

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

**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.  
NMNM0558580

6. If Indian, Allottee or Tribe Name

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

**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. ATALAYA FEDERAL 1
2. Name of Operator MARATHON OIL PERMIAN LLC Contact: MELISSA SZUDERA E-Mail: mszudera@marathonoil.com		9. API Well No. 30-015-24430-00-S1
3a. Address 5555 SAN FELIPE ST HOUSTON, TX 77056	3b. Phone No. (include area code) Ph: 713-296-3179	10. Field and Pool or Exploratory Area BONE SPRINGS
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 35 T17S R30E NWSW 1980FSL 660FWL		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 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.

- 1) 8 5/8 CIBP @ 2900' w/35sx cement.
- 2) 35sx @ 2660' - 2560'. *130' min. loc tag - CB/salt*
- 3) 35sx @ 1470' - 1370'.
- 4) 40sx @ 450' - 350' tag.
- 5) 35sx @ 100' - Surface. Verify. Install DHM.

Record indicate 8 5/8 and 13 3/8 cemented to surface.

P&A mud between all plugs.  
Closed loop all fluids to licensed facility.

**RECEIVED** High H<sub>2</sub>S Potential  
13,000 PPM  
4-15-92  
33,000 PPM  
9-21-94

JUL 23 2019

SEE ATTACHED FOR  
DISTRIBUTION FOR  
CONDITIONS OF APPROVAL  
GE 7/24/17  
Approved for record - NMOCD

*Below ground level dry hole marker required*

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

Electronic Submission #470598 verified by the BLM Well Information System  
For MARATHON OIL PERMIAN LLC, sent to the Carlsbad  
Committed to AFMSS for processing by PRISCILLA PEREZ on 06/25/2019 (19PP2570SE)

Name (Printed/Typed) MELISSA SZUDERA	Title REGULATORY COMPLIANCE REP
Signature (Electronic Submission)	Date 06/25/2019

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <i>James L. Davis</i>	Title <i>SAET</i>	Date <i>6-29-19</i>
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>CFO</i>

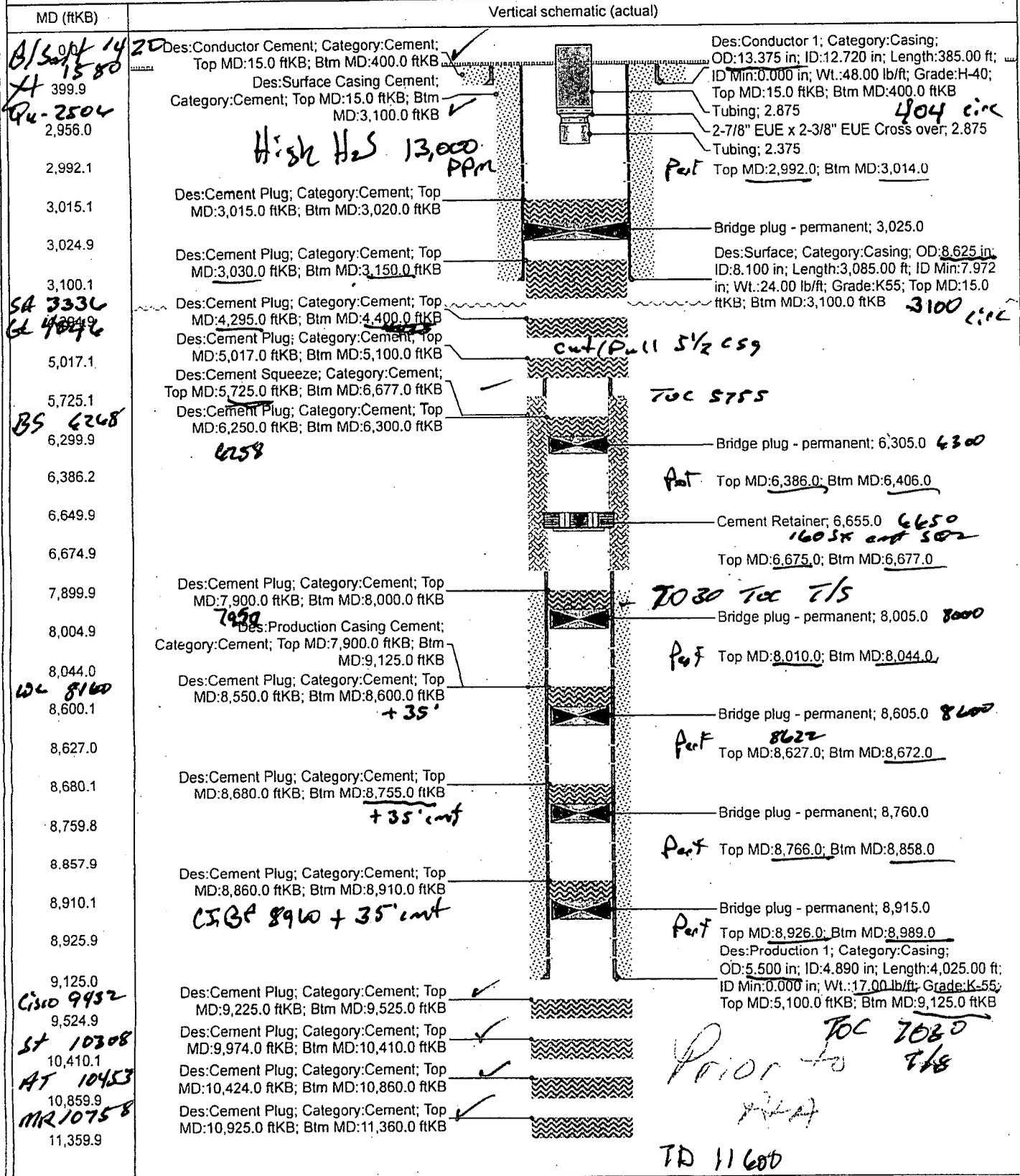
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

