

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OC D Approved RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS JAN 10 2019
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

DISTRICT II-ARTESIA O.C.D.

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. PRINCIPLE FEDERAL 2
2. Name of Operator CHEVRON USA INCORPORATED Contact: HOWIE LUCAS E-Mail: howie.lucas@chevron.com	9. API Well No. 30-015-32843-00-S1
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706	10. Field and Pool or Exploratory Area SHUGART
3b. Phone No. (include area code) Ph: 832-588-4044	11. County or Parish, State EDDY COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 27 T18S R31E SENW 1760FNL 1650FWL	

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 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 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 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 must 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 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.

9 5/8" 40# 646' TOC surface, 5 1/2" 17# @ 6350' TOC 1580' via CBL, Perfs 6120'-6156'

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Chevron respectfully requests to abandon this well as follows:

1. Notify BLM 24 hrs. prior to starting work (575) 234-5909.
2. MIRU, NDWH, NU BOPE, test tubing t/ 1000 psi f/ 10 min, POOH w/ rods and tubing, bubble test all casing strings and share results w/ BLM and engineer. Chevron plans to utilize Zonite after plugging up to a designated depth agreed upon by Chevron and the BLM.
3. Set CIBP at 6070', test casing t/ 1000 psi f/ 10 min, spot MLF, spot 25 sx CL "C" cmt f/ 6070' t/ 5817', do not WOC & tag if casing passed pressure test (Perfs).
4. Spot ~~25~~ 25 sx CL "C" cmt f/ 5250' t/ 4441' (Brushy Canyon, Delaware). 25 sx from 4360-4210
5. Spot ~~25~~ 25 sx CL "C" cmt f/ 2600' t/ 1842' (Yates, B.Salt). 2190-1930. WOC tag

GC 1/16/19
Accepted for record - NMOCD

Below ground level dry hole marker required

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

Electronic Submission #446494 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by DEBORAH MCKINNEY on 12/06/2018 (19DLM0176SE)

Name (Printed/Typed) HOWIE LUCAS	Title ENGINEER
Signature (Electronic Submission)	Date 12/04/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>James R. Jones</i>	Title SAET	Date 12-18-18
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>AKO</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.

(Instructions on page 2)

** BLM REVISED **

ENTERED
1-16-19

Additional data for EC transaction #446494 that would not fit on the form

32. Additional remarks, continued

Perf @ 1100, 502 cmt to 1000. WOC Tag.

6. Perforate casing at 696' and squeeze 210 sx CL "C" cmt t/ Surface t/ 696' (Shoe, FW, Surf).
6. Cut off wellhead 3' below grade, Verify Cement To Surface, install required dry hole marker as per COA's, turn over to reclamation.

All cement plugs will be class "C" with a closed loop system used.

Well: Principle F 2
 Field: Shugart
 Reservoir: Brushy Canyon

Current Wellbore Diagram

Location:
 Section: 27
 Township: 18
 Range: 31
 County: Eddy State: NM

Well ID Info:
 Chevno: HL1121
 API No: 3001532843
 Spud Date: 6/28/2003
 Compl. Date: 8/1/03

Formation	TD, ft	
	Top	Bottom
Base of Salt	1,980	
Yates	2,550	
Queen	3,300	
Delaware	4,600	
Brushy Canyon	5,200	
Bone Spring	6,250	

T/Salt 1050
BR 2710

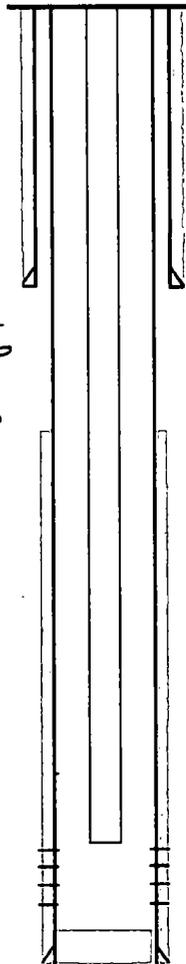
History:

-Last pull job was in 2007. No stuck tubing or rods, pinched tubing when removing slip type flange and broke the slips. Replaced with B-1 flange.

