

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.

5. Lease Serial No.
NMNM0429825 ✓

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
~~8916124850~~ NM 71004a

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
OLD INDIAN DRAW 16

9. API Well No.
30-015-21959-00-S1-1

10. Field and Pool, or Exploratory
INDIAN DRAW

11. County or Parish, and State
EDDY COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other: INJECTION

2. Name of Operator
CHEVRON USA INCORPORATED
Contact: CINDY H MURILLO
E-Mail: CERRERAMURILLO@CHEVRON.COM

3a. Address
15 SMITH ROAD
MIDLAND, TX 79705
3b. Phone No. (include area code)
Ph: 575-263-0431
Fx: 575-263-0445

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 7 T22S R28E 6SW 330 FSL & 794 FWL

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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Workover Operations

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 USA INC PLANS ON PERFORMING WORK ON INJECTION WELL TO REPAIR WELL. THIS WELL HAS FAILED A MIT TEST CONDUCTED ON 08/28/2015 BY NMOCD. WE ARE IN THE PROCESS OF REPAIRING WELL BY 12/01/2015 PER RICHARD INGE/NMOCD.

12/10/15
Accepted for record
NMOCD

NM OIL CONSERVATION
ARTESIA DISTRICT
DEC 14 2015

Returned w/attachment

RECEIVED

Accepted for record

NMOCD 12/14/15

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

Electronic Submission #316245 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by JENNIFER SANCHEZ on 11/13/2015 (16JAS1121SE)

Name (Printed/Typed) CINDY H MURILLO Title PERMITTING SPECIALIST

Signature (Electronic Submission) Date 09/14/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By *PR Swartz* Title Tech PET Date 12/07/15

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 CFO

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.

Failed MIT Attachment

**Chevron USA Incorporated
Old Indian Draw - 16, API 3001521959
T22S-R28E, Sec 07, 330FSL & 794FWL
December 7, 2015**

1. Packer and tubing repairs are "normal maintenance". **Therefore this NOI is unnecessary.**
2. **Do file subsequent sundry** Form 3160-5 within 30 days of a completed packer or tubing repair with documentation of a mechanical integrity test.
3. After the depth of a casing leak has been located and evaluated do submit a NOI plan for repair. BLM approval of the casing design to be replaced, repaired, or a liner is to be added is required. List the size, weight/ft, grade, and coupling description for any proposed liner as well as the proposed cement class, yield/sack, weight/gal, number of sacks, and workover procedure. Use notice of intent Form 3160-5.
4. Surface disturbance beyond the existing pad shall have prior approval.
5. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
6. Functional H₂S monitoring equipment shall be on location.

An inactive/shut-in well bore is a non-producing completion that is capable of "beneficial use" i.e. production in **paying quantities** or of service use for more than 30 days without authorization. BLM compliance requires an inactive/shut-in well to be converted to temporary or permanent abandonment. A notice of intent Form 3160-5 for that conversion should be filed.

Well with a Packer - Operations

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established.
- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). **Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test.** An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
- 3) Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff

will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.

- 4) Make arrangements 24 hours before the test for BLM to witness. In Eddy County email Paul R. Swartz pswartz@blm.gov or phone 575-200-7902, if there is no response, 575-361-2822. In Lea County phone 575-393-3612. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number
- 5) Use of tubing internal protection, tubing on/off equipment just above the packer; a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry.
- 6) Compliance with a NMOCD Administrative Order is required.
 - a) Approved injection pressure compliance is required.
 - b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
 - c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
- 7) A request for increased wellhead pressures is to be accompanied by a step rate test. PRIOR to a Step Rate Test BLM – CFO is requiring a Notice of Intent.
- 8) Class II (production water injection) wells will not be permitted stimulation injection pressures that exceed frac pressure.
- 9) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
- 10) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
- 11) A "Best Management Practice" is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.
- 12) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
- 13) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
- 14) Gain of annular fluid pressure requires notification within 24 hours. Cease injection and maintain a production casing pressure of Opsia. Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
- 15) Class II (production water disposal) wells will not be permitted Stimulation Pressures or "Injectivity Tests" that exceed the NMOCD/BLM generic frac pressure which is: .2 x ft depth to the topmost injection or 50psig below the frac point as clearly indicated by a BLM accepted "Step Rate Test".

- 16) A request for increased wellhead pressures is to be accompanied by a "Step Rate Test:" that is to clearly indicate any requested wellhead pressure is +50psig below frac pressure for the wellbore's disposal formation. PRIOR to a Step Rate Test BLM – CFO is requiring a Notice of Intent.
- 17) Submit a (BLM Form 3160-5 subsequent report (daily reports) via BLM's Well Information System; <https://www.blm.gov/wispermits/wis/SP> (email pswartz@blm.gov for instructions) describing all wellbore activity and the Mechanical Integrity Test.
- 18) The subsequent report is to include all stimulation injection pressures. Report maximum/minimum injection rate (BPM) and max/min stimulation injection pressures (psig). Include the date(s) of the well work, and the setting depths of installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry.

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.