

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION

ARTESIA DISTRICT

OCT 31 2016

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.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

CHEVRON U.S.A. INC.

3a. Address
6301 DEAVILLE BLVD. RM #N3002
MIDLAND, TX. 79706

3b. Phone No. (include area code)

432-687-7375 LEE ROAK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2,215' FNL & 2,365' FWL, SEC-17, T-22S, R-26E

5. Lease Serial No.

NMNM-13406

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

FEDERAL BN # 2

9. API Well No.

30-015-32721

10. Field and Pool or Exploratory Area

HAPPY VALLEY

11. Country 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 | | | |
|---|---|--|--|---|
| <input 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 checked="" 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 checked="" type="checkbox"/> Plug and Abandon | <input 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 recompletable 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 recompletable 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.)

09/28/16 MOVE IN, ND WH & NU BOP, TEST SAME. NOTIFIED JIM AMOS W/ BLM OK CUT TUBING & SPOT PLUG, CUT @ 11,685'.
09/29/16 CALLED JIM AMOS & BOBBY GIRDNT W/ NM BLM OK TO SPOT PLUG, MIX & SPOT 50 SX CL "H" CMT. 11,685'- 10,738'. WOC TAG @ 10,832', MIX & SPOT 25 SX CL "H" CMT. 10,745'- 10,510', MIX & SPOT 25 SX CL "H" CMT. 9,430'- 9,204', MIX & SPOT 25 SX CL "H" 8,842'- 8,616'.
09/30/16 RIH TAG @ 8,601', CIR MLF TO SURF, RUN CBL LOG, RIH W/ TUBING.
10/01/16 PERF & SQZ 65 SX CL "C" CMT. 5,167'- 5,000', WOC & TAG @ 4,901', PERF & SQZ 65 SX CL "C" CMT. 2,845'- 2,544'.
10/02/16 TAG @ 2,777', TEST PLUG 600# GOOD, PERF @ 2,750' & 2,650', UNABLE TO CIR. CALLED TERRY WILSON W/ NM BLM, MIX & SPOT 20 SX CL "C" CMT. 2,764'- 2,550', PERF & SQZ 100 SX CL "C" CMT. 2,550'- 2,200'. GOOD CEMENT CIRCULATION ON 9 5/8".
10/03/16 PERF @ 2,100' EST. CIR. UP 9 5/8", MIX & CIR 100 SX CL "C" CMT 2,100'- 1,800'.
10/04/16 TAG @ 1,697', PERF @ 1,600' & 1,400', NO PRESSURE, MIX & SPOT 30 SX CL "C" CMT. 1,650'- 1,350'. PERF @ 1,220', EST CIR ON 9 5/8" MIX & CIR 35 SX CL "C" CMT W/ 20% RESIN 1,200'- 1,150'. ISIP 1250#.
10/03/16 RIH TAG @ 960', PERF @ 836' UNABLE CIR SURFACE CSG, MIX & CIR 285 SX "C" 836'- SURF ON BOTH STRINGS. BOBBY GIRDNT W/ BLM ON LOCATION WITNESSED PLUG TO SURFACE, CUT OFF WELL HEAD 3' BGL, INSTALL REQUIRED DRY HOLE MARKER AS PER COA', TURN OVER TO RECLAMATION.

CLASS "H & C" CEMENT USED W/ CLOSED LOOP SYSTEM.

BOND COVERAGE: CA 0329

Reclamation Due 4-3-17

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

Monty L. McCarver

Title SR. Manager / Agent for Chervon U.S.A. Inc.

Signature

Date 10/04/2016

*Accepted for record
NMOCD
A.L.B.*

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

SPET

Date

10-22-16

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

CEO

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.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



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. 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 have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

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

Linda Denniston
Environmental Protection Specialist
575-234-5974

Henryetta Price
Environmental Protection Specialist
575-234-5951

Dara Glass
Environmental Protection Specialist
575-234-5924

Shelly Tucker
Environmental Protection Specialist
575-234-5979