

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
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 reverse side.

5. Lease Serial No. NMLC029392B
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No. SRM1403
8. Well Name and No. GREENWOOD PRE-GRAYBURG FED COM
9. API Well No. 30-015-22601-00-S1
10. Field and Pool, or Exploratory SHUGART
11. County or Parish, and State EDDY COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **CHEVRON USA INCORPORATED** Contact: **DENISE PINKERTON**
 E-Mail: **leakejd@chevron.com**

3a. Address **15 SMITH ROAD
MIDLAND, TX 79705**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 27 T18S R31E NWSW 1980FSL 660FWL

12. CHECK 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 type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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 checked="" 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 INTENDS TO TEMPORARILY ABANDON THE SUBJECT WELL. PLANS ARE TO RECOMPLETE THIS WELL IN THE GRAYBURG OR WOLFCAMP.

PLEASE FIND ATTACHMENTS SHOWING THE INTENDED PROCEDURE, CURRENT & PROPOSED WELLBORE DIAGRAM & THE GEO-PROPOSAL.

CONVERSATION WAS HELD BETWEEN MR. JIM AMOS, BLM, & ABDUL SULE, CHEVRON.

AND 10/6/15
Accepted for record
NMOCD

NM OIL CONSERVATION
ARTESIA DISTRICT

OCT 05 2015

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

RECEIVED
Electronic Submission #281006 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by CATHY QUEEN on 06/22/2015 (15CQ0396SE)

Name (Printed/Typed) DENISE PINKERTON	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 11/20/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>James Q. Amos</i>	Title <i>CPET</i>	Date <i>9-28-15</i>
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 <i>CFO</i>	

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.



**Geological Assessment
Greenwood Pre-Grayburg Unit 1-C**

Well Name:	Greenwood Pre-Grayburg Unit 1-C	API#:	3001522601
Location:	T18S, R31E, Sec. 27	Geologist:	Walt Harston
County:	Eddy	Engineer:	Abdul Sule
State:	NM	FMT:	Eunice

EXECUTIVE SUMMARY

There is an opportunity to recomplete the Grayburg or Wolfcamp in this well. Given the risks inherent with each reservoir, I recommend completing the Wolfcamp first and then moving uphole to the Grayburg if the Wolfcamp is not productive.

WELL HISTORY

This well was originally completed in the Morrow and has produced 1.7 bcf from that zone. It has also been completed in the Atoka from which it has produced 350,000 mcf.

The Hinkle F #8 is the closest offset Grayburg producer 600 ft away. The Hinkle F #8 produced from 1966 until 1987 when it was P&A'd.

JUSTIFICATION

Grayburg:

There is significant Grayburg production in the area around this well. ¼ mile to the east and on structural trend with the subject well, the Hinkle F #6 (3001510607) has cumulative production of 239,378 BO; 70,031 MCF; and 789,576 BW from the lowermost proposed zone. Also, 600 ft to the northeast, the Hinkle F #8 (3001510760) produced from the Grayburg and cum'd 123,234 BO; 63,726 MCF; and 315,702 BW.

Wolfcamp:

The uppermost Wolfcamp was completed in several wells approximately 5 miles eastward. The two closest Wolfcamp producers are the Tyke Federal #1 (3002531041) and the Inca Federal #12 (3002531756). The Tyke Federal #1 cum'd 380,719 BO, 450,692 MCF, and 1,841,547 BW. The Inca Federal #12 cum'd 513,225 BO, 762,185 MCF, and 1,456,880 BW. This well is on trend (slightly updip) of those two producers.

ISSUES

Grayburg:

LOG FILE
Schlumberger

COMPENSATED NEUTRON
FORMATION DENSITY

COUNT FIELD LOCATION WELL: **D00583945**
 COMPANY: **AMOCO PROD. CO.**
 COMPANY: **AMOCO PRODUCTION COMPANY**
 API #30-015-22601 (What Copy)
 WELL: **GREENHAY FEDERAL UNIT #10**
 FIELD: **SHUGART**
 COUNTY: **EDDY** STATE: **NEW MEXICO**
 LOCATION: **6601 FWL S. 19801 FSL**
 API SERIAL NO.: **27** SEC: **18-S** TWP: **21-E** RANGE: **21-E**
 Other Services: **DLL BHC CYBERL DOK**

Permanent Datum: **RDB** Elev.: **15** Ft. Above Perm. Datum
 Log Measured From: **RDB**
 Drilling Measured From: **RDB**
 Elev.: **RDB 3629**
 D.F.: **CL 3614**

Date	12-20-78	2-5-79	
Run No.	ONE	TWO	
Depth-Driller	4642	11936	
Depth-Logger	4642	11936	
Sim. Log Interval	4640	11936	
Top Log Interval	SURE	4642	
Casing-Driller	13 3/8 @ 724	9 5/8 @ 4644	
Casing-Logger	724	4642	
Bit Size	12 1/4	8 3/4	
Type Fluid in Hole	BRINE	SALT MUD	
Dens. Visc.	10.1 29	9.4 45	
pH		9.0 6	
Fluid Loss			
Source of Sample	PTT	CIRC	
Rm @ Meas. Temp.	.059 @ 64 °F	.105 @ 53 °F	
Rmf @ Meas. Temp.	.047 @ 64 °F	.075 @ 55 °F	
Rmc @ Meas. Temp.	@ @ 15 @ 55 °F	@ @ 15 @ 55 °F	
Source: Rmf Rmc	M L	M L	
Kim @ BHT	.039 @ 96 °F	.035 @ 161 °F	
Circulation Stopped	0700	0700	
Logger on Bottom	1600	2000	
Max. Rec. Temp.	96 °F	161 °F	
Equip. Location	8075 HOBBS	8042 HOBBS	
Recorded by	DOUGLASS	CAMPAIN, DANIEL	
Witnessed by Mr.	WILLIAMS	DYER	

DETAIL LOG
5" = 100'

CALIPER DIAM. IN INCHES	RUN 2	POROSITY INDEX (%) LIME MATRIX			
		COMPENSATED FORMATION DENSITY POROSITY			
6	16	30	20	10	0
GAMMA RAY API UNITS		COMPENSATED NEUTRON POROSITY			
0	100	30	20	10	0
100	200				

Formation: Wolfcamp

The proposed perforations are shown by a red box in the depth track.

