

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNM OIL CONSERVATION
ARTESIA DISTRICTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**OCD-ARTESIA 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.

RECEIVED

5. Lease Serial No.
NMLC029420A ✓
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8920002705 NM 71030c

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. SKELLY UNIT 635
2. Name of Operator ✓CHEVRON USA INCORPORATED		9. API Well No. 30-015-37657-00-S1
Contact: CINDY H MURILLO E-Mail: CHERRERAMURILLO@CHEVRON.COM		
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 Area MAR LOCO-GLORIETA YESO
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 15 T17S R31E NESW 1475FSL 2200FWL ✓		11. County 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 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 checked="" type="checkbox"/> Other Shut-In Notice
	<input type="checkbox"/> Change Plans	<input 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 recompleat 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 recompleat 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 USA INC RESPECTFULLY REQUESTS FOR A SHUT IN STATUS ON THE ABOVE WELL. THIS WELL WAS PROACTIVELY SHUT IN ON SEPTEMBER 2016 DUE TO UNECONOMICAL PRODUCTION. SHUT IN STATUS OF 6 MONTHS THROUGH SEPTEMBER 2017 IS REQUESTED. PENDING THE COMPLETION OF AN ENGINEERING AND GEOLOGICAL REVIEW TO ASSESS THE FEASIBILITY AND OPTIONS OF CONTINUED BENEFICIAL USE FOR THIS WELL. AN ADDITIONAL SUNDRY 3160-5 NOTICE OF INTENT WILL THEN BE SUBMITTED ADVISING BLM OF THE PREFERRED OPTION FORWARD. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT CAMERON KHALILI/PETROLEUM ENGINEER AT 432-687-7360.

07/17/2017 Shut-In Status Accepted for Record from the 04/2017 month of last reported production until the BLM designated renewal date of 09/25/17 with an attached written order.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #368834 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 03/07/2017 (17PP0336SE)		Accepted for record NMOCD 8/3/17
Name (Printed/Typed) CINDY H MURILLO	Title PERMITTING SPECIALIST	ACCEPTED FOR RECORD
Signature (Electronic Submission)	Date 03/06/2017	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title TPET	Date 07/17/17
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	BUREAU OF LAND MANAGEMENT CARLSBAD FIELD 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)

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

Shut-In Status Accepted
Chevron USA Incorporated
Skelly Unit - 635, API 3001537657
T17S-R31E, Sec 26, 1475FSL & 2200FWL

07/18/2017 – SI status accepted for record until 09/25/2017 (the BLM designated renewal date). Beginning the last report month of monthly production 04/2017 shut-in status accepted with this attached Written Order. pswartz

On or before the BLM designated renewal date, submit a notice of intent sundry describing preparation for “beneficial use” or abandonment (temporary or permanent) for BLM approval or a subsequent sundry for continued SI status acceptance.

- 1) **Compliant BLM shut-in well status requires current lift equipment condition to be capable of production when activated.**
- 2) A BLM Notice of Intent for recompletion or stimulation (not equipment repair) expires within 90 days of approval and may extend shut-in status.
- 3) **For continued SI status submit a subsequent sundry listing:**
 - a. The production lift method.
 - b. A Lease Operating Statement (L.O.S.) for the 12 most recent consecutive producing months showing cash flow economics of revenue, taxes, royalties paid, operating and maintenance expense. Document the well’s hydrocarbon production volume is not in paying quantities.
 - c. The results of a 24hr production test taken between 07/18/2017 and 09/25/2017.
 - d. Justification for a well proven capable of current economic production and not produced because of location, facility, or marketing restrictions, etc.
- 4) Submit a subsequent sundry notification upon daily production resumption.
- 5) Federal Oil & Gas leases are held by well production or actively drilling for production during the end of the primary term of the lease. A Shut-In status will not hold the lease.
- 6) If you do not comply as noted, you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outline in 43 CFR 3163.1, and may also incur civil penalties (43CFR 3163.2). All self-certified corrections must be postmark no later than the next business day after the prescribed time frame for correction.
- 7) Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who “knowingly or willfully” prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.
- 8) A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4).