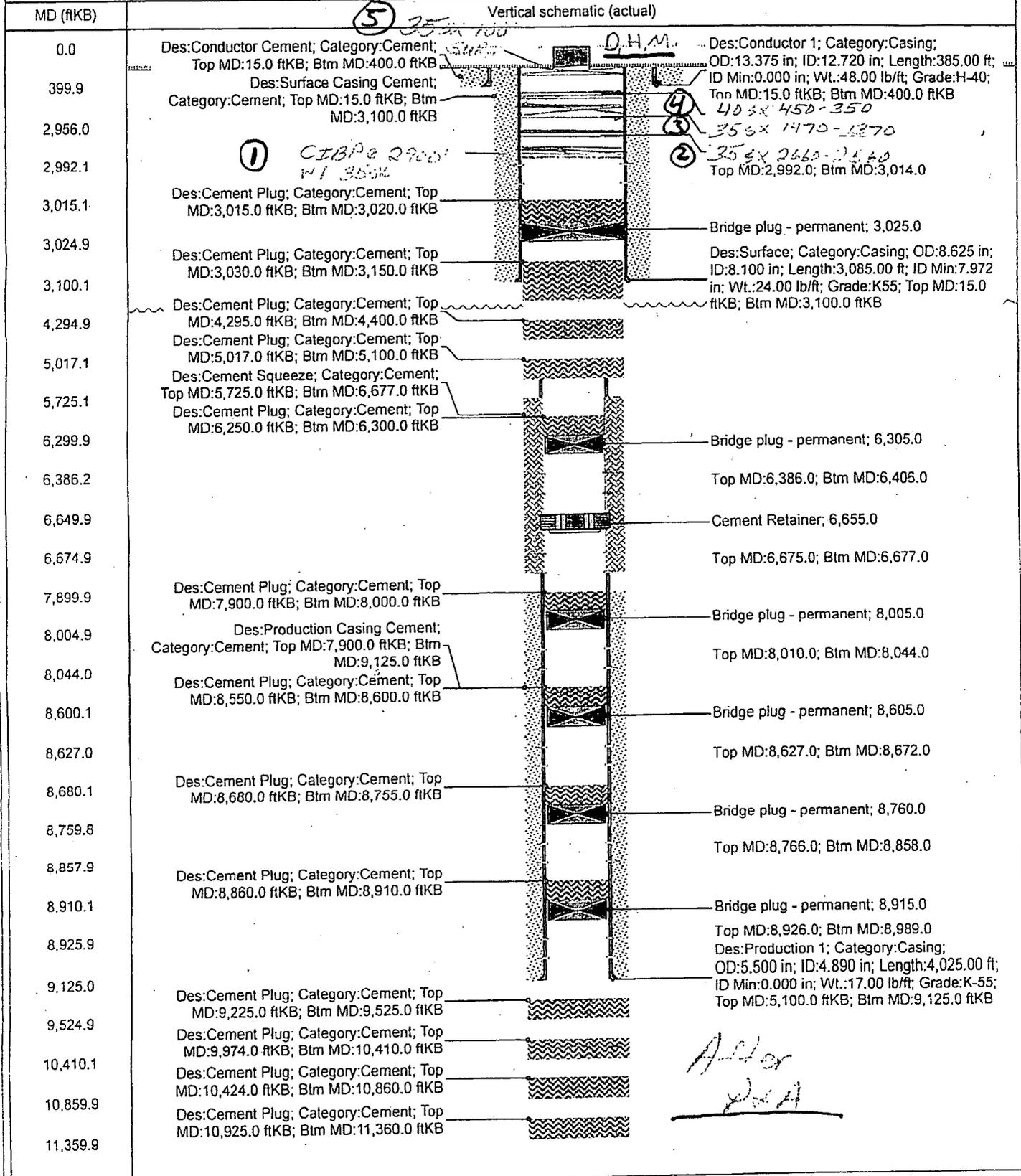
State/Province <b>NEW MEXICO</b>	Country <b>UNITED STATES</b>	Field Name <b>GRAYBURG JACKSON</b>	Latitude (°) <b>32.78910100</b>	Longitude (°) <b>-103.94849400</b>	North/South Distance (ft) <b>1,980.0</b>	North/South Reference <b>FSL</b>
API/IPO UWI	KB: Ground Distance (ft)	KB: Mud Line Distance (ft)	Ground Elevation (ft)	Drilling Rig Spud Date	Well Original Completion Date	Well First Production Date

