

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD ArtesiaFORM APPROVED
OMB No 1004-0137
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.5. Lease Serial No.
NMNM13406

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
FEDERAL BN #22. Name of Operator
CHEVRON USA INC9. API Well No.
30-015-327213a. Address
6301 DEAUVILLE BLVD RM N3002
MIDLAND, TX 797063b. Phone No. (include area code)
432-687-727910. Field and Pool or Exploratory Area
HAPPY VALLEY4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC 17, T22S, R26E
2365' FWL & 2215' FNL11. Country or Parish, State
EDDY COUNTY, NM

12. CHECK THE 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 checked="" 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 must 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 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.)

1. NOTIFY BLM 24 HRS BEFORE OPERATIONS.
2. SET CIBP@11,800', LOAD HOLE AND RUN CBL TO DETERMINE TOC BEHIND 5-1/2" CASING.
3. CIRCULATE WELLBORE WITH MLF.
4. SPOT 25SX OF CLASS "H" CEMENT ON TOP OF CIBP FROM 11,800'-11,600'. (MORROW).
5. SPOT 25SX OF CLASS "H" CEMENT FROM 8,747'-8,545'. WOC&TAG. (WOLFCAMP). 8842-8652
6. SPOT 25SX OF CLASS "C" CEMENT FROM 5,090'-4,890'. (BONE SPRING). 5165-5015
7. PERF & SQUEEZE 65SX OF CLASS "C" CEMENT FROM 2,644'-2,444'. WOC&TAG. (SHOE). 2844-2544
8. PERF & SQUEEZE 25SX OF CLASS "C" CEMENT FROM 836'-SURFACE. WOC&TAG. (SHOE/FR. WATER/SURFACE).
9. CLEAN LOCATION, CUT-OFF WELLHEAD, INSTALL DRY HOLE MARKER AND TURN OVER FOR REMEDIATION.

Add plugs: from 10736-10536
from 9430-9240

ALL FLUIDS WILL BE IN CLOSED SYSTEM.

NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 26 2016

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

M. LEE ROARK

LROARK@CHEVRON.COM

Title PROJECT MANAGER

Signature

Date 09/19/2016

Accepted for record
MMOCD
R. B.

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

SAGT

Date

9-19-16

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

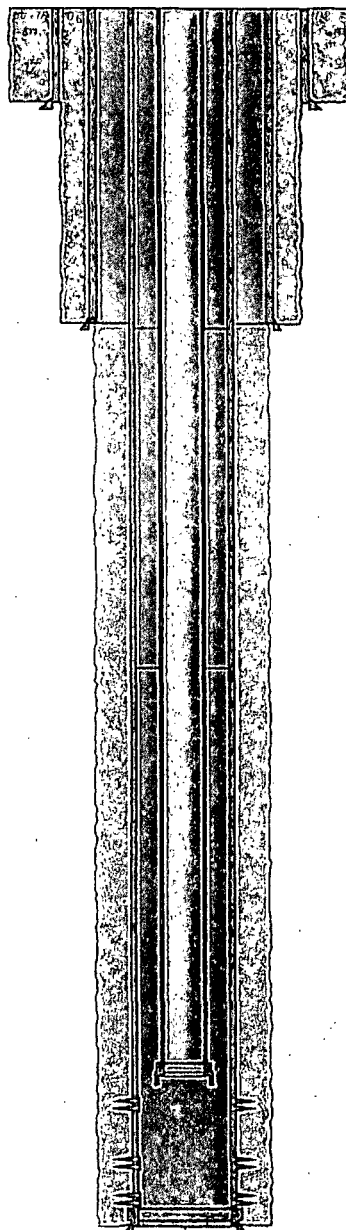
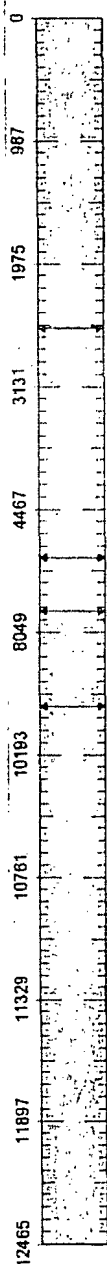
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

CURRENT

Chevron U.S.A. Inc. Wellbore Diagram : FED BN 2

Lease: OHO HOBBS FMT		Well No.: FEDERAL BN 2 2		Field: HAPPY VALLEY	
Location: 2215FNL2365FWL		Sec.: N/A		Blk:	Survey: N/A
County: Eddy	St.: New Mexico	Refno: HL1120		API: 3001532721	Cost Center: UCRD80310
Section: 17		Township: 22 S			Range: 26 E
Current Status: ACTIVE				Dead Man Anchors Test Date: NONE	
Directions:					



H-40 13.375 OD/ 48.00# Unknown Thread 12.715 ID 12.559 Drift @ (20-786)
Casing Shoe (13.375 OD Casing) @ (786-787)
Cement (behind Casing) 750sx C @ (20-787)
Wellbore Hole OD-17.5000 @ (20-787)

J-55 9.625 OD/ 40.00# Unknown Thread 8.835 ID 8.679 Drift @ (20-2593)
Cement (behind Casing) 900sx C @ (20-2594)
Wellbore Hole OD-12.2500 @ (787-2594)
Casing Shoe (9.625 OD Casing) @ (2593-2594)
P-110 5.500 OD/ 17.00# Unknown Thread 4.892 ID 4.767 Drift @ (20-2638)

N-80 5.500 OD/ 17.00# Unknown Thread 4.892 ID 4.767 Drift @ (2638-9347)

