OCD-ARTESIA

2. Name of Operator Chevron USA Inc 3a. Address O. Box 7139, Midland, Texas 79708 3b. Phone No. (Include area code) 4. Location of Well (Footage, Sec., T. R., M., or Survey Description) 2319 FSL & 330 FWL Sec. 31-T228-R29E 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize	UNITED STATES April 2004) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 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. 1. Type of Well Gas Well Other	FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007 5. Lease Serial No. NM-61349 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No.				
3a Address P.O. Box 7139, Midland, Texas 79708 3b. Phone No. (include area code) 4. Location of Well (Footage, Sec. T. R. M., or Survey Description) 2110 Feld and Pool, or Exploratory Area Herradura Bentle, Delaware, East 11. County or Parish, State Eddy, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Alter Casing Fracture Treat Reclamation Recomplete Casing Repair Change Plans Plug and Abandon Temporarily Abandom Recomplete Convert to Injection Plug Back Rection and measured and true verticent and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true verticent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLMBLA, Required subsequent reports shall be filed donce testing has been completed. Final Abandomom Notices shall be filed once testing has been completed. Final Abandomom Notices shall be filed once testing has been completed. Final Abandomom Notices shall be filed once testing has been completed. Final Abandomom Notices shall be filed once testing has been completed. Final Abandomom Notices shall be filed once testing has been completed. Final Abandomom Notices shall be filed once testing has been completed. Final Abandomom Notices shall be filed once testing has been completed. Final Abandomom Notices shall be filed once testing has been completed. Final Abandomoment Notices shall be filed once testing has been completed. Final Abandomoment Notices shall be filed once testing has been completed. Final Abandomoment Notices shall be filed once testing has been completed. Final Abandomoment Notices shall be filed once testing has been completed. Final Abandomoment Notices shall be filed once testing has been completed. Final Abandomoment Notices shall be filed once testing has been completed. Final Abandomoment Notices shall be filed once	2. Name of Operator	Quahada Ridge 31 Federal #1				
4. Location of Well (Footage, Sec., T., R. M., or Survey Description) 2310' FSL & 330' FWL Sec. 31-17228-R29E 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF SUBMISSION TYPE OF ACTION Addize Deepen	3a Address 3b. Phone No. (include area code)	30-015-27666				
11. County or Parish, State Eddy, New Mexico						
TYPE OF SUBMISSION TYPE OF ACTION Acidize	2310' FSL & 330' FWL					
Notice of Intent	12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE,	REPORT, OR OTHER DATA				
Subsequent Report	TYPE OF SUBMISSION TYPE OF ACTION					
1. Notify BLM 24 hrs prior to MI and RU. 2. RIH, Tag TOC @ 3,695'. 3. Displaced hole w/MLF, 9.5# Brine w/25# gel P/BBL. 4. Perf 4 holes at 2,800', squeeze 110sx of cement from 2,800'-2,550' (8 5/8 shoe,B. Salt) WOC Tag. 5. Perf 4 holes at 525', squeeze 110sx of cement from 525'-275 (13 3/8" shoe,T. Salt) WOC Tag. 6. Spot 20sx cement plug from 115'-surface (surface) WOC Tag. 7. Install dry hole marker. NOTE: If circulation is attained when perforating at 2,800' between the 5 1/2"x8 5/8", then 5 1/2" casing will be cut and pulled. If casing is pulled, the BLM will be notified of change in procedure prior to proceeding with any cement plugs. 14. Thereby certify that the foregoing is true and correct Name (Printed/Typed) M. Lee Roark Title Agent	Notice of Intent Alter Casing					
2. RIH, Tag TOC @ 3,695'. 3. Displaced hole w/MLF, 9.5# Brine w/25# gel P/BBL. 4. Perf 4 holes at 2,800', squeeze 110sx of cement from 2,800'-2,550' (8 5/8 shoe,B. Salt) WOC Tag. 5. Perf 4 holes at 525', squeeze 110sx of cement from 525'-275 (13 3/8" shoe,T. Salt) WOC Tag. 6. Spot 20sx cement plug from 115'-surface (surface) WOC Tag. 7. Install dry hole marker. NOTE: If circulation is attained when perforating at 2,800' between the 5 1/2"x8 5/8", then 5 1/2" casing will be cut and pulled. If casing is pulled, the BLM will be notified of change in procedure prior to proceeding with any cement plugs. 14. Thereby certify that the foregoing is true and correct Name (Printed/Typed) M. Lee Roark Title Agent	SEE ATTA	ACHED FOR				
Name (Printed/Typed) M. Lee Roark Title Agent	 RIH, Tag TOC @ 3,695'. Displaced hole w/MLF, 9.5# Brine w/25# gel P/BBL. Perf 4 holes at 2,800', squeeze 110sx of cement from 2,800'-2,550' (8 5/8 shoe,B. Salt) WOC Tag. Perf 4 holes at 525', squeeze 110sx of cement from 525'-275 (13 3/8" shoe,T. Salt) WOC Tag. Spot 20sx cement plug from 115'-surface (surface) WOC Tag. Install dry hole marker. NOTE: If circulation is attained when perforating at 2,800' between the 5 1/2"x8 5/8", then 5 1/2"x8 5/8". 	ag. 2" casing will be cut and				
	Name (Printed/Typed)					
		01/12/2 0 07 ADDDOVED				

