

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNM OIL CONSERVATION
ARTESIA DISTRICT

JUL 11 2016

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 abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM025503

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM88499X8. Well Name and No.
BENSON SHUGART WFU 0119. API Well No.
30-015-2052810. Field and Pool, or Exploratory
SHUGART11. 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: UNKNOWN OTH2. Name of Operator
CHEVRON U.S.A. INC.Contact: DENISE PINKERTON
E-Mail: leakejd@chevron.com3a. Address
6301 DEAUVILLE
MIDLAND, TX 797063b. Phone No. (include area code)
Ph: 432-687-7375

4. Location of Well (Footage; Sec., T., R., M., or Survey Description)

Sec 26 T18S R30E Mer NMP NESE 2310FSL 330FEL

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 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 U.S.A. INC. IS REQUESTING APPROVAL TO TEMPORARILY ABANDON THE SUBJECT WELL. WE REPAIRED A CASING LEAK IN JULY 2014, AND SINCE THEN, THE WELL HAS FAILED TWICE (AUGUST 2014, & OCTOBER 2015). BOTH TIMES THE WELL WAS REPAIRED BY CHEVRON. WE ARE CURRENTLY PURSUING AN OPTION TO INCREASE WATER INJECTION THAT SHOULD IMPROVE THE PRODUCTION RATE FROM THE FIELD THAT COULD RESULT IN A NEED FOR THIS WELL TO CAPTURE POTENTIAL RESERVES IN THE FUTURE. IF THAT DOES NOT WORK OUT, WE ARE CONSIDERING THIS FIELD FOR DIVESTMENT. BLAKE O'DONNELL, CHEVRON LAND REP, AND PAUL SWARTZ, BLM, DISCUSSED THIS OPTION BY PHONE.

THE INTENDED PROCEDURE IS AS FOLLOWS:

*Displace flowline w/fresh water. Have field specialist close valve at header. Pressure line according to the type of line. Buried fiberglass lines will be tested w/300psi. Polypipe will be tested w/100psi. Steel lines will be tested w/1000psi. If a leak is found, contact Omar Visaire for

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**Accepted for record
NMOC/RE 7/13/16**SUBJECT TO LIKE
APPROVAL BY STATE**

14. I hereby certify that the foregoing is true and correct.		Electronic Submission #343101 verified by the BLM Well Information System For CHEVRON U.S.A. INC., sent to the Carlsbad Committed to AFMSS for processing by PAUL SWARTZ on 06/27/2016 ()	
Name (Printed/Typed)	DENISE PINKERTON	Title	REGULATORY SPECIALIST
Signature	(Electronic Submission)	Date	06/24/2016
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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.			

APPROVED

JUN 27 2016

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #343101 that would not fit on the form

32. Additional remarks, continued

repair/replacement. If test is good, bleed off pressure and open valve at header.

*Call & notify BLM 48 hrs before operations begin.

*MIRU pulling unit. Bleed pressure from well. Pump dn casing w/8.6PPG cut brine water to kill well. NDWH. NUBOP.

*NU rod BOP. Unset pump and POOH w/rods & pump 2 7/8" prod tbg & BHA, stand back tubing for use as work string to load csg later.

*Provide BLM 48n hrs prior notice to witness MIT.

*PU CIBP for setting in 5 1/2", 15.5#casing & RIH on wireline to 3000' (approx. 100' above perms in previously tested casing) and set. Dump bail 50' Class C cmt (5 sacks) on top of CIBP at 3000'.

*TIH w/2 7/8" workstring to 2900'. Top off well w/fluid & press test to 550psi for 30 mins & record results. If successful, circ w/2% KCL wtr containing corrosion inhibitor, biocide & oxygen scavenger. If csg does not hold, call engineer.

*Conduct official test to 550 psi for 30 minutes w/chart recorder.

