

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Artesia

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

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.

Section No. _____
NMINM # 46924
Indian, Allottee or Tribe Name _____

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <i>Chisholm Energy Operator</i>		7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator NEARBURG PRODUCING COMPANY - Mail: jelrod@chisholmenergy.com Contact: JENNIFER ELROD		8. Well Name and No. COTTONWOOD 29 32 FED COM WCB 4H
3a. Address 3300 NORTH A STREET BLDG 2 STE 120 MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 817-953-3728	9. API Well No. 30-015-43705-00-X1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T26S R26E NENE 150FNL 1270FWL		10. Field and Pool or Exploratory Area PURPLE SAGE-WOLFCAMP (GAS)
		11. County 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 checked="" type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 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 recomplete 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 recompletion 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.

Change Int. Casing Depth, Grade and Cement program and Surf. Casing Grade
11/17/2017-Change Surface Casing grade From: J-55 To: H-40

11/17/2017-Change Intermediate Casing program
To: 7500'

Change Intermediate Casing Grade
To: L-80 HC with ~~STC~~ Connection

Change Intermediate Cement Design To:
Lead: 2545 sxs @ 2.19 yield, weight 12.7 ppg
Tail: 200 sxs @ 1.37 yield, weight 14.8 ppg

SEE ATTACHED FOR
CONDITIONS OF APPROVAL
AC 12-13-17
Accepted for record - NMOCD

NM OIL CONSERVATION
ARTESIA DISTRICT

DEC 12 2017

RECEIVED

14. I hereby certify that the foregoing is true and correct. Electronic Submission #395418 verified by the BLM Well Information System For NEARBURG PRODUCING COMPANY, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 11/21/2017 (18JAS0429SE)	
Name (Printed/Typed) JENNIFER ELROD	Title SENIOR REGULATORY TECH
Signature (Electronic Submission)	Date 11/17/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>MUSTAFA HAQUE</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>12/07/2017</u>
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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 Carlsbad

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)

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

Additional data for EC transaction #395418 that would not fit on the form

32. Additional remarks, continued

Intermediate Mud Weight changed to 8.8-9.8 using a Brine/Diesel Emulsion
Production Mud Weight changed to 9.0-9.6

****Full Casing and mud program attached****

26. Eddy NM

Well Name: Cottonwood 29-32 Fed Com WCB

Well Number: 4H

28: a) Intermediate Casing Design (Depth and Grade)

Hole Size	Casing Interval		Csg. Size	Wt. (lbs)	Grade	Conn	SF Collapse	SF Burst	SF Tension	
	From	To								
17.5"	0	420	13.375"	48	H-40	STC	3.85	9.00	18.45	
12.25"	0	7500	9.625"	40	L-80 HC	BTC	1.47	1.46	2.76	
Surface										
Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:							8.8	ppg	
Collapse	A 1.125 design factor with Full internal evacuation and collapse force equal to a mud gradient of:							8.8	ppg	
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:							8.8	ppg	
Intermediate										
Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:							9.8	ppg	
Collapse	A 1.125 design factor with 1/3 TVD internal evacuation and collapse force equal to a mud gradient of:							9.8	ppg	
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:							9.8	ppg	

i) Update Intermediate Cement Design

Intermediate	Sacks	Yield (cuft/sk)	Weight (ppg)	Cubic Feet	Cement Blend
Lead	2545	2.19	12.7	5573	High-Yield Class H Blend + LCM + Defoamer + Sodium Metasilicate
Tail	200	1.37	14.8	266	Class H 50:50 Poz + Fluid Loss Additive + Dispersant

k) Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	420	FW Gel	8.4-8.8	34-36	N/C
420	7500	Brine/Diesel Emulsion	8.8-9.8	28-30	N/C
7500	16705	Oil Base	9.0-9.6	35-40	N/C

**PECOS DISTRICT
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Chisolm Energy Operating, LLC
LEASE NO.:	NMNM113944
WELL NAME & NO.:	Cottonwood 29-32 Fed Com WCB 4H
SURFACE HOLE FOOTAGE:	100 'N & 1240'E
BOTTOM HOLE FOOTAGE	330'S & 440'E
LOCATION:	Section 29, T.26 S., R.26 E., NMPM
COUNTY:	Eddy County, New Mexico

All previous COAs still apply except the following:

A. CASING

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

MHH 12072017