Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.
NMNM117116

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM133048

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

8. Well Name and No.
COTTON HILLS 23 26 27 FED COM 1H

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

9. API Well No.
30-015-41535-00-S1

3a. Address
15 SMITH ROAD
MIDLAND, TX 79705

3b. Phone No. (include area code)
Ph: 575-263-0431
Fx: 575-263-0445

10. Field and Pool, or Exploratory
HAY HOLLOW
UNKNOWN

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 23 T26S R27E NWNE 152FNL 1979FEL
32.034440 N Lat, 104.158190 W Lon

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

12. CHECK 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	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Workover Operations
	☐ 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 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 IS REQUESTING TO WORKOVER THE ABOVE SUBJECT WELL. PLEASE FIND PROCEDURE ATTACHED WITH WELLBORE DIAGRAMS. JOHN TAXIARCHOU HAS SPOKEN TO CHRIS WALLS REGARDING THE BRADENHEAD SQUEEZE PROCEDURE. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT JOHN TAXIARCHOU AT 432-687-7508 OR 210-848-8284.
PLEASE FORWARD TO CHRIS WALLS

NM OIL CONSERVATION
ARTESIA DISTRICT
JUL 29 2016
RECEIVED

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #345236 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/22/2016 (16PP1777SE)

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

Signature (Electronic Submission) — Date 07/21/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Chris Walls — Title Eng — Date 7/22/16

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

WELLNAME: Cotton Hills 23-26-27 Fed Com #1
API #: 3001541535 CHEVNO: NV9760
OPERATOR: Chevron Midcontinent, L.P.
LOCATION: Lat: 32.0344400, Long: -104.1581900
SPUD: 8/7/2013 COMPLETED: 10/14/2010

Chevron USA Inc.
Mid-Continent Business Unit

Chevron

WORKOVER PROCEDURE

Cotton Hills 23-26-27 Fed Com #1 - MMWW

Key 358

Title	Name	Signature
Workover TTL	Kyle Olree	
WO Superintendent	David Bohon	
Workover Engineer	Reilly Spence	
Production Engineer	John Taxiarchou	

Wellsafe Certified:	Yes	No

Short Procedure: Cotton Hills 23-26-27 Fed Com #1 - MMWW

Background:

It is up to the WSM, Workover Engineer and Production Engineer to make the decisions necessary to safely do what is best for the well.

Contacts:	Reilly Spence	Workover Engineer	970-549-6417
	David Bohon	Workover Superintendent	432-687-7589
	John Taxiarchou	Production Engineer	

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WellSafe Procedure Required: No, well is on a vacuum

Short Procedure: Refer to standard procedure for requirements and general procedure for

1. Scope location and ensure it is ready for rig up
2. Comply with all County, State, BLM, and Chevron HES regulations
3. Meet with Lease Operator. Complete Ownership Transfer Document from Operations to D&C. Send a copy to the workover engineer for filing. Ensure all LO/TO is completed on well.
4. MIRU workover rig and equipment. Conduct all safety meetings with all personal on location. Discuss all potential hazards associated with daily activities, TIF, job awareness, weather conditions, slips-trips-falls, pinch points and job safety.
5. Uncover all casing valves. Check pressure on all casing and tubing strings (including bradenhead). **Record tubing and casing pressures every day on report.**
6. MIRU BOP testers and 5K BOP stack with 2-7/8" pipe rams on top of blind rams and annular Washington head. Test on test stump while rigging up. Test rams to 250 psi low and 100% of the BOP pressure rating. Test annular to 70% of working pressure.
7. R/U rod handling equipment.
8. Bleed off pressure and kill well with 10 ppg KMW or less, if necessary. Document all fluid lost to the formation.
9. POOH with rods and pump. Visually inspect rods for wear, scale, and paraffin while pulling out of the hole with rods. Replace any failed equipment. Report condition to ALCR and Workover Engineer. See current WBD for rod details.
10. Once rods are removed and the well is dead, set BPV in hanger, if possible. N/D tree. N/U BOP. Pull BPV. Screw in landing sub with FOSV. Close pipe rams and test break to 250 psi low. Determine whether the BOP or wellhead has the lower pressure rating. Whichever rating is lower, test to 70% of that rating for the high test.