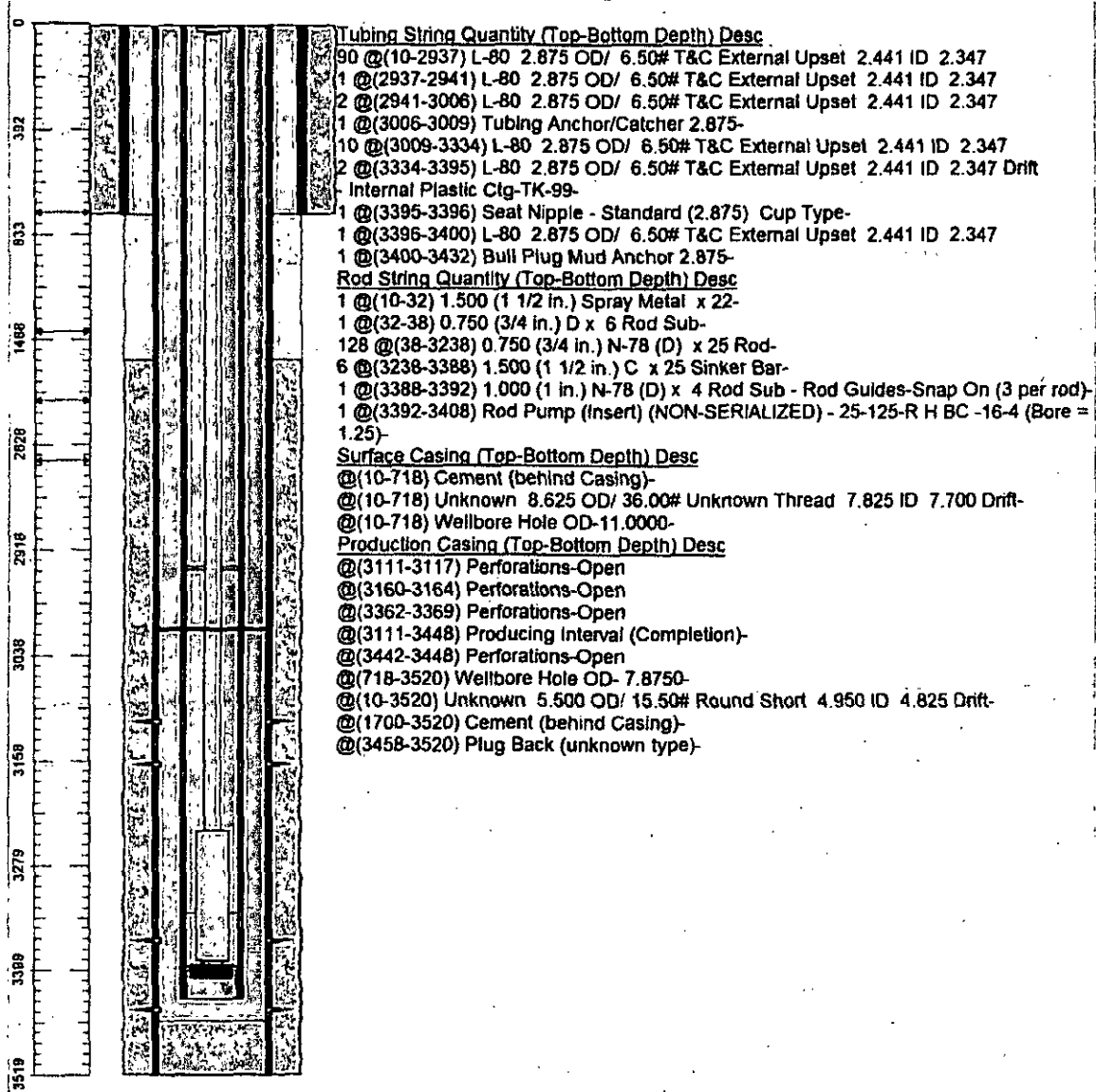
*ND BOP. NUWH. RDPU. Turn in chart. (WELLBORE DIAGRAMS ARE ATTACHED)

~~THIS SHOULD SATISFY NOTICE OF WRITTEN ORDER DATED 06/06/2016 ATTACHED~~

AKS

Chevron U.S.A. Inc. Wellbore Diagram : BSWFU 11

Lease: OHO HOBBS FMT	Well No.: BENSON SHUGART WFU 11 11	Field: SHUGART
Location: 2310FSL330FEL	Sec.: N/A	Blk: Survey: N/A
County: Eddy	St.: New Mexico	Refno: FG9191
Section: E030	Township: 26	API: 3001520528
Current Status: ACTIVE	Range: S018	Cost Center: UCRJ10100
Dead Man Anchors Test Date: 07/10/2014		Directions:



Ground Elevation (MSL): 3456.00	Spud Date: 11/10/1971	Compl. Date: 01/01/1800
Well Depth Datum: Kelly Bushing	Elevation (MSL): 3466.00	Correction Factor: 10.00
Last Updated by: kswa	Date: 11/11/2015	

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County: Eddy	St.: New Mexico	Refno: FG9191		API: 3001520528	Cost Center: UCRJ10100
Section: E030		Township: 26		Range: S018	
Current Status: ACTIVE				Dead Man Anchors Test Date: 07/10/2014	
Directions:					

Tubing String Quantity (Top-Bottom Depth) Desc

- 90 @ (10-2937) L-80 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
- 1 @ (2937-2941) L-80 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
- 2 @ (2941-3006) L-80 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
- 1 @ (3006-3009) Tubing Anchor/Catcher 2.875-
- 10 @ (3009-3334) L-80 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
- 2 @ (3334-3395) L-80 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347 Drift Internal Plastic Clg-TK-99-
- 1 @ (3395-3396) Seal Nipple - Standard (2.875) Cup Type-
- 1 @ (3396-3400) L-80 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
- 1 @ (3400-3432) Bull Plug Mud Anchor 2.875-

