Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

5. Lease Serial No. NMLC029418A

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use thi abandoned wei	is form for proposals to d II. Use form 3160-3 (APD)	irill or to re-enter an) for such proposals.	6. If Indian, Allottee	or Tribe Name	
SUBMIT IN	TRIPLICATE - Other instr	uctions on page 2	7. If Unit or CA/Agr 892000276B	reement, Name and/or No.	
1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Oth	ner		8. Well Name and No SKELLY UNIT 9		
2. Name of Operator CHEVRON USA INCORPORA		HOWIE LUCAS @chevron.com	9. API Well No. 30-015-34326	-00-S1	
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706		3b. Phone No. (include area code Ph: 832-588-4044	10. Field and Pool o FREN	10. Field and Pool or Exploratory Area FREN	
4. Location of Well (Footage, Sec., T	., R., M., or Survey Description)		11. County or Parish	ı, State	
Sec 14 T17S R31E NWSW 23		EDDY COUNT	ΓY, NM		
12. CHECK THE AI	PPROPRIATE BOX(ES) T	TO INDICATE NATURE C	F NOTICE, REPORT, OR OT	THER DATA	
TYPE OF SUBMISSION		ТҮРЕ О	F ACTION		
Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	■ Water Shut-Off	
_	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	■ Well Integrity	
☐ Subsequent Report	□ Casing Repair	□ New Construction	☐ Recomplete	☐ Other	
☐ Final Abandonment Notice	☐ Change Plans	Plug and Abandon	□ Temporarily Abandon		
	Convert to Injection	Plug Back	■ Water Disposal		
following completion of the involved testing has been completed. Final Al determined that the site is ready for f	d operations. If the operation resubandonment Notices must be file inal inspection.	ults in a multiple completion or rec d only after all requirements, inclu	A. Required subsequent reports must ompletion in a new interval, a Form 3 ding reclamation, have been complete	160-4 must be filed once	
Please see attachments.	NM OIL CONS	STRUCT	RECLAMATION PR ATTACHE	OCEDURE D	
	OCT 24	2017	Allione	-	
Accepted for record - NM	ocd Receiv	ED	CAL ALTACHED		
			CONDITIONS O	F APPROVAL	
14. I hereby certify that the foregoing is	Electronic Submission #3 For CHEVRON US	84656 verified by the BLM We SA INCORPORATED, sent to cessing by JAMES AMOS on	the Carlsbad		
Name(Printed/Typed) HOWIE L	•	Title ENGIN	,		
Signature (Electronic	Submission)	Date 08/14/2	2017		
	THIS SPACE FO	R FEDERAL OR STATE	OFFICE USE		
Approved By	a. am	•	pe. ALT	10-13-17 Date	
Conditions of approval, if any, are attache certify that the applicant holds legal or equ which would enaite the applicant to condu	uitable title to those rights in the		E0		

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED	
OMB No 1004-0137	
Expires July 31, 2010	

5. Lease Serial No. NMLC029418A

6. If Indian, Allottee or Tribe Name

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.

	Use Form 3160-3 (A			s.		
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 W	/ell Other				8. Well Name and No. Skelly Unit 960	
2. Name of Operator CHEVRON USA INC					9. API Well No 30-015-34326	
3a Address 6301 DEAUVILLE BLVD RM N3007		3b. Phone No. (inc	clude area coa	le)	10. Field and Pool or I	·
MIDLAND, TX 79706		832-588-4044			Fren; Glorieta-Yeso	
4. Location of Well (Footage, Sec. T., R. M., or Survey Description) SEC 14 T17S R31E MER NMP NWSW 2,310 FSL & 330 FWL				11 Country or Parish, Eddy County, NM	State	
12 CHEC	K THE APPROPRIATE BO	OX(ES) TO INDICA	TE NATURE	OF NOTIC	CE, REPORT OR OTH	ER DATA
TYPE OF SUBMISSION			TYI	PE OF ACT	ION	
✓ Notice of Intent	Acidize Alter Casing	Deepen Fracture	Treat	=	uction (Start/Resume)	Water Shut-Off Well Integrity
Subsequent Report	Casing Repair	=	struction	\equiv	mplete	Other
Subsequent Report	Change Plans		Abandon	Temp	porarily Abandon	
Final Abandonment Notice	Convert to Injection	Plug Bac	k	☐ Wate	r Disposal	
testing has been completed. Final determined that the site is ready for 13 3/8" 48# @ 456' TOC surface, 8	ved operations. If the operat Abandonment Notices must or final inspection.) 5/8" 32# 1,780' TOC surf	ion results in a multi be filed only after a face, 5 1/2" 17# @	iple completio ill requirement	n or recomp s. including	eletion in a new interva reclamation, have been	l. a Form 3160-4 must be filed once n completed and the operator has
3,361' & 5,357' Open perfs 5,700'-6					RECLAM	IATION PROCEDURE
Chevron respectfully requests to ab		5				ATTACHED
1 Notify BLM 24 hrs. prior to startin 2. MIRU, NDWH, NU BOPE, pull tb 3. Set CIBP @ 5,675', circ salt gel, 4. Spot 25 sx CL "C" cement at 5,12 5. Spot 25 sx CL "C" cement at 3,60 6. Spot 25 sx CL "C" cement at 3,48 7. Spot 25 sx CL "C" cement at 2,22 8. Spot 25 sx CL "C" cement at 2,22 9. Spot 25 sx CL "C" cement at 7,90 10. Spot 25 sx CL "C" cement at 7,90 11. Spot 60 sx CL "C" cement at 7,80 11. Spot 60 sx CL "C" cement at 51 12. Cut off wellhead 3' below grade All cement plugs will be class "C" w	g & rods. spot 45 sx CL "C" cement 10-4,950' (Glorieta). 5 00'-3,400', WOC & tag (Si 60'-3,250' (DV tool). 60'-2,660' (Queen). 35-2,035' (Seven Rivers). 05-1,705', WOC & tag (B. 10'-580' (T.Salt). 0'-Surface (Shoe, FW, St., Verify Cement To Surface	an Andres) Salt, Shoe) urf) ce, install required	dry hole mar	Can	SEE ATT CONDIT	TACHED FOR TONS OF APPROVAL
14 I hereby certify that the foregoing is the Howie Lucas	true and correct Name (Print	ed Typed	ground	Lev	dry ho	le marker required
)	Į. Į.T.	tle Project E	Engineer		
Signature		D	pate 08/14/20	017		
	THIS SPACE	FOR FEDER	AL OR ST	ATE OF	FICE USE	
Approved by Conditions of approval, if any, are attache that the applicant holds legal or equitable			,	Supr	. PET	Date 10-13-17
entitle the applicant to conduct operations	thereon		_ i	CFO		
Title 18 U.S.C. Section 1991 and Title 43 Feetious or fraudulent statements of repr			on knowing's a	nd willfully	to make to any departme	ent or agency of the United States any false

