Form 3160-5
(August 2007)

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

5. Lease Serial No.
NM-98122

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
SKELLY UNIT #950

2. Name of Operator
CHEVRON U.S.A.INC.

9. API Well No.
30-015-32437

3a. Address
15 SMITH ROAD
MIDLAND, TEXAS 79705

3b. Phone No. *(include area code)*
432-687-7375

10. Field and Pool or Exploratory Area
CEDAR LAKE ABO

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
973' FNL, & 2226' FWL, T-17S, R-31E, UL: C, SEC 28

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
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other TO ABO
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ 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.)

CHEVRON U.S.A. INC. INTENDS TO RECOMPLETE THE SUBJECT WELL TO THE CEDAR LAKE ABO RESERVOIR.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, PLAT & C-144 INFO FOR THE NMOCD.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

RECEIVED
FEB 01 2011
NMOCD ARTESIA

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

Title REGULATORY SPECIALIST

Signature Denise Pinkerton

Date 01/25/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

APPROVED
JAN 27 2011
/s/ Dustin Winkler
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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)

Skelly Unit 950

Procedure

1. MIRU PU. Kill well.
2. ND wellhead.
3. Release 5-1/2" pkr and TOH with 2 3/8" 4.7# L-80 tbg and pkr.
4. RIH w/CIBP and set @ 11,730', tag CIBP w/setting tool to ensure a good set. RIH w/dump bailer and dump 40' of cement on top of CIBP.
5. RIH w/production tbg to 11,700' and tag cement on top of CIBP, displace hole w/ mud from 11,200' -11,700'. (Gelled mud must be mixed at 25sx of gel per 100 bbls of fresh water.)
6. RIH and set CIBP @ 11,300' and dump bail 40' of cement.
7. RU perforating services, RU lubricator. Perforate the following Abo interval with 2 JSPF: 7836'-7848', 7824'-7830', 7796'-7804', 7774'-7784', 7734'-7744', 7644'-7650', 7624'-7634', 7614'-7618', 7582'-7592', 7562'-7572', 7550'-7558', 7536'-7546', 7494'-7506'
8. Acidize perfs w/ ~12,000 gallons 15% HCL.
9. RIH w/ existing 2 3/8" production tubing.
10. ND BOP. NU wellhead.
11. RIH w/ pump and rods.
12. RDMO PU.

Skelly Unit 950 Wellbore Diagram

Lease:	Skelly Unit		
Field:	Cedar Lake North		
Surf. Loc.:	973' FNL & 2,226' FWL		
Bot. Loc.:			
County:	Eddy	St.:	NM

Well #:	950	Fd./St. #:	NM-98122
API	30-015-32437		
Surface	Tshp/Rng:	17-S & 31-E	
Unit Ltr.:	C	Section:	28
Bottom hole	Tshp/Rng:		
Unit Ltr.:		Section:	
Cost Code:	UCLK80100		
Chevno:	HI1842		

CURRENT

KB:	3801'
DF:	3800'
GL:	3784'
Spud Date:	12/19/02
Comp. Date:	03/24/03

Surface Casing

Size:	13 3/8"
Wt., Grd.:	48#, H-40
Depth:	450'
Sxs Cmt:	700 sx
Circulate:	374 sx
TOC:	Surface
Hole Size:	17 1/2"

Intermediate Casing

Size:	8 5/8"
Wt., Grd.:	32#, J-55
Depth:	4500'
Sxs Cmt:	2570 sx
Circulate:	500 sx
TOC:	Surface
Hole Size:	12 1/4"

Production Casing

Size:	5 1/2"
Wt., Grd.:	17#, C-95&N-80

Float Shoe, 2 jts 5 1/2" 17# C-95, Float Collar, 39 jts 5 1/2" 17# C95 (1707.63') followed by 42 jts 5 1/2" 17# N-80, DV Tool @8500', 196 jts 5 1/2" 17# N-80 csg, set @ 12095.