ATALAYA FEDERAL 1, 6/24/2019 4:56:59 PM



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ATALAYA FEDERAL 1, 6/24/2019 4:56:59 PM



Alder

6/24/19

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 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> 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 10<sup>th</sup> 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 1<sup>st</sup> through June 15<sup>th</sup> 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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**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.  
NMLC029420A

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
CHEVRON USA INCORPORATED  
Contact: DANA KING  
E-Mail: dking@concho.com

3a. Address  
6301 DEAUVILLE BLVD  
MIDLAND, TX 79706

3b. Phone No. (include area code)  
Ph: 432-818-2267

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 15 T17S R31E SWNW 1650FNL 990FWL

8. Well Name and No.  
SKELLY UNIT 902

9. API Well No.  
30-015-29322-00-S1

10. Field and Pool or Exploratory Area  
HENSHAW

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 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 Workover Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
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This well is currently down for a failed MIT. COG Operating LLC respectfully requests to run the blanking plug to the packer and determine whether we have a hole in tubing or other issue. If it is a HIT, TOOH w/tbg, replace any failed joints of IPC, trip back in hole, pressure test tbg every 500'. If we have a packer leak, pull blanking plug, shut in csg, kill well. TOOH w/tbg and packer, repair packer. Run back in hole with tbg and packer. Contact NMOCD to witness the MIT. If we pump mud, acidize well prior to turning it back on. Will not acidize if we don't pump mud/pull packer. Turn SWD back on, clean location and turn over to operations.

**Carlsbad Field Office  
OCD Artesia**

Please see attached proposed procedure & WBD.

*Notify BLM if Any Major Well Changes are Considered.*

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

Electronic Submission #466148 verified by the BLM Well Information System  
For CHEVRON USA INCORPORATED, sent to the Carlsbad  
Committed to AFMSS for processing by PRISCILLA PEREZ on 05/21/2019 (19PP2194SE)

Name (Printed/Typed) DANA KING Title SUBMITTING CONTACT

Signature **Accepted for record - NMOCD** (Electronic Submission) *DS* Date 05/21/2019

**RECEIVED JUN 25 2019 DISTRICT II-ARTESIA O.C.D.**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By JEROMY PORTER Title PETROLEUM ENGINEER Date 06/05/2019