Current WBD - Skelly Unit #960

Lease	Skelly Unit	Updated	08/10 17 By:	Howle Lucas
Well #	960	Surf. Loc	2,310' FSL, 330' FWI	
Field	Fren, Paddock	Bot. Loc	Same	
County	Eddy.	Lat & Long		
State	<u>NM</u>	Unit Letter		
Chevno	<u>HW6141</u>	Section	<u>14</u>	
API#	30-015-34326	Township& Range	17S & 31E	
Status	Shut-in Oil Well	Survey	<u>N.M.P.M</u>	
Battery		Ini. Spud	12/01/05	
		Ini. Comp	01/06/06	

PBTD: 6480

KB: 3,901 GL: 3,892 Perforation and Stimulation History: 1/6/06: Initial completion with perforations 1/5,147 t/5,321 and addized

1/6/06: Initial completion with perforations t/ 5,147 t/ 5,321 and acidized 8/17/10: Ran 41 liner, cemented fr TD t/ DV tool. Perforated

f. 6.430' t' 5.700'

Surface Casing Size: 13-3/8"

Wt., Grd.: 48#, H-40 Depth. 456' Sxs Cmt: 500 sx Circulate: Yes TOC: Surface Hole Size: 17-1'2

Intermediate Casing

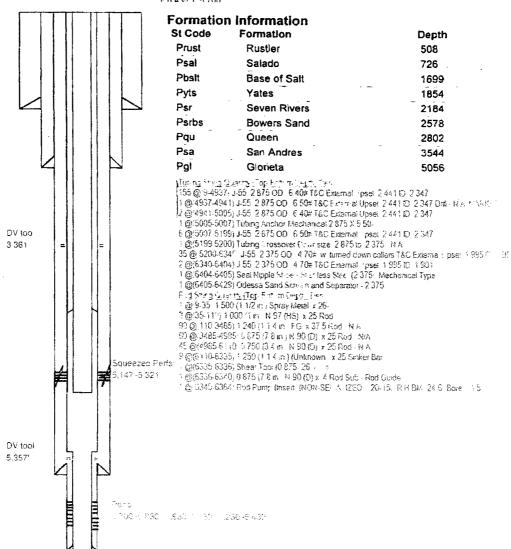
Size: 8-5/8"
Wt., Grd.: 32#, J-55
Depth: 1,780
Sxs Cmt: 950 sx
Circulate: Yes
TOG: Surface
Hole Size: 12-1-4"

Production Casing

Size: 5-1/2" Wt., Grd: 17#, J-55 Depth: 5,469' Sxs Cmt: 1,300 sx Circulate: Yes TOC: Surface Hole Size: 7-7'8'

Liner Size: 4

Wt., Grd: 11.6#, P-110 Depth: 5,957-6,527 Sxs Cmt: 140 sx Circulate: Yes TOC: Surface Hote Size:4-3 4'



Current WBD - Skelly Unit #960

	rie Lucas
Well # 960 Surf. Loc 2.510 F5L 330' FWI	
Field Fren, Paddock Bot. Loc Same	
County Eddy, Lat & Long	
State NM Unit Letter	
Chevno <u>HW6141</u> Section <u>14</u>	
API# 30-015-34326 Township& Range 17S & 31E	
Status Shut-in Cit Well Survey N.M.P.M	
Battery Ini. Spud 12/01/05	
Ini. Comp 01/06/06	