LOG FILE Schlumberger		COMPENSATED NEUTRON FORMATION DENSITY	
COUNT FIELD LOCATION WELL D00583945		COMPANY AMOCO PROD. CO.	
COMPANY AMOCO PRODUCTION COMPANY		API #30-015-22601 (Work Copy)	
WELL GREENWOOD FEDERAL UNIT #10		FIELD SHUGART	
COUNTY EDDY		STATE NEW MEXICO	
LOCATION 6601 FWL S. 19801 FSL	SEC. 27	TWP. 18-S	RANGE 31-E
Other Services DLI BHC CYBERLOOK		Elev. RDB 3629 D.F. 3614	
Permanent Datum: RDB	Elev. 15	ft. Above Perm. Datum	
Log Measured From: RDB	Drilling Measured From: RDB		
Date 12-20-78	Run No. ONE	Elev. 2-5-79	
Depth-Driller 4642	Depth-Logger 4642	3/4" Log Interval 11938	
Top Log Interval 4640	Casing-Driller SURE	Casing-Logger 4642	
Bit Size 12 1/4	Type Fluid in Hole BRINE	Visc. 29	
Dens. 10.1	Fluid Loss 9.0	Source of Sample CIRC	
Rm @ Meas. Temp. .059 @ 64	Rm @ Meas. Temp. .105 @ 53	K _m @ Meas. Temp. .047 @ 64	
K _m @ Meas. Temp. .15 @ 55	Source: Rm M	K _m @ BHT .039 @ 96	
Circulation Stopped 0700	Logger on Bottom 1600	Max. Rec. Temp. 96	
Equip. Location DOUGLASS	Recorded By WILLIAMS	Witnessed By Mr. WILLIAMS	

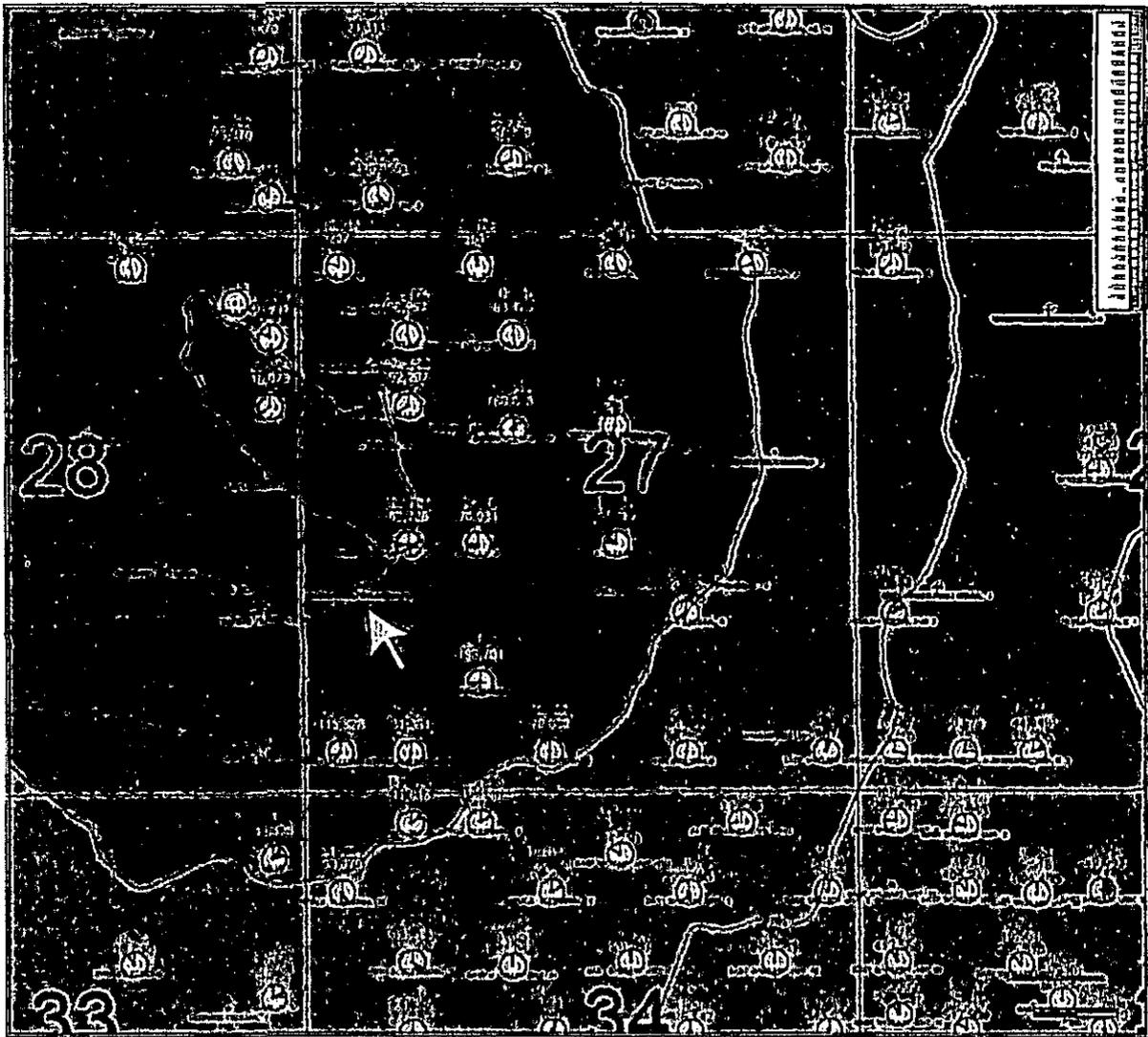
DETAIL LOG 5" = 100'																									
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">CALIPER DIAM. IN INCHES</td> <td style="text-align: center;">RÜN 2</td> </tr> <tr> <td style="text-align: center;">6 16</td> <td></td> </tr> <tr> <td style="text-align: center;">GAMMA RAY API UNITS</td> <td></td> </tr> <tr> <td style="text-align: center;">0 100</td> <td></td> </tr> <tr> <td style="text-align: center;">100 200</td> <td></td> </tr> </table>	CALIPER DIAM. IN INCHES	RÜN 2	6 16		GAMMA RAY API UNITS		0 100		100 200		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">POROSITY INDEX (%) LIME MATRIX</td> </tr> <tr> <td colspan="2" style="text-align: center;">COMPENSATED FORMATION DENSITY POROSITY</td> </tr> <tr> <td style="text-align: center;">30</td> <td style="text-align: center;">20</td> </tr> <tr> <td style="text-align: center;">10</td> <td style="text-align: center;">0</td> </tr> <tr> <td colspan="2" style="text-align: center;">COMPENSATED NEUTRON POROSITY</td> </tr> <tr> <td style="text-align: center;">30</td> <td style="text-align: center;">20</td> </tr> <tr> <td style="text-align: center;">10</td> <td style="text-align: center;">0</td> </tr> </table>	POROSITY INDEX (%) LIME MATRIX		COMPENSATED FORMATION DENSITY POROSITY		30	20	10	0	COMPENSATED NEUTRON POROSITY		30	20	10	0
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Structure Map:

Structure: Grayburg

CI 100'

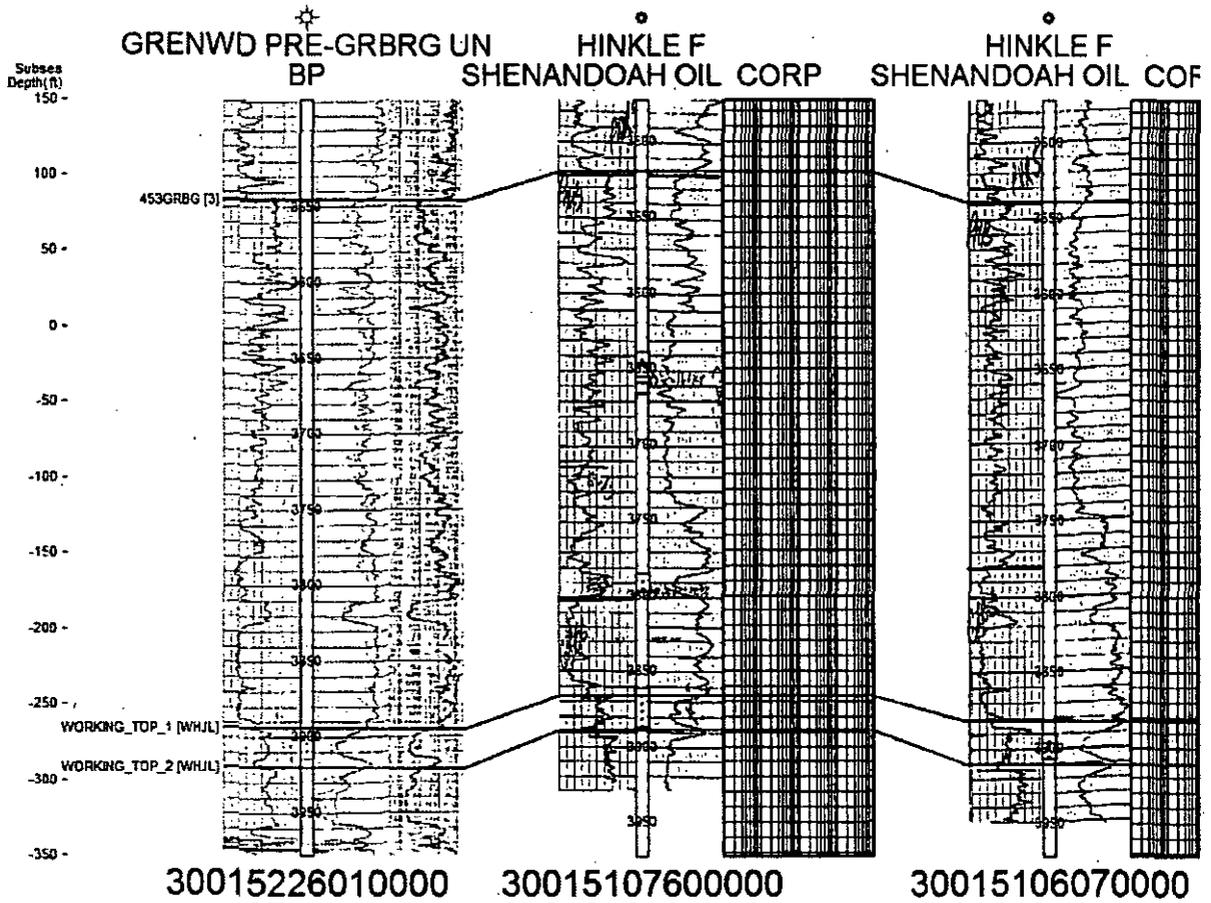
The contour map below has pie charts illustrating production from the Grayburg. Cumulative production is noted above each well. The yellow arrow indicates the position of the subject well. The blue line shows the orientation of the cross section in the next exhibit.



Cross Section:

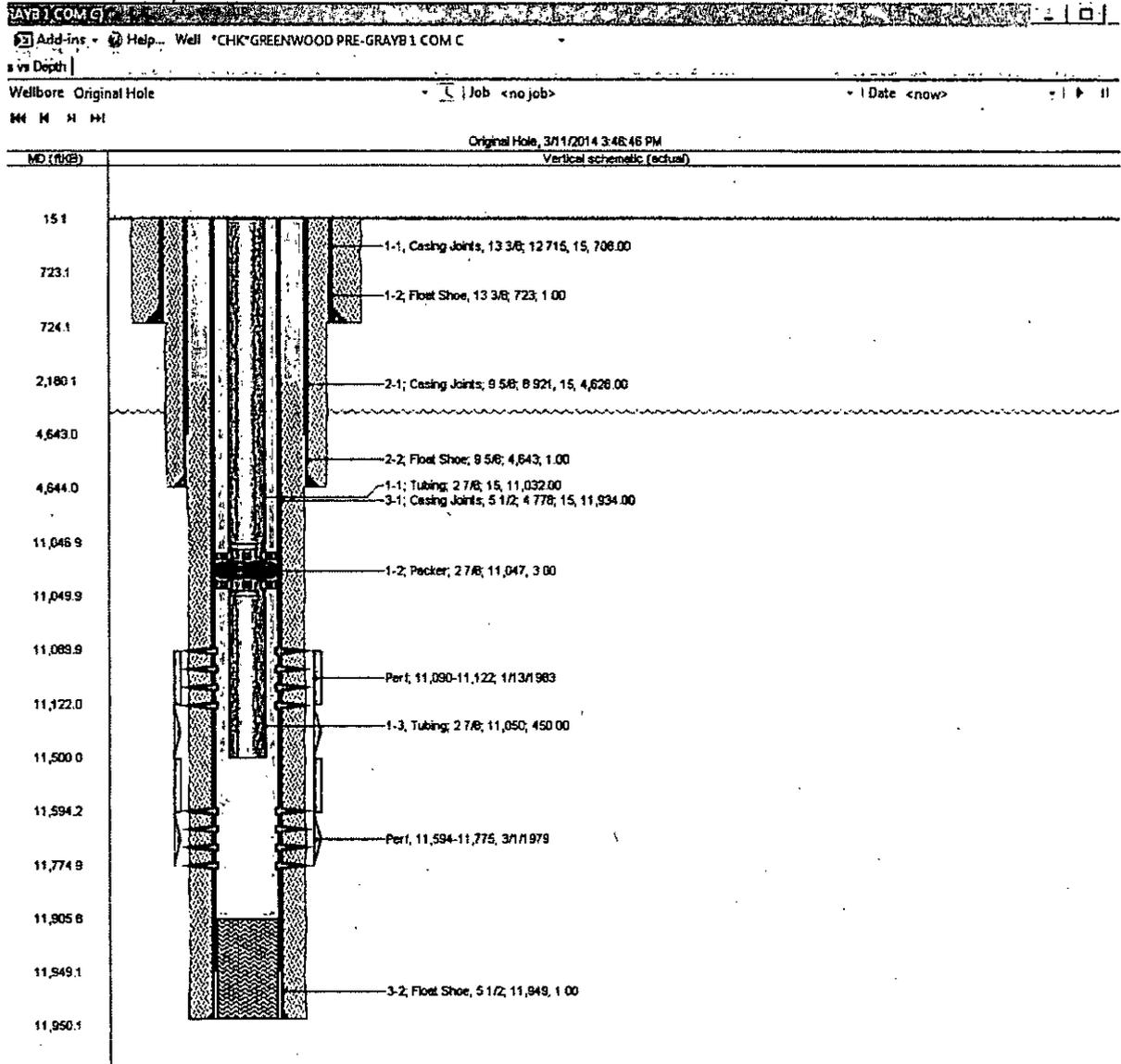
Grayburg

The cross section below shows the structural position of the proposed interval to its closest offset producers. Proposed interval is highlighted yellow.



Well Bore Diagram:

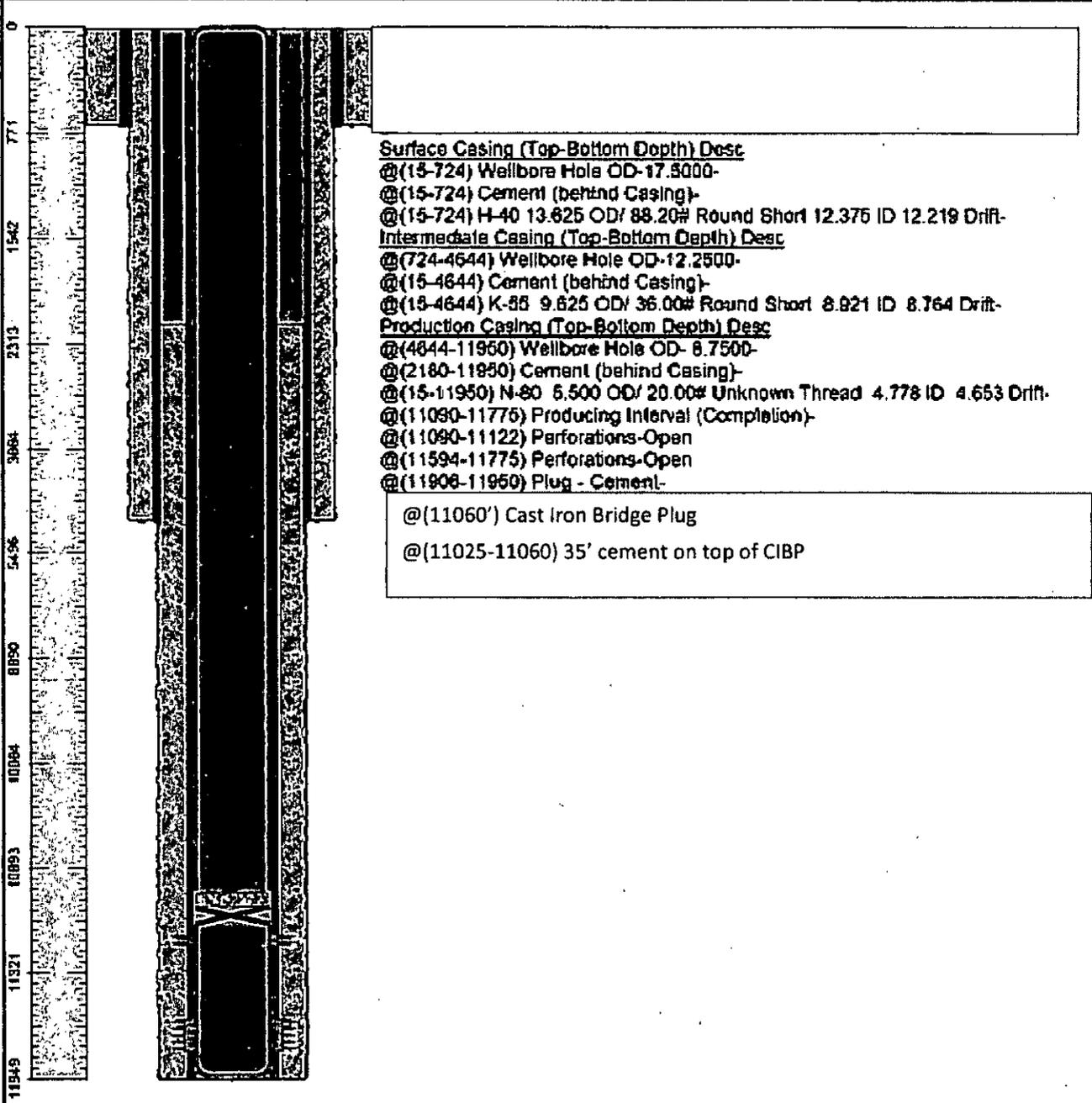
Last Updated: 3/11/2014



PROPOSED WELLBORE DIAGRAM

Chevron U.S.A. Inc. Wellbore Diagram : GNWD P-G 1C

Lease: DEU EUNICE FMT		Well No.: GREENWOOD PRE-GRAYB 1 COM C 1		Field: SHUGART	
Location: 1980FSL660FWL		Sec.: N/A		Blk:	
County: Eddy		St.: New Mexico		Survey: N/A	
Refno: EQ2569		API: 3001522601		Cost Center: UCRJ10700	
Section: E031		Township: 27		Range: S018	
Current Status: ACTIVE				Dead Man Anchors Test Date: 08/04/2014	
Directions:					



Surface Casing (Top-Bottom Depth) Desc
 @(15-724) Wellbore Hole OD-17.5000-
 @(15-724) Cement (behind Casing)-
 @(15-724) H-40 13.625 OD/ 88.20# Round Short 12.375 ID 12.219 Drift-
Intermediate Casing (Top-Bottom Depth) Desc
 @(724-4644) Wellbore Hole OD-12.2500-
 @(15-4644) Cement (behind Casing)-
 @(15-4644) K-85 9.625 OD/ 36.00# Round Short 8.921 ID 8.764 Drift-
Production Casing (Top-Bottom Depth) Desc
 @(4844-11950) Wellbore Hole OD- 8.7500-
 @(2180-11950) Cement (behind Casing)-
 @(15-11950) N-80 5.500 OD/ 20.00# Unknown Thread 4.778 ID 4.653 Drift-
 @(11090-11775) Producing Interval (Completion)-
 @(11090-11122) Perforations-Open
 @(11594-11775) Perforations-Open
 @(11908-11950) Plug - Cement-

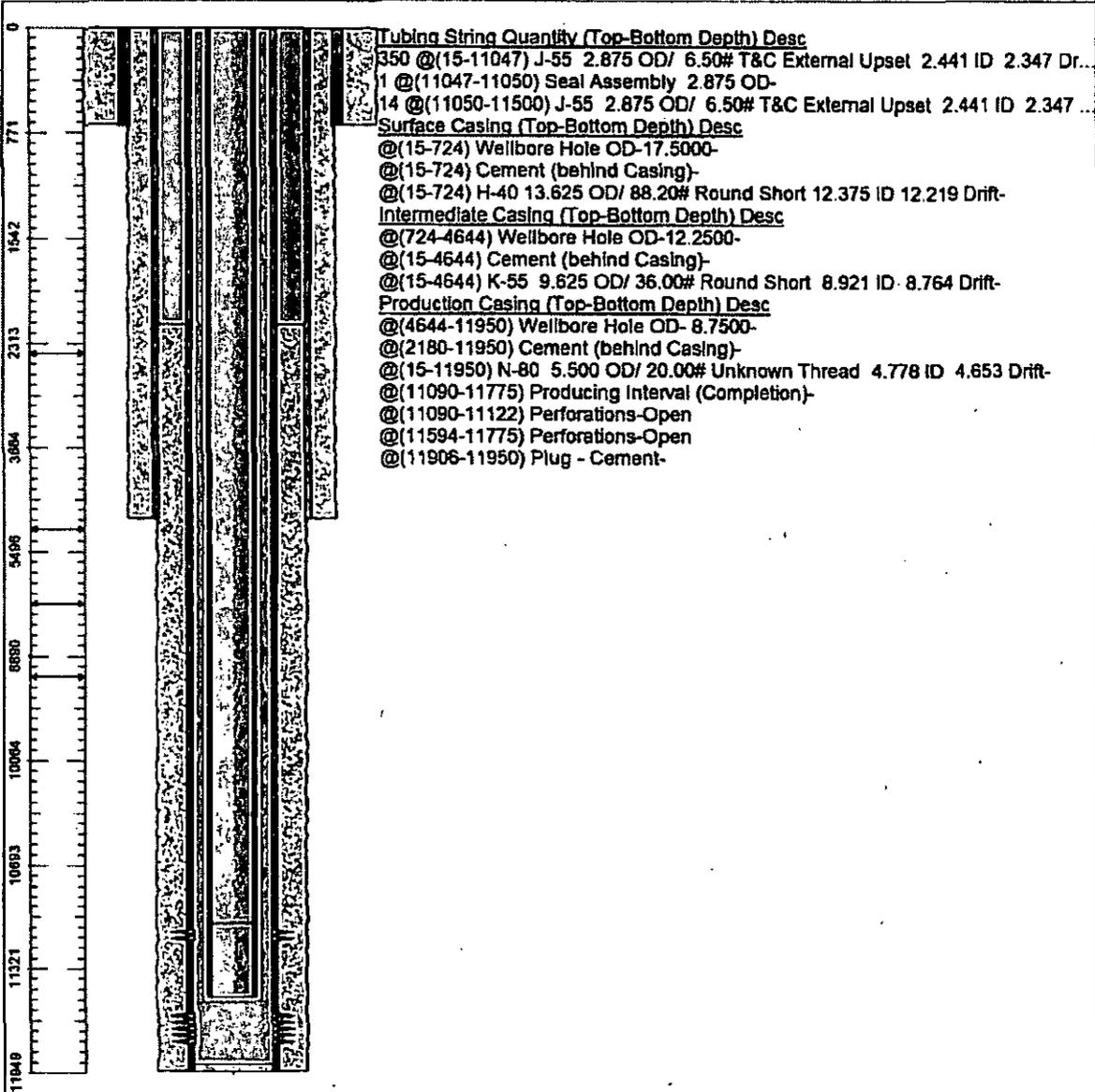
@(11060') Cast Iron Bridge Plug
 @(11025-11060) 35' cement on top of CIBP