10. NOTE: Single tubing barrier will be the BPV. Backside barriers will be the tubing hanger and packer.

    NOTE: If BPV cannot be set, the well must be monitored for flow for 30 minutes or longer before installing BOP (as per Section 3.2.3.1 of the MCBU D&C – SOP W003).

11. Bleed off pressure. Open pipe rams. P/U hanger and L/D.

12. R/U rig floor and tubing handling equipment. Caliper elevators and document in WellView.

13. Release from Baker Model D packer at 8,667'. TOOH with 276 joints of 2-7/8", 6.5#, L-80 tubing and BHA as listed in the current WBD. Scan out of the hole keeping all yellow band joints. **Number and tally joints as POOH.**

14. P/U 7" RBP on 2-7/8" production tubing and TIH and set +/- 20' above Baker perm packer at 8,667'. Spot 20' of sand on top of the RBP. TOOH racking back tubing.

15. **Notify the BLM 24 hours prior to pumping the Bradenhead Squeeze.**

16. MIRU cement provider and test lines to 2000 psi.

    Tie onto 7" x 9-5/8". Establish injection rate. (Previous injection rate they put 50 bbls away at 2 bpm and roughly 800 psi). Once we are comfortable with the injection rate go to cement.

17. **NOTE: Prior to pumping any fluid down the 7" x 9-5/8" annulus communicate with workover engineer and establish rate and pressure limitations to be used during pumping operations.**

18. Pump 430 sacks of Class C 14.8 ppg cement. **Monitor 7" production casing and 9-5/8" x 13-3/8" annular pressures during all pumping operations.**

    NOTE: Prior to pumping cement confirm all volumes and cement slurry design to be pumped with workover engineer.

19. Flush lines and casing valve of cement. Shut in leaving 500 psi squeeze pressure on the well.

20. RDMO cementers. MIRU E-line. Test lubricator to 1000 psi for ten minutes.

    P/U and RIH with radial CBL to 4000'. Log well to surface with 500 psi on the wellbore. RDMO with E-line.

21. **NOTE: Send CBL to workover engineer and production engineer as soon as possible for evaluation. Document deterrmined CBL in WellView.** Submit a copy of CBL to BLM. via email.

22. Shut-in well and monitor 7" x 9-5/8" annulus for pressure. Communicate with workover engineer and cementers on shut-in time.

23. R/U rig floor and tubing handling equipment. Caliper elevators and document in WellView.

    P/U redressed seal assembly on same production tubing that was pulled and TIH to on-off at 8,667'. Latch on to packer and land tubing.

24. **NOTE: Confirm with ALCR on final tubing design and how much tension to land tubing in.**

Set BPV. N/D BOP. N/U tree. Test void to 100% of wellhead rating. Pull BPV.

25. **NOTE: Document number or BPV turns to set and pull in WellView.**

    NOTE: Single tubing barrier will be the BPV. Backside barriers will be the tubing hanger and packer.

26. R/U rod handling equipment.
27. P/U Same rod design and pump that was pulled and RIH. Land and space out pump.

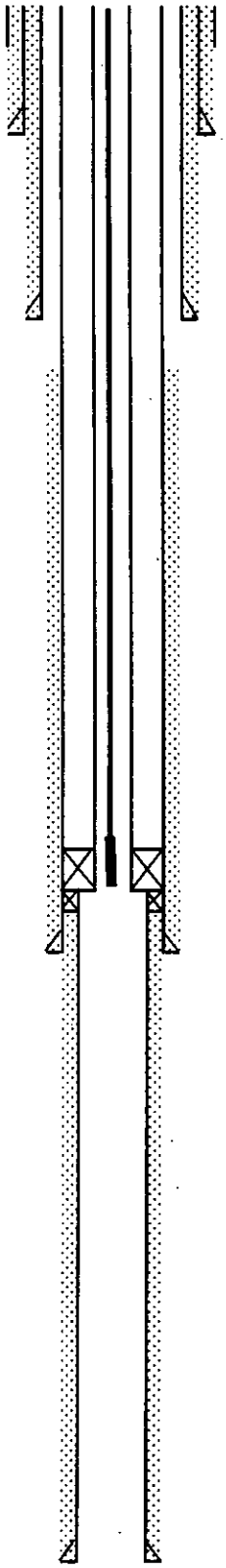
    NOTE: Verify final rod design with ALCR.
28. Load tubing and test to 500 psi.
29. Notify production personal in field office and contact pumper that well is ready for pumping.
30. Complete Ownership Transfer Form from D&C to Operations. Send copy to workover engineer for filing.
31. RDMO workover rig and equipment. **ENSURE LOCATION IS CLEAN.**
32. Turn well over to production.