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 Carlsbad

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 \*\***

**Revisions to Operator-Submitted EC Data for Sundry Notice #466148**

	<b>Operator Submitted</b>	<b>BLM Revised (AFMSS)</b>
Sundry Type:	WRK NOI	WRK NOI
Lease:	NMLC029420A	NMLC029420A
Agreement:	NMNM71030X	
Operator:	COG OPERATING LLC 600 W. ILLINOIS AVE MIDLAND, TX 79701 Ph: 432-818-2267	CHEVRON USA INCORPORATED 6301 DEAUVILLE BLVD MIDLAND, TX 79706 Ph: 432 687 7100
Admin Contact:	DANA KING PERMIT SPECIALIST E-Mail: dking@concho.com  Ph: 432-683-7443	DANA KING SUBMITTING CONTACT E-Mail: dking@concho.com  Ph: 432-818-2267
Tech Contact:	DANA KING PERMIT SPECIALIST E-Mail: dking@concho.com  Ph: 432-683-7443	DANA KING SUBMITTING CONTACT E-Mail: dking@concho.com  Ph: 432-818-2267
Location: State: County:	NM EDDY	NM EDDY
Field/Pool:	SWD;WOLFCAMP-CISCO	HENSHAW
Well/Facility:	SKELLY UNIT 902 Sec 15 T17S R31E Mer NMP SWNW 1650FNL 990FWL	SKELLY UNIT 902 Sec 15 T17S R31E SWNW 1650FNL 990FWL

**Discussion**

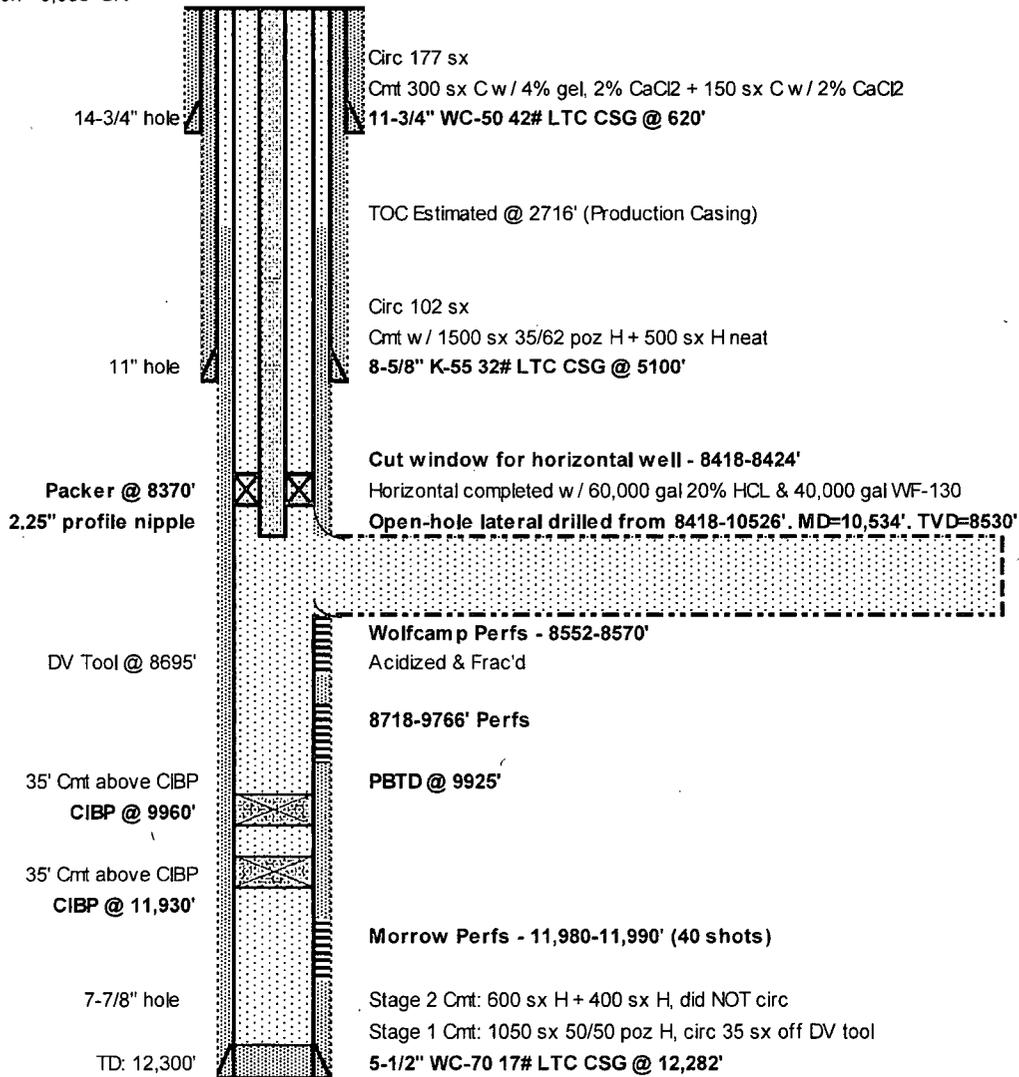
The Skelly #902 was drilled to the Morrow in 1997. It was converted to an SWD in 2011 by Chevron. This well has not been pulled since 2011. The well is currently down for a failed MIT.

