 miles eastward. The two closest Wolfcamp producers are the Tyke Federal #1 (3002531041) and the Inca Federal #12 (3002531756). The Tyke Federal #1 cum'd 380,719 BO, 450,692 MCF, and 1,841,547 BW. The Inca Federal #12 cum'd 513,225 BO, 762,185 MCF, and 1,456,880 BW. This well is on trend (slightly updip) of those two producers.

ISSUES

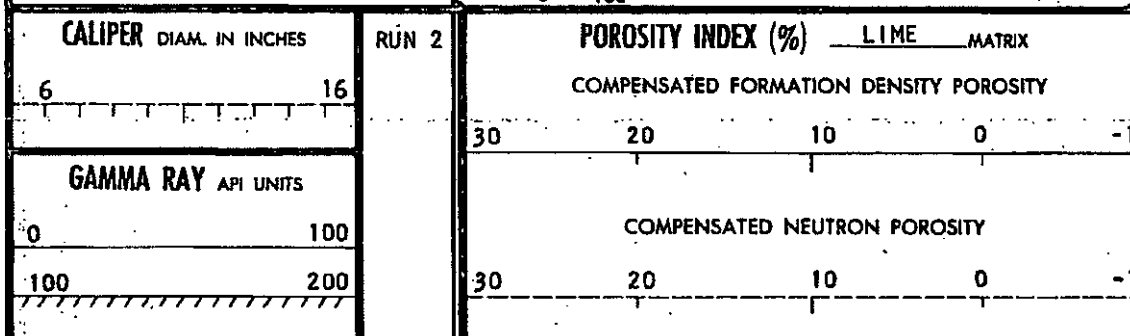
Grayburg:

LOG FILE
SchlumbergerCOMPENSATED NEUTRON
FORMATION DENSITY

COUNT FIELD LOCATION WELL		D00583945	
COMPANY		AMOCO PRODUCTION COMPANY	
API #30-015-22601		(What Copy)	
WELL		GREENHOBBS FEDERAL UNIT #10	
FIELD		SHUGART	
COUNTY		EDDY STATE NEW MEXICO	
LOCATION		6601 FWL S. 19801 FSL	
API SERIAL NO.		27	
SEC.		18-S	
TWP.		21-E	
Other Services:		DLI BHC CYBERL DOK	
Permanent Datum:		* Elev. RDB 3629	
Log Measured From:		RDB 15 ft. Above Perm. Datum	
Drilling Measured From:		RDB	
Date		12-20-78	
Run No.		ONE	
Depth-Driller		4642	
Depth-Logger		11938	
Sim. Log Interval		4640	
Top Log Interval		SURE	
Casing-Driller		13 3/8 @ 724	
Casing-Logger		724	
Bit Size		12 1/4	
Type Fluid in Hole		BRINE	
Dens. Visc.		10.1 29	
pH		9.0	
Fluid Loss		6 ml	
Source of Sample		PIT	
Rm @ Meas. Temp.		.059 @ 64 °F	
Rm @ Meas. Temp.		.047 @ 64 °F	
Rm @ Meas. Temp.		.075 @ 55 °F	
Rm @ Meas. Temp.		.15 @ 55 °F	
Source: Refl Rmc		M	
Rm @ BHT		.039 @ 96 °F	
Circulation Stopped		0700	
Logger on Bottom		1600	
Max. Rec. Temp.		96 °F	
Equip. Location		DOUGLASS	
Recorded By		DOUGLASS	
Witnessed By Mr.		WILLIAMS	

DETAIL LOG

5" = 100'



The proposed perforations are shown by a red box in the depth track.

LOG FILE		COMPENSATED NEUTRON FORMATION DENSITY	
Schlumberger			
COMPANY AMOCO PRODUCTION COMPANY API #30-015-22601 (Note Copy) WELL GREENHOBBS FEDERAL UNIT #25 "C" FIELD SHUGART COUNTY EDDY STATE NEW MEXICO Drilled #10		COMPANY AMOCO PROD. CO. D00583945 COUN FIELD LOCATI WELL LOCATION 660' FWL & 1980' FSL API SERIAL NO. SEC. TWP. RANGE 27 18-S 31-E Other Services: DLL BHC CYBERLOOK	
Permanent Datum * Elev. 15 Ft. Above Perm. Datum Log Measured From RDB Drilling Measured From RDB Elev. RDB 3629 D.F. 3614			
Rate	12-20-78	2-5-79	
Run No.	ONE	TWO	
Depth-Logger	4642	11938	
Run Log Interval	4640	11936	
Top Log Interval	SURE	4642	
Casing-Driller	13 3/8 @ 724	9 5/8 @ 4644	@
Casing-Logger	724	4642	
Bit Size	12 1/4	8 3/4	
Type Fluid in Hole	BRINE	SALT MUD	
Dens. Visc.	10.1 29	9.4 45	
pH Fluid Loss		9.0 6	ml
Source of Sample	PIT	CIRC	
Rm @ Meas. Temp.	.059 @ 64 °F	.105 @ 53 °F	@ °F
Rm @ Meas. Temp.	.047 @ 64 °F	.075 @ 55 °F	@ °F
Rm @ Meas. Temp.	.040 @ 64 °F	.15 @ 55 °F	@ °F
Source: Rm1 Rm2	M	M	
Rm @ BHT	.039 @ 96 °F	.035 @ 161 °F	@ °F
Circulation Stopped	0700	0700	
Logger on Bottom	1600	2000	
Max. Rec. Temp.	96 °F	161 °F	
Equip. Location	8075 HOBBS	8042 HOBBS	
Recorded By	DOUGLASS	CAMPAIN, DANIEL	
Witnessed By	WILLIAMS	DYER	

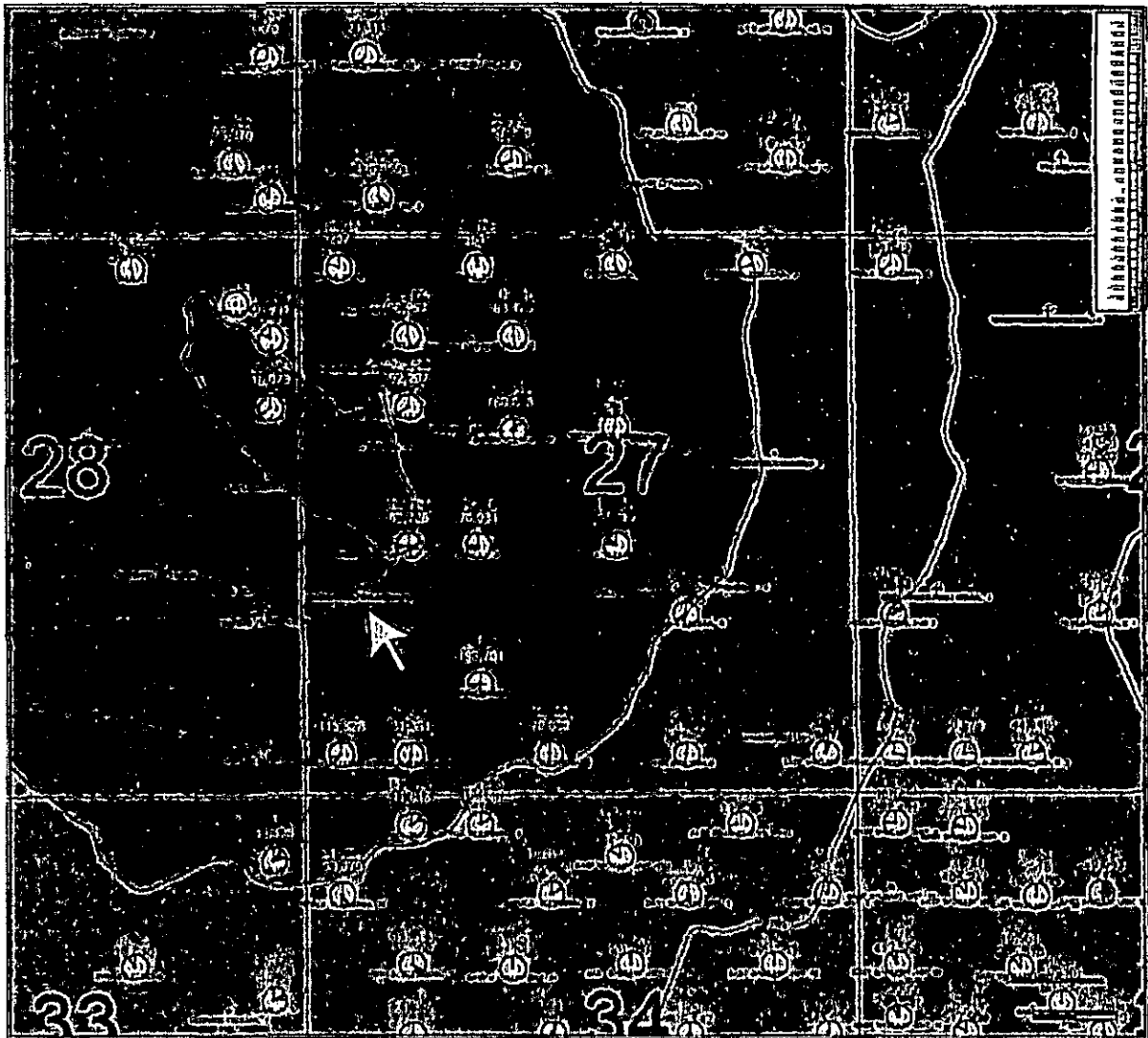
CALIPER		RUN 2	DETAIL LOG				
DIAM. IN INCHES			5" = 100'				
6	16		POROSITY INDEX (%) <u> </u> LIME <u> </u> MATRIX				
			COMPENSATED FORMATION DENSITY POROSITY				
			30	20	10	0	-1
GAMMA RAY			COMPENSATED NEUTRON POROSITY				
API UNITS							
0	100						
100	200		30	20	10	0	-1

Structure Map:

Structure: Grayburg

CI 100'

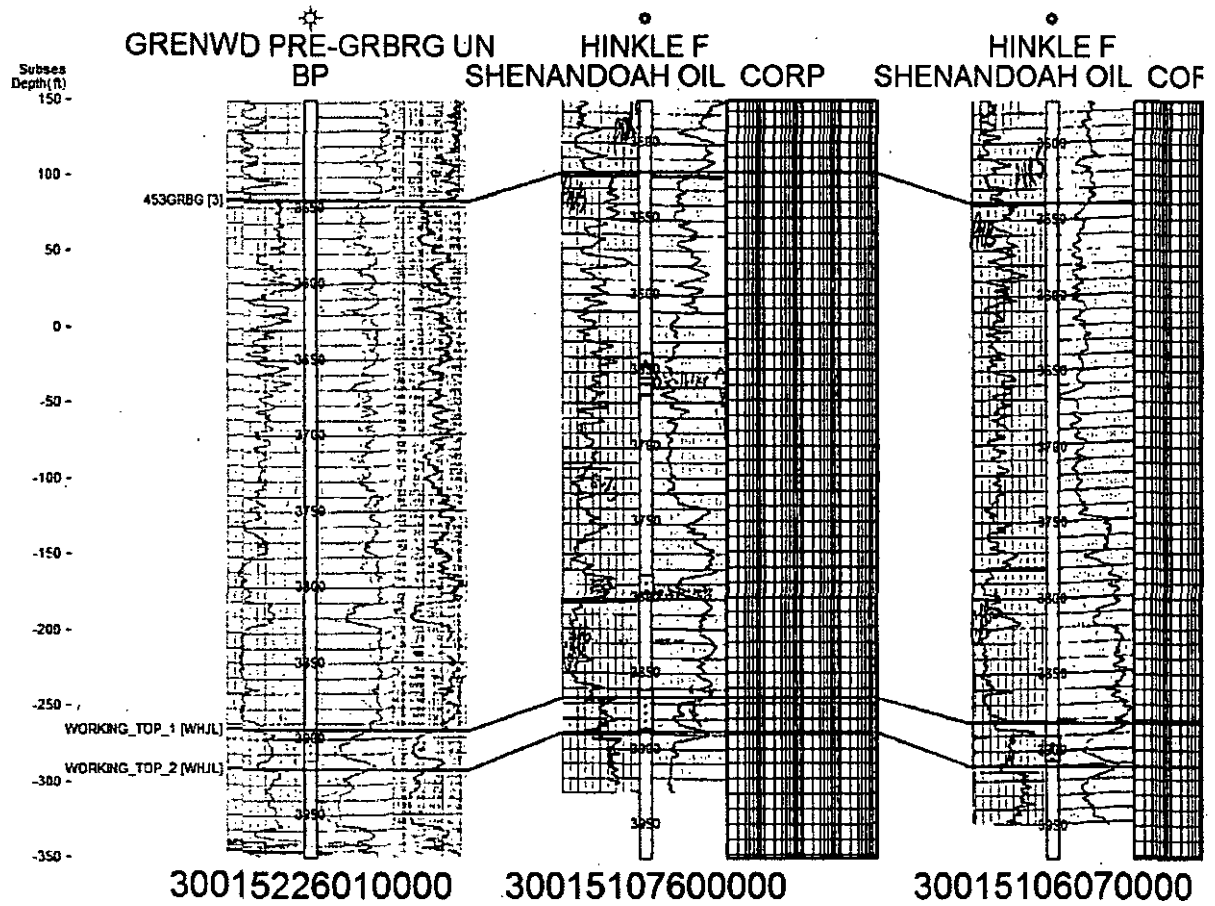
The contour map below has pie charts illustrating production from the Grayburg. Cumulative production is noted above each well. The yellow arrow indicates the position of the subject well. The blue line shows the orientation of the cross section in the next exhibit.



Cross Section:

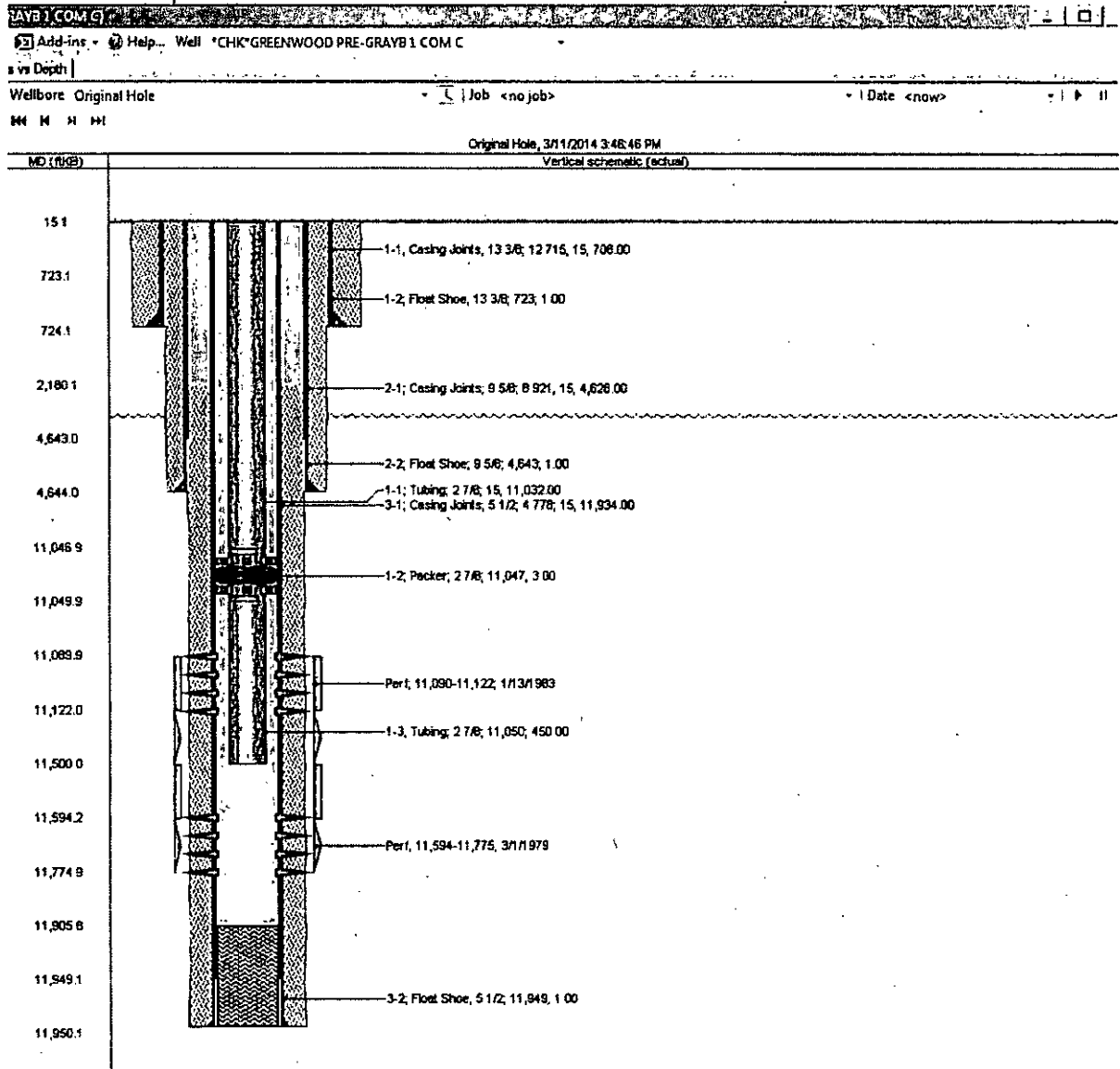
Grayburg

The cross section below shows the structural position of the proposed interval to its closest offset producers. Proposed interval is highlighted yellow.