Ground Elevation (MSL): 3614.00	Spud Date: 12/06/1978	Compl. Date: 01/01/1800
Well Depth Datum: Key Bushing	Elevation (MSL): 3629.00	Correction Factor: 15.00
Last Updated by: trj	Date: 09/08/2014	

CURRENT WELLBORE DIAGRAM

Chevron U.S.A. Inc. Wellbore Diagram : GNWD P-G 1C

Lease: OEU EUNICE FMT		Well No.: GREENWOOD PRE-GRAYB 1 COM C 1		Field: SHUGART	
Location: 1980FSL660FWL		Sec.: N/A		Blk:	Survey: N/A
County: Eddy	St.: New Mexico	Refno: EQ2569		API: 3001522601	Cost Center: UCR110700
Section: E031		Township: 27			Range: S018
Current Status: ACTIVE				Dead Man Anchors Test Date: 08/04/2014	
Directions:					



Ground Elevation (MSL): 3614.00	Spud Date: 12/06/1978	Compl. Date: 01/01/1800
Well Depth Datum: Kelly Bushing	Elevation (MSL): 3629.00	Correction Factor: 15.00
Last Updated by: trj	Date: 09/08/2014	



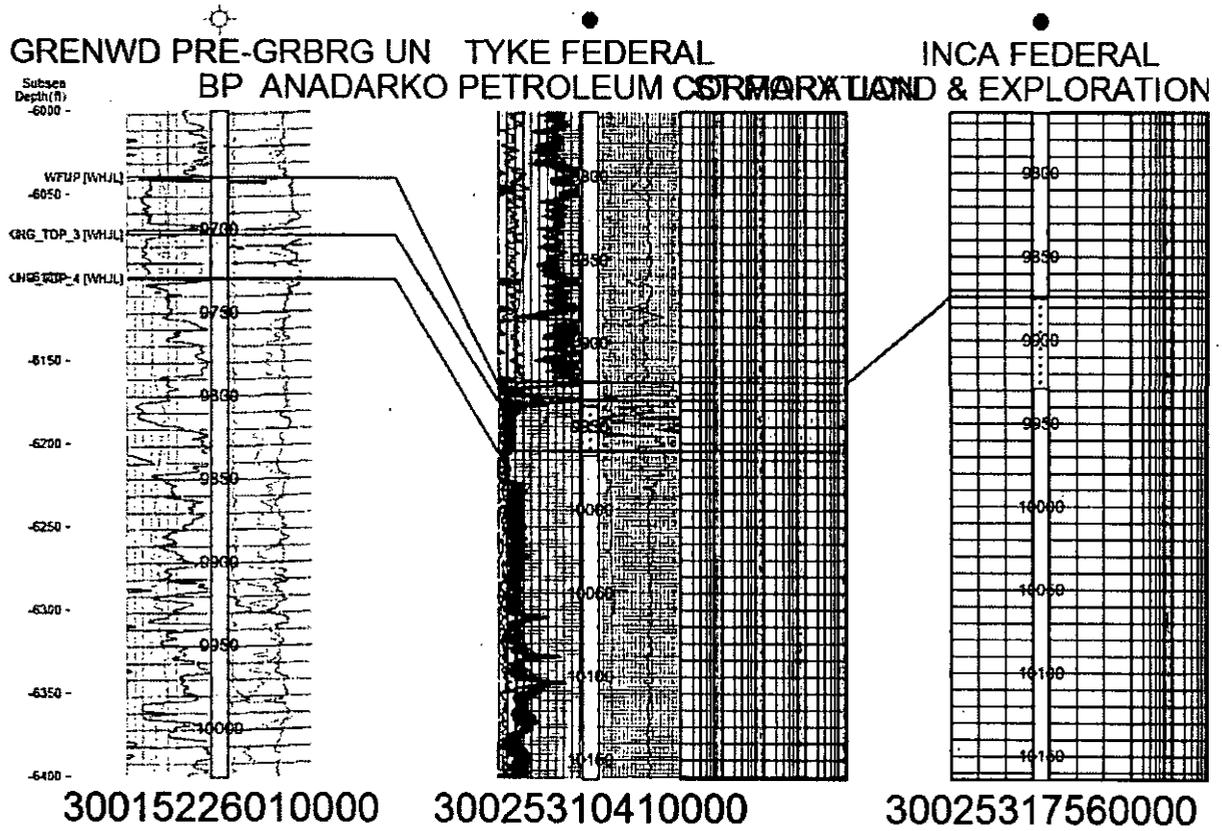
RWW Job Plan



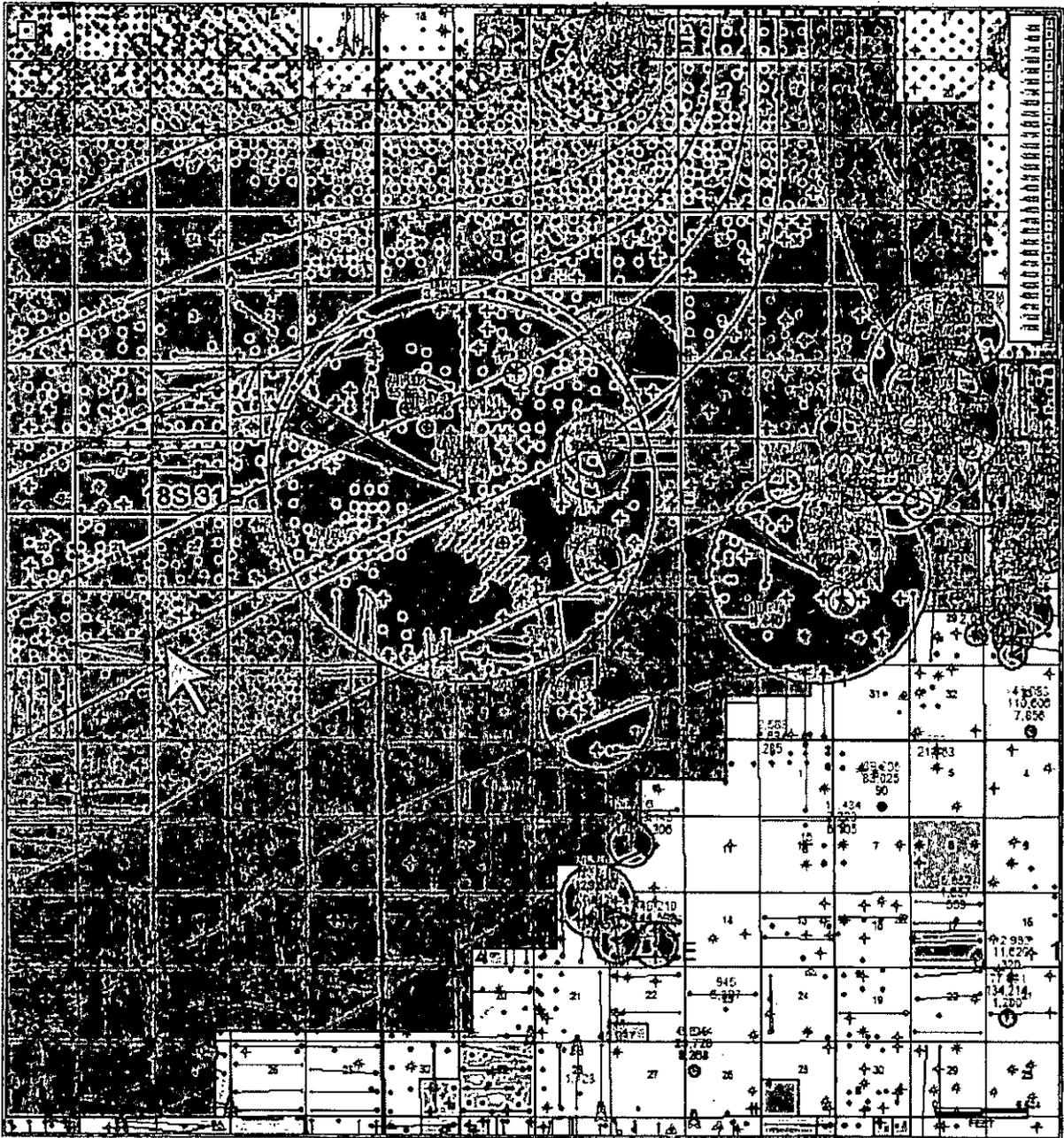
Date Failed	Not down				
Well Information	Well Name	GNWD P-G1C	API #	3001522601	
	Cost Center	UCRJ10700	Company Code	0064	
	WBS #	N/A	SEL	\$25,000	
	Plant Code	UWTN	Well Test	Oil	0
				Gas	5
	Job Scope (Please include appropriate information such as failure type, description of work to be performed, etc.)				
Give NM OCD at least 24 hours notice.					
T/A Well – Need to Pull packer & Tubing & T/A Well. POOH w/Tubing & packer laying Packer down – RU wireline & set a 5 1/2" CIBP @ 11,060' w/35' cement on top. Load & pre-test well – Make sure plug is holding - RIH w/Tubing and circulate packer fluid – POOH w/Tubing laying all down - Notify NM OCD to witness MIT – Get good chart – Turn in chart and all paperwork.					
Secure well and RDMO.					
Leave well with B-1 WH flange, tapped BP, needle valve, and gauge.					
\$22,740 Cost Estimate					
Previous Failures (Please provide appropriate previous failure history and related information.)					
None Shown					
Tubing Detail					
	Tubing Type	?	Tubing Size	2.875"	
	Packer Depth	11047'	Packer Size	5.50"	
	SN Depth	N/A	SN Type	N/A	
BHA (Please provide component detail in order of install)					
14 – 2 7/8" J-55? Tubing, packer seal assembly					