Depth:	12095'
Sxs Cmt:	1720 sx
Circulate:	No
TOC:	1390' by CBL
Hole Size:	7 7/8"

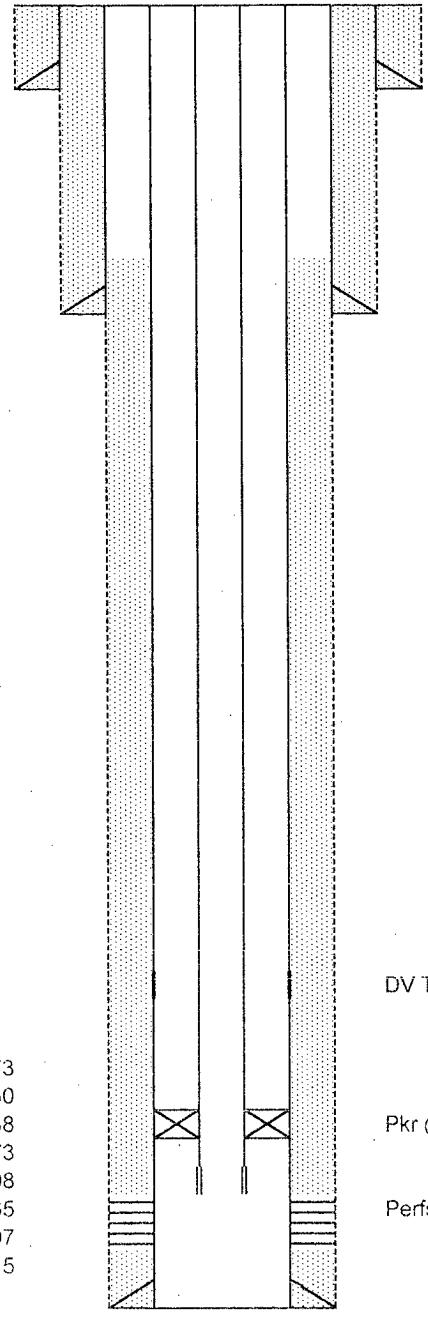
DV Tool @ 8500'

Production Tubing

Tubing Size: 2 3/8" 4.7# L-80
SN Depth: 11,700'

Geology - Tops

San Andres	3,573
Glorieta	5,050
Abo	7,338
Wolfcamp	8,573
Strawn	10,908
Atoka	11,165
Morrow	11,397
Mississippian	11,915



DV Tool @ 8500'

Pkr @ ~11735'

Perfs: 11796'-11805'

PBTD: 11,999 MD
TD: 12,095 MD

Skelly Unit 950 Wellbore Diagram

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Bot. Loc.:			
County:	Eddy	St.:	NM

Well #:	950	Fd./St. #:	NM-98122
API	30-015-32437		
Surface	Tshp/Rng:	17-S & 31-E	
Unit Ltr.:	C	Section:	28
Bottom hole	Tshp/Rng:		
Unit Ltr.:		Section:	
Cost Code:	UCLK80100		
Chevno:	HI1842		

PROPOSED

KB:	3801'
DF:	3800'
GL:	3784'
Spud Date:	12/19/02
Comp. Date:	03/24/03

Surface Casing

Size:	13 3/8"
Wt., Grd.:	48#, H-40
Depth:	450'
Sxs Cmt:	700 sx
Circulate:	374 sx
TOC:	Surface
Hole Size:	17 1/2"

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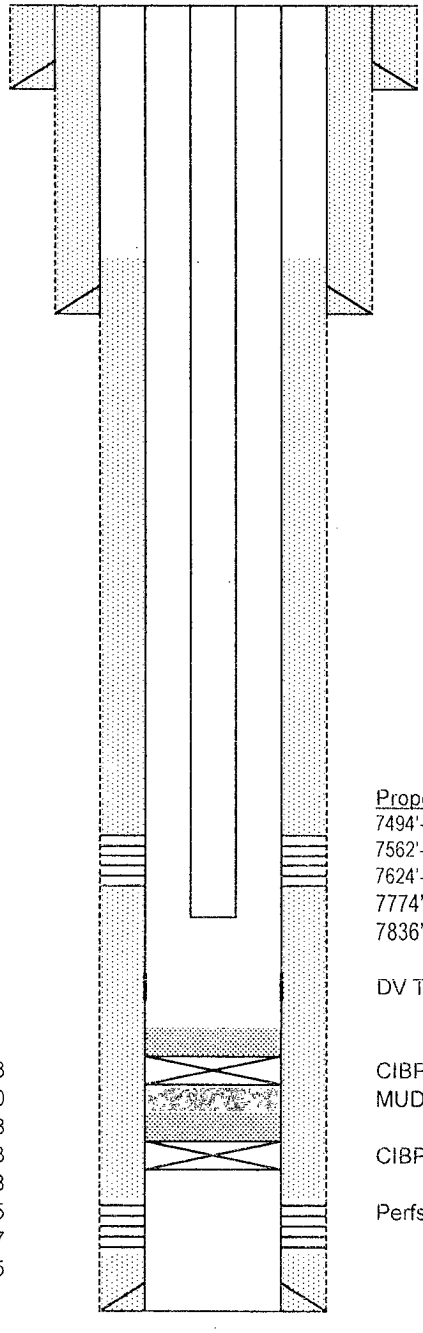