Well Bore Diagram:

Last Updated: 3/11/2014





RWW Job Plan

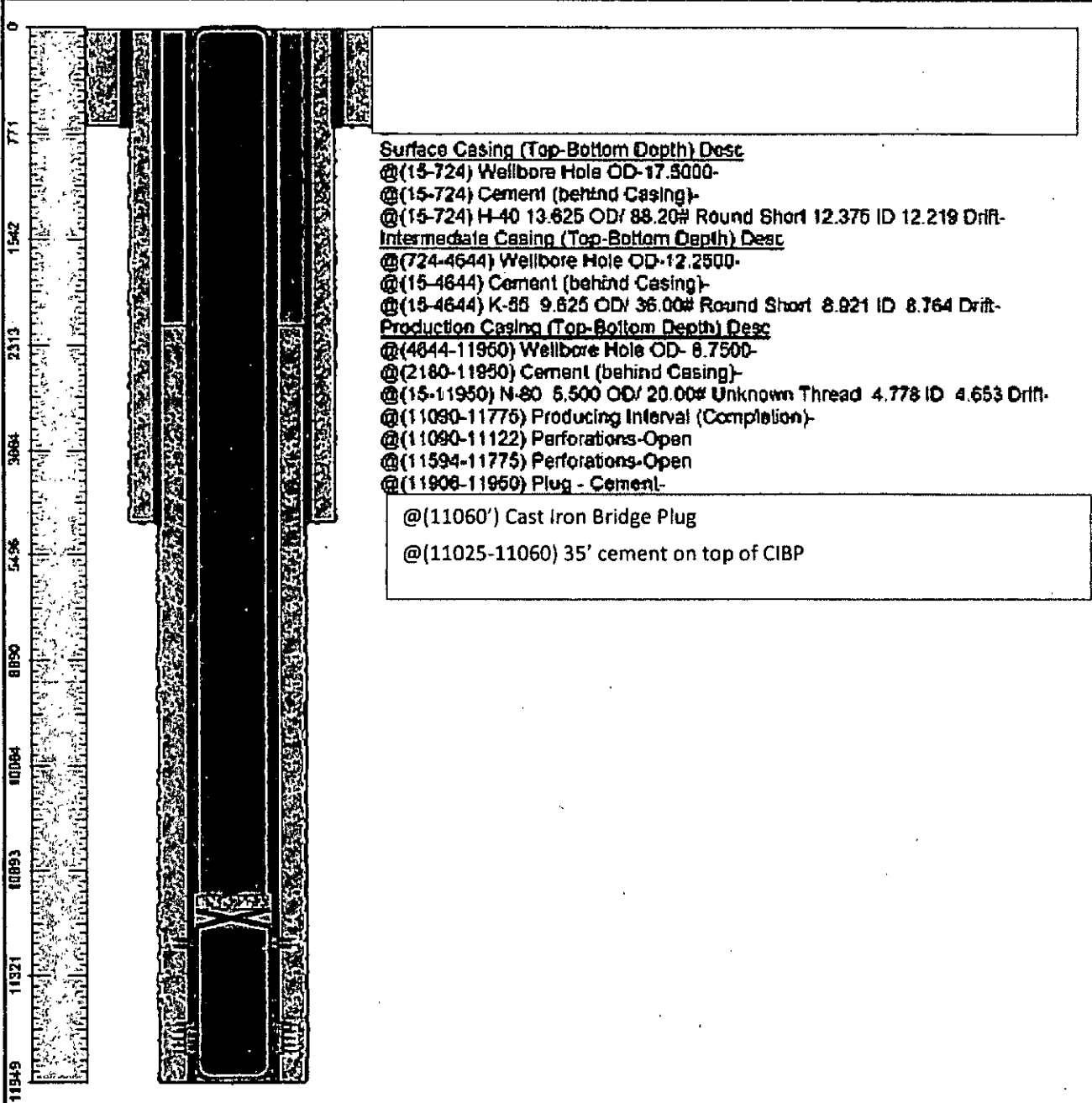


Tubing Detail (Please provide detail in order of installation.) Current	Counts	Footage	Size	Type
	14	450'	2 7/8"	J-55?
	1	3'	2 7/8" x 5 1/2'	Seal Assy
	350	11,032'	2 7/8"	J-55 Tubing
Pump Detail (Please provide all essential info and Pump Provider Info as needed.)	Type – (Current)		Size (Diameter)	Length
	N/A		N/A	N/A
	Pump Provider:			
	N/A			
Contacts (Please provide contacts as needed ALCR, PS, Planner, Chem Rep, ESP / Rod Pump Reps, Service Provider Contact Info.)				
	Kelly Walsh – ALCR- (575) 394-1247			
	Justin Hobbs – Maintenance Planner – (575) 631-4228			
James Ragland – Baker Petrolite Rep – (575) 441-3093				
Notes (As needed)	Anchors are good – Set & Tested 8/4/2014 – No variance needed – No lines			

