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

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMLC029392B

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
PRINCIPLE FEDERAL 4

2. Name of Operator
CHEVRON USA INCORPORATED
Contact: HOWIE LUCAS
E-Mail: howie.lucas@chevron.com

9. API Well No.
30-015-32894-00-S1

3a. Address
6301 DEAUVILLE BLVD
MIDLAND, TX 79706

3b. Phone No. (include area code)
Ph: 832-588-4044

10. Field and Pool or Exploratory Area
SHUGART

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 27 T18S R31E SWNW 1920FNL 660FWL

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			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.

2/5/19 to 2/7/19 MIRU C&J Energy Services. LD rods and tubing.
2/8/19 Set CIBP @ 5170'. Attempt P/T casing; slow leak off.
2/13/19 MIRU APWS.
2/14/19 Tag CIBP @ 5110'. Equalize well. SD.
2/15/19 Plug #1 25 sxs (1.32 yield, 14.8ppg) Class C cmt from 5110'- 4857'. Displace w/26 bbls. Pump 32 bbls 10 ppg brine. WOC. Tag @ 4857'. P/T/ casing to 1000#; good. Spot 62 bbls 10 ppg salt gel from 4857' - 2200'. Plug #2 60 sxs (1.32 yield, 14.8ppg) Class C cmt from 4656' - 4049'. Displace w/23.5 bbls 10 ppg brine. Plug #3 25 sxs (1.32 yield, 14.8ppg) Class C cmt from 2200' - 1950'. Displaced w/11 bbls brine. PUH. Reverse out 15 bbls of 10 ppg brine. WOC.
2/18/19 Tag cmt @ 2017'. Tag approved BLM. Spotted 21 bbls 10 ppg SG from 2017' to 1100'. Perforate 1-9/16" 2 4 SPF perf gun at 1100'. Establish injection ratge down 5.5" casing and out 9-5/8" casing with 41 bbls 10 ppg brine 2 bpm @ 150#. Plug #4 Mix and pump 60 sxs (1.32 yield, 14.8ppg) Class C

GC Accepted for record 4/5/19 NMOCD

RECLAMATION PROCEDURE ATTACHED

RECLAMATION DUE 8-20-19'

RECEIVED

APR 01 2019

DISTRICT II-ARTESIA O.C.D.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #457692 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by DEBORAH MCKINNEY on 03/14/2019 (19DLM0178SE)

Name *(Printed/Typed)* HOWIE LUCAS — Title ENGINEER

Signature (Electronic Submission) — Date 03/12/2019

ACCEPTED FOR RECORD
MAR 20 2019
DMcKinney
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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 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 #457692 that would not fit on the form

32. Additional remarks, continued

cmt in 5.5" casing /annulus 1100' to 900'. WOC. RU wireline and lubricator. Perforate 6 TP shots at 697'. Establish circulation down 5.5" and out 9-5/8" casing with 10 bbls of 10 ppg brine 2 bpm at @ 0#.
2/19/19 Tag TOC @ 910'. Pump 6 bbls BW w/2 sxs SG; displaced with 3.5 bbls BW; no returns. Established circulation 20 bbls 10 ppg BW @ 2 bpm at 0#; returns out 9-5/8" casing. Plug #5 sqz'd 210 sxs (1.32 yield, 14.8ppg) Class C cmt mixed with 3% gas block; lost circulation on BH; sqz'd additional 190 sxs; no returns. Displaced to 150' w/3 bbls.
2/20/19 Tag TOC @ 90'. Perforate @ 90'. Attempt to establish injection rate; pressured up. Plug #6 10 sxs (1.32 yield, 14.8ppg) Class C cmt from 90' to surface. RD RR and MOL.

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.
NMLC029392B

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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
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
Principle Federal #4

2. Name of Operator
CHEVRON USA INCORPORATED

9. API Well No.
30-015-32894

3a. Address
6301 Deauville Blvd, Midland, TX 79706

3b. Phone No. (include area code)
832-588-4044

10. Field and Pool or Exploratory Area
Shugart Delaware

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1920' FNL & 660' FWL, Section 27, T18S, R31E

11. Country or Parish, State
EDDY COUNTY , NEW MEXICO

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
[ ] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[X] Subsequent Report	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[ ] Other
	[ ] Change Plans	[X] Plug and Abandon	[ ] Temporarily Abandon	
[ ] Final Abandonment Notice	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

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

Title
Well Abandonment Engineer, Attorney-in-Fact

Signature

Date
3/12/19

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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(Instruction on page 2)

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 pre-disturbance 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 (**Contact service companies, allowing plenty of time to have the risers and power lines and poles removed prior to reclamation, don't wait till the last day and try to get them to remove infrastructure**). Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute 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.

1. 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

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

Crystal Weaver
Environmental Protection Specialist
575-234-5943

Shelly Tucker
Environmental Protection Specialist
575-234-5979

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