Well: **Cotton Hills 23-26-27 Fed Com #1** Field: **Hay Hollow** Reservoir: **Wolfcamp A**

Location:
152' FNL & 1979' FEL
Section: 23
Township: 26S
Range: 27E
County: Eddy State: NM

Elevations:
GL: 3119'
KB: 3144'
DF: 3143'

Current Wellbore Diagram



Well ID Info:
Chevno: NV9760
API No: 30-015-41535
L5/L6: UCRE10200
Spud Date: 8/7/2013
Compl. Date: 12/28/13

Surf. Csg: 13 3/8", 48#, H-40
Set: @ 381' w/ 300 sks
Hole Size: 17 1/2"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Interm. Csg: 9 5/8", 40# J-55
Set: @ 2181' w/ 1305 sks
Hole Size: 12 1/4"
Circ: Yes **TOC:** Surface'
TOC By: Circulated

Tubing Detail:

#Jts:	Size:	Footage
1	2.875 L-80 6.5#	31.43
276	2.875 L-80 6.5#	8488.74
1	TK99	65.06
1	SN	1
1	Odessa Separ Sand	24.72
1	2.875 L-80 6.5#	31.43
1	Seal Assembly Model D	0.8
1	2.875 L-80 6.5#	2.1
	Total + KB	8668.18

Baker Model D Permanent packer

Rod Detail:

#Jts:	Size:	Footage
1	1.5" Spray Metal	26
3	1"	75
91	1.240" FG Rods	3412.5
131	7/8" Rods	3275
12	7/8" Rods	300
42	7/8" Rods	1050
15	1.5" Sinker Bars	375
1	Safety Joint	1
1	1.5" Sinker Bars	25
1	7/8" Sub Rod	4
1	Rod Pump Insert	26
	Total + KB	8594.5

Prod. Csg: 7", 26# C-110
Set: @ 9381' w/ 1059 sks
Hole Size: 8 3/4"
Circ: No **TOC:** 2390'
TOC By: CBL

Prod. Liner: 4 1/2", 15.1# P-110
Set: @ 13032' w/ 410 sks
Hole Size: 6 1/8"

PBTD: 13032'
TD: 13032'

Updated: 7/18/16

By: John Taxiarchou

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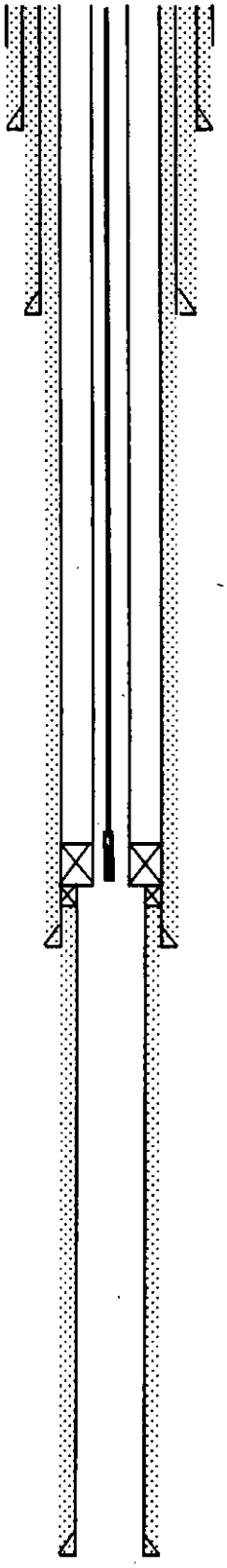
Proposed
Wellbore Diagram



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