PROPOSED WELLBORE DIAGRAM

Chevron U.S.A. Inc. Wellbore Diagram : GNWD P-G 1C

Lease: OEU EUNICE FMT		Well No.: GREENWOOD PRE-GRAYB 1 COM C 1		Field: SHUGART	
Location: 1980FSL660FWL		Sec: N/A		Blk:	Survey: N/A
County: Eddy	St: New Mexico	Refno: EQ2569		API: 3001522601	Cost Center: UCRJ10700
Section: E031		Township: 27			Range: S018
Current Status: ACTIVE				Dead Man Anchors Test Date: 08/04/2014	
Directions:					

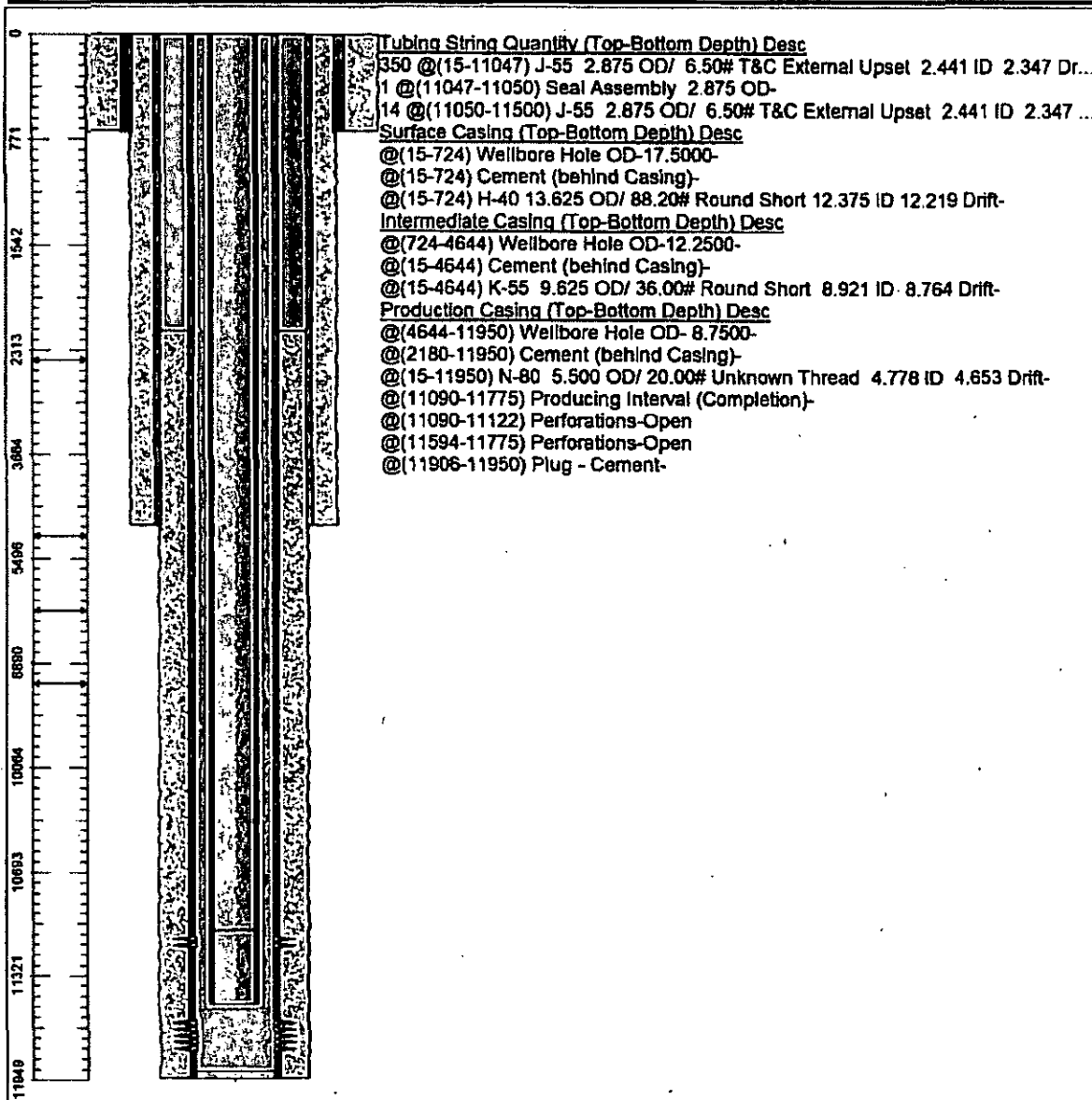


Ground Elevation (MSL): 3614.00	Spud Date: 12/06/1978	Compl. Date: 01/01/1800
Well Depth Datum: Key Bushing	Elevation (MSL): 3629.00	Correction Factor: 15.00
Last Updated by: trj	Date: 09/08/2014	

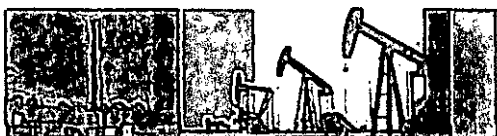
CURRENT WELLBORE DIAGRAM

Chevron U.S.A. Inc. Wellbore Diagram : GNWD P-G 1C

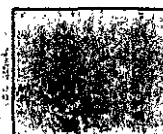
Lease: OEU EUNICE FMT		Well No.: GREENWOOD PRE-GRAYB 1 COM C 1		Field: SHUGART	
Location: 1980FSL660FWL		Sec.: N/A		Blk:	Survey: N/A
County: Eddy	St.: New Mexico	Refno: EQ2569		API: 3001522601	Cost Center: UCR110700
Section: E031		Township: 27			Range: S018
Current Status: ACTIVE				Dead Man Anchors Test Date: 08/04/2014	
Directions:					



Ground Elevation (MSL): 3614.00	Spud Date: 12/06/1978	Compl. Date: 01/01/1800
Well Depth Datum: Kelly Bushing	Elevation (MSL): 3629.00	Correction Factor: 15.00
Last Updated by: trj	Date: 09/08/2014	