J-55 2.875 OD/ Unknown Weight/Thread 2.041 ID 1.947 Drift @ (19-11691)
Packer Mandrel 2.875 OD Threaded Connection @ (11691-11694)
J-55 2.875 OD/ Unknown Weight/Thread 2.041 ID 1.947 Drift @ (11694-11732)
Profile Nipple (Unknown Type) 2.875 OD @ (11732)
Perforations - Morrow - 4spf (57 Holes) @ (11854-11868)
Perforations - Morrow - 2spf @ (12124-12140)
Producing Interval (Completion) @ (11854-12312)
Perforations - Morrow - 2spf (37 Holes) @ (12294-12312)
S-95 5.500 OD/ 17.00# 4.892 ID 4.767 Drift @ (9347-12366)
Float Collar Nominal - 5.500 OD- 6.050 Drillout ID- 4.907 @ (12366)
S-95 5.500 OD/ 17.00# 4.892 ID 4.767 Drift @ (12367-12449)
Wellbore Hole OD- 8.7500 @ (2594-12450)
Casing Shoe (5.500 OD Casing) @ (12449-12450)
Plug - Cement @ (12420-12450)

Ground Elevation (MSL): 3682.00	Spud Date: 06/25/2003	Compl. Date: 01/01/1800
Well Depth Datum: Kelly Bushing	Elevation (MSL): 3701.50	Correction Factor: 19.50
Last Updated by: keli	Date: 05/08/2015	

Federal BN #2

Location: 2,215' FNL & 2,365' FWL, Sec 17, T22S, R26E, Eddy County, New Mexico

PROPOSED

FIELD: Happy Valley (Morrow)
LEASE/UNIT: Federal BN
COUNTY: Eddy

BY: Lee Roark
WELL: 2
STATE: New Mexico

API = 30-015-32721

13-3/8" 48# @ 786' cmt. circulated to surface
750sx of cement
17-1/2" hole

PERF AND SQUEEZE 255SX OF CLASS "C" CEMENT FROM
836"-SURFACE COVERING SHOE, FRESH WATER AND
SURFACE. VERIFY CEMENT AT SURFACE.

MLF

PERF AND SQUEEZE 65SX OF CLASS "C" CEMENT FROM
2,644'-2,444' COVERING SHOE. WOC@TAG.

9-5/8" K-55 40# @ 2,594' cmt. circulated to surface
900sx of cement
12-1/4" hole

MLF

SPOT 25SX OF CLASS "C" CEMENT FROM 5,090'-4,890'
COVERING BONE SPRING

MLF

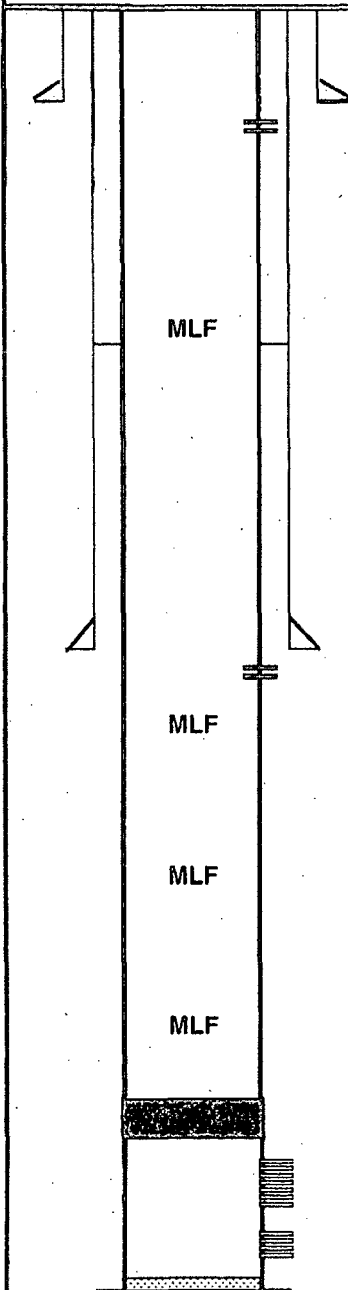
SPOT 25SX OF CLASS "H" CEMENT FROM 8,747'-8,547'
COVERING WOLFCAMP

MLF

CIBP @ 11,800' + 25SX OF CLASS "H" CEMENT FROM
11,800'-11,600' COVERING MORROW PERFS

Morrow Perfs: 11,854'-12,312' (OA)

5-1/2" 17# N-80 @ 12,445'. TOC UNKNOWN.
1230sx of cement
8-3/4" hole
TD 12,445'



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

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

Hole Size 17 1/2

750 SXS Cement

TOC AT Surf

13 3/8 Casing Set at 777

Hole Size 12 1/4

900 SXS Cement

TOC AT Surf

9 5/8 Casing Set at 2594

Hole Size 8 3/4

1230 SXS Cement

TOC AT UNK

Cap 10/25 ss

Sch 12 1/2" @
11800

5 1/2 Casing Set at 12445

TD AT PETD

Operator Chevron

Well Name/NO. Federal BN 2

API 30015 32721

225 N 2365 E 14 Sec. 17

T 22 S, R 26 E Eddy CTY

R-III-P

Secretary Potash

Cave/Karst

LPC Habitat

Top Salt

Base Salt

FORMATIONS

Del C 2794 2844-2544

BS 5 5090 5165-5015

WC 4 8747 8842-8652

Cisco 39335 9430-9260

GJ 9996

St 2 10636 10736-10536

MR 1 10958 11800-11600

4 DVT

3 PERFORATIONS

12794 12312

12124 12140

James A. Amos

575-234-5909

575-361-2648