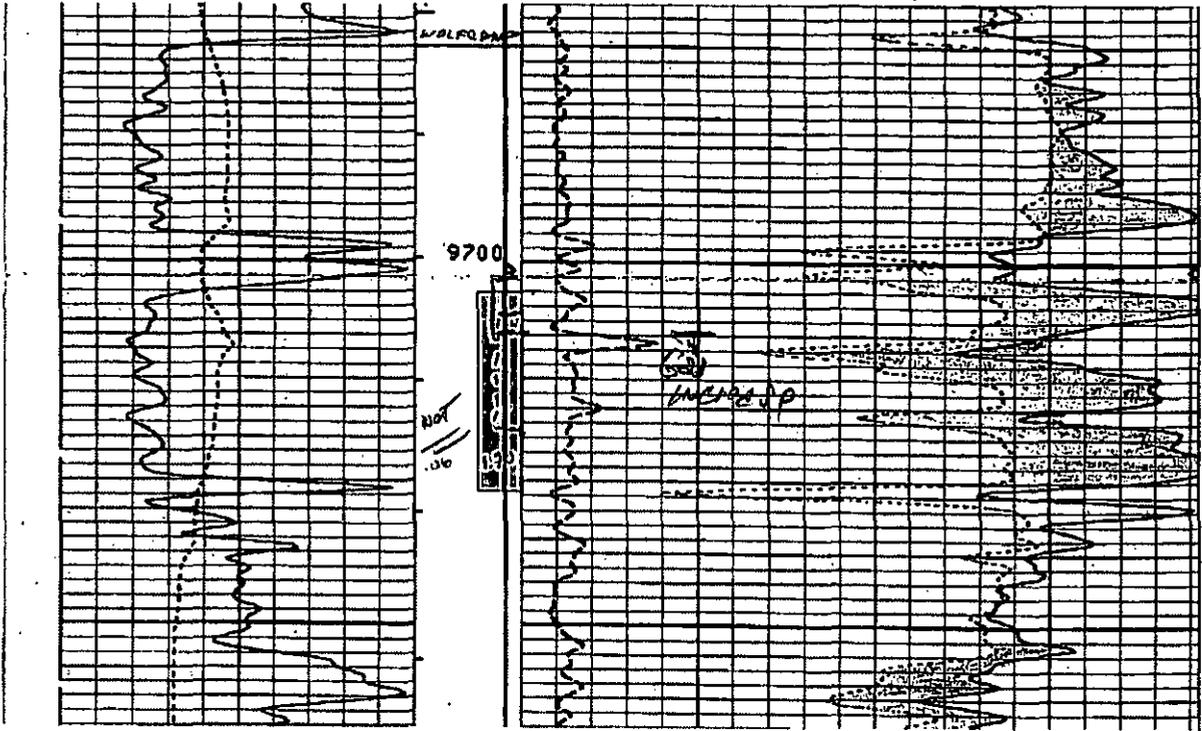
Wolfcamp

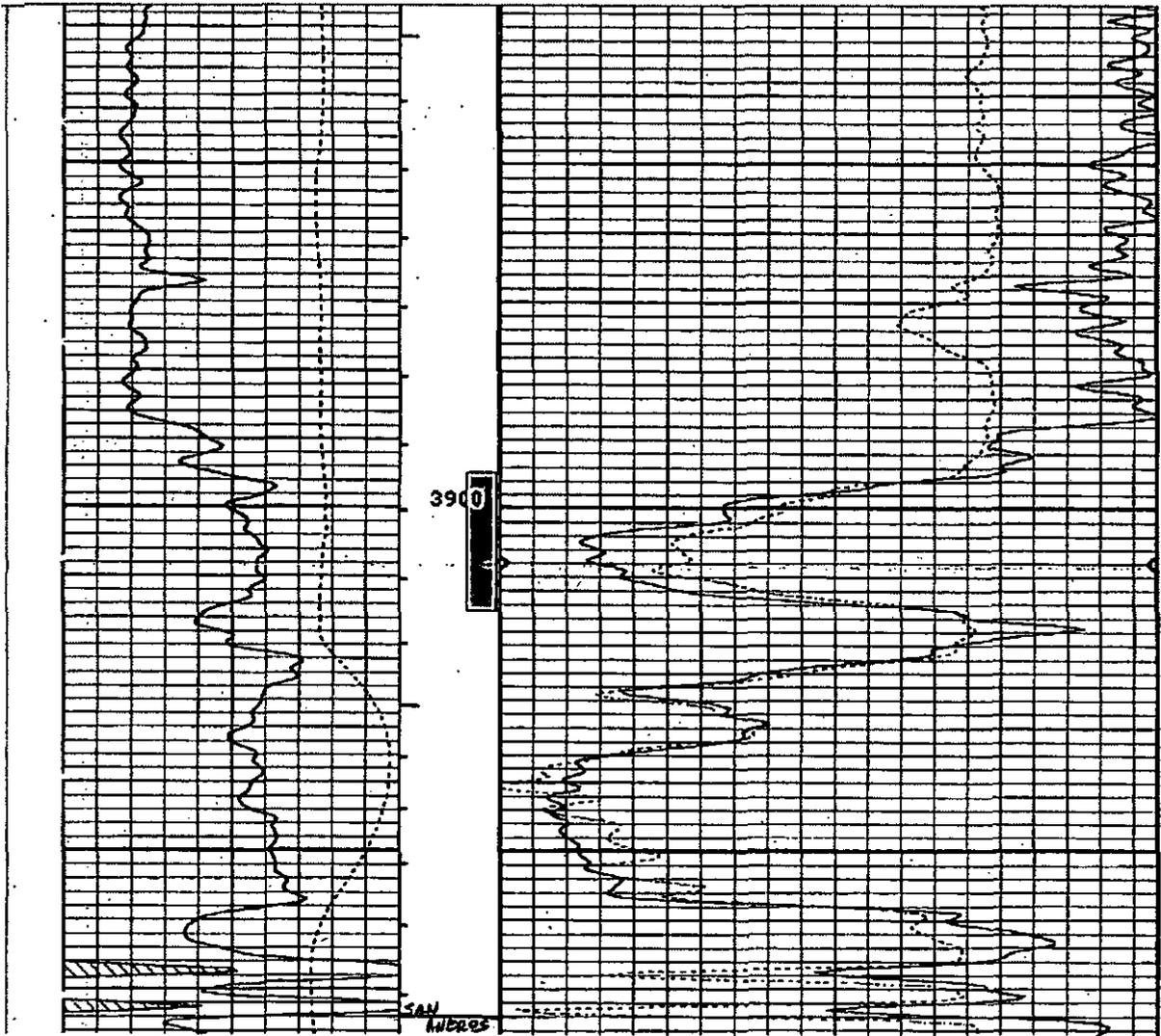
The cross section below correlates a limestone at the top of the Wolfcamp to the two closest producers 5 miles east.



The map below shows structure on the top of the Wolfcamp and the pie charts indicate production from the Wolfcamp with cumulative production noted above each well. The subject well has a yellow arrow pointing at it. The blue line shows the position of the cross section in the next exhibit. Note that our well is 5 miles westward from the bulk of Wolfcamp production.







The Hinkle F #8 produced for 12 years from the Grayburg only 600 ft away. The Grayburg reservoir may be depleted. However, the Hinkle F #8 has been P&A'd since 1987 and the Grayburg reservoir may have recovered to some degree in that time.

Wolfcamp:

The closest Wolfcamp production is 5 miles eastward. However, this well is on structural trend with Wolfcamp producers.

Proposed Perf Interval: Grayburg, Bone Spring, and Wolfcamp

<u>Top (md)</u>	<u>Base (md)</u>	<u>Net (ft)</u>	<u>Avg. Porosity</u>	<u>Rt</u>	<u>Rw</u>	<u>Sw</u>	<u>Gas Effect</u>	<u>GR (API)</u>	<u>Additional Comments</u>
3895	3915	20	20%	4.5	.035	0.44	Yes	55	GRAYBURG No resistivity logs in offset producers but there are notes of 150 bopd (Hinkle F8) and 90 bopd (Hinkle F6) from this zone on offset porosity logs
9704	9730	26	6.5%	110	.065	0.37	No	25	WOLFCAMP Offset porosity logs show significant washout over this interval making Sw calculations impossible. However, the mudlog from the subject well shows significant increase in total gas, notes gas and oil to surface in 80 minutes, and describes a very weak cut over this interval

EXHIBITS

Wireline Logs:

Formation: Grayburg

The well log below shows the proposed perforations with a red box in the depth track.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County: 575-361-2822; Lea County: 575-393-3612.
3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.**

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval with well bore diagram with all perforations and CIBP's and tops of cement on CIBP's.**
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. **Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted!**

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.