Title

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 day States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

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.

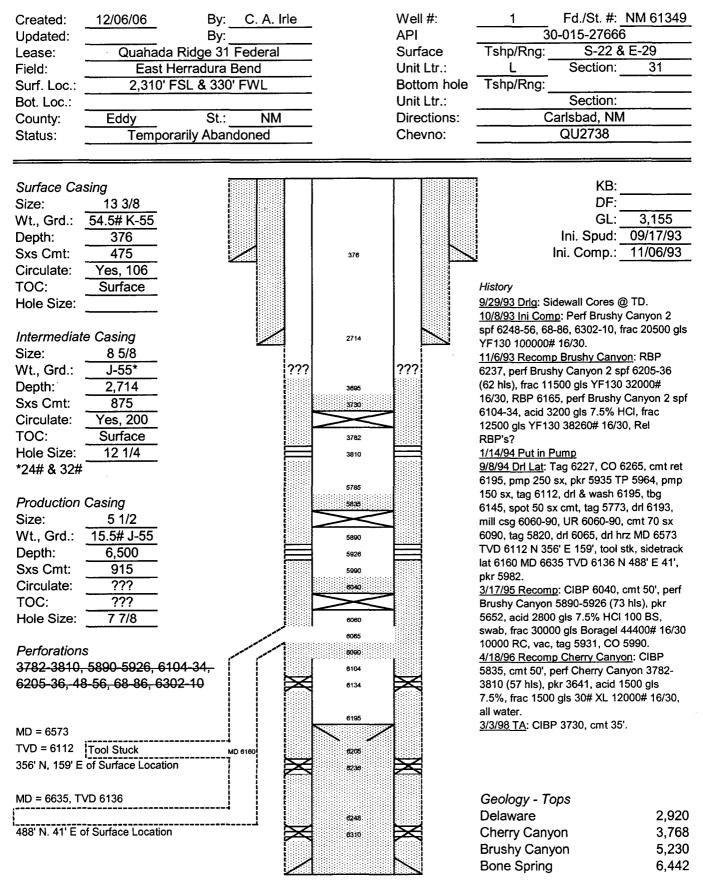
Approved by

WESLEYW. INGRAM

ETROLEUM ENGINEER

PLUGGING & ABANDONMENT WORKSHEET (3 STRING CSNG) OPERATOR Chevron LEASENAME Quahada Ridge 31 Federal WELL 31 225 225 RNG <u>29E</u> 330' WWL SECT TWN 23/0' ES L FROM FORMATION @ TD TD: 6500' MLF 3495' FORMATION @ PBTD PBTD: SIZE SET @ TOC TOC DETERMINED BY 133/84 SURFACE 376 505 CIRC. INTMED 1 27/41 85/8" 506 CIRC TOC SUL INTMED 2 4500' PROD 5 1/2" TOP SIZE BOT TOC DETERMINED B MLF LINER 1 LINER 2 CUT & PULL & TOP - BOTTOM INTMED 1 PERFE INTMED 2 OFERBOLE PROD Perf & Squeeze · REQUIRED PLUGS DISTRICT I PLUG TYPE BACKS DEPTH RUSTLEN (WHITT) PLUG CMNT YATES EXAMPLES QUEEN 71303 1 1 OH 25 SSS 9850" OSAYEURO 50 SXS 8700'-8800' PLUX 0 0 2 SHOE SAN ANDRES runn CIRP/35' 5300 SALL 426' CIRP 25 25/2 5300 B. Salt 2656 4600'-4700' STUB 50 505 PLUD 4 2920' 71.0046 RETNR SQZ 200 803 400 SURF 10 SXS 0.10 PLX017 3768' 1103x 2800'-2550 * runger 00 CHEERLY CARRON 5230 B.SAlt 7.0041 BRUSSY CANYON 10442 \star PLUG # 3 5 hoe 1105x 525-275 COME STREET T. SALL PLUC | 4 Surface 115'-surf 203x MUDES LOBETA TLUD 6 6 -14047 FLID #1 DEDOCARD PLUD ## PLUDS 10 MAIN S PERSON HEART ATOKA TD 6.500

Quahada Ridge 31 Federal #1 Wellbore Diagram



PBTD: 3,695 TD: 6,500

New Mexico Office of the State Engineer POD Reports and Downloads

Township: 235	Range: 29E	Sections:	17
NAD27 X:	Y:	Zone:	Search Radius:
County: ED Basin: Number: Suffix:			
Owner Name: (First) (Last) Onn-Domestic Onnestic			
POD / Surface Data Re	port A	vg Depth to Wa	ter Report Water Column Report
	Clear Form	iWATERS	Menu Help

AVERAGE DEPTH OF WATER REPORT 01/12/2007

(Depth Water in Feet)

 Bsn
 Tws
 Rng
 Sec
 Zone
 X
 Y
 Wells
 Min