Proposed Abo Perfs:
7494'-7506', 7536'-7546', 7550'-7558', 7562'-7572', 7582'-7592', 7614'-7618', 7624'-7634', 7644'-7650', 7734'-7744', 7774'-7784', 7796'-7804', 7824'-7830', 7836'-7848'

DV Tool @ 8500'

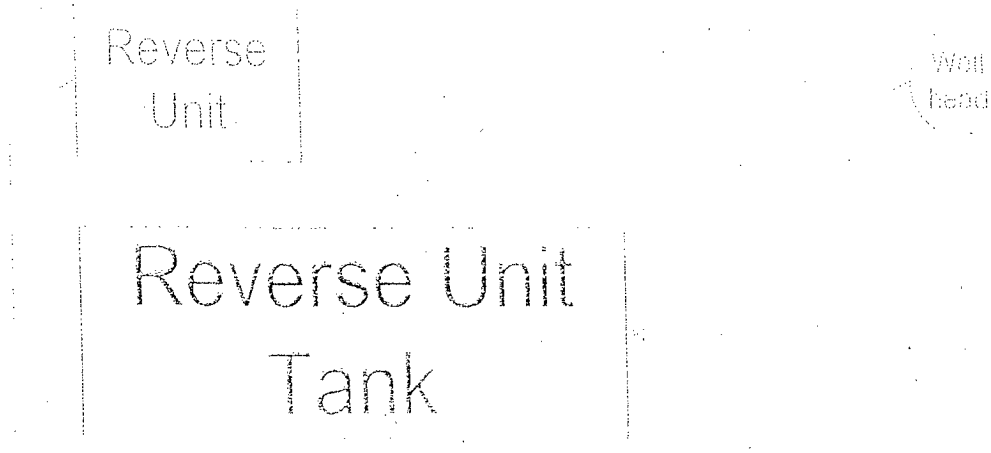
CIBP @ 11300' w/ 40' CEMENT ON TOP
MUD LADEN FLUIDS BETWEEN PLUGS

CIBP @ 11730' w/ 40' CEMENT ON TOP

Perfs: 11796'-11805'