KB: 3,901

Perforation and Stimulation History: 1/6/06: Initial completion with perforations 1/ 5,147 t/ 5,321' and acidized

GL. 3,892 8/17/10: Ran 4" liner, cemented fr TD t/ DV tool. Perforated Surface Casing Formation Information Size: 13-3/8" St Code Formation Depth Wt., Grd.: 48#, H-40 Prust Rustler 508 Depth. 456 Psal Salado 726 Sxs Cmt: 500 sx Posit Circulate: Yes Base of Salt 1699 TOC: Surface Pyts Yates 1854 Hole Size: 17-1/2 Psr Seven Rivers 2184 Psrbs **Bowers Sand** 2578 Intermediate Casing Pqu Queen 2802 Size: 8-5/8" Wt., Grd.: 32#, J-55 Psa San Andres 3544 Depth: 1,780 Pgl Glorieta 5056 Sxs Cmt: 950 sx Number 1: 02 229 mg Cop Ectron 1 300 Cer 155 @(\$ 4937) J-55 2 875 OD 6 408 18C External opset 2 441 tO 2 347 1 @(4937 4941) J-55 2 875 OD 6 50s 18C External Opset 2 441 tO 2 347 Out - N.A. 1 - R.K. Circulate: Yes TOC: Surface Hale Size: 12-1'4' 2 @(4941-5005) J-55 2 875 OD 6 40# T&C Example Upset 2 441 ID 2 347 1@(5005-5007) Tubing Anchor Mechanical 2 875 X 5 50-8 @(5007-5199) J-55 2 875 OD 6 500 TAC Externel | pset 2 441 ID 2 347 | 1 @(5199 5200) Tubing I rossover Downster 2 875 to 2 375 IN A | 25 @(5200-6340 J-55 2 375 OD 4 70# iv turned down collars T&C Externel | pset 1 995 II | 90 2 @(5340-6404) J-55 2 375 OD 4 70# T&C Externel | pset 1 995 ID 1 90 1 Production Casing DV too Size: 5-1/2" 3.361 Wt., Grd: 17#, J-55 2 @(50-90-9404) 2.52 2.375 OLD 19 FURTHER (2006) 1.200 (1.2001) (2006) (2.375) Mechanical Type 1 @(6404-6405) Seat Napple Store - Storiless Store (2.375) Mechanical Type 1 @(6405-6425) Odessa Sand Score in and Separator - 2.375 (2.375) (2 Depth: 5,469 Sxs Cmt: 1,300 sx Circulate: Yes TOC: Surface Hole Size: 7-7'8 3 @ 35-311) 1 (000 1 m M S7 (NS) 128 Rod 90 @ (110 3485) 1 240 (1 1 4 m FG 1 x 37 5 Rod M A 50 @ (3485 4985 6 875 (7 8 m) N 90 (D) 125 Rod M A 45 @ (9985 6 10: 0 750 (3 4 m M 80 (D) 125 Rod M A 9 @ (61 18-6335) 1 250 (1 1 4 m) (4nknown 1 x 25 Snoker Bar @ (6535 6336) 5 Nest Tool (0 875) 25 1 @ (6535 6336) 0 875 (7 8 m M 80 (D) 12 4 Rod Sub Rod Guide (8 5336 6366) 864 Bod Bonne Made 1 555 4 1250 1 26 1 8 1 6 Liner Size: 4 Wt., Grd: 11.6#, P-110 Squeezed Peris 5.147-5 321 Depth: 5,357-6,527 Sxs Cmt: 140 sx * @ \$340-6064: Rod Pum; (Insen (NON-SET 1, IZED - 20-15) R H BN 24 6 Bare 15 Circulate: Yes TOC: Surface Hole Size:4-3 4 DV tool 5,357 700 inso isau ish isae-6430

PBTD: 6480

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 (LPC Habitat)

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 <u>ninety (90)</u> 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. <u>Notification:</u> 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. <u>Blowout Preventers</u>: 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. <u>Mud Requirement:</u> 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. <u>Cement Requirement</u>: 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. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): 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. Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

- 7. <u>Subsequent Plugging Reporting</u>: 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. <u>Show date well was plugged.</u>
- 8. <u>Trash:</u> 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.

<u>Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:</u>
From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its predisturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of
 Operations must include adequate measures for stabilization and reclamation of disturbed lands.
 Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD
 process as per Onshore Oil and Gas Order No. 1.
- 2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
- 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos Supervisory Petroleum Engineering Tech 575-234-5909, 575-361-2648 (Cell)

Arthur Arias Environmental Protection Specialist 575-234-6230

Henryetta Price Environmental Protection Specialist 575-234-5951

Shelly Tucker Environmental Protection Specialist 575-234-5979

Trishia Bad Bear, Hobbs Field Station Natural Resource Specialist 575-393-3612