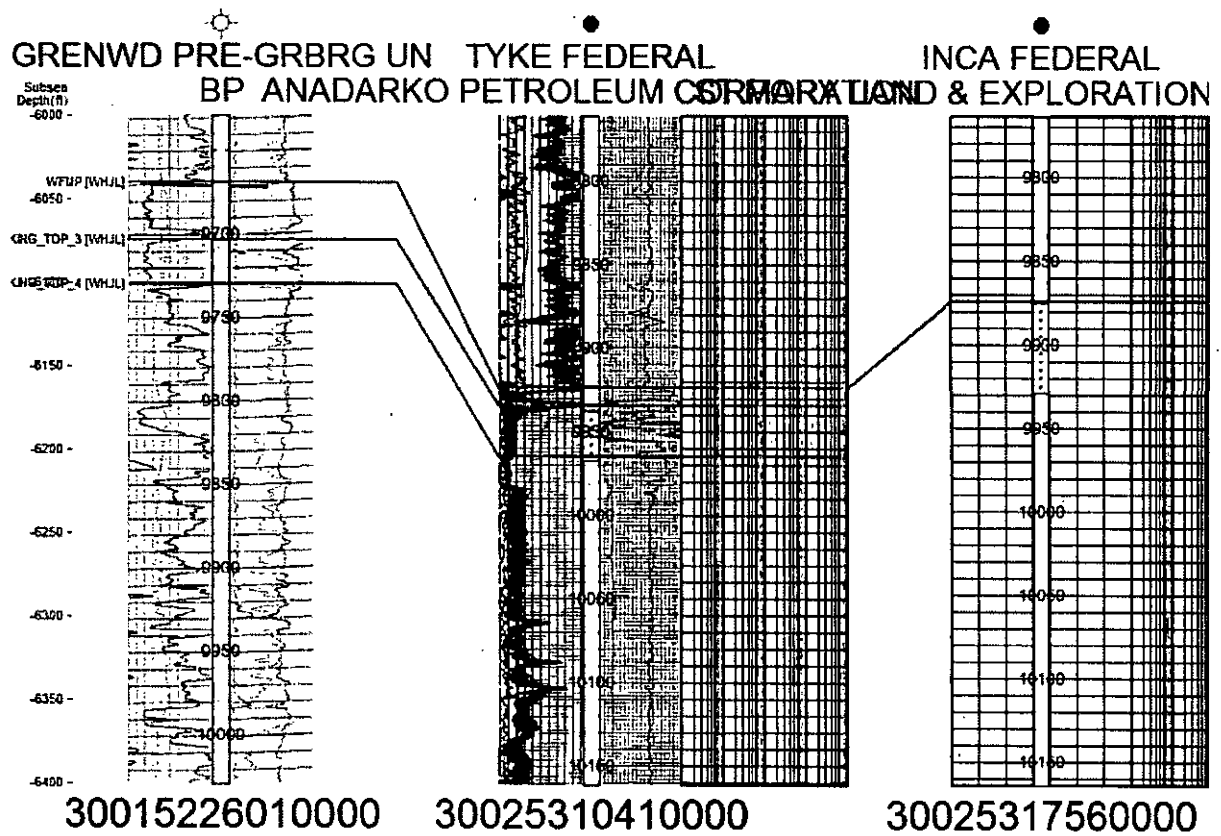
RWW Job Plan



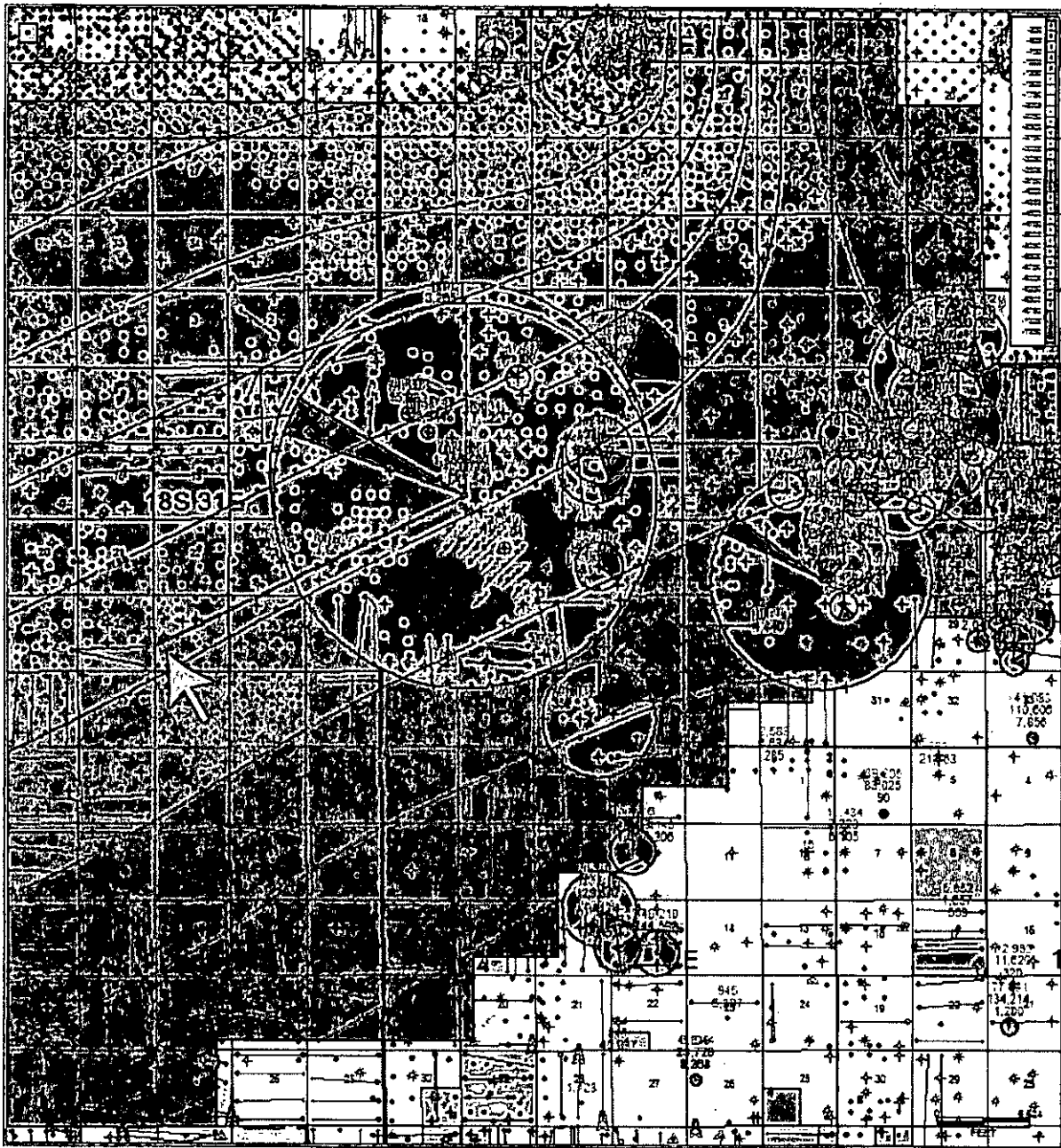
Date Failed	Not down				
Well Information	Well Name	GNWD P-G1C	API #	3001522601	
	Cost Center	UCRJ10700	Company Code	0064	
	WBS #	N/A	SEL	\$25,000	
				Oil	0
	Plant Code	UWTN	Well Test	1	0
				Gas	5
Job Scope (Please include appropriate information such as failure type, description of work to be performed, etc.)	Give NM OCD at least 24 hours notice.				
	T/A Well – Need to Pull packer & Tubing & T/A Well. POOH w/Tubing & packer laying Packer down – RU wireline & set a 5 1/2" CIBP @ 11,060' w/35' cement on top. Load & pre-test well – Make sure plug is holding - RIH w/Tubing and circulate packer fluid – POOH w/Tubing laying all down - Notify NM OCD to witness MIT – Get good chart – Turn in chart and all paperwork.				
	Secure well and RDMO.				
	Leave well with B-1 WH flange, tapped BP, needle valve, and gauge.				
	\$22,740 Cost Estimate				
Previous Failures (Please provide appropriate previous failure history and related information.)					
	None Shown				
Tubing Detail	Tubing Type	?	Tubing Size	2.875"	
	Packer Depth	11047'	Packer Size	5.50"	
	SN Depth	N/A	SN Type	N/A	
BHA (Please provide component detail in order of install)	14 – 2 7/8" J-55? Tubing, packer seal assembly				

