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, 201

5. Lease Serial No. NMLC029389C

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.

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abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No.		
1. Type of Well					8. Well Name and No. PATON B FEDERAL 4		
② Oil Well ☐ Gas Well ☐ Other 2. Name of Operator · Contact: HOWIE LUCAS					9. API Well No.		
CHEVRON USA INCORPORATED E-Mail: howie.lucas@chevron.com					30-015-30836-00-S1		
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706	(include area code) 8-4044		10. Field and Pool or Exploratory Area SHUGART				
4. Location of Well (Footage, Sec., T.	1/16/19 or record - NM		11. County or Parish, State				
Sec 9 T18S R31E SWSW 770	EDDY COUNTY, NM						
12. CHECK THE AF	PROPRIATE BOX(ES) TO	O INDICA	TE NATURE OF	NOTICE,	REPORT, OR OTH	ER I	OATA
TYPE OF SUBMISSION							
Notice of Intent	☐ Acidize ☐ De		eepen		ction (Start/Resume)		Vater Shut-Off
	☐ Alter Casing	sing 🔲 Hydr		☐ Reclamation		■ Well Integrity	
☐ Subsequent Report	☐ Casing Repair ☐ Ne		Construction Recom		plete C		Other
☐ Final Abandonment Notice	_ ·		·		rarily Abandon		
	Convert to Injection Plu eration: Clearly state all pertinent details, inclu		g Back		`		
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 for recompletion in a new interval, a Form 31604 must be filed once testing has been completed. Final Abandomment 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. 13-3/8" 48# @ 707' TOC Surface, 8-5/8" 40# 2165' TOC Surface, 5-1/2" 17# @ 9000' TOC Surface, Perfs 7922-8525', CIBP @ 7900' w/ 35' cmt cap, Perfs 3830'-3992'. Chevron respectfully requests to abandon this well as follows: 1. Notify BLM 24 hrs. prior to starting work (575) 234-5909. 2. MIRU, NDWH, NU BOPE, POOH w/ rods and tubing, bubble test all casing strings and share results w/ BLM and engineer. Chevron plans to utilize Zonite after plugging up t/~1500' if sustained braden pressure is noted. 3. Set CIBP at 3780', test casing t/ 500 psi f/ 10 min, spot MLF, spot 110 sx CL "C" cmt f/ 3780 CONDITIONS OF APPROVAL As Spot 80 sx CL "C" cmt f/ 2215' t/ 1406', WOC & tag (Shoe, Salt). All Dereby certify that the foregoing is true and correct. RECEIVED							
14. I hereby certify that the foregoing is Comm	Electronic Submission #44 For CHEVRON US itted to AFMSS for processin	A INCORPO	RATED, sent to the	he Carlsbac	8 (19DLM0131SE)		
Name (Printed/Typed) HOWIE LUCAS			Title ENGINEER JAN 1 0 2019			1 0 2019	
Signature (Electronic Submission)			Date 11/16/2018 DISTRICT II-ARTESIA O.C.D.				
	THIS SPACE FOR	R FEDERA	L OR STATE	OFFICE U	SE		
Approved By 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			Title SPET			/2-10-/ Date	
which would entitle the applicant to condu Title 8 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a cr	ime for any po	erson knowingly and ithin its jurisdiction.	willfully to m	ake to any department or	agency	of the United

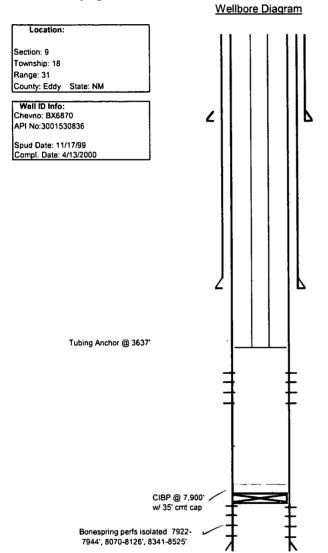
Additional data for EC transaction #444406 that would not fit on the form

32. Additional remarks, continued

5. Spot 75 sx CL "C" cmt f/ 757* t/ Surface (Shoe, FW) 822 - Ser F.
6. Cut off wellhead 3' below grade, Verify Cement To Surface, install required dry hole marker as per COA's, turn over to reclamation.

All cement plugs will be class "C" with a closed loop system used.

Well: Paton B FED 4
Field: Shugart
Reservoir: Grayburg



Surface Csg: 13.375", 48#, H-40
Set: @ 707'
Hole Size: 17.5"
Circ: Yes TOC: Surface
TOC By: Circulated

for Comp. Report

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Interm Csg: 8.625", 40#, H-40
Set: @ 2165'
Hole Size: 12.25"
Circ: Yes TOC: Surface
TOC By: Circulated

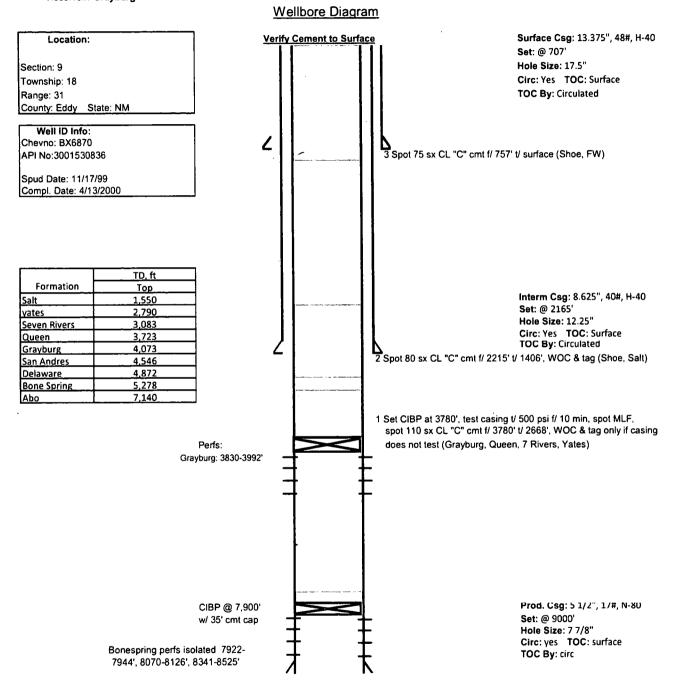
TD, ft Formation Name Тор Salt 4,550 yates 2.790 Seven Rivers Queen 3,083 3,723 Grayburg 4,073 San Andres 4,546 Delaware 4.872 Bone Spring 5,278 Abo 7,140

Perfs: Grayburg: 3830-3992'

Prod. Csg: 5 1/2", 17#, N-80
Set: @ 9000'
Hole Size: 7 7/8"
Circ: yes TOC: surface
TOC By: circ

PBTD: 7492' TD: 7518" Well: Paton B FED 4
Field: Shugart

Reservoir: Grayburg



PBTD: 7492' TD: 7518"

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. 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. 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. **Show date well was plugged.**
- 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