Set the blanking plug and determine whether we have a hole in tubing or other issue. If it is a HIT, Engineer would like to replace any failed joints of IPC and continue utilizing this string if possible. We have 50 joints of 3-1/2" L80 IPC w/ turn down collars in stock at the BKU Yard.

**Wellbore Diagram**

**Well: Skelly Unit #902 SWD** E-15-17S-31E, 1650 FNL & 990 FWL  
**APINo: 30-015-29322** Eddy County, NM  
**Lat/Long: 32.8372917,-103.8629456**

Spud - 01/26/1997  
 Elevation - 3,868' GR



**General Information**

Well Name: Skelly Unit #902

API#: 30-015-29322

Date Procedure Prepared: 5/16/2019

**Procedure**

- Notify OCD of intent to start work 24 hours prior to rigging up
- RU (3) 500 bbl frac tanks to flow back into
- RU flowline to frac tanks and attempt to flow down casing
- If pressure doesn't quickly bleed down then check the SICP and the SITP to verify communication
- RU wireline to run a blanking plug to the packer. Engineer believes the bottom landing nipple is a 2.225 F
  - Once set we should have a pretty good idea as to what the issue is
  - If the SICP and SITP go to zero, then we have a HIT
  - If the SICP doesn't change, but the SITP goes to zero then we likely have a packer leak
- If we have a HIT, then ND the WH and NU BOP
  - TOO H w/ tubing
  - Please notify engineer once you find the hole
  - If you don't identify the hole while tripping out then put on a bull plug on the bottom jt of tbg and trip back in the hole and pressure test the tbg every 500'
  - Please notify Engineer once you find the hole
  - We have only have about 20 joints of 2-7/8" IPC tubing in inventory, so we may need to order more depending on how many joints are laid down
- If we have a packer leak, then pull the blanking plug, shut in the casing and pump approximately 80 bbls of 10 LB brine down the tbg
  - Please call Engineer with the SITP so we can discuss the kill mud weight we need to order
  - We will need a total of 220 bbls of mud
  - 75 bbls of mud will need to be bull headed down the tubing
  - 100 bbls of mud will need to be bull headed down the csg
  - 45 bbls extra for safety factor
  - Once the well is dead TOO H w/the tbg and packer
  - Please have Kenco take the packer in for repair
  - Run back w/ the same tubing design and setting depths

Tubing Details			
Joints	Description	Depth	Length
	KB	17	17
260	3-1/2" EUE 9.3# L-80 IPC Tubing	8,352	8,335
	3-1/2" EUE B x 2-7/8" EUE P XOVER	8,352	0.43
	On/Off Tool (2.5 T-2 Nipple)	8,354	1.5
	5-1/2" Packer	8,362	7.8
	2-7/8" EUE B x 3-1/2" EUE P XOVER	8,362	0.3
	3-1/2" x 8' Pup Joint (IPC)	8,368	6.18
	3-1/2" EUE B x 2-7/8" EUE P XOVER	8,369	0.57
	2.25" Profile Nipple (F/SS/PN)	8,370	0.85
	P/O Plug	8,370	0.6

- Get off O/O tool and reverse circulate annulus w/ approximately 120 bbls of packer fluid
- Latch onto injection packer
- ND BOP, NU WH

- Pressure up on the tbg to rupture the pump out plug
- Contact NMOCD to witness the MIT
  - Once MIT has been performed and witnessed, send the chart to Concho Artesia East Office.
- IF WE PUMP MUD, Engineer would like to acidize the well prior to turning it back on
  - DO NOT acidize if we don't have to pump mud/pull the packer
- Backflow the well 500-1000 bbls
- RU Stone to acidize the SWD w/ 4,500 gal 15% HCL
- Pump acid on the well at a rate of 2 BPM
- Displace acid with with 75 bbls of produced water at a rate of 2 BPM. Please do not over displace
- Shut well in for four hours to let acid work
- Notify SWD Foreman when you are ready to turn the well on
- Turn SWD back on
- Record post-job injection rate and pressure after acidizing
- Clean location and turn over to operations