 Max
 Avg

 C
 23S
 29E
 17
 1
 65
 65
 65

Record Count: 1

Quahada Ridge 31 Federal #1 Chevron USA Inc Plug and Abandonment Procedure January 25, 2007 Conditions of Approval

Step 1 Ok

Step 2 If TOC is not at 3695 feet, add cement to reach that depth.

Step 3 Ok

Step 4 Plug should be extended to also cover the top of the Delaware at 2920 feet.

Step 5 Ok

Step 6 25 sack cement plug per OCD guidelines

Step 7 Cut off casing per attached COA and install dry hole marker.

WWI 012507

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 505-234-5972

Permanent Abandonment of Federal Wells Conditions of Approval

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 <u>ninety (90)</u> 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.

- 2. <u>Notification:</u> 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 505-627-0272; Eddy County, call 505-234-5972; Lea County, call 505-393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. 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. <u>Mud Requirement:</u> 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 water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: 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. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C", for up to 7,500 feet of depth, mixed at 14.8 lbs/gal with 6.3 gallons of fresh water per sack or class "H", for deeper than 7,500 feet plugs, mixed at 16.4 lbs/gal with 4.3 gallons of fresh water per sack.

- 6. <u>Dry Hole Marker</u>: All casing 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 capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).
- 7. <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and five 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. <u>Trash:</u> 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 conditions of approval will be developed and furnished to you.