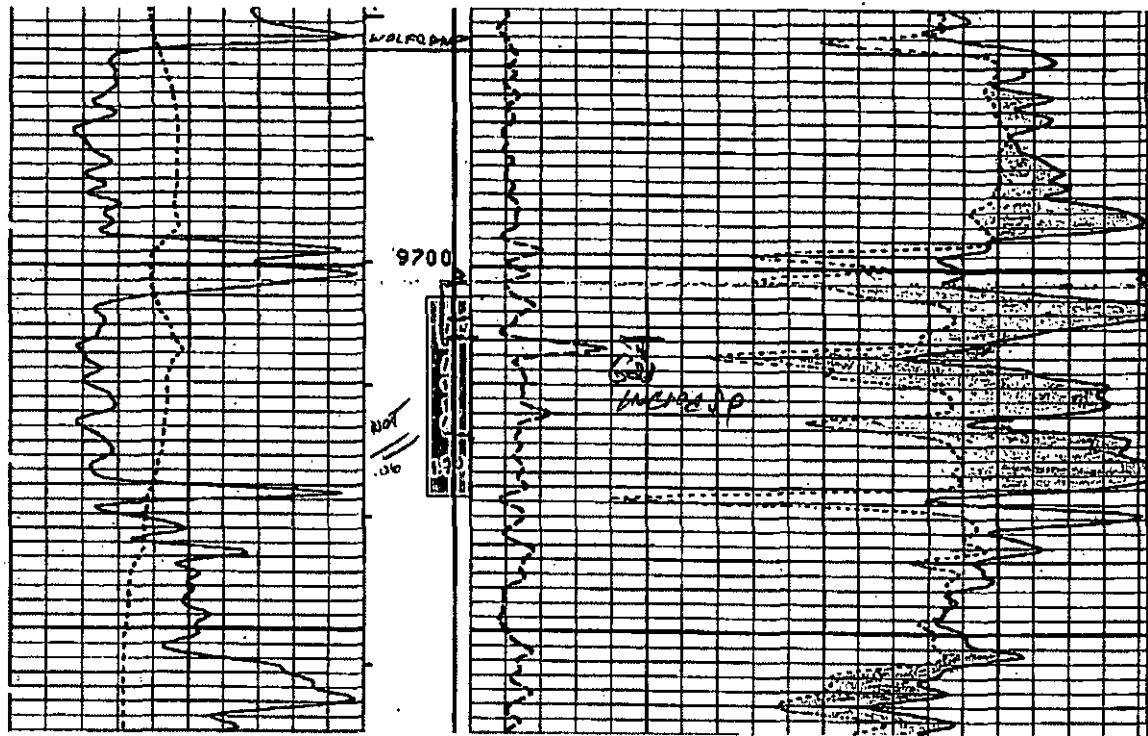
Wolfcamp

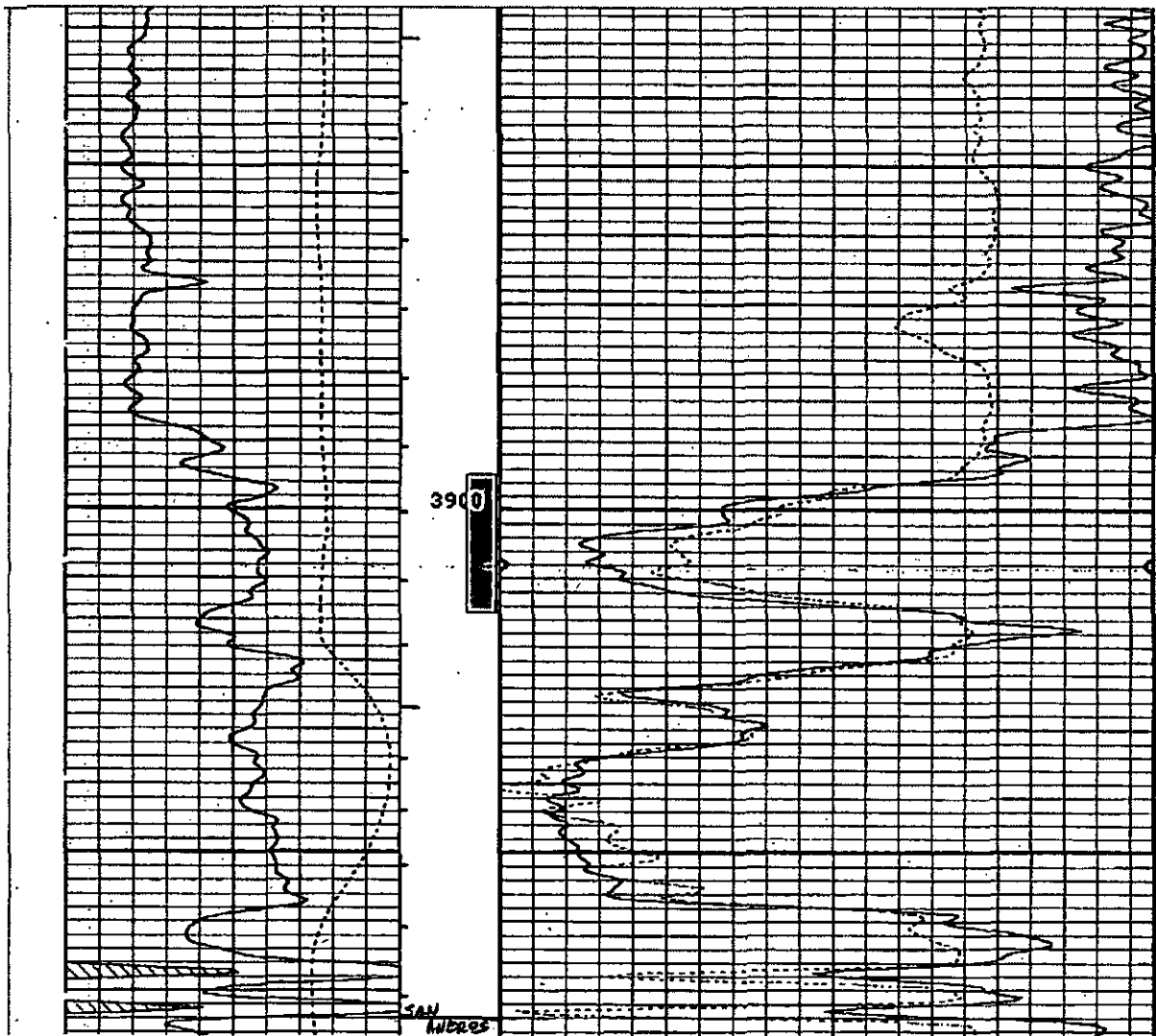
The cross section below correlates a limestone at the top of the Wolfcamp to the two closest producers 5 miles east.



The map below shows structure on the top of the Wolfcamp and the pie charts indicate production from the Wolfcamp with cumulative production noted above each well. The subject well has a yellow arrow pointing at it. The blue line shows the position of the cross section in the next exhibit. Note that our well is 5 miles westward from the bulk of Wolfcamp production.







The Hinkle F #8 produced for 12 years from the Grayburg only 600 ft away. The Grayburg reservoir may be depleted. However, the Hinkle F #8 has been P&A'd since 1987 and the Grayburg reservoir may have recovered to some degree in that time.

Wolfcamp:

The closest Wolfcamp production is 5 miles eastward. However, this well is on structural trend with Wolfcamp producers.

Proposed Perf Interval: Grayburg, Bone Spring, and Wolfcamp

<u>Top (md)</u>	<u>Base (md)</u>	<u>Net (ft)</u>	<u>Avg. Porosity</u>	<u>Rt</u>	<u>Rw</u>	<u>Sw</u>	<u>Gas Effect</u>	<u>GR (API)</u>	<u>Additional Comments</u>
3895	3915	20	20%	4.5	.035	0.44	Yes	55	GRAYBURG No resistivity logs in offset producers but there are notes of 150 bopd (Hinkle F8) and 90 bopd (Hinkle F6) from this zone on offset porosity logs
9704	9730	26	6.5%	110	.065	0.37	No	25	WOLFCAMP Offset porosity logs show significant washout over this interval making Sw calculations impossible. However, the mudlog from the subject well shows significant increase in total gas, notes gas and oil to surface in 80 minutes, and describes a very weak cut over this interval

EXHIBITS

Wireline Logs:

Formation: Grayburg

The well log below shows the proposed perforations with a red box in the depth track.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County: 575-361-2822; Lea County: 575-393-3612.
3. Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval with well bore diagram with all perforations and CIBP's and tops of cement on CIBP's.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.