Rod String Quantity (Top-Bottom Depth) Desc

- 1 @ (10-32) 1.500 (1 1/2 in.) Spray Metal x 22-
- 1 @ (32-38) 0.750 (3/4 in.) D x 6 Rod Sub-
- 128 @ (38-3238) 0.750 (3/4 in.) N-78 (D) x 25 Rod-
- 6 @ (3238-3388) 1.500 (1 1/2 in.) C x 25 Sinker Bar-
- 1 @ (3388-3392) 1.000 (1 in.) N-78 (D) x 4 Rod Sub - Rod Guides-Snap On (3 per rod)-
- 1 @ (3392-3408) Rod Pump (Insert) (NON-SERIALIZED) - 25-125-R H BC -16-4 (Bore = 1.25)-

Surface Casing (Top-Bottom Depth) Desc

- @ (10-718) Cement (behind Casing)-
- @ (10-718) Unknown 8.625 OD/ 38.00# Unknown Thread 7.825 ID 7.700 Drift-
- @ (10-718) Wellbore Hole OD-11.0000-

Production Casing (Top-Bottom Depth) Desc

- @ (3111-3117) Perforations-Open
- @ (3160-3164) Perforations-Open
- @ (3362-3369) Perforations-Open
- @ (3111-3448) Producing Interval (Completion)-
- @ (3442-3448) Perforations-Open
- @ (718-3520) Wellbore Hole OD- 7.8750-
- @ (10-3520) Unknown 5.500 OD/ 15.50# Round Short 4.950 ID 4.825 Drift-
- @ (1700-3520) Cement (behind Casing)-
- @ (3458-3520) Plug Back (unknown type)-

Proposed Changes:
 Remove rods, tubing and packer
 Set CIBP at 3000'
 Spot 50' of class C cement = 5 sks

Ground Elevation (MSL): 3456.00	Spud Date: 11/10/1971	Compl. Date: 01/01/1800
Well Depth Datum: Kelly Bushing	Elevation (MSL): 3466.00	Correction Factor: 10.00
Last Updated by: kswa	Date: 11/11/2015	

Conditions of Approval
Chevron U.S.A. Inc.
Benson Shugart WFU - 11, API 3001520528
T18S-R30E, Sec 26, 2310FSL & 330FEL
June 27, 2016

Operator is to have the BLM approved NOI procedure with applicable conditions of approval on location for this workover operation.

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. **Approval of this notice of intent for wellbore preparation for temporary abandoned status will satisfy the BLM "0606PS11W" written order only if wellbore production equipment is removed on or before 07/20/2016 and casing integrity is verified by a pressure test as described hereon.**

Temporary Abandonment (TA) BLM Status Approval Requires:

1. A Notice of Intent (NOI) Sundry (Form 3160-5) requesting approval to prepare the wellbore for a mechanical integrity test (MIT) or casing integrity test (CIT).
2. **An electronic copy (Adobe Acrobat Document) cement bond log record from 3060 or below to top of cement taken with 0psig casing pressure.**
3. A procedure that describes compliance with:
 - a. All downhole production artificial lift equipment (tubing, rods, etc.) removed from the casing.
 - b. The wellbore below the open production is to be plugged back per permanent plugging procedures. A bridge plug or packer must be installed as close to **100 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. A CIBP set above the top perforation may be capped with a minimum of 25 sacks cement if placed with tubing, or 35 feet of cement if placed with bailer.
 - c. The wellbore filled with corrosion inhibited fluid.
 - d. At least 24 hours prior to conducting the Mechanical Integrity Test, contact the appropriate BLM office. Eddy County call Carlsbad 575-361-2822. Lea County call Hobbs 575-393 3612.
 - e. Documentation of a 500psig minimum BLM witnessed Mechanical Integrity Test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 35 to 75 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test. Pressure leakoff will be evaluated site specifically and affect approvals.
4. Submit a Subsequent Sundry Notice (Form 3160-5) requesting TA approval with a description of the preparation for temporary abandonment approval, a clear copy or the

original Mechanical Integrity Test chart, a current wellbore diagram, and justification describing a substantial reason for the request, the expected wellbore use, and the estimated date the well will be returned to beneficial use.

5. This BLM TA NOI Approval is for WELLBORE PREPARATION ONLY. BLM IS NOT APPROVING TA Status FOR THIS WELL. If warranted, TA approval status for a specified time limit will be noted with BLM acceptance of the subsequent report of preparations.
6. Should the Mechanical Integrity Test fail or not be conducted submit a procedure to plug and abandon the well for BLM approval **on or before 07/27/2016**.

References: 43 CFR 3161.2, 43 CFR 3162.1(a), 43 CFR 3162.3-2, 43 CFR 3162.3-4, 43 CFR 3162.4-1, 43 CFR 3162.5, Onshore Oil and Gas Order #1.X., & Onshore Oil and Gas Order #2.III.G.

Note: Should formations below the perms covered by the proposed CIBP be inadequately plugged (no BLM required cement plugs covering CIBPs or formation tops) with no indications of recompletion for use, the COA for this NOI should require plugging of those formations to BLM standards.