PBTD: 11,260 MD
TD: 12,095 MD

CHEVRON - REVERSE UNIT - SCHEMATIC - OPERATING AND MAINTENANCE - CLOSURE PLAN



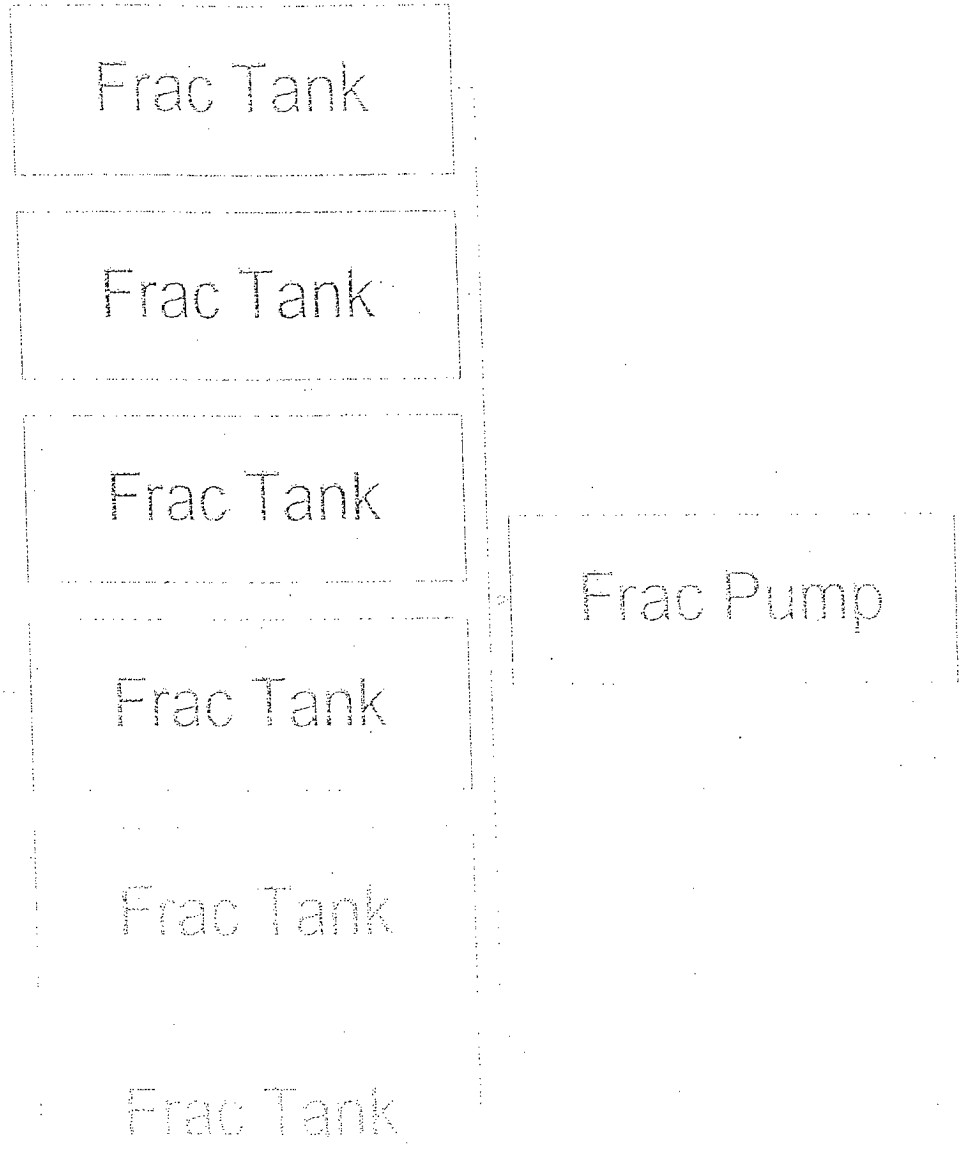
Notes:

1. This is a generic layout, exact equipment orientation will vary from location to location.
2. This is a schematic representation, so drawing is not to scale.

Operating and Maintenance Plan

[illegible]

CHEVRON - FRAC SCHEMATIC - OPERATING AND MAINTENANCE
CLOSURE PLAN



Notes:

1. This is a generic layout, exact equipment orientation will vary from location to location.
2. This is a schematic representation, so drawing is not to scale.
3. Frac tanks and number of pumps can vary, with daily operations and well requirements.

Operating and Maintenance Plan

1. All recovered fluids and solids will be discharged into reverse tank.
2. Reverse tank will be continuously monitored by designated rig crew so that tank will not be overfilled.
3. Rig crew will visually inspect fluid integrity of reverse tank and frac tanks on a daily basis.
4. Documentation of visual inspection of reverse tank and frac tanks will be captured on daily completion morning report.

Closure Plan

1. All recovered fluids and solids will be removed from reverse tank and hauled off of site.
2. All recovered fluids and solids will be disposed of at a suitable off location waste disposal facility.
3. Any remaining frac fluids in frac tanks will be hauled off location.

Chevron USA Inc.
NM-98122: Skelly Unit #950
API: 30-015-32437
Eddy County, New Mexico

RE: Recompletion – Conditions of Approval

There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

5000 (5M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

5M systems shall require two independent power sources, one of which may be nitrogen bottles (three minimum) maintaining a charge equal to the manufacturer's recommendations.

CIBP at 11,300' is not approved. In lieu of proposed plug, spot a 210' Class H cement plug (approx 30sx) from 11450'-11240'. (Morrow)
In addition to proposed plugs, a 190' Class H cement plug (minimum 25sx) is to be spotted from 8675'-8485'. (Wolfcamp)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:
Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Submit subsequent report and completion report with well test once work is completed. Abo production will be reported to NMNM71030X. Commercial well determination will be required after a minimum of 6 months production.

DHW 012711