Surface Csg: 9.625" 40#, unk
 Set: @ 646' 300scks
 Hole Size: 12.25"
 Circ: Yes TOC: Surface
 TOC By: Circulated

Prod. Csg: 5 1/2", 17#, unk
 Set: @ 6350' 1200 scks
 Hole Size: 8.75"
 Circ: No TOC: 1580'
 TOC By: CBL

Brushy Perfs @ 6120'-6156'



Tubing Strings									
Tubing Description		Planned Run?		Set Depth (TVD) (ft)		Set Depth (TVD) (ft)			
Tubing - Production		N		6,213.7					
Run Date	Run Job	Run Date	Run Job	Run Date	Run Job	Run Date	Run Job	Run Date	Run Job
11/13/2007	Reconfigure	11/12/2007	00:00						
Jts	Item Desc	OD (in)	ID (in)	WT (lb/ft)	Grade	Top Thread	Len (ft)	Top (ft)	Bot (ft)
197	Tubing	2 7/8	2.441	6.50	J-55		5,865.41	14.0	5,879.4
1	Anchor/catcher	2 7/8					2.75	5,879.4	5,882.2
10	Tubing	2 7/8	2.441	6.50	J-55		296.15	5,882.2	6,178.3
1	Pump Seating Nipple	2 7/8					1.10	6,178.3	6,179.4
1	Perforated Joint	2 7/8					4.05	6,179.4	6,183.5
1	Tubing	2 7/8	2.441	6.50	J-55		30.25	6,183.5	6,213.7

Rod Description		Planned Run?		Set Depth (TVD) (ft)		Set Depth (TVD) (ft)			
Rod - Conventional		N		6,178.3					
Run Date	Run Job	Run Date	Run Job	Run Date	Run Job	Run Date	Run Job	Run Date	Run Job
11/14/2007	Reconfigure	11/12/2007	00:00						

Rod Components									
Jts	Item Desc	OD (in)	Grade	Model	Len (ft)	Top (ft)	Bot (ft)	Top (ft)	Bot (ft)
1	Polished Rod	1 1/4			22.00	-7.7	14.3		
2	Rod Sub	1 1/4			14.00	14.3	28.3		
82	Sucker Rod	7/8	D	Grade 76	2,125.00	28.3	2,153.3		
150	Sucker Rod	3/4	D	Grade 76	3,750.00	2,153.3	5,903.3		
10	Sucker Rod	7/8	D	Grade 76	250.00	5,903.3	6,153.3		
1	Rod Sub	7/8			1.00	6,153.3	6,154.3		
1	Rod Insert Pump	1 1/2			24.00	6,154.3	6,178.3		

T/Salt 1050
B/Salt 2235-?
Yates 2140
BR 2710
Qu 3290
Del 4310
BS 6220

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 County: Eddy State: NM

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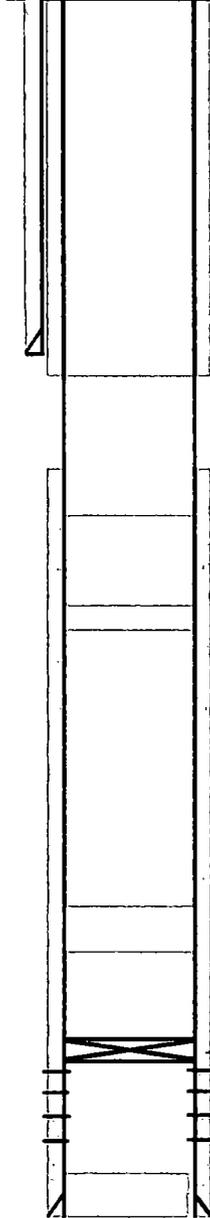
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 Hole Size: 8.75"
 Circ: No TOC: 1580'
 TOC By: C&L

Brushy Perfs @ 6120'-6156'

Proposed Wellbore Diagram

Verify Cement to Surface



4. Perforate at 696' and squeeze 210 sx CL "C" cmt f/ Surface w/ 696' (Shoe, FW, Surf)

3. Spot 75 sx CL "C" cmt f/ 2600' w/ 1842' (Yates, B.Salt)

2. Spot 80 sx CL "C" cmt f/ 5250' w/ 4441' (Brushy Canyon, Delaware)

1. Pull rods and tubing, set CIBP at 6070', test csg w/ 1000 psi f/ 10 min, Spot 25 sx CL "C" cmt f/ 6070' w/ 5817', do not WOC & tag if casing passed pressure test (Perfs)

TD: 6350'

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

Permanent Abandonment of Federal Wells
Conditions of Approval (LPC